

A G E N D A



Recommendation for Council Action (Purchasing)

Austin City Council	Item ID:	34001	Agenda Number	60.
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Meeting Date:	June 26, 2014
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Department:	Purchasing
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Subject

Authorize award, negotiation, and execution of a 12 month service contract with Cen-Tex Certified Development Corporation, dba BCL of Texas, or one of the other qualified offerors to RFP PAX0115 to provide underwriting services and technical assistance for commercial loan applications to small business owners for the Economic Development Department, in an amount not to exceed \$90,000, with three 12 month extension options in an amount not to exceed \$90,000 for each extension option, for a total contract amount not to exceed \$360,000.

Amount and Source of Funding

Funding in the amount of \$90,000 is available in the Fiscal Year 2013-2014 Operation Budget of the Economic Development Department. Funding extension options is contingent upon available funding in future budgets.

Fiscal Note

A fiscal note is not required.

Purchasing Language:	Best evaluated proposal received.
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Prior Council Action:	
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For More Information:	Sai Xoomsai Purcell, Senior Buyer Specialist, 512-972-4016
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Boards and Commission Action:	
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Related Items:	
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MBE / WBE:	This contract will be awarded in compliance with City Code Chapter 2-9C (Minority-Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this contract.
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Additional Backup Information

This contract with BCL of Texas will support the City's efforts to help small business owners' access capital by providing technical assistance on applying for a loan. Services include assessing clients' readiness to apply for a loan, recommending next steps in applying for a loan, helping the client prepare the loan application, coaching the client on presenting their loan request to bankers, and assisting the client with any revisions to the application requested by the bank.

BCL of Texas will also perform loan underwriting for the Business Retention and Enhancement (BRE) loan program and the micro-loan portion of the Family Business Loan Program (FBLP). The BRE provides low-cost loans to assist small businesses to relocate to, or relocate within, selected areas of downtown. The FBLP provides low-cost loans to small businesses located Citywide that are ready to expand and create jobs.

Small business owners consistently identify access to capital as one of their greatest needs, and the City of Austin helps address this need by providing the following resources:

- One-on-one technical assistance with preparing to apply for a loan
- Two low-cost loan programs that help established businesses expand and create jobs, the Business Retention and Enhancement (BRE) Loan Program and the Family Business Loan Program (FBLP)

The contract's annual performance targets are as follows:

- Provide a minimum of 600 hours of technical assistance and loan underwriting.
- Assist clients with the completion or revision of at least 15 loan packages.
- Contribute to the establishment of at least five new businesses, fifteen new jobs, and the expansion or productive growth of at least seven existing businesses.
- 90% of clients must report that they were satisfied with the service they received.

The staff evaluation panel reviewed the proposals submitted for this solicitation, and the members recommended BCL of Texas as the best proposal based upon the following categories: 1) strength of their proposal and conceptual understanding of the project; 2) strength of their applicable experience; 3) strength of their personnel qualifications; 4) strength of their work plan for delivering services; and, 5) strength of their responses in the interview.

This request allows for the development of an agreement with a qualified offeror that Council selects. If the City is unsuccessful in negotiating a satisfactory agreement with the selected offeror, negotiations will cease with that provider. Staff will return to Council so that Council may select another qualified offeror and authorize contract negotiations with this provider.

MBE/WBE solicited: 29/15

WBE/WBE bid: 0/0

PRICE ANALYSIS

- a. Adequate competition.
- b. Five hundred ninety-four notices were sent including 29 MBEs and 15 WBEs. Three proposals were received. The MBEs and WBEs did not respond. .
- c. This is the first contract that combines technical assistance with loan under writing. The prior contract focused solely on technical assistance; therefore, an adequate price comparison isn't available.

APPROVAL JUSTIFICATION

- a. Best evaluated proposal
- b. The Purchasing Office concurs with the Economic Development Department's recommended award.
- c. Advertised in the Austin American Statesman and on the Internet.