



**TO:** Mayor and Council

**FROM:** Rosie Truelove, CLMD Director  
Veronica Briseño Lara, SMBR Director

**THROUGH:** Rudy Garza, Assistant City Manager

**DATE:** April 5, 2011

**SUBJECT:** Small Business Program

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The Small & Minority Business Resources Department (SMBR) and the Contract and Land Management Department (CLMD) are launching a Small Business Enterprise (SBE) program for various construction bid opportunities. The SBE program will be designed for projects with an estimated construction budget of less than \$50,000.00. These projects will be reserved for initial solicitation to certified SBEs. If no certified SBEs respond, the projects will be re-solicited for a more general bidding audience.

The program will be in compliance with State procurement laws, which only require competitive bidding for contracts of \$50,000 and over. The City Charter requires contracts over \$5,000 be awarded to the bid deemed "most advantageous" after an opportunity for "competitive bidding." The language does not prohibit the City from limiting the pool of applicants to small businesses. Therefore, the SBE program for construction projects under \$50,000 can be implemented in accordance with both State law and the City Charter. Additionally, the program will be compliant with the MBE/WBE Procurement Program Ordinances.

In order to qualify for inclusion in the SBE program, a firm, and its affiliates, must meet the Small Business Size Standards for their industry as reflected in the U.S. Small Business Administration's (SBA) Size Standards. The SBA defines a "small business" in terms of the number of employees over the past year, or average annual receipts over the past three years. Size standards vary by industry. In order to participate in the Small Business Program, an applicant must complete an affidavit attesting to firm size or bring documentation supporting firm size to SMBR for review and certification as an SBE.

The contracts that qualify for the SBE program will have few if any subcontracting opportunities. Only contracts that are funded with City of Austin funds (i.e., no federal funding) will be eligible for this program. It is anticipated this program will be used for an average of 15 solicitations annually. Below is a chart with sample projects from 2010.

<b>Project Name (Scope)</b>	<b>Award Amount</b>	<b>Contract Executed</b>
ABIA Terminal Trash Chutes Improvements	\$34,000.00	2/18/2010
Soil Management-Public Safety Training Facility	\$11,775.75	3/26/2010
Ceiling Drop at 812 Springdale Rd	\$12,164.00	4/2/2010
Install New Fire Alarm Panel	\$19,674.00	5/6/2010
Prince Valiant Drive Water Utility Relocation	\$33,095.00	6/8/2010
Utility Connections To Townview And St. Elmo Temporary Const	\$44,875.00	8/27/2010
Central Austin Youth League Concession Renovations	\$18,587.70	12/22/2010

SMBR and CLMD will be providing extensive outreach in the next few months. They are presenting the proposed SBE program to the MBE/WBE Advisory Committee, the MBE/WBE Council Subcommittee, and the Construction Advisory Committee at their April monthly meetings. They will also present to the trade associations, chambers of commerce, and other interested stakeholders. And, both departments will host outreach sessions to discuss the program.

SBE certification will be available beginning in May. All currently certified MBEs and WBEs will be given the opportunity to immediately be certified as an SBE once they add the necessary commodity code to their profile.

The departments will initiate the program on bidding opportunities in July. Once it is initiated both departments will monitor and report on progress monthly.

If you have any questions, please do not hesitate to call Rosie at 974-3064 or Veronica at 974-2156.

CC: MBE/WBE and Small Business Advisory Committee  
 Marc Ott, City Manager  
 Sabine Romero, Law Department