

**AUDIT & ACCOUNTABILITY  
COUNCIL COMMITTEE MEETING MINUTES  
AUGUST 20, 2021 at 2:00 PM  
VIDEOCONFERENCE**

<b>Committee Present:</b>	Councilmember Clayton Perry, <i>District 10, Chair</i> Councilmember Jaden McKee-Rodriguez, <i>District 2</i> Councilmember Manny Pelaez, <i>District 8</i> Citizen Member Judy Treviño
<b>Committee Absent:</b>	Citizen Member Priscilla Soto
<b>Staff Present:</b>	Lori Houston, <i>Assistant City Manager</i> ; Jeff Coyle, <i>Assistant City Manager</i> ; Andy Segovia, <i>City Attorney</i> ; Ray Rodriguez, <i>Deputy City Attorney</i> ; Mark Triesch, <i>Assistant City Attorney</i> ; Victoria Shum, <i>Assistant City Attorney</i> ; Ben Gorzell, <i>Chief Financial Officer</i> ; Kevin Barthold, <i>City Auditor</i> ; Charles Hood, <i>Fire Chief, SAFD</i> ; Christopher Monestier, <i>Deputy Chief, SAFD</i> ; Tina J. Flores, <i>City Clerk</i> ; Troy Elliott, <i>Deputy Chief Financial Officer</i> ; Jesus Saenz, <i>Aviation</i> ; Veronica Soto, <i>Director, Neighborhood and Housing Services Department</i> ; Debra Ojo, <i>Director, Office of Risk Management</i> ; Wanda Heard, <i>Assistant Director, Human Resources</i> ; Michael Sindon, <i>Assistant Director, Economic Development</i> ; Edward Gonzales, <i>Assistant Director, Neighborhood and Housing Services Department</i> ; Christine Chapman, <i>Assistant Director, Public Works</i> ; Ana Bradshaw, <i>COVID-19 Financial &amp; Performance Executive Liaison</i> ; Baltazar Vargas, <i>Audit Manager, Office of the City Auditor</i> ; Gabriel Trevino, <i>Audit Manager, Office of the City Auditor</i> ; Nancy Cano, <i>Office of the City Clerk</i>

**CALL TO ORDER**

Chairman Courage called the meeting to order.

- 1. Approval of minutes from the Audit and Accountability Committee meeting on June 24, 2021.**

Councilmember Pelaez moved to approve the Minutes of the June 24, 2021 Audit and Accountability Council Committee Meeting. Citizen Member Treviño seconded the motion. The motion carried unanimously by those present.

**Public Comment**

None.

**CONSENT AGENDA**

**Post-Solicitation High Profile Items**

2. **Approval to proceed with scheduling one contract for City Council consideration to provide the Aviation Department with Central Utility Plant Maintenance in the estimated total value of \$2,800,000.00.** [Jeff Coyle, Assistant City Manager; Jesus Saenz, Director, Aviation]
3. **Approval to proceed with scheduling two contracts for City Council consideration to provide On Call HVAC Services for Citywide use in the estimated total value of \$3,500,000.00.** [Alex Lopez, Assistant City Manager; Patricia M. Cantor, Executive Director, Convention and Sports Facilities]
4. **Approval to proceed with scheduling one contract for City Council consideration to provide the Human Resources Department with Voluntary Vision Insurance for full-time employees and retirees in the estimated total value of \$3,100,000.00.** [Ben Gorzell, Chief Financial Officer; Renee Frieda, Interim Director, Human Resources]
5. **Approval to proceed with scheduling one contract for City Council consideration to provide the Parks and Recreation Department with Pour in Place Rubber Playground Safety Surfacing in the estimated total value of \$2,250,000.00.** [David W. McCary, CPM, Assistant City Manager; Homer Garcia III, Director, Parks and Recreation]
6. **Approval to proceed with scheduling four contracts for City Council consideration to provide the Public Works Department with On Call Mechanical Engineering & Plumbing services in the estimated total value of \$4,800,000.00.** [Roderick Sanchez, Assistant City Manager; Razi Hosseini, Director, Public Works]
7. **Approval to proceed with scheduling four contracts for City Council consideration to provide the Public Works Department with On Call Structural Engineering services in the estimated total value of \$4,800,000.00.** [Roderick Sanchez, Assistant City Manager; Razi Hosseini, Director, Public Works]
8. **Approval to proceed with scheduling three contracts for City Council consideration to provide the Public Works Department with On Call Facility Programming & Consulting services in the estimated total value of \$2,400,000.00.** [Roderick Sanchez, Assistant City Manager; Razi Hosseini, Director, Public Works]
9. **Approval to proceed with scheduling seven contracts for City Council consideration to provide the Public Works Department with On-Call Real Estate Appraisal Services in the estimated total value of \$2,450,000.00.** [Roderick Sanchez, Assistant City Manager; Razi Hosseini, Director, Public Works]
10. **Approval to proceed with scheduling three contracts for City Council consideration to provide the Public Works Department with On Call Environmental Remediation Services in the estimated total value of \$6,750,000.00.** [Roderick Sanchez, Assistant City Manager; Razi Hosseini, Director, Public Works]

## **Final Internal Audit Reports**

- 11. Acceptance of Office of the City Auditor report AU20-007 of the Office of City Clerk's Vital Records Division to determine if birth and death certificates are adequately protected and issued in accordance with City and State regulations. [Kevin Barthold, City Auditor]**
- 12. Acceptance of Office of the City Auditor report AU21-F03 for the Follow-Up audit of Parks Pool inspections to determine if recommendations in the most recent Pool Inspections audit have been effectively implemented. [Kevin Barthold, City Auditor]**
- 13. Acceptance of Office of the City Auditor Report AU20-030 of the San Antonio Police Department's Police Overtime Authorization to determine if SAPD overtime is adequately supported, authorized and documented. [Kevin Barthold, City Auditor]**

Councilmember McKee-Rodriguez moved to approve the Consent Agenda Items. Councilmember Pelaez seconded the motion. The motion carried unanimously by those present.

## **ITEMS FOR INDIVIDUAL CONSIDERATION**

### **Pre-Solicitation High Profile Briefings**

- 14. Briefing on the release of a solicitation for one contract to provide the Aviation Department with Airfield Engineering Design Services in the estimated total value of \$20,000,000.00. [Jeff Coyle, Assistant City Manager; Jesus Saenz, Director, Aviation]**

Aviation Director Jesus Saenz stated that the Aviation Department coordinated with the Federal Aviation Administration (FAA) for continued Airfield Improvement Program (AIP) grant funding for eligible large and critical airfield projects at the San Antonio International Airport. He noted that the solicitation would select a qualified firm that would provide airfield engineering and design services, to include solicitation and construction phase services, for the following three projects:

- a) Runway 13R/31L Keel Reconstruction and Outboard Rehabilitation
- b) Runway 13R/31L safety enhancements
- c) Reconstruct taxiway N south of taxiway D

Mr. Saenz indicated that a Request for Qualification (RFQ) would be issued with an estimated value of \$20 million. He reviewed outreach performed, evaluation criteria and additional requirements and listed the Evaluation Voting Members. He reported that the solicitation would be released in September 2021 with proposals due on November 5, 2021. He stated that the evaluation would be completed in January 2022 with contracts negotiated by the end of February 2022. He indicated that the Audit and Accountability Council Committee would be provided with a post-solicitation briefing on March 15, 2022, the proposal would be brought before the City Council for consideration on April 7, 2022 and the start date would be in April/May 2022.

Chairman Perry asked if the \$20 million included construction costs. Mr. Saenz stated that the \$20 million included design and engineering through the construction phase. Chairman Perry stated that the design, engineering and quality control was usually 7%-10% of construction costs. He confirmed that

construction costs could be up to \$200 million. He asked staff to consider awarding the solicitation to multiple firms.

Councilmember Pelaez asked if it was anticipated that one firm would manage the contract and one or two subcontractors would make up the team. Mr. Saenz confirmed that it would be a team effort.

No action was required for Item 14.

**15. Briefing on the release of a solicitation for multiple contracts for the Neighborhood and Housing Services Department to provide gap funding subsidies for Rental and Homeownership Housing Development Gap Funding in the estimated total value of \$9,400,000.00. [Lori Houston, Assistant City Manager; Veronica R. Soto, Director, Neighborhood & Housing Services]**

Neighborhood and Housing Services Department Director Veronica Soto stated that the HOME Investment Partnerships Program (HOME) and Community Development Block Grant (CDBG) funds were set aside for affordable single-family homeownership housing activities. She reported that the activity was designed to provide gap funding subsidies for both new construction and rehabilitation/preservation of affordable housing units for low-income households at or below 80% Area Median Income (AMI).

Ms. Soto indicated that the solicitation would be a Request for Proposal (RFP) with an estimated value of \$2,500,000 from HOME funds, \$900,000 in CDBG funds and up to \$2,000,000 in Tax Increment Reinvestment Zone (TIRZ) funds. She noted that the contract proposed term was based on development and a restrictive covenant was required. She reviewed outreach performed, evaluation criteria and additional requirements and listed the Evaluation Voting Members. She stated that the RFP would be released on August 27, 2021 and the due date would be on October 18, 2021. She reported that the evaluation would be completed in November 2021 and a post-solicitation briefing would be presented to the Committee on December 21, 2021. She indicated that the final contract would be presented to the Planning and Community Development Committee for consideration on January 10, 2022 and to the City Council for consideration on January 20, 2022. She added the contract start date would be negotiated after the award was made.

Ms. Soto stated that HOME and CDBG funds were set aside for gap financing of proposed affordable multi-family rental residential developments. She noted that these funds could be used for land acquisition, new construction or rehabilitation of existing rental housing properties to create or preserve affordable rental housing units for low-income households at or below 60% AMI with a focus on proposals with units at or below 30% AMI.

Chairman Perry asked how many awards were expected for the RFP. Ms. Soto stated that typically there were three to four awards for each category. Chairman Perry requested that the solicitation include the expected range of awards. Chief Financial Officer Ben Gorzell stated that including a number would be difficult because it was not a service we would try to acquire. Chairman Perry requested a meeting to discuss the service to be acquired.

Chairman Perry asked if the RFP could include the amount of funds on hand and the expected funds from TIRZ. Ms. Soto stated that the RFP would contain that information.

No action was required for Item 15.

**16. Briefing on the release of a solicitation for the Neighborhood and Housing Services Department for the selection of fifteen or more qualified Construction Contractors for Rehabilitation of Various Residential Properties in the estimated total value of \$41,000,000.00. [Lori Houston, Assistant City Manager; Veronica R. Soto, Director]**

Ms. Soto stated that the Neighborhood and Housing Services Department (NHSD) was soliciting for qualifications from contractors that demonstrated the capability and the proven experience to perform general construction and housing rehabilitation services for third-party beneficiaries (qualified homeowners) for the Owner-Occupied Rehabilitation Program, the Under One Roof Program and the Minor Repair Program funded by the City's HOME Program, CDBG Program and the City's General Fund.

Ms. Soto indicated that the solicitation would be a Request for Qualification (RFQ) with an estimated value of up to \$41 million. She noted that the contract proposed term was for one year with three, one year renewal options. She reviewed the homeowner contractor selection process, outreach performed, evaluation criteria and additional requirements and listed the Evaluation Voting Members.

She stated that the RFQ would be released on September 14, 2021 and the due date would be on November 1, 2021. She reported that the evaluation would be completed on December 3, 2021 and a post-solicitation briefing would be presented to the Committee on January 18, 2021. She indicated that the final contract would be presented to the City Council for consideration on February 3, 2022. She added that the contract would begin on February 7, 2022.

Chairman Perry asked how many contractors would be qualified. Ms. Soto stated that approximately 15 different contractors would be qualified. Chairman Perry asked if these would be general contractors or individual contractors. Ms. Soto stated that it could be a combination but staff would mostly seek general contractors. Chairman Perry expressed concern that homeowners would pick the contractor and that there could be a conflict of interest. Ms. Soto indicated that HUD regulations prohibited the City from contracting directly with contractors. Mr. Gorzell suggested that homeowners be required to certify that they had no relationship with the contractor. Chairman Perry requested more detail on the regulation. City Attorney Andy Segovia stated that he would review the regulation.

Councilmember Pelaez stated that it was important for contractors to be licensed or certified.

No action was required for Item 16.

**Post-Solicitation High Profile Briefings**

**17. Approval to proceed with scheduling one contract for City Council consideration to provide the Fire Department with a Web Based Uniform Commissary to provide uniformed**

**employees with uniforms and accessories in the estimated total value of \$6,950,000.00. [Maria Villagomez, Deputy City Manager; Charles N. Hood, Fire Chief]**

Fire Chief Charles Hood stated that the San Antonio Fire Department (SAFD) released a Request for Proposal (RFP) seeking a qualified respondent to provide a real-time web-based commissary contract for uniform personnel to purchase uniform items. He indicated that the respondent's program should include the following, but was not limited to, maintaining a sufficient inventory of specified uniform and accessory items; receive, process and ship individual orders; perform apparel alterations and repairs; provide embroidery, screen printing and heat pressing services and maintain computerized transaction records by individual customer to include credit balance through a web-based system. He indicated that the solicitation had an estimated value of \$6.95 million. He noted that the contract proposed term was for five years with two, one year renewal options.

Deputy Chief Christopher Monestier reported that the Evaluation Committee met on July 28, 2021, and by consensus, recommended awarding the contract to the sole responsive bidder. He reviewed the due diligence results and noted that the results of minimum requirements review indicated no material findings and the results of the due diligence review indicated no material findings. He added that the current contract would expire on September 31, 2021 and staff would like to have the contract in place beginning on October 1, 2021.

Chairman Perry asked why the cost of the current contract and the proposed contract was different. Deputy Chief Monestier stated that the cost was based on the allotment that was required by the Collective Bargaining Agreement (CBA) and if additional Firefighters were hired you had to add \$500 for each member. Chairman Perry asked for the amount of the current contract. Mr. Monestier stated that he would provide that information.

Chairman Perry asked how the City could ensure that bidders fully understood the SBEDA requirements. Ana Bradshaw stated that staff would review the notification process to ensure that the information provided was clear.

Councilmember McKee-Rodriguez moved to schedule one contract for City Council consideration to provide the Fire Department with a Web Based Uniform Commissary. Citizen Member Treviño seconded the motion. The motion carried unanimously by those present.

### **Final Internal Audit Report**

#### **18. Acceptance of Office of the City Auditor report AU20-004 of the Aviation Department's Facilities Maintenance program to determine if the program is operating effectively and managed efficiency including work orders, inventory and purchases. [Kevin Barthold, City Auditor]**

City Auditor Kevin Barthold stated that the objective basis for the audit was to determine if the maintenance operations was operating effectively and efficiently. He noted that maintenance of Aviation facilities was performed by in-house staff, job order contracts for different trades and individual contracts.

Mr. Barthold stated that Aviation's facilities maintenance operations required improvements. He reported that Aviation lacked comprehensive policies and procedures for facilities maintenance activities to include parts inventory management and NetFacilities, which were utilized to track inventory, which had not been implemented across divisions. He indicated that there was a lack of controls to ensure the accuracy of inventory in the system and the review for obsolete inventory, there were insufficient procedures to ensure that documentation of quotes were retained and there was a lack of review to ensure staff licenses were current. He added that there was a lack of controls to ensure appropriate user access of the NetFacilities System. He stated that recommendations were made to address the opportunities and management agreed with the recommendations and developed positive corrective action plans to correct these items on our proposed FY 2022 plan audit and a follow-up audit would be performed to ensure that all recommendations were implemented.

Mr. Saenz stated that all recommendations had been completed except the final comprehensive conceptual policies and procedures which had not been finalized and he indicated that it would be completed by October 1, 2021.

Chairman Perry asked if anything was sent to Committee Members once an audit was completed. Mr. Barthold stated that audit reports of audits with significant findings or multiple findings were sent to the Committee. Chairman Perry requested a spreadsheet with all audits which would include the start date, results, completion date and action items completed.

Councilmember Pelaez moved to accept the Office of the City Auditor Report AU20-04 of the Aviation Department's Facilities Maintenance Program. Citizen Member Treviño seconded the motion. The motion carried unanimously by those present.

**19. Acceptance of Office of the City Auditor report AU20031 of the Office of Risk Management's Risk Safety Programs to determine if citywide safety programs are implemented, monitored to measure performance and updated to consider risk areas. [Kevin Barthold, City Auditor]**

Mr. Barthold stated that the objective of the audit was to determine if citywide safety programs were implemented, monitored to measure performance and updated to consider risk areas. He reported that there were multiple opportunities to strengthen controls associated with updating the City's Property Listing for scheduling safety inspections, identifying high-risk areas in the City to ensure adequate training was provided and overseeing departmental adherence to City Safety Manual guidelines.

Office of Risk Management Director Debra Ojo stated that there were three administrative items found in the audit that could be strengthened, one that had been completed and two others that were near completion.

Chairman Perry stated that this was an important program and a good safety program ensured that individuals were taking extra safety precautions.

Citizen Member Treviño moved to accept the Office of the City Auditor Report AU20031 of the Office of Risk Management's Risk Safety Programs. Councilmember Pelaez seconded the motion. The motion carried unanimously by those present.

## Staff Briefing

### 20. Discussion and possible action of the Proposed FY 2022 Annual Audit Plan. [Kevin Barthold, City Auditor]

Mr. Barthold stated that the FY 2022 Proposed Audit Plan included 42 performance and information technology audits, six follow-up audits and one consulting project. He noted that hours were included for potential audits related to projects funded by the American Rescue Plan Act (ARPA). He indicated that the Office of the City Auditor sought input from the City Council, the City Manager, Executive Leadership Team and select department directors.

Mr. Barthold reported that additional input was added based on local government audit industry trends. He noted that the effort resulted in an extensive list of potential areas for audit within the City and staff prioritized those areas based on a high-level risk assessment considering factors such as financial impact, compliance and prior issues.

Chairman Perry asked of the volume of audit reports in the Audit Plan and resources available. Mr. Barthold stated that staff were reducing the number of hours spent on average per audit. City Attorney Andy Segovia noted that professional criteria were utilized to identify programs and City activities which presented the most risk from a legal and financial standpoint.

Councilmember Pelaez stated that the audit process should not be used as a weapon. Mr. Barthold stated that if it were, the Office of the City Auditor would lose its credibility.


Councilmember Jaden McKee-Rodriguez moved to recommend and forward the Proposed FY 2022 Annual Audit Plan to the City Council for consideration. Councilmember Pelaez seconded the motion. The motion carried unanimously by those present.

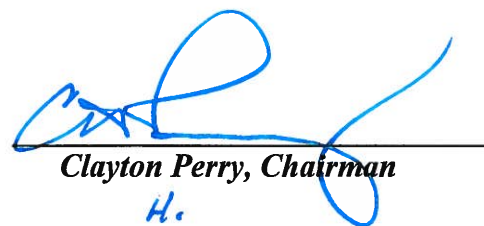
### Consideration of items for future meetings

Chairman Perry stated that future meetings of the Committee would be held on the last Wednesday of the month.

### Adjourn

There being no further discussion, Chairman Perry adjourned the meeting at 3:27 pm.

  
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**Denice Trevino, Office of the City Clerk**

  
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**Clayton Perry, Chairman**  
H.