

City of San Antonio



Minutes Audit and Accountability

Monday, November 1, 2021

2:00 PM

City Hall Complex

Members Present: Councilmember Clayton Perry, *Chair*, Councilmember Jalen McKee-Rodriguez, *Member*, Priscilla Soto, *Citizen Member*, Judy Treviño, *Citizen Member*

Members Absent: Councilmember Manny Pelaez, *Member*

Approval of Minutes

1. **Approval of the Minutes of the September 22, 2021 Audit and Accountability Council Committee Meeting.**

Citizen Member Trevino moved to approve the Minutes of the September 22, 2021 Audit and Accountability Council Committee Meeting. Citizen Member Soto seconded the motion. The motion carried unanimously by those present.

PUBLIC COMMENT

None.

Staff Briefing

2. **Briefing on Procurement Overview and Annual High Profile Forecast for Fiscal Year 2022**
[Ben Gorzell Jr., Chief Financial Officer; Troy Elliott, Deputy Chief Financial Officer, Finance]

Troy Elliott, Deputy Chief Financial Officer, provided an overview of the Annual High Profile Forecast for FY 2022. Elliott reviewed the various methods of solicitation which were utilized

by the City of San Antonio. Elliott provided a summary of the various City Preference Programs to include the Local Preference Program, Veteran Preference Program, Small Business Economic Development Advocacy Program (SBEDA) and the Disadvantage Business Enterprise Program (DBE) but concentrated on the Local and Veteran Preference Programs.

Councilmember McKee-Rodriguez entered the meeting at this time.

Elliott provided an overview of the High Profile process and what defined an item as high profile. Elliott stated that the high profile items could be reviewed at the Audit and Accountability Committee level or reviewed by the full City Council at a B Session Meeting. Elliott provided details on which solicitations were presented at the different levels. Elliott provided specifics on the high profile forecast process and coordination and stated that 63 items were selected as high profile with seven selected for presentation at B Session and 56 selected for presentation at the Committee level. Elliott provided examples of the items to be presented at upcoming B Sessions and Audit and Accountability Council Committee Meetings.

Chair Perry asked when the presentation would be provided to the full City Council. Elliott mentioned that it would be provided on November 3, 2021. Chair Perry asked of the status of the procurement study requested by a fellow Councilmember. Ben Gorzell, Chief Financial Officer stated that no action had been taken regarding the potential study but could be discussed at the full City Council briefing.

Chair Perry requested that staff provide additional information on State requirements and Federal legislation for procurements. Chair Perry stated that it would be prudent for staff to include small and local businesses for certain Federal or higher valued solicitations. Assistant City Manager Jeff Coyle stated that this had been discussed at the State legislature and was vetoed. Chair Perry requested that the conversation continue to identify lower or certain type contracts to be considered for small business participation.

Chair Perry asked when the \$1 million contracts were identified as High Profile. Elliott stated that he would provide that information. Chair Perry asked that the dollar amount be reviewed since \$1 million did not purchase as much as it used to. Gorzell clarified that the \$1 million threshold was not the only criteria for an item to be considered high profile and at times it was public interest or contentiousness that made an item High Profile. Chair Perry asked that additional information be provided to the full City Council on all preference programs.

Councilmember McKee-Rodriguez asked for clarification on the items selected for B Session briefing and if staff requested further guidance if others should be included. Gorzell stated that seven proposals would be brought before City Council at a B Session and the remainder would be presented to the Audit and Accountability Council Committee.

Citizen Member Soto asked if a project term in excess of 10 years was common. Elliott stated that projects requiring an investment in infrastructure and equipment could have a term of 10 years+.

Citizen Member Treviño requested clarification on Items identified to be presented at B Session which did not meet the \$25 million threshold. Elliott stated that these Items were historically high interest.

No action was required for Item 2.

CONSENT AGENDA

Pre-Solicitation High Profile Items

3. **Briefing on the release of a solicitation for one contract to provide the Aviation Department with Airport Terminal Planning Services in the estimated total value of \$2,500,000.00 for an initial term of 1 year with 2, 1-year options to renew.** [Jeff Coyle, Assistant City Manager; Jesus Saenz, Director, Aviation]
4. **Briefing on the release of solicitation for one contract for Custodial and Supplemental Conversion Services at the Alamodome in the estimated total value of \$5,500,000.00 for a 3-year term with 2, 1-year renewal options.** [Alejandra Lopez, Assistant City Manager; Patricia Muzquiz Cantor, Executive Director, Convention & Sports Facilities]

Post-Solicitation High Profile Items

5. **Approval to proceed with scheduling three contracts for City Council consideration to provide the Public Works Department with on-call building commissioning services, in the estimated total value of \$2,400,000.00 for an initial 1-year term with 3, 1-year options to renew.** [Roderick Sanchez, Assistant City Manager; Razi Hosseini, Director, Public Works]
6. **Approval to proceed with scheduling one contract for City Council consideration to provide the Public Works Department with construction services for the District 4 Heritage Community Center for an estimated total value not to exceed \$6,400,000.00 until project completion. Project completion is estimated for April 2023.** [Roderick Sanchez, Assistant City Manager; Razi Hosseini, Director, Public Works]

Final Internal Audit Reports

7. **Acceptance of the Office of the City Auditor report AU21-012 of the Economic Development Department's Economic Incentive Monitoring** [Kevin Barthold, City Auditor]
8. **Acceptance of the Office of the City Auditor report AU20-006 of the Center City Development Office (CCDO)'s Riverwalk Leases** [Kevin Barthold, City Auditor]
9. **Acceptance of the Office of the City Auditor report AU21-032 of the Information**

Technology Systems Department (ITSD) Security Awareness Training 2021 [Kevin Barthold, City Auditor]

10. **Acceptance of the Office of the City Auditor report AU20-011 of the Finance Department Citywide Payroll Process** [Kevin Barthold, City Auditor]
11. **Acceptance of the Office of the City Auditor report AU21-016 of the Fire Department's Mobile Integrated Health Program** [Kevin Barthold, City Auditor]
12. **Acceptance of the Office of the City Auditor report AU21-027 of the Public Works Department Storm Water fee-in-lieu-of (FILO) Program** [Kevin Barthold, City Auditor]

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

ITEMS FOR INDIVIDUAL CONSIDERATION

Pre-Solicitation High Profile Briefings

13. **Briefing on the release of a solicitation for one contract to provide security officer services for the City of San Antonio in the estimated contract value of \$40,000,000.00 for an initial period of 3 years with 2, 1-year renewal options.** [Ben Gorzell, Jr., Chief Financial Officer; Craig Hopkins, Chief Information Officer, Information Technology Services]

Patricia Boozer, Chief Security Officer, ITSD, provided an overview of the Pre-Solicitation Briefing for Citywide Security Officer Services. Boozer presented the project specifics, solicitation overview, solicitation requirement criteria and project timeline and stated that the contract start date was expected to be in May 2022.

Chair Perry asked if the item had been solicited before and why it was being brought forward again. Boozer stated that the item had been released before but ITSD thought it best to review the City Tower opening needs in order to meet all identified scope requirements. Gorzell added that events at the U.S. Capital prompted staff to consider additional security needs at City Tower and City Hall. Gorzell stated that a concierge and screening scope of work was needed to address security gaps. Chair Perry expressed concern that the prior solicitation had been open for 9 months and wanted to make sure that the additional scope was being addressed. Boozer stated that the proposed solicitation was more specific and would identify other needs. Perry asked if the cost would be greater for the new scope. Boozer stated that the overall price would be impacted due to enhancements.

No action was required for Item 13.

Post-Solicitation High Profile Briefings

14. **Approval to proceed with scheduling one contract for City Council consideration to provide**

municipal commercial garbage collection, disposal and recycling services to various departments throughout the City in the estimated total value of \$4,500,000.00 for an initial term of 3 years with 2, 1-year options to renew. [Ben Gorzell, Chief Financial Officer; Troy Elliot, CPA, Deputy Chief Financial Officer]

Troy Elliott, Deputy Chief Financial Officer, provided a briefing on the post solicitation for municipal commercial garbage collection, disposal, and recycling services. Elliott stated that the Request for Proposal (RFP) was valued at \$4.5 million with a term of three years with two, one-year renewal options. Elliott clarified that the initial expected cost was lower than the true cost of the contract due to increased costs of doing business which was expected to be an increase of 6%.

Elliott provided an overview of services provided and stated that two proposals were received for the solicitation. Elliott reviewed the submission and evaluation process for the two vendors.

Chair Perry asked if City was constructing a recycling facility. Elliott responded this contract is separate and apart for City services provided by a vendor. Chair Perry asked how the awarded vendor was awarded preference points. Elliott stated that the awarded vendor received points due to local presence.

Councilmember McKee-Rodriguez moved to approve and recommend Item 14 to the full City Council for consideration. Citizen Member Treviño seconded the motion. The motion carried unanimously by those present.

- 15. Approval to proceed with scheduling eight contracts for City Council consideration to provide the Public Works Department with a Job Order Contracting (JOC) Program for construction services not to exceed the amount of \$96,000,000 for an initial term of 2 years with 2, 1-year options to extend; and for the approval of increasing the JOC Program threshold requiring Council action.** [Roderick Sanchez, Assistant City Manager; Razi Hosseini, Director, Public Works]

Razi Hosseini, Public Works Director, provided an overview of the post solicitation process for the Public Works Job Order Contract Program. Hosseini stated that 23 proposals were received and the evaluation committee recommended eight vendors for the award. Hosseini reviewed the solicitation requirements, scoring, due diligence process and the Job Order Contracting (JOC) Program enhancements to include Local Government Code requirements. Hosseini provided an overview of the current approval process requirements for JOC award at the department, Executive Leadership Team and full City Council levels and recommended increased levels of dollar amount approvals. Chair Perry stated that the dollar amount limits for the award should be reconsidered since the cost of doing business was higher than in years prior. Perry requested additional information on staff's requirements. Chair Perry noted that increased term contracts could be considered.

Councilmember McKee-Rodriguez stated that staff needed to be conscious of firms cutting corners on projects. Hosseini stated that pricing was only 15% of criteria consideration and that construction experience and understanding of JOC programs totaled 40% of solicitation consideration. Councilmember McKee-Rodriguez asked for clarification on the approval process for items valued at \$250,000. Gorzell provided clarification on the approval process.

Councilmember McKee-Rodriguez moved to recommend and forward approval of the eight (8) recommended firms for the JOC Program to the City Council for consideration. Citizen Member Soto seconded the motion. The motion carried unanimously by those present.

Final Internal Audit Report

16. Acceptance of the Office of the City Auditor report AU21-F01 of the Airport Police Operations Follow-up Audit [Kevin Barthold, City Auditor]

Mark Biegler provided an overview of the Audit Report of Airport Police Operations and stated that the Airport Police met all the requirements of the Audit and conducted an excellent finding. Chief McManus added that Police staff worked very closely with the Audit staff to meet the identified issues and all items had been addressed.

Citizen Member Treviño moved to accept the Office of the City Auditor Report AU21-F01 of the Airport Police Operations Follow-Up Audit. Councilmember McKee-Rodriguez seconded the motion. The motion carried unanimously by those present.

17. Acceptance of the Office of the City Auditor report AU20-012 of the Finance Department Accounts Payable Process [Kevin Barthold, City Auditor]

Gabriel Trevino, Audit Manager, provided a summary of the Finance Department Accounts Payable Process. He stated that the division had adequate processes but recommended additional steps be taken to meet identified gaps.

Chair Perry asked if a slide presentation could be provided in the future of Audit Report findings for public viewing. Biegler stated that it would be provided in the future. Councilmember McKee-Rodriguez stated that a summary could be provided.

Councilmember McKee-Rodriguez moved to accept the Office of the City Auditor Report AU20-012 of the Finance Department accounts payable process. Citizen Member Treviño seconded the motion. The motion carried unanimously by those present.

18. Acceptance of the Office of the City Auditor report AU21-015 of the Finance Department's P- Card Program [Kevin Barthold, City Auditor]

Mark Biegler provided an overview of the Finance Departments P-Card Program and scope of items reviewed. Biegler identified gaps in the approval process, training requirements, monthly transaction pending items review, analysis of credit card user limits, and P-Card reoccurring charges. Biegler stated that the department worked closely with the Audit Department and addressed all items.

Chair Perry asked how all identified items would be addressed and noted that he understood the challenges with P-Card program. Elliott stated that the department was taking on a more proactive rather than reactive approach to meeting training requirements and review processes. Perry asked of the P-Card staffing approval process. Elliott reviewed the various staff and levels for P-Card approval process and the number of cards issued to staff. Gorzell also provided additional clarification on controls in place and how the department was addressing any issues.

Councilmember McKee-Rodriguez moved to accept the Office of the City Auditor Report AU21-015 of the Finance Department's P-Card Program. Citizen Member Treviño seconded the motion. The motion carried unanimously by those present.

AUDIT PLAN

19. Briefing on the FY 2022 Audit Plan Status Update. [Kevin Barthold, City Auditor]

Mark Biegler provided a brief overview of the FY 2022 Audit Plan Status and noted that items were progressing as scheduled. Perry requested that the diagram provided to the Committee be provided to the full council.

Councilmember McKee-Rodriguez asked if audit items could be completed sooner than anticipated. Biegler stated that items could be adjusted since some items required less time to complete but by the same notion, other items could require additional time based on findings and circumstances. Biegler also clarified that audit items could be addressed sooner as available. McKee-Rodriguez asked that the Ready to Work Program Audit be addressed sooner in the calendar.

No action was required for Item 19.

20. Briefing and discussion of tracking and reporting management action plan status for outstanding audit recommendations. [Kevin Barthold, City Auditor]

Mark Biegler stated that the item addressed the Committee's request for tracking and reporting management action plan status for outstanding audit recommendations. Perry stated that he was pleased with the proposed chart but asked staff to make it easier to read by the general public. Biegler provided additional clarification on the chart and stated that staff would work on simplification of the chart. Biegler stated that the report would be provided on a quarterly basis.

McKee-Rodriguez asked for clarification on the chart report and provided feedback on the chart for consideration. Biegler provided response of chart information and stated that feedback would be considered for implementation.

Executive Session

An Executive Session was not held.

Consideration of items for future meetings

Rescheduling the November 24, 2021 meeting to November 15, 2021.

ADJOURNMENT

Meeting was adjourned at 3:55 PM

Respectfully Submitted

Clayton H. Perry, Chairman

Debbie Racca-Sittre, Interim City Clerk