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# Supply SA Procurement Playbook

## A Roadmap to a More Inclusive Procurement Economy in San Antonio

November 2022 – Short version

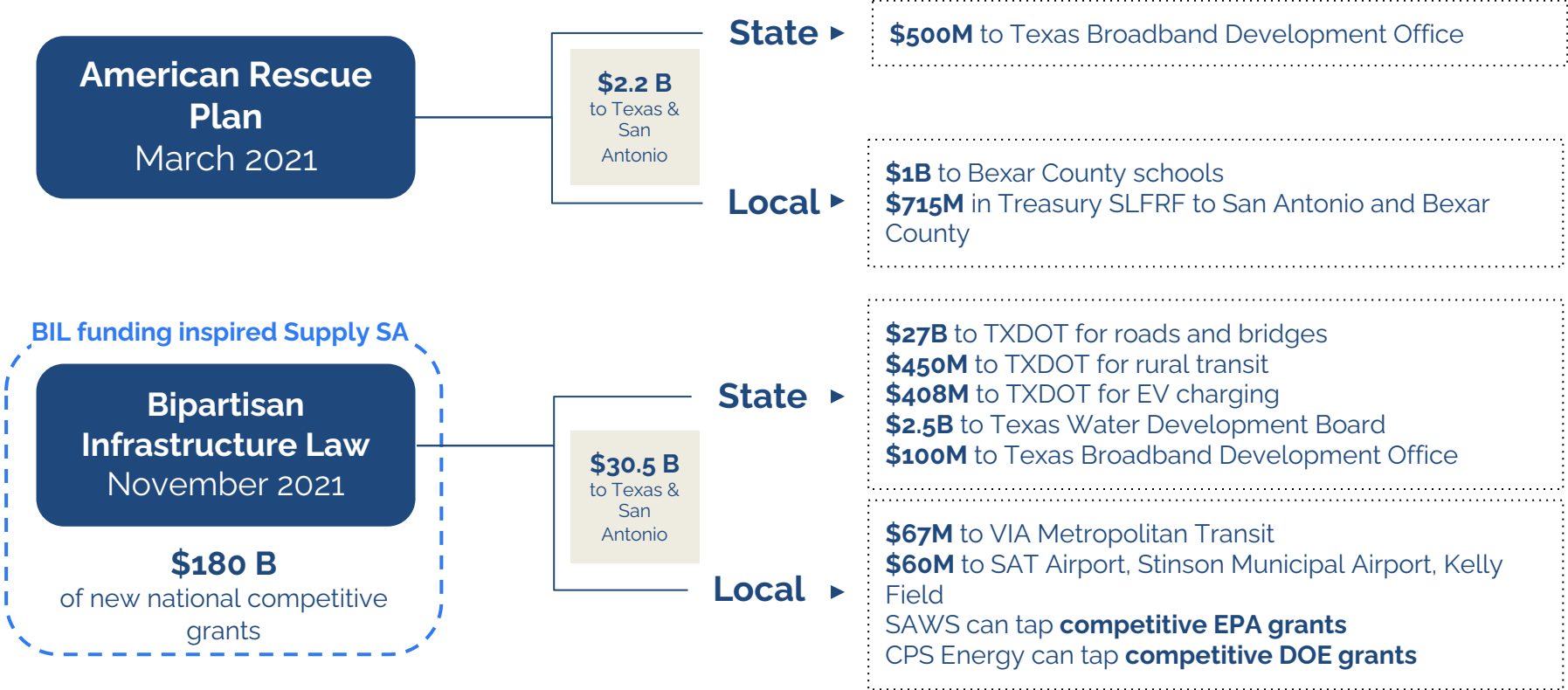
Note: This deck is accompanied by an Executive Summary and a Discovery Deck



# Supply SA Executive Summary

- \$30.5B is flowing to Texas & San Antonio through the Bipartisan Infrastructure Law. This will add to a baseline of ~\$9B in procurement spending for San Antonio (2021), coming from federal (\$3.9B), state (\$0.9B), and local (\$4.2B) agencies.
- During 2021, only ~15%/20% of procurement spending in San Antonio went to Latino and Black-owned firms. The federal government is taking action to create contracting opportunities for minority suppliers through the BIL, and we believe state and local stakeholders can do more to develop their local Latino- and Black-owned businesses.
- Supply SA is a *Procurement Playbook* for transforming the local procurement economy and tapping into this unprecedented opportunity to grow diverse suppliers.
- Meeting this moment locally requires addressing three key challenges. Through research, interviews, and workshops we identified 6 actions local leaders can take for unlocking the San Antonio procurement economy:
  - ◆ **Procurement is deeply fragmented across local governments and public authorities**, imposing burdens on enterprises and entrepreneurs. We propose addressing fragmentation by creating a **(1) Procurement Innovation Council with a Committee on Procurement Practices Transformation**, a **(2) Common Vendor Portal**, and a **(3) Procurement Service Center**.
  - ◆ **Supplier diversity is mostly treated as a compliance exercise**, but growing firms requires an economic development focus, in collaboration with the small business ecosystem. We propose growing minority firms to take on larger contracts through a **(4) Procurement Academy** and a **(5) Procurement Fellowship**.
  - ◆ **Suppliers do not have access to fit-purpose financial products** that enable firms to access bonding and capital to grow staff, buy equipment, and take on larger contracts. We propose integrating capital into the procurement system and fundraising for a **(6) Bond Collateral Pool** to ensure firms have access to bonding support to take on larger contracts.

# Procurement, why now? The historic influx of federal funds available in Texas and San Antonio provides an opportunity to hire local minority firms to complete projects



Source: White House Texas IIJA Fact Sheet, DOT, Treasury.

# The San Antonio procurement economy accounts for more than \$9B, yet agencies spend less than 20% on Latino and Black-owned firms in the region



**\$ 9 B in baseline procurement spending, to grow with the BIL**

In 2021, federal (\$3.9B), state (\$0.9B), and local (\$4.2B) agencies spent over ~\$9B on goods and services in San Antonio. The \$30.5B flowing to Texas & San Antonio through the BIL will increase this spending (e.g., \$5.5B in new funding for TXDOT, FY 22-26).



**~15% to 20% of procurement spending goes to Latino- and Black-owned firms**

Only \$504M out of the \$3.3B spent by 13 agencies went to Latino- and Black-owned firms in 2021 (14.8%). As for federal contracts, \$792M went to Latino and Black-owned firms located in San Antonio (19.7%). These figures fall short compared to both the diversity of the region's available firms and population.



**The federal government is taking action to support minority suppliers**

The federal government is taking action to create contracting opportunities for minority suppliers through the BIL (e.g., in August 2022 the SBA announced simplifications to their Surety Bond Guarantee program intended to help small local contractors competing on BIL projects, and the Minority Business Development Agency awarded \$2.6M in grants to increase staffing at 26 MBDA Business Centers).

**We believe state and local stakeholders *can do more* to develop diverse suppliers in their region and help them successfully bid on and win public contracts.**

# Supply SA is a Procurement Playbook for unlocking the procurement economy and growing Latino and Black-owned businesses

## Supply SA

*A roadmap for reimagining the local procurement economy as a market-making exercise focused on growing and developing Latino- and Black-owned firms through integrated ecosystems and capital integration.*

## Local agencies worked with

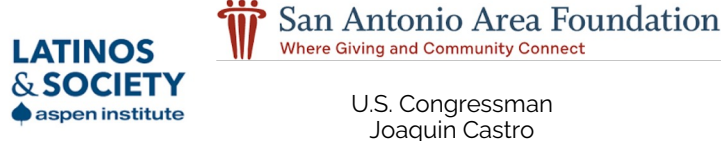


**40+ interviews** with local ESOs, capital providers, federally-funded agencies, and business owners

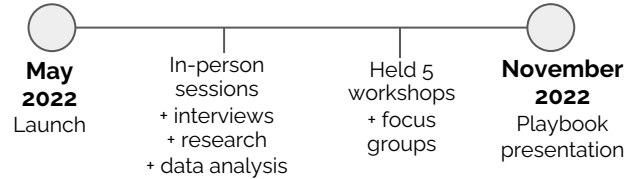
## Research Team







## Our Partners/Funders



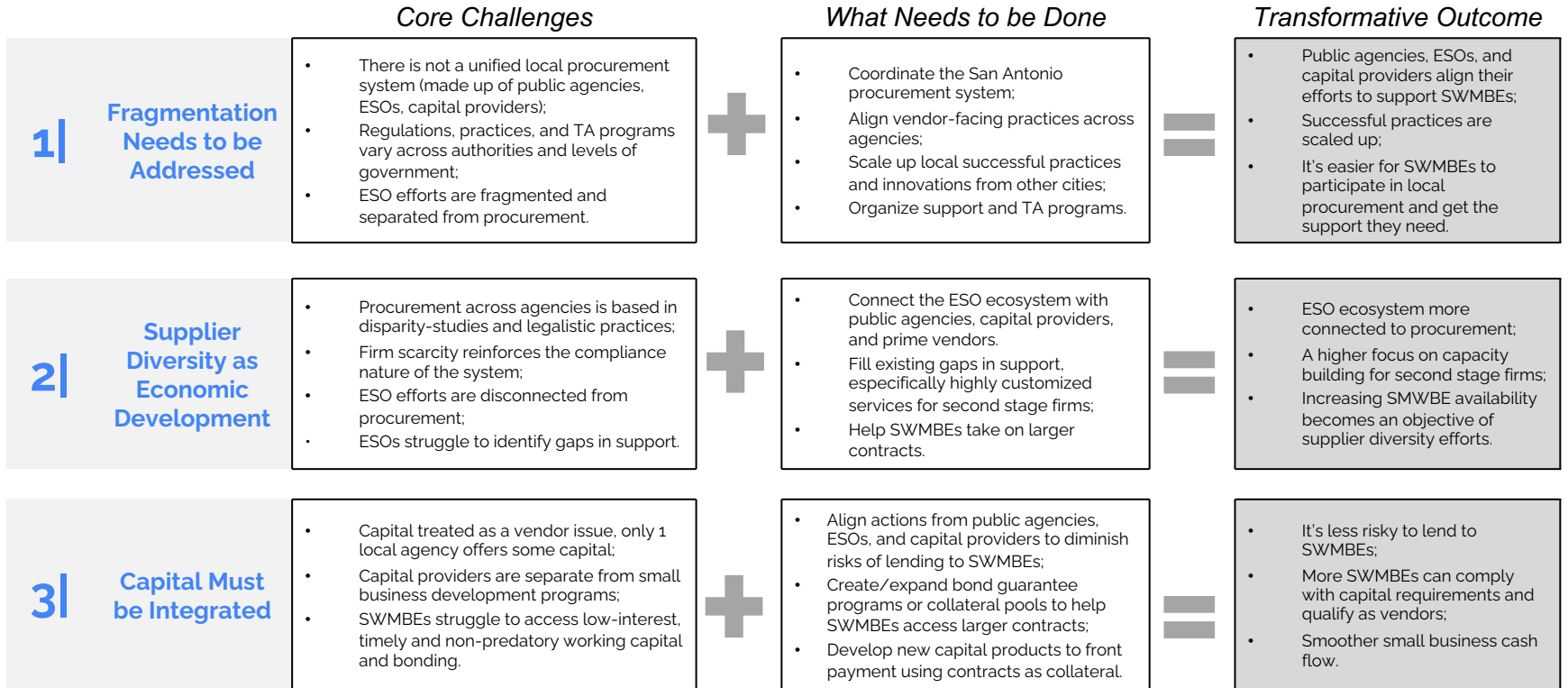
## Our Project Timeline



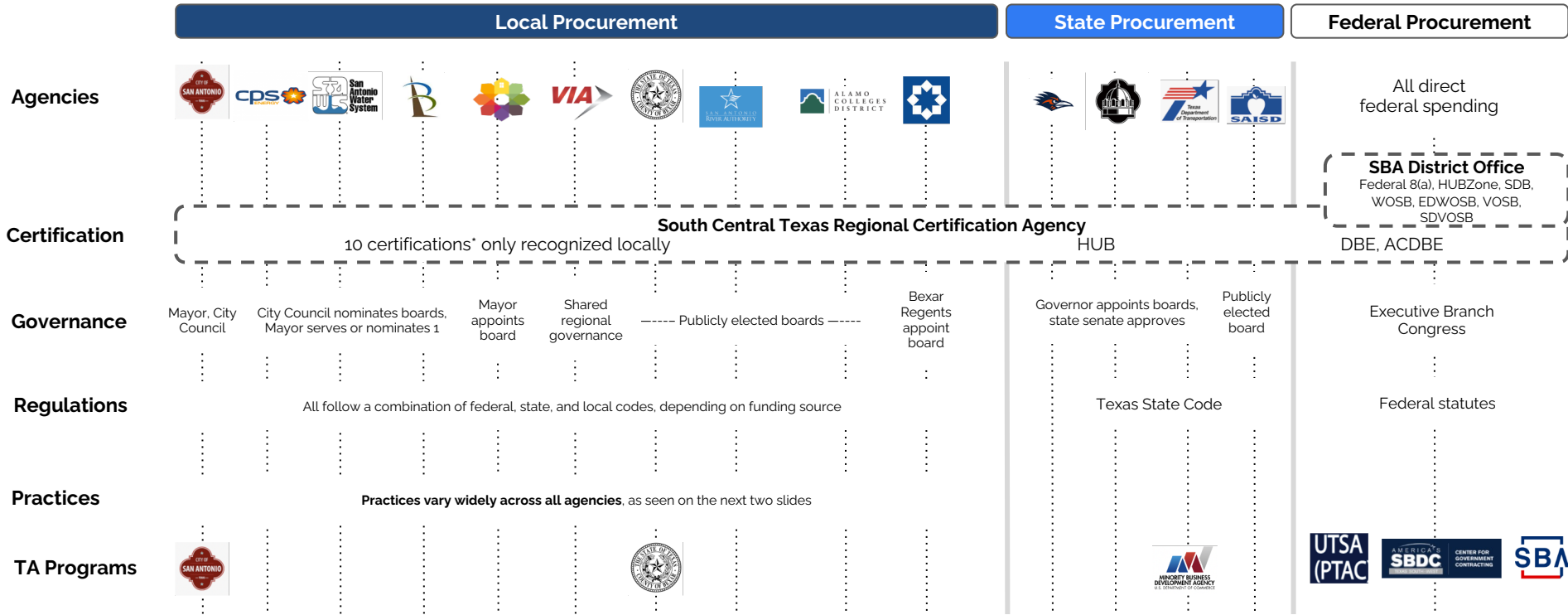
# Part of the challenge is that there is a lack of availability of diverse firms — especially in certain sectors — and available firms don't have the capacity to get the largest contracts

		<i>Availability</i>	<i>Capacity to take on large contracts</i>	
	<i>Construction</i>	<b>Relatively large availability</b> (30% LOBs and 2% BOBs).	<b>Only 3 LOBs</b> among the 20 largest SA vendors in construction. <b>Capital</b> is a <b>big barrier</b> for contractors <b>to perform as primes</b> or <b>take more contracts</b> .	<i>"Capacity and availability are so important. What it takes to grow these firms?. How do we get them in the right industry? We don't buy what they sell." - Procurement official</i>
	<i>Professional Services</i>	<b>Lower availability for the city</b> than the county (22% vs 30% LOBs). <b>Agencies struggle</b> to find <b>SWMBEs</b> in <b>more sophisticated industries</b> or those that require <b>sector-specific certifications</b> (e.g., software, engineering svcs., auditing.)	They are <b>mostly subs</b> . Only 1 SMWBE in this category (Asian-owned business) is among the largest non-construction vendors in SA.	<i>"In some cases, we are all competing for the same SMWBE vendors." - Procurement official</i>
	<i>Other Services</i>	<b>Lower availability of LOBs for the county</b> than the city (15% vs 32% LOBs).	This is the category with the <b>largest subrepresentation of SWMBEs</b> among <b>primes</b> . SWMBEs tend to be subs, with even lower margins than the sector average (already low).	<i>"Need to have targeted efforts around construction, professional services, goods and supplies. Their needs are different (staffing, cash flow, purchasers, the structure of contracts)." - SWBME vendor</i>
	<i>Goods &amp; Supplies</i>	<b>Lower availability of LOBs for the city</b> than for the county (23% vs 27% LOBs). <b>Lack of SMWBEs</b> for <b>more specific/complex purchases</b> (e.g., chemicals).	They are <b>mostly subs</b> . Among the 10 largest vendors in SA for this category, 2 are Women-owned firms and 1 is a LOB.	

# Achieving transformative outcomes in San Antonio requires reimagining business diversity by addressing three core challenges



# Addressing fragmentation: Rules governing procurement are deeply fragmented across authorities and levels of government: regulations, practices and TA programs vary



**Note:** Texas Education Code chapter 44, subchapter B (Chapter 44) [governs](#) school district purchasing generally. Texas Government Code chapter 226g addresses construction projects. SAISD gets 1/3 of it's [annual budget](#) from the state. (\*) [SCTRCA](#). **Source:** Nowak Metro Finance Lab (2022) for Supply San Antonio.



# Addressing fragmentation: fragmented practices across local agencies create a complicated experience for SWMBEs and limit ESOs' and capital providers' efforts

We surveyed the 13 agencies on use of over a dozen practices, with mixed results. The chart below illustrates the lack of uniformity across 12 dimensions:

Local Procurement													
Agency													
<b>Supplier Diversity Practices</b>													
Preference points	✓	✓	✓	✗	✓	✗	□	□	✗	✗	□	□	✗
Unbundle contracts	✗	□	✓	✗	✗	✓	□	□	✗	✗	□	✗	□
Conduct disparity studies	✓	✗	✓	✗	✓	✓	✓	✗	✗	✗	✓	✓	□
Aspirational goals	✗	✓	✓	✓	✓	✗	✗	✗	✓	✗	✓	✓	✓
Subcontracting goals	✓	✓	✓	✓	✗	✓	□	□	□	✗	✓	✓	✓
<b>Vendor-Facing Practices</b>													
Independent vendor portal	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	□	□	✓
Conduct vendor outreach	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Use NAICS industry codes	✗	✗	✓	✓	✓	✓	□	✗	✓	✓	✓	✓	✓
<b>Data, Reporting &amp; Transparency Practices</b>													
Report SWMBE spending	✓	✓	□	□	✗	✓	✓	✓	✓	✓	✓	✓	✗
Publish purchasing forecast	✓	✗	✓	✗	✗	✓	□	✗	✗	✓	✗	✗	✗
Public vendor directory	✓	✓	□	✗	✗	□	□	✗	✗	✗	✓	✓	✗
Track subcontractor data	✓	✗	✓	✓	✗	✓	□	✓	✓	□	✓	✓	□

✓ practice/process being implemented    
 □ similar practice/process being implemented    
 ✗ practice/process not being implemented

## Fragmentation in Supplier Diversity Practices

- Distinct supplier diversity actions and evaluation criteria obscure SWMBEs' experience;
- *Lack of a common criteria for setting realistic, ambitious and pertinent targets.*

## Fragmentation in Vendor-Facing Practices

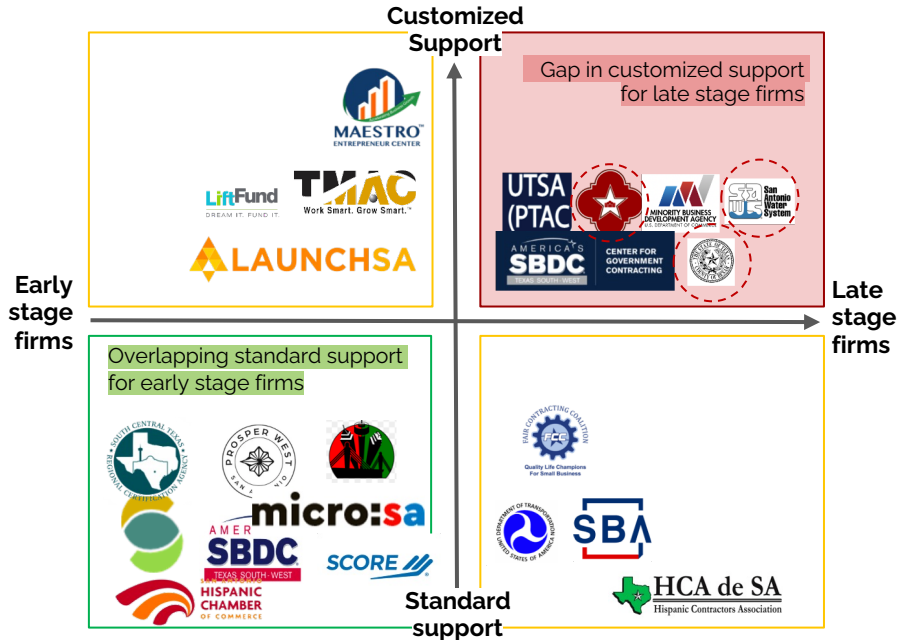
- *13 independent registration portals, imposing a burden on small firms (that lack the capacity to do several registrations) and limiting their exposure to opportunities;*
- *~50% of the information they ask for is the same;*
- *Lack of a unique inventory of vendors that limits outreach efforts for public agencies.*

## Fragmentation in Reporting & Transparency

- *Lack of a common standard for spend reporting limits data interoperability, peer-to-peer accountability, and TA and capital integration;*
- *Non-available purchasing forecasts limits market-making (e.g., ESOs don't know what type of firms they should support; for when they know, it's too late).*

# Procurement is not treated as economic development: only 3 agencies have a vendor development program, and TA concentrates on standard services for early stage firms

## Vendor Development Programs & Entrepreneurial Support Organizations in San Antonio\*



---- Agencies with vendor development programs

We interviewed 15+ local ESOs, federally-funded centers, and TA providers in San Antonio. Key findings include:

- Five SA-based entities already offer TA specifically on federal, state, and local procurement\*\*, *but* there are programming gaps;
- UTSA programs serve companies throughout the U.S. and Texas, *but* main focus is federal and state; TA is less focused on unique local purchasers, SAISD, SAWS, CPS Energy, etc;
- Bond readiness education and coaching for second stage firms not widely available;
- TA for the execution of contracts is limited.

**Note:** (\*) 16+ ESOs in San Antonio supporting ~46k firms per year. (\*\*) UTSA PTAC (DOD); UTSA MBDA Business Center (Commerce); UTSA SBDC Center on Government Contracting (SBA); COSA Small Business Bootcamp and Bonding Readiness Program; Bexar County USDOT Bonding Education Program. **Source:** Nowak Metro Finance Lab (2022) for Supply San Antonio.

# Capital is disconnected from procurement: those issuing grants & loans are separate from business development programs, and SWMBEs struggle to access fit-to-purpose capital

The chart below presents the main capital barriers for SWMBEs to participate in procurement, identified through 4 sessions with business owners, 1 with capital providers, and 10+ interviews:

	Bid, performance & payment bonds*	Loans for working capital**	
Capacity challenges	<b>Bonding requirements</b> themselves are a <b>barrier</b> , but so is the <b>inability to secure</b> bonding. <b>Cash flow</b> is more challenging for SWMBEs, <i>but</i> only COSA has a Bonding Capacity Program.	<b>Agencies can take as long as 90 days after work is completed to pay</b> contractor invoices, <i>and</i> SWMBEs are left to fend for themselves. They don't always qualify for loans and are charged higher rates.***	<i>"I've been in business for 16 years and I still struggle to get a line of credit because I am perceived as high-risk." - SWMBE contractor</i>
Educational challenges	SBA announced simplifications to their Surety Bond Guarantee program to help small local contractors, <i>but</i> <b>insurance companies</b> and <b>local vendors lack knowledge</b> on these types of products.	Small businesses and procurement specialists <b>lack knowledge of existing loan products</b> and resources available.	<i>"SBA program is great, but too few people know about it. [...] I had to take my insurer to a course to learn about it." - SWMBE contractor</i>
Coordination challenges	<b>Bonding education and capital</b> need to be available for SWMBEs planning to bid, <i>but</i> this demands <b>mechanisms for coordination</b> between TA providers, insurers, and public agencies that don't currently exist.	Lending before invoicing requires lenders (e.g., CDFIs) to have some kind of <b>public assurance</b> from agencies that granted a contract, <i>yet</i> this type of information is <b>not easily accessible</b> .	<i>"We tried to front payment for contractors, but data on contracts awarded is hard to access and we lack assurance." - Lender</i>

**Notes:** (\*) For bidding, public agencies require firms to have a bid bond (a guarantee that a winning bidder will take up the contract as per the terms at which they bid). (\*\*) After winning a contract and before being paid, firms need to access working capital for completion of work before payment. SWMBEs have less cash flow and need to take on loans. (\*\*\*) Only COSA grants 20/25 loans up to \$50k a year at 0% interest for small businesses (in partnership with Lift Fund), but it is only for COSA's vendors. **Source:** Nowak Metro Finance Lab (2022) for Supply San Antonio.

# A Procurement Innovation Council could function as a governance structure for procurement and supplier development efforts across San Antonio

The CEOs Procurement Meeting will be convened by Mayor, County Judge, and Henry Cisneros, and will organize the creation of an *Accountability Council* and a *Procurement Innovation Council*:

- **CEOs Working Group:** Mayor, County Judge, Henry Cisneros, and CEOs of thirteen local agencies
- **Accountability Council:** Mayor, County Judge, Congressman Joaquin Castro, State Rep. Barbara Gervin-Hawkins
- **Procurement Innovation Council:** Procurement officers and SWMBE specialists from the thirteen agencies, small business advocacy organizations, and small business owners. Includes three sub-committees, led by chairs:
  - ◆ (1) Procurement Practices Transformation
  - ◆ (2) Supplier Development
  - ◆ (3) Capital & Bonding Innovations

**Model:** Birmingham's Inclusive Procurement Council is a collaborative of 12 private companies based locally, managed by the Birmingham Business Alliance and funded by Prosper Birmingham. They meet monthly to discuss best practices and host four small businesses per month that pitch their goods and services and build relationships with buyers. Volunteer committees helped launch their new Supplier Scale and TeamUp programs and currently direct programming,

# A Procurement Innovation Council would serve as a dedicated delivery team to upgrade the San Antonio procurement system

Procurement Innovation Council → Key challenges to tackle: → Core Initiatives to promote:

Made of procurement officers and SWMBE specialists from the thirteen agencies, small business advocacy organizations, and small business owners.

**Ideally governed by an MOU.**

**Meet monthly** to establish priorities, set goals, and monitor progress (*Accountability Council*) to tackle key challenges to upgrade the San Antonio procurement system.

1|

**Fragmentation Needs to be Addressed**

2|

**Supplier Diversity as Economic Development**

3|

**Capital Must be Integrated**

**Committee on Procurement Practices Transformation**, to scale up local successful practices and explore the creation of a **Common Vendor Portal**, to diminish the burden for firms and create a common vendor list for outreach efforts.  
Create a **Procurement Service Center** to centralize and coordinate existing TA support in the ESO ecosystem

**Supplier Development Committee** to guide the creation of a **Procurement Academy** to fill the existing gaps, specifically highly customized services for second stage firms, and a **Procurement Fellowship**, to help second stage firms take on larger contracts (among other supplier development efforts).

**Capital & Bonding Innovations Committee** to explore the creation of a **cross-agency Bond Collateral Pool**, to reduce asset thresholds for bonding capacity in construction, as well as workable SCF product models.

# #1. Committee on Procurement Practices Transformation

## Overview

A **committee for public entities** in San Antonio to meet on a regular basis and identify opportunities to reduce cross-agency fragmentation, level-up best practices, draw from best innovations, and collaborate on implementing solutions (e.g., standard for data reporting, forecasting and de-bundling).

It should be oriented towards easing the experience for SWMBE suppliers and complementing ESO's and capital providers efforts. The committee would also explore the creation of a Common Vendor Portal. Cross-agency implementation is important to reduce capacity constraints, especially in agencies with lower budgets.

*"Transparent information on past contracts awarded gives small firms market intelligence on who they're trying to compete with." - SWMBE vendor*

*"The technology could help save time and make it easier for small firms to bid (e.g., create a template for you, and you only fill it in according to what they ask.)" - SWMBE vendor*

## Costs

Mostly operating expenses:

- Staffing Costs: ~\$200k per year
- Consulting support: ~\$100k per year

## Expected impact

- Agencies have access to a venue for leveling-up successful practices and knowledge-sharing;
- More standardized procurement practices across agencies;
- SWMBEs benefit from more user-friendly, uniform procurement processes in San Antonio.

## Next Steps

- ID host organization and agency staff to participate;
- Establish governance structure;
- Hire 2 staff program managers;
- ID fragmented practices and TA the agencies wish to address;
- Prioritize supporting cross-agency implementation, especially for agencies with less capacity.

## Practices to Scale Up

Examples of practices to scale include:

- Access: simplified RFP language, common standards for data reporting, unbundling;
- Capacity: e.g., Memphis's [prompt payment initiative](#);
- Competitiveness: e.g., COSA's assistance with capital; 'each one teach one' models (primes as mentors).

## #2. San Antonio Common Vendor Portal

### Overview

A **common vendor registration portal** that enable firms to register simultaneously as vendors for several entities and allow entities to access a complete list of vendors.

Most of these systems are now offered in a SaaS - Software as a Service - model where the fees are annual with no one-time fee. Buy-in from several agencies could reduce the individual cost, especially important for agencies with lower budgets.

For this effort to pay off, local agencies with the largest spending (and number of vendors) should participate.

*"A common vendor list would be a big win. We'll pull commodity codes and do outreach. A robust database of suppliers would be very beneficial." - Procurement official*

*"A common platform for all vendors in San Antonio is on my wish list. We could teach and preach: go to the centralized site." - Procurement official*

### Costs

- Consulting firm for discovery/scoping: ~\$150k
- SaaS: ~\$50k-\$500k per year, per agency.

### Expected impact

- SWMBEs save time and resources, while getting exposure to a larger pool of purchasers;
- Public agencies have access to a complete registry of vendors for the SA region, easing outreach efforts for increasing supplier diversity.

### Next Steps

- ID lead agencies (ideally largest agencies);
- Ensure buy-in from an initial group of entities (e.g., COSA, Bexar, and local utilities);
- Hire a consulting firm that assists in the discovery/scoping process (e.g., need for a new system versus use an API to connect to existing systems). Crucial for success.

### Conditions for Success\*

Registration portals must be:

1. Politically supportable (the right partners and buy-in on shared goals);
2. Administratively feasible (early focus on data sharing standards and use of a vendor ID number - e.g., EIN -);
3. Technically correct (time spent sorting out data interoperability with existing procurement software, financial systems, etc.).

# #3. San Antonio Procurement Service Center (one-stop shop)

## Overview

A **physical consortium\*** of high-quality ESOs, lenders and surety firms, local procurement offices and certification agencies **located in a strategic area** to **ensure that Latino- and Black-owned businesses can conveniently and efficiently reach the vast support ecosystem**, and access the support they need to identify local opportunities and win contracts. UTSA's federally funded service providers serve this function at the federal level\*\*, but there is currently no local equivalent.

The space can (1) host sessions following a pre-agreed schedule from TA providers such as the **Procurement Academy** and **Fellowship**, (2) host OHs for businesses, (3) provide assistance navigating the procurement process, and (4) host meetings of the **Procurement Innovation Council**.

*"What is missing is an ecosystem that brings all together for business owners; they must meet with many centers and they don't have the time or resources." - ESO/SWMBE vendor*

*"The systems exist, but they are not connected to each other. It would be useful to understand what happens across the board of organizations." - ESO*

## Costs

~\$550K - 1M per year\*\*\*:

- Facility: TBD
- Manager: \$150k+ per year;
- Consultants: \$400k+ to cover 4 consultants every year (*procurement navigators*).

## Expected impact

- Ease outreach efforts for procurement offices;
- Ensure that local ESOs reach their target audiences, maximizing the impact of their existing programs;
- Diminish overlapping of services and TA programs;
- Ensure that local SWMBEs access the support they need to identify opportunities and win a bid.

## Next Steps

1. ID a lead agency and generate broad buy-in across the different groups of stakeholders (crucial for success);
2. Agree on the location of the physical space;
3. Refine ecosystem mapping and agree on activities and modalities;
4. Secure physical location;
5. Hire full-time staff and designate ESO, lender, and procurement officer staff time to the Center.

## Conditions for Success\*

1. Strategic location;
2. Broad buy-in across the different groups of stakeholders;
3. Capacity for working with SWMBEs on a weekly basis navigating the acquisition process, starting with bidding requests (*procurement navigators*);
4. Track the user journey to better understand programs/services needed.

**Note:** (\*) Based on benchmarking and interviews. (\*\*) The federal contracting ecosystem is less fragmented, partly because there is only one purchaser. (\*\*\*) As reference, El Paso has a one-stop-shop for permitting that costs approximately \$1.1 million per year. **Source:** Nowak Metro Finance Lab (2022) for Supply San Antonio.



## #4. Procurement Academy

### Overview

A **Procurement Academy\*** is a **6-month capacity-building curriculum** for a preselected cohort of local mid-size Latino- and Black-owned companies (filling an existing gap in the ESO ecosystem).

The curriculum will include (1) monthly workshops and (2) OHs with professionals. Topics covered will come from a predefined list of primary identified needs for second-stage firms. Each workshop's details and approach will vary and be adapted according to the cohorts' specific needs.

Each cohort will be composed of **~30 Latino- and Black-owned businesses** headquartered in Bexar County that **employ 2 to 10 people and/or generate over \$100,000 in annual revenue** (Committees will validate requirements and cohort size).

*"We have a vast support system, but we are single minded. The focus is always to take the baby and teach them how to register." - SWMBE vendor*

*"Subs need to learn more. Not on how to do business with agencies, but on what they need to do so they can scale up." - SWMBE vendor*

### Costs

- Staffing Costs (Project Manager): \$100k+ per year;
- Seasoned professionals for workshops and OHs: \$100k+ per cohort;
- Fellowship: ~\$500k+ (see next slide).

### Expected impact

- Mid-size SWMBEs get access to the support they need to win public contracts;
- An ESO ecosystem with a higher focus on capacity building for second stage firms.

### Next Steps

- ID lead agency/host and fundraising strategy;
- Meet with successful development programs to draw lessons from\*\*;
- Conduct survey\*\*\* and host focus groups to validate target group (business size, revenue, and characteristics);
- ID seasoned professionals to participate;
- Design framework for cohort selection;
- Launch first cohort/pilot.

### Conditions for Success\*

1. Rigorous selection process for identifying second-stage firms;
2. Sectoral focus (construction and professional services);
3. Bring in industry knowledge on best practices (involve prime contractors);
4. Focus on overall business functionality, including paperwork, financials, and submittals.

**Note:** (\*) Based on benchmarking and interviews. (\*\*) Examples of programs: COSA's [Small Business Empowerment Program](#); Birmingham Business Alliance's [Supplier Scale Program](#); Memphis's [Propel Program](#). The Supply SA team gathered information on many of these programs through interviews. The proposed scope and reach of the Academy is based on the learnings extracted from those conversations and additional research. (\*\*\*) This survey is currently being conducted and results are expected by 12/02/22. **Source:** Nowak Metro Finance Lab (2022) for Supply San Antonio.

# #5. Procurement Fellowship

## Overview

An **annual cohort** based within the Academy **focused on in-depth consulting and relationship building** to help SWMBEs that are poised for further scalability to **take on larger contracts**.

Firms in each cohort should (1) receive a 1-on-1 assessment, (2) receive 1-on-1 in-depth consulting from seasoned professionals, (3) be paired with a mentor to receive customized advising and (4) have opportunities to pitch their goods and services to agencies and identify teaming opportunities.

Each cohort will be composed of **~20 Latino- and Black-owned businesses** headquartered in Bexar County that employ **6 to 99 people and/or generate at least \$500,000 on annual revenue**. (Committees will validate requirements and cohort size)

*"Big firms have past performance, so they keep on winning. Teaming could allow small firms to get one foot in the door." - SWMBE vendor*

*"We only know people once it is too late to meet them. There should be space where firms can know each other and team up." - SWMBE vendor*

## Costs

Total operating costs per cohort/year:  
~\$500k+

- Staffing Costs (Program Manager): \$100k+ per year;
- ~\$400K to cover 4 consultants every year.

## Expected impact

- Build the capacity that ready-to-scale SWMBEs require to become prime vendors;
- SWMBEs learn from primes and professionals how to navigate the common pitfalls of winning a larger contract;
- SWMBEs overcome limitations and go after larger contracts.

## Next Steps

- Conduct survey\*\* and host focus groups to validate target group (business size, revenue, and characteristics);
- Validate key activities;
- ID seasoned professionals and primer vendors to participate;
- Coordinate with PIC to design goods and services pitching opportunities and peer roundtables;
- Launch first cohort/pilot.

## Conditions for Success\*

1. Rigorous selection process for companies that have achieved early growth, and are poised for further scalability;
2. Opportunities for mid-size firms to develop the relationships they need to scale, including with lenders;
3. 1-on-1 assessments (consulting is targeted to SWMBEs' needs and firms are teamed according to their needs).

**Note:** (\*) Based on benchmarking and interviews. Examples of programs: Birmingham Business Alliance [Team Up](#) Program, Merriwether & Williams [Contractor Development Program](#), Chicago Transit Authority [Building Small Business Program](#), [Cincinnati Minority Business Accelerator](#), LF Driscoll 52nd Street Project in Philadelphia, and Chicago's [Hire360's Business Development Program](#). (\*\*) This survey is currently being conducted and results are expected by 12/02/22. **Source:** Nowak Metro Finance Lab (2022) for Supply San Antonio.

# #6. San Antonio Bond Collateral Pool

## Overview

In FY 2022-2023, the City of San Antonio will launch a pilot for a \$500,000 bond collateral pool, managed by SAEDC and Alamo Surety Bonds, serving firms that have won contracts with the City of San Antonio.

If scaled through fundraising and investment, this pool could serve more firms, annually, than it is currently projected to serve, and serve firms that have won contracts with any local agencies.

## Costs

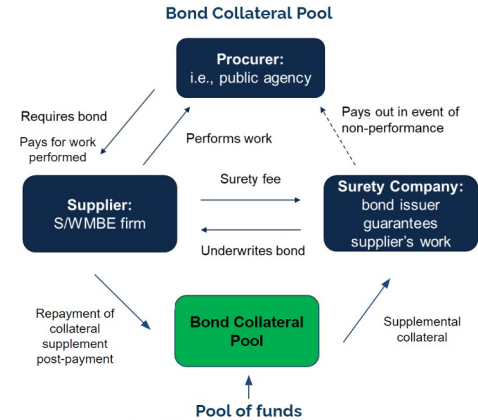
\$500,000 to pilot a San Antonio Bond Collateral Pool.

## Expected impact

- Help 10 firms access collateral necessary to secure bonding for contracts they've won with any public entity in the region in 2023.

## Next Steps

- ID champions across public entities in SA (ongoing conversations);
- Draw lessons from COSA, [NY State Surety Bond Assistance Program](#), and other successful initiatives;
- Define governance structure, MOU, and framework for participation of different agencies' vendors;
- Fundraising for 2023 pilot.



## Other Practices to Explore\*

- Explore value of expanding other programs: E.g., City of San Antonio's zero interest loan buyout program with LiftFund;
- Explore value of switching program to a bond guarantee pool to serve more firms with a smaller pool;
- Explore teaming up small companies with companies that have bonding capacity.

# A roadmap for implementation: the next 90-180-360 days

	<b>90 days</b> <i>March 2023</i>	<b>180 days</b> <i>June 2023</i>	<b>360 days</b> <i>December 2023</i>
<b>Procurement Innovation Council</b> <i>Master steering committee</i>	Convene Nov. 30, 2022, agree to MOU, assign members to committees + elect chairs, set committee meeting schedule.	Publicly announce launch of <b>Procurement Academy &amp; Fellowship</b> with list of selected participants.	Identify opportunities to expand the initiative to include large private purchasers.
<b>Procurement Service Center</b> <i>Central resource hub</i>	ID location for facility, propose budget, ID funding sources; outline daily function + staffing of center.	Groundbreaking on site; ID consultants or contractors for digital components, website construction.	Open facility, launch digital accompanying website portal.
<b>Committee on Procurement Practices Transformation</b> <i>To standardize agency practices</i>	Agree to prioritization of issue areas, set meeting schedule; ID funding + operational structure for <b>Common Vendor Portal</b> .	Issue RFP for common vendor portal; invite Fellowship participants to come present on a rotating basis at monthly meetings.	Select firm to build Common Vendor Portal; complete report of PIC activities, changes adopted by agencies to submit to PIC steering committee.
<b>Committee on Supplier Development</b> <i>To guide creation of Procurement Academy &amp; Fellowship</i>	Invite Cincinnati MBA, Birmingham Business Alliance, Merriwether & Williams to present on their supplier development programs; outline SA programs; ID funding structure.	Finalize criteria, structure of <b>Procurement Academy &amp; Fellowship</b> ; ID curriculum providers and consultants; establish schedule for first cohort for each program; issue call for applications from businesses, review, select finalists.	Launch & complete first round of both programs; complete a report recapping how entire process went, detailing participants & outcomes to submit to PIC steering committee.
<b>Committee on Capital &amp; Bonding Innovation</b> <i>To explore expansion of bonding and lending supports</i>	ID opportunities to expand existing programs to 14 local agencies via pooled funding – <b>COSA Bond Collateral Pool</b> , zero interest loans.	Produce strategy for prompt payment standards, and/or workable model for contract financing with LiftFund and agencies.	Complete a report detailing progress to submit to PIC steering committee.

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# Thank you! - ¡Gracias!

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