

FY 2025 Annual High-Profile Forecast & Proposed Procurement Changes



City Council B-Session

December 11, 2024

Troy Elliott, CPA, Deputy Chief Financial Officer

Agenda



- Current High-Profile Definition & Process
- FY25 Annual High-Profile Forecast Summary
- Proposed Procurement Changes:
 - Changes to High-Profile Process
 - Delegation of Contracting Authority
 - Changes to Procurement Statutes

Current High-Profile Definition



***Discretionary contracts valued over \$1 Million**



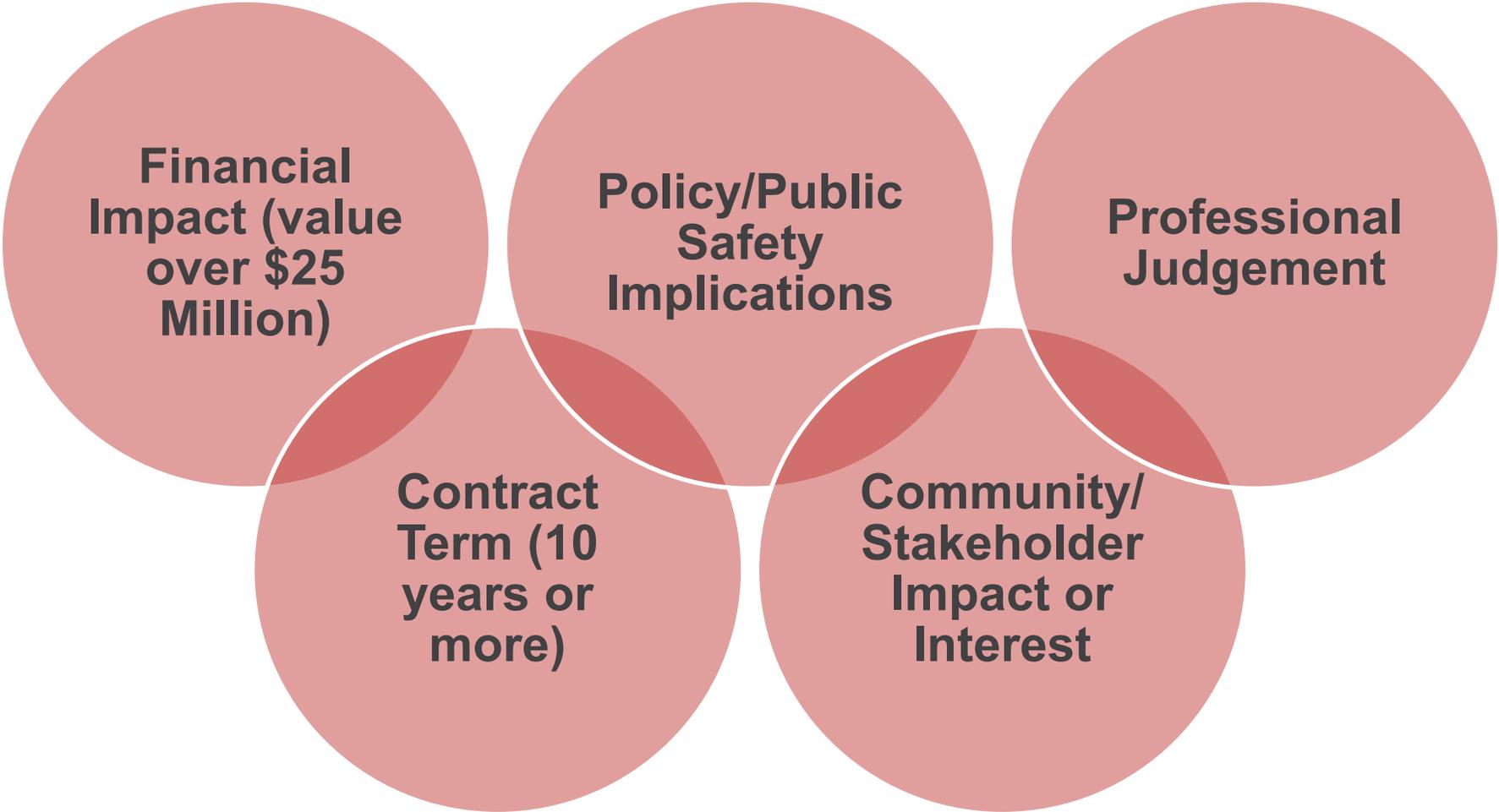
High level of community interest or other exceptional interest



Highly complex or technical in nature, or contract terms & conditions that are non-standard or complex

**Low bid procurements are excluded from the definition*

Current Select High-Profile Criteria



Requires B-Session Presentation

High Profile Forecast

- Forecast presented annually
- 4 paths high-profile solicitations can take



“Select” or chosen for City Council B-Session

- Range over \$25m; meets the “Select” HP criteria



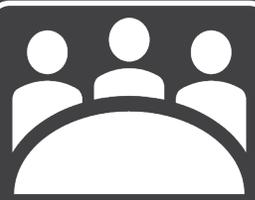
Special Aviation High-Profile Briefings

- Designed for aggressive timeline to deliver the Terminal Development Program



Audit Committee

- Range from \$5m to \$25m



City Council Consent Agenda

- Range from \$1m up to \$5m



Recommendations

5 Individual B-Sessions

5 Aviation B-Sessions

24 Audit Committee Presentations

43 Direct Placement on the City Council Consent Agenda

FY25 High-Profile Forecast Presented

*77 High-Profile Projects Identified (October 2024 – September 2025)

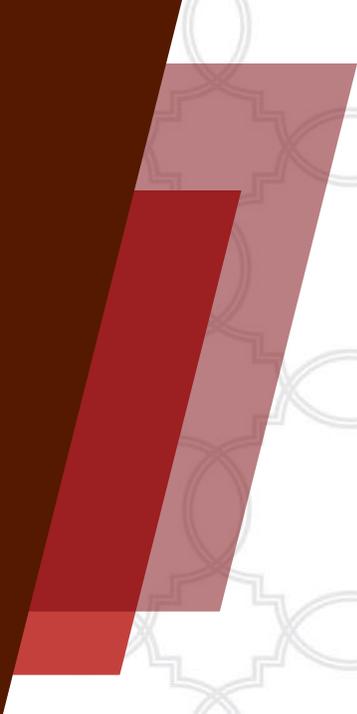
Procurement Process Objectives & Considerations

Objectives & Considerations



- Maintain Transparency & Accountability
- Size of City Organization and Volume of Procurements
- Delegation of Routine Procurements to City Manager to Implement Spending Approved in the Adopted Budget by City Council
 - Shorter Procurement Process for Routine Items
 - Reduced Procurement Wait Time for Vendors/Contractors
 - Quicker Execution of City Work
- Provide for City Council focus on procurements with policy implications and approval over the vast majority of spending
- Streamline Procurement Process to include City Council Agenda

Proposed Changes to the High-Profile Process

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Proposed High-Profile Changes



On-Call & Annual Contracts

- On-Call Contracts – one or more contractors to provide services on an as-needed basis
- Annual Contracts – the purchase of materials, supplies or non-professional services continuously needed for an agreed upon price and term
- On Call & Annual Contracts are typically routine in nature and do not contain policy considerations
- Recommend eliminating Audit Committee and B-Session Briefings regardless of amount
 - Continue to be included in the Annual Forecast
 - Would not include Job Order Contracting
- 8 On-Call Contracts included in the FY 2025 forecast would eliminate 16 Presentations (14 Audit Committee Presentations & 2 B-Session Presentations)

Proposed High-Profile Changes

(Continued)



Municipal Campaign Finance Code, Sec. 2-309 references “a high-profile discretionary contract as designated by the City” and does not otherwise define "high-profile"

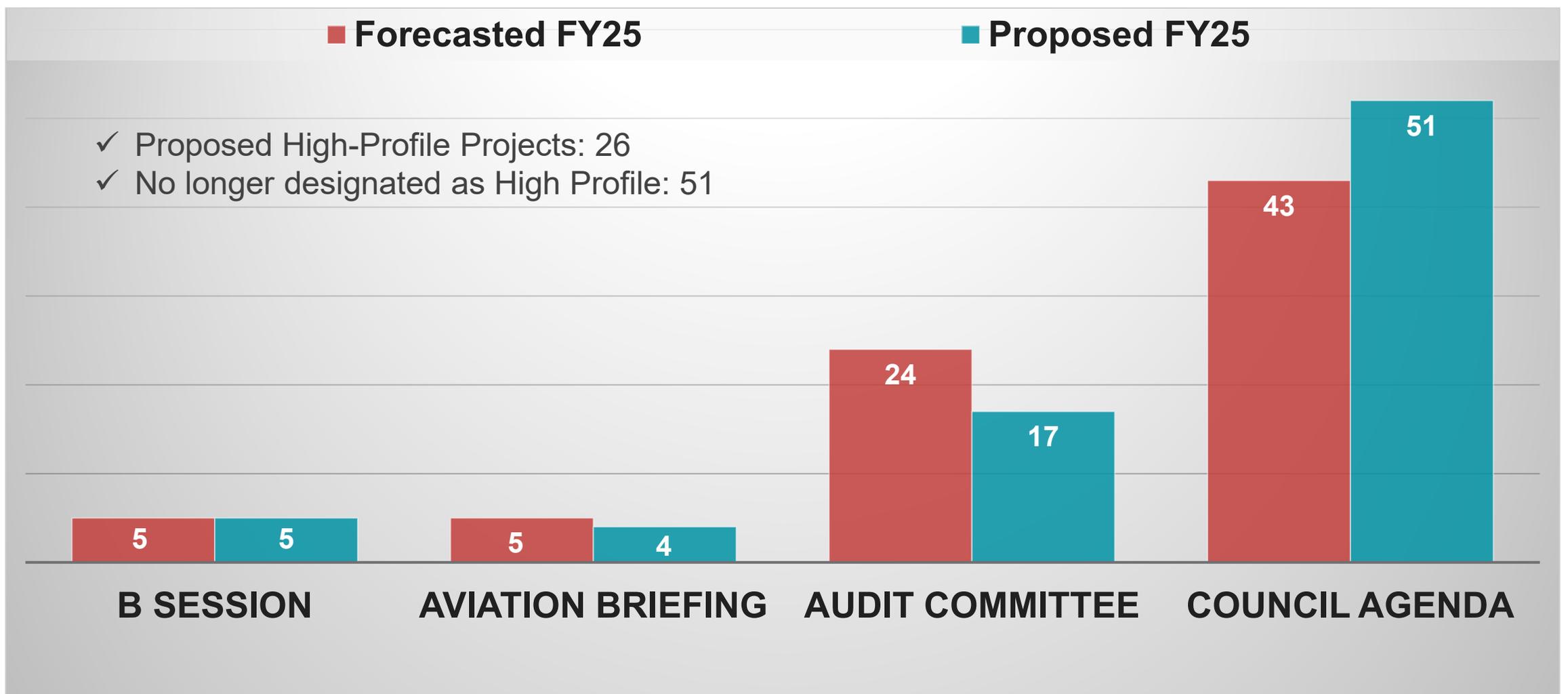
**Increase
High-Profile
Designation
from
\$1M to \$5M**

Tied to prohibited campaign or officeholder contributions beginning on the 10th business day after a solicitation has been released through the 30th calendar day following the approval by City Council

Modified threshold will no longer disqualify vendors for Campaign Contributions made on solicitations valued less than \$5 Million

Aligns Policy with Current Audit Committee Practice

Proposed High-Profile Changes (FY25)





Contracting Authority

Contracting Authority for Fleet Acquisitions Approved in Adopted Budget By City Council



- Expand Annual Forecast to Include Fleet Solicitations
- Quarterly Reporting to City Council on Contracts Awarded
- Delegate authority to City Manager to approve fleet contracts
 - Fleet Additions & Replacements are approved in the Adopted Budget
 - Procured through Low Bid or Cooperatives based on Specifications
 - Continued Challenges with Supply Chain
 - Reduces Number of Consent Items on the City Council Agenda

FY25 Anticipated Fleet Awards

**FY25 Adopted Budget Fleet Replacements & Additions
(Anticipate 32 Solicitations for Approximately 620 vehicles)**

\$67 Million

Contracting Authority for Contracts Less than \$2.5 Million Funding Approved in Adopted Budget By City Council



- Annual Forecast Expanded to all items in excess of \$50,000
- Quarterly Reporting to City Council on Contracts Awarded
- Delegate authority to City Manager to approve contracts less than \$2.5 Million
 - City Manager or Designee can currently execute contracts less than \$50,000
 - Would include all categories to include Goods and Supplies, Professional & Other Services and Construction Services less than \$2.5 million
 - Reduce Number of Consent Items on the City Council Agenda

Forecasted Contract Awards



Contract Awards (Excluding Fleet)	FY25 Forecasted Awards	
	#	Dollars
Total Awards over \$50k	373	\$1.5B
Delegated to City Manager (up to \$2.5M)	249	\$143M
Percentages	67%	10%
Council Agenda (\$2.5M & above)	124	\$1.3B
Percentages	33%	90%

Award Breakdown



FY25 Anticipated Award Breakdown

Solicitation Category	Totals		City Manager (Delegated up to \$2.5M)		Council Agenda (\$2.5M & Above)	
	#	Dollars	#	Dollars	#	Dollars
Goods & Supplies	80	\$155M	75	\$28M	5	\$127M
Professional & Other Services	149	\$531M	112	\$59M	37	\$472M
Construction Services	144	\$802M	62	\$56M	82	\$746M
Totals (Rounded)	373	\$1.5B	249	\$143M	124	\$1.3B
Percentages	100%	100%	67%	10%	33%	90%

Proposed Changes to Procurement Statutes

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Proposed Changes to Procurement Statutes



- Local Government Code, Chapter 252, Purchasing and Contracting Authority of Municipalities
- Recommend amending the City's Legislative Package to include four changes to Procurement Statutes to include:
 - Sec. 252.021 - Increasing the informal solicitation bidding threshold of \$3,000 - \$50,000 to up to \$100,000
 - Sec. 252.048 - Increase Change Order thresholds
 - Construction contracts from \$100,000 to \$500,000
 - Goods/Supplies from \$50,000 to \$100,000
 - Sec. 252.041 - Add ability to post solicitation advertisements online as an option to a required newspaper publication for competitive bidding
 - Sec. 252.041 - Post bid results online as an alternative to reading bids aloud at a formal bid opening meeting

Summary



- Delegation of Routine Procurements to City Manager
 - Shorter Procurement Process for Routine Items
- City Council Focus on Procurements with Policy Implications
- City Council Approval Over Majority of Spending
- Streamlines the Procurement Process
- Maintain Transparency & Accountability
 - Appropriations through the Adopted Budget
 - Forecasting & Reporting
- Adopts Modified Processes in Advance of SAP Upgrade

Next Steps



- Incorporate City Council Feedback
- Redesign Business Processes
- Ordinance Consideration by City Council
- Identify Implementation Date



Thank You

December 11, 2024

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