



**VENDOR
ACADEMY**

Local Preference and Small Business Procurement Programs – Pilot of Enhancements

Adriana Ybarra | Procurement Supervisor

Learning Objectives

At the end of this class, participants can expect to understand:

- Background behind the pilot of enhancements to the *Local Preference* and *Small Business* programs
- Piloted changes to these programs
- Preference amounts and conditions



Agenda



- Background
- Pilot of Program Enhancements
- Local Business Preference Program
- Small Business Program
- Summary and Resources
- Questions

Background – Disparity Study

- In 2020, a Disparity Study was conducted to review the City's Minority-Owned Business Enterprise (MBE)/Women-Owned Business Enterprise (WBE) Program.
- Council adopted the Disparity Study in November 2022 and provided direction for City staff to:
 - Explore race/gender neutral programs that would also benefit MBE/WBE firms.
 - Include local preference and small businesses in the review.
 - Align implementation of any new program or revisions with changes to the City's MBE/WBE program.



Background – Stakeholder Engagement



- Engaged with:
 - Asian Contractors Association
 - Audit and Finance Committee
 - Austin Asian Chamber
 - Austin Black Contractors Association
 - Austin Chamber of Commerce
 - Austin LGBT Chamber of Commerce
 - Greater Austin Hispanic Chamber of Commerce
 - Local Business Stakeholders, meeting (various)
 - US Hispanic Contractors Association
- Surveyed trade associations, chambers, and similar entities.
- Conducted research into similar programs with other governmental entities.

Background – Stakeholder Feedback

Feedback from Meetings and Survey

- Changes should not negatively impact existing MBE/WBE Program
- Maintain Local Preference and Small Business Programs separately
- Equal priority for Local Preference and Small Business
- Include preference for Local and Small subcontractors (if possible)
- Small status based on SBA-Small Size Standard
- Local status based on Greater Austin
- Local status based on Headquarters
- Explore future enhancements to identify Local firms (certification)



Program Enhancements

2-Year Pilot Period (10/01/2023 – 09/30/2025)

- Revised and streamlined criteria
- Mirror preference amounts and conditions
- Expanded Small Business status based on the US Small Business Administration's small size standard
- Monitor and assess the programs performance during pilot period
- Assess programs performance before final implementation

Redefining “Local”

What is Local?

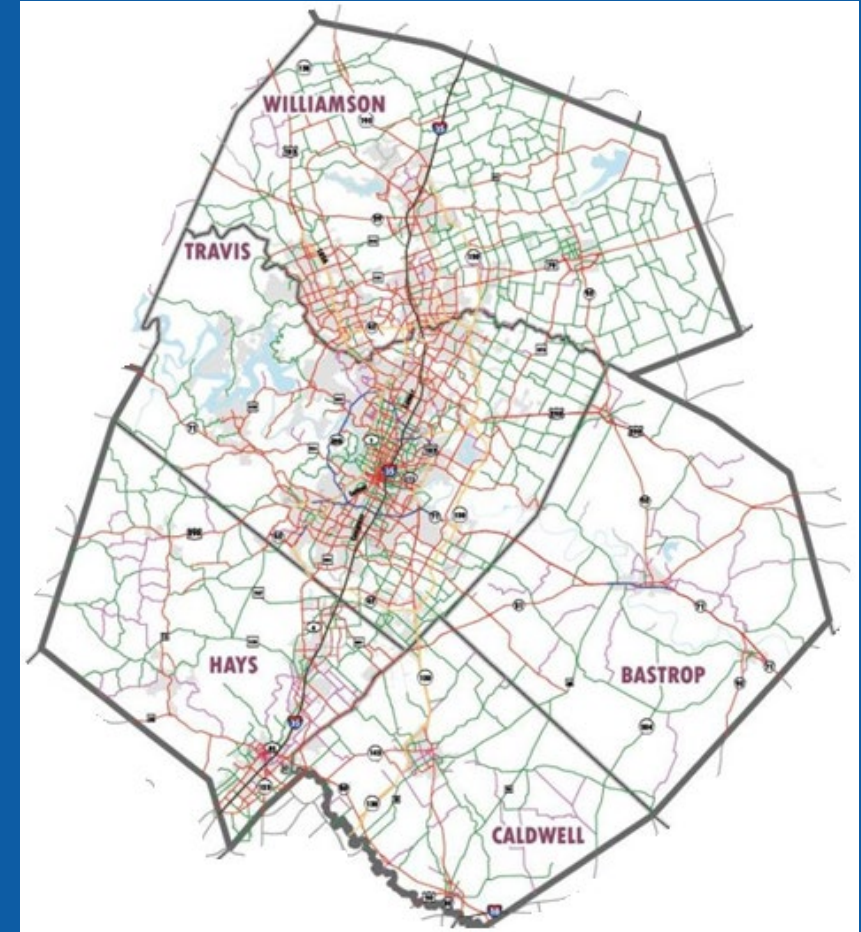
- Pre-Pilot: Headquarters or Branch Office in the Local Area
- During Pilot: **Headquarters located within the Local Area**

Where is the Local Area?

- Pre-Pilot: Full Purpose Jurisdiction of Austin
- During Pilot: **Austin-Round Rock-San Marcos Metropolitan Statistical Area (MSA)**

Does Local Preference apply to Subcontractors?

- Pre-Pilot: Goods and Services only
- During Pilot: **Limited to Primes during pilot period**



Amounts & Conditions

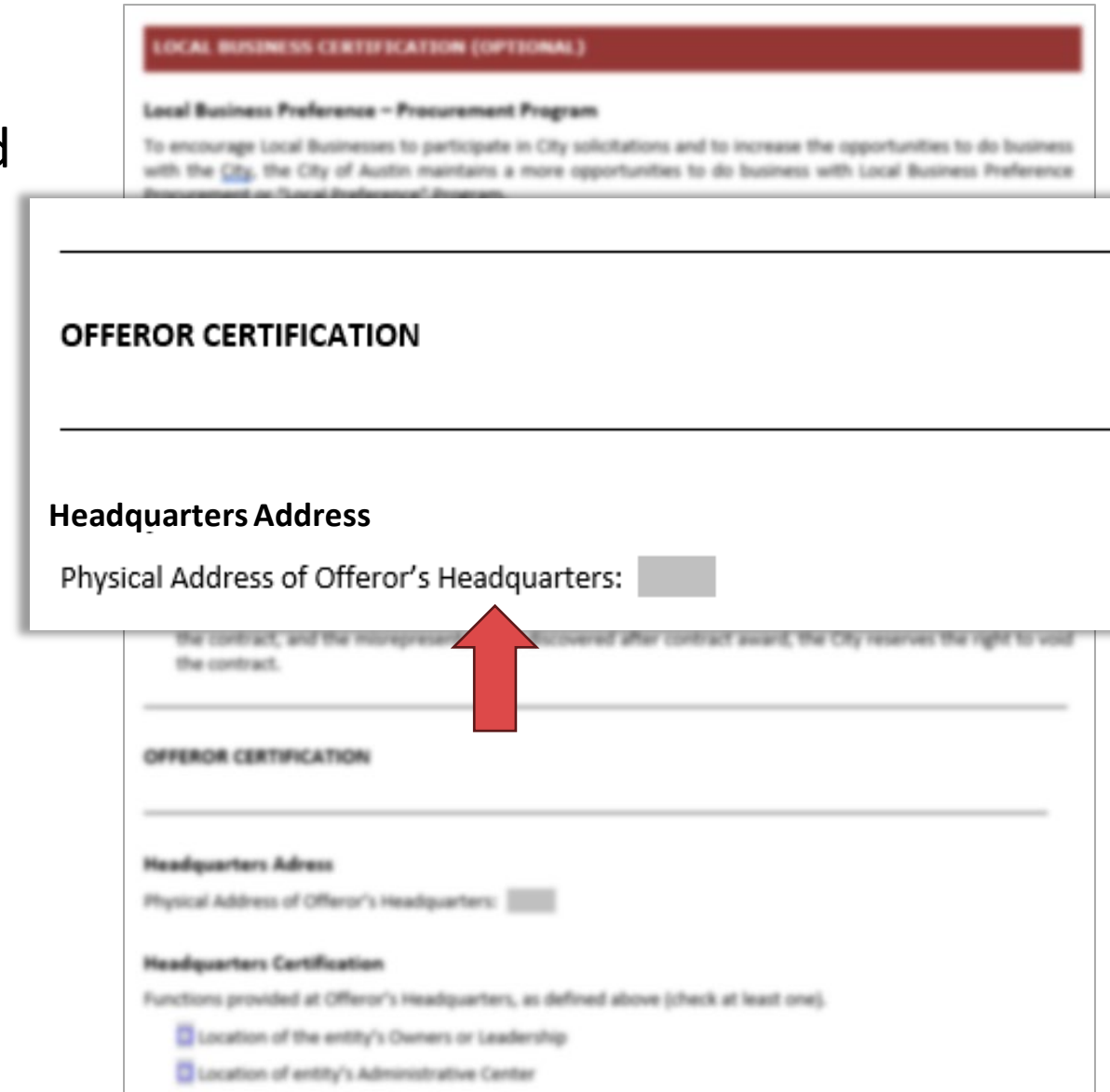
Local Business Preference Program

Solicitation Amounts	Invitation for Bid		Request for Proposal	
	OLD	NEW	OLD	NEW
\$50K - \$100K	3-5%	5%	5-10 pts	10 pts
\$100K - \$500K	3%	5%	10 pts	10 pts
\$500K - \$50M	3%	3%	10 pts	6 pts
Above \$50M	3%	0%	0 pts	0 pts

- Applies to:
 - General Goods and Services \$50K - \$50M
 - Construction \$50K - \$100K
 - Qualifying Invitation for Bid and Request for Proposal Solicitations
- Does **NOT** apply to Professional Services Contracts

Local Business Certification

- Local Business Certification Form (included in solicitation documents)
- Offeror's headquarters will be verified through:
 - Texas Comptroller of Public Accounts
 - Federal Financial Institutions Examination Council's (FFIEC)



LOCAL BUSINESS CERTIFICATION (OPTIONAL)

Local Business Preference – Procurement Program

To encourage Local Businesses to participate in City solicitations and to increase the opportunities to do business with the City, the City of Austin maintains a more opportunities to do business with Local Business Preference Procurement or "Local Preference" program.

OFFEROR CERTIFICATION

Headquarters Address

Physical Address of Offeror's Headquarters:

the contract, and the municipality covered after contract award, the City reserves the right to void the contract.

OFFEROR CERTIFICATION

Headquarters Address

Physical Address of Offeror's Headquarters:

Headquarters Certification

Functions provided at Offeror's Headquarters, as defined above (check at least one).

Location of the entity's Owners or Leadership

Location of entity's Administrative Center

Defining “Small” - City

- Definition: Any person or corporate entity holding a recognized certification that includes compliance with the US Small Business Administration’s Small Business Size Standard.
- City of Austin Certifications recognized:
 - Minority-owned Business Enterprise (MBE)
 - Woman-owned Business Enterprise (WBE)
 - Small Business Enterprise (SBE)



Note: No changes were made.

Defining “Small” - State

- State Certifications recognized prior to enhancements:
 - Historically Underutilized Business (HUB)
- State Certifications recognized with enhancements:
 - Historically Underutilized Business (HUB)
 - Small Business Enterprise (SBE)



Defining “Small” - Federal

- Federal Certifications Recognized Prior to Enhancements:
 - Disadvantaged Business Enterprise (DBE)
- Federal Certifications Recognized with Enhancements:
 - Disadvantaged Business Enterprise (DBE)
 - Economically Disadvantaged Women-owned Small Business (EDWSB)
 - Veteran-Owned Small Business (VOSB)
 - Service-disabled Veteran-owned Business (SDVOB)*
 - Airport Concession Disadvantaged Business Enterprise (ACDBE)



Note: The City’s Service-Disabled Veteran Business Enterprise (SDVBE) Program was retired due to Federal Certification recognition.

Amounts & Conditions

Small Business Program

Solicitation Amounts	Invitation for Bid		Request for Proposal	
	OLD	NEW	OLD	NEW
\$50K - \$100K	N/A	5%	N/A	10 pts
\$100K - \$500K	N/A	5%	N/A	10 pts
\$500K - \$50M	N/A	3%	N/A	6 pts
Above \$50M	N/A	0%	N/A	0 pts

- Applies to:
 - General Goods and Services \$50K - \$50M
 - Applies to Construction \$50K - \$100K
 - Applies to qualifying Invitation for Bid and Request for Proposal Solicitations
- Does NOT apply to Professional Service Contracts

Small Business Certification

- Small Business Certification Form
- Verification of Certification

SMALL BUSINESS CERTIFICATION (OPTIONAL)

Small Business Preference – Procurement Program

To encourage Small Businesses to participate in City solicitations and to increase the opportunities to do business with the City, the City of Austin maintains a Small Business Preference Procurement or “Small Business” Program.

1. **Instructions.** Offerors meeting the following criteria are encouraged to complete this form and include it with their Offer.
 - 1.1. **Small Business.** The City defines Small Businesses as any person or corporate entity holding a recognized Certification that, among the Certification’s requirements, includes compliance with the US Small Business Administration’s Small Business Size Standard.
 - 1.2. **Certification Recognized.** At this time, the City recognizes the following Certifications in determining a Small Business for purposes of this program. (see Austin Finance Online: https://financeonline.austintexas.gov/afu/afu_content.cfm?c=13&p=148)
2. **Confirmation.** The City may request additional information to confirm the Offeror’s Certification and status, including contacting the certifying entity.
3. **Misrepresentation.** If the City determines any of the Offeror’s information regarding their Certification is incorrect, the City may withhold any available preference. If the City determines the error was intentional, the City may disqualify the Offeror from any resulting contract as being non-responsible. If the Offeror is awarded the contract, and the misrepresentation is discovered after contract award, the City reserves the right to void the contract.

Recognized Certification, including Small Business Size Standard

Certifying Entity:

Certification Name (ACRONYM):

Certification Number:

Certification Expiration Date:

Certification Number:

Certification Expiration Date:



Invitation to Bid

Total Bid Value (Aggregate)	Local Business Discount (As Much As)	Small Business Discount (As Much As)	If Both Discounts Apply (As Much As)
\$50,000 to \$499,999	5%	5%	10%
\$500,000 to \$50M	3%	3%	6%

- Local and Small Business Preference Programs will be applied separately.
- Each bid price submitted by a Local and/or Small Business will be discounted as much as the percentages in the table above.

Request for Proposals

RFP Evaluation Factors	Maximum Points
[CRITERION 1]	[POINTS]
[CRITERION 2]	[POINTS]
[CRITERION 3]	[POINTS]
Price	[POINTS]
Local Business Preference	Up to 10
Small Business Preference	Up to 10
Total	Up to 100

- Evaluation Factors - the City includes consideration of the Offeror's Local and Small Business status when determining contract award.
- Local and Small Business Preferences are applied separately.

Summary and Resources

- 2022 Disparity Study prompted the City to review its Local Preference and Small Business Programs.
- Pilot of Enhancements to these programs will run from October 1, 2023, through September 30, 2025.
- The program criteria, preference amounts and conditions presented in this presentation are available on Austin Finance Online.



<https://financeonline.austintexas.gov/>

Questions

Local Preference and Small Business Procurement Programs – Pilot of Enhancements

For more information contact:

Adriana Ybarra

FSDProcurementProgramCommunications@austintexas.gov

Vendor Academy
January 24, 2024



VENDOR
ACADEMY



AFO-Policies and Programs