

**State of Texas  
County of Bexar  
City of San Antonio**



**Meeting Minutes  
City Council Special Meeting**  
City Hall Complex  
San Antonio, Texas 78205

**2021 – 2023 Council Members**

Mayor Ron Nirenberg  
Mario Bravo, Dist. 1 | Jalen McKee-Rodriguez, Dist.  
2 Phyllis Viagran, Dist. 3 | Dr. Adriana Rocha Garcia,  
Dist. 4 Teri Castillo, Dist. 5 | Melissa Cabello Havrda,  
Dist. 6 Ana Sandoval, Dist. 7 | Manny Pelaez, Dist. 8  
John Courage, Dist. 9 | Clayton Perry, Dist. 10

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**Tuesday, October 18, 2022**

**2:00 PM**

**Municipal Plaza Building**

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The City Council convened a regular meeting in City Hall beginning at 2:09 PM. City Clerk Debbie Racca-Sittre took the Roll Call noting a quorum with the following Council Members present:

**PRESENT: 9** – Nirenberg, Bravo, McKee-Rodriguez, Castillo, Cabello Havrda, Sandoval, Pelaez, Courage, Perry

**ABSENT: 2** - Viagran, Rocha Garcia

**ITEMS**

1. Staff presentation on the FY 2023 Annual High-Profile Forecast Report and High-Profile Definition Recommendation. [Ben Gorzell Jr., Chief Financial Officer; Troy Elliott, Deputy Chief Financial Officer, Finance Department]

City Manager Erik Walsh introduced Items 1 and 2, noting that the Items would be briefed as one presentation by Troy Elliott, Deputy Chief Financial Officer.

Troy Elliott, Deputy Chief Financial Officer, opened the FY 2023 Annual High-Profile Forecast

& Proposed Changes by providing background on the program which began in 2013 with the establishment of a High-Profile Contract Committee which was renamed in August 2017 to the Audit & Accountability Committee. Elliott outlined the criteria which deemed a procurement to be “High Profile” and provided the three paths that a High-Profile Item could take such as review by the Audit & Accountability Committee, select items for City Council B Session, or a Special Aviation High-Profile briefing.

Elliott noted that there were both pre- and post-solicitation briefings for the High-Profile procurements and the numbers were increasing. Elliott recommended increasing the minimum dollar amount requiring Audit & Accountability Committee Briefings from \$1 million to \$5 million with Items less than \$5 million being placed on the City Council Consent Agenda unless the solicitation was highly complex or had a high level of community interest. He did not recommend changing the definition of a High-Profile Contract, just the level of briefing since all would still be included on the High- Profile Report. Elliott provided a list of procurements expected to be reviewed in FY 2023.

Elliott provided background on the Local Preference Program (LPP) and outlined the proposed changes to the LPP that began in May 2013. Elliott provided background on the program to use the City’s spending power to maximize the amount of president’s tax dollars that stayed in San Antonio to benefit businesses located in the San Antonio city limits.

Elliott described the program stating that locally headquartered bidders could receive 10 preference points and businesses with at least 20% of their employees or a minimum of 100 employees in San Antonio could receive five preference points. He stated that the program was limited to for- profit entities and allowed the City to give preference to bidders up to 3% of higher in price than the next lowest bidder that was non-local which allowed more local businesses to receive contract awards.

Elliott stated that State Law allowed a 5% preference for goods and non-professional services less than \$500,000 and construction contracts less than \$100,000 and recommended moving up to the 5% State limit. He provided a comparison of the current City of San Antonio LPP and the proposed change and provided a chart showing the different contract types and the contract value that was local and non-local. Elliott estimated that the annual additional cost to move to a higher preference percentage was \$24,331.

Councilmember Cabello Havrda supported the recommended changes to the LPP but requested clarification as to which types of contracts could be applied. Councilmember Cabello Havrda suggested that the definition of a High-Profile Contract should be changed to \$5 million versus \$1 million due to increased costs related to supply chain issues and inflation. Elliott explained that the change would impact the City’s Ethics Code. Councilmember Cabello Havrda suggested de-bundling of contracts to make the procurement amounts smaller.

Councilmember Bravo recommended an external evaluation of the City’s procurement process and peer city review of blackout periods for campaign contributions and suggested the communication blackout period be extended until after the vote. Councilmember Bravo asked if a major corporation would qualify for LPP if they established a small branch here in San Antonio.

Elliott stated that on a discretionary contract those with a headquarters in San Antonio would get 10 points and those with a local office would only receive five points, but they had to be in San Antonio for more than a year. Kevin Barthold, City Auditor, stated that the Ethics Review Board could review the communications blackout period and would bring their recommendations to the Governance Committee. Councilmember Bravo supported de-bundling of large contracts.

Councilmember McKee-Rodriguez requested clarification on the staff recommendation related to Items not brought before the Audit & Accountability Committee. Elliott stated that many routine Items were simply on the Committee's consent agenda and suggested that efficiency would be accomplished by skipping the step and taking the contracts directly to City Council since all Items were included in the forecast. Councilmember McKee-Rodriguez asked about the definition of "High Community Interest." Elliott agreed that the criteria was subjective and often based on history. Councilmember McKee-Rodriguez recommended a dashboard for the public to provide their feedback. Elliott stated that the High-Profile list was on the City's website and a forecast was managed by the Small Business Office of the Economic Development Department which included outreach.

Councilmember McKee-Rodriguez spoke in support of raising the LPP to 5% as it would translate into millions of dollars for our local small businesses. Councilmember McKee-Rodriguez also supported closing the communication blackout period as suggested by Councilmember Bravo. Councilmember McKee-Rodriguez questioned the potential barriers and additional requirements for contracts designated High Profile and requested further dialogue about raising the definition from \$1 million to \$5 million.

Councilmember Perry spoke in support of streamlining the process for High-Profile briefings and he felt that some of the Ethics rules were highly punitive related to campaign contributions that could simply be a mistake. Barthold clarified that the Ethics Code did not define High-Profile, it merely prohibited campaign contributions during the procurement period. Councilmember Perry stated that he was willing to entertain increasing the definition of High-Profile from \$1 million to \$5 million. Councilmember Perry supported the recommended changes to the LPP but did not support including non-profits as they had a competitive advantage already due to their ability to receive grants.

Councilmember Pelaez asked Assistant City Manager Jeff Coyle if there had been a legislative initiative to lobby a change in State Law to allow LPP for more types of procurements. Assistant City Manager Coyle stated that this had been taken forward and passed the House and Senate in Texas but was vetoed by Governor Abbott. Councilmember Pelaez commented that when money stayed local even with our non-profits, the money circulated throughout our community just like a for-profit business that was local.

Councilmember Courage supported the recommended changes to the LPP including non-profits in addition to increasing the percentage. Councilmember Courage supported streamlining the briefing process for High-Profile contracts and the Ethics Code was triggered by the definition of High- Profile. Barthold explained that the prohibition would be removed but not the requirement to disclose. Councilmember Courage stated that the accountability at the \$1 million definition of High- Profile had served us well and he did not support lowering the bar and also

supported closing the communication blackout period.

Councilmember Castillo expressed concern that public trust would be lowered by changing the definition of a High Profile contract but supported the change to the briefing process as well as expanding the blackout period. Councilmember Castillo supported changes to the LPP but asked how the department confirmed that the business was headquartered in San Antonio. Elliott explained that it was a self certification by the business, but that staff worked to validate their responses related to location and number of local employees.

Councilmember Perry recommended that the proposed policy changes be reviewed by the business community. Councilmember Perry did not support closing the communication blackout period as he felt it was an opportunity for him to learn about the concerns of the proposers.

Councilmember Sandoval supported the recommendations related to the High-Profile briefing process but commented that she supported the current communication blackout period process that allows for discussion.

Councilmember Cabello Havrda suggested separating the political contribution limits from the discussion in order to increase the limit for the definition of a High-Profile contract.

Councilmember Courage asked if a Councilmember wanted to talk to a business that was bidding on a contract was the Councilmember prohibited from talking to that business. Staff clarified that the communication restriction was specific to the procurement.

Councilmember Bravo recommended closing the blackout period timeline and suggested that the unsuccessful bidders could make their presentation to the full City Council.

2. A briefing on proposed changes to the Local Preference Program [Ben Gorzell Jr., Chief Financial Officer; Troy Elliott, Deputy Chief Financial Officer, Finance Department]

Minutes for this Item are included above.

## **EXECUTIVE SESSION**

There was no Executive Session.

## **ADJOURNMENT**

There being no further discussion, the meeting was adjourned at 3:43 PM.

**Approved**

**Ron Nirenberg Mayor**

**Debbie Racca-Sittre  
City Clerk**