City of San Antonio

Minutes
Audit and Accountability Committee

2021 – 2023 Council Members
Clayton Perry, Dist. 10
Jalen McKee-Rodriguez, Dist. 2
Manny Pelaez, Dist. 8

Wednesday, September 21, 2022 **2:00 PM** **City Hall**

The Audit and Accountability Committee convened a regular meeting in City Hall beginning at 2:05 PM. City Clerk Debbie Racca-Sittre took the Roll Call noting a quorum with the following Committee Members present:

Members Present: Clayton Perry, *Chair*
Jalen McKee-Rodriguez, *Member*
Manny Pelaez, *Member*
Members Absent: Judy Trevino, *Citizen Member*

Approval of Minutes

1. **Approval of minutes from the August 26, 2022 Audit and Accountability Committee Meeting**

   Councilmember McKee-Rodriguez moved to Approve the minutes from the August 26, 2022 Audit and Accountability Committee meeting. Councilmember Pelaez seconded the motion. The motion carried by the following vote:

   Aye: Perry, McKee-Rodriguez, Pelaez
   Absent: Trevino

Public Comments

There were no Public Comments received.

CONSENT AGENDA

Pre-Solicitation High Profile Items

2. **Briefing on the release of a solicitation for up to 3 contracts to provide the Building and Equipment Services Department, San Antonio Fire Department, and the Convention and Sports Facilities Department with HVAC filters and services in the estimated total value of $1,400,000.00 (ARPA Funded) for 2 years with 3, 1 year options to renew** [Roderick Sanchez, Assistant City Manager; Jorge Perez, Director, Building and Equipment Services Department]

3. **Briefing on the release of a solicitation for one contract to provide full coverage service of HVAC Systems at the San Antonio Public Library in the estimated total value of $1,900,000 for 3 years with 2, 1-year options to renew.** [David W. McCary, Assistant City Manager; Ramiro S. Salazar, Director, San Antonio Public Library]

Post-Solicitation High Profile Items

4. **Approval to proceed with scheduling one contract for City Council consideration to manage and operate the Brackenridge Veterinary Clinic in the estimated total value of $170,000.00 for 3 years with 2, 1-year options to renew.** [David W. McCary, Assistant City Manager; Shannon W. Sims, Director, Animal Care Services]

Final Internal Audit Reports

5. **Acceptance of the Office of the City Auditor report AU22-002 Audit of the Aviation Concession Contracts** [Kevin W. Barthold, City Auditor]

6. **Acceptance of the Office of the City Auditor Report AU22-004 Audit of Office of the City Clerk - Passport Office** [Kevin W. Barthold, City Auditor]

Councilmember McKee-Rodriguez moved to Approve. Councilmember Pelaez seconded the motion. The motion carried by the following vote:

Aye: Perry, McKee-Rodriguez, Pelaez
Absent: Trevino

ITEMS FOR INDIVIDUAL CONSIDERATION

Post-Solicitation High Profile Briefings

7. **Approval to proceed with scheduling one contract for City Council consideration to provide the Public Works Department with construction of street improvement services related to the South Alamo Street (Market Street to East Cesar E. Chavez Boulevard), a 2017 Bond Program project, in the estimated total value not to exceed $40,700,000.00 for the project duration.** [Roderick Sanchez, Assistant City Manager; Razi Hosseini, Director, Public Works]

Director of Public Works Razi Hosseini outlined the evaluation criteria and scores for two vendors who proposed on the Request for Competitive Sealed Proposals (RFCSP) for the project and recommended that the Committee recommend and forward the Contract to City Council for consideration.

Chair Perry asked if businesses along the project would be compensated for their inconvenience or loss of business through the new Construction Mitigation Program. Hosseini stated that the Department communicated with all impacted businesses on a bi-weekly basis and were meeting with each on an individual basis to go over the project.

Councilmember McKee-Rodriguez questioned why there were only two bidders on this project and recommended more outreach. Hosseini stated that the construction project was very large and difficult due to being downtown in a constrained location and requiring large payments and performance bonds.

Deputy Chief Financial Officer Troy Elliott stated that the Purchasing Division directly outreached to Small Businesses and Veteran's Owned Businesses as well as any potential bidders.

Chair Perry asked about the process for debriefing the unsuccessful vendor and recommended reaching out to those who did not bid who attended the pre-submittal conference. Hosseini stated that debriefings were held upon request by the vendor and offered once per year, per vendor. Elliott stated that they did not typically reach out to those because it was a great volume of those who attend the conference, noting that most of the attendance at those meetings tended to be small businesses or subcontractors.

Councilmember Pelaez moved to Approve. Councilmember McKee-Rodriguez seconded the motion. The motion carried by the following vote:

Aye: Perry, McKee-Rodriguez, Pelaez
Absent: Trevino

8. **Approval to proceed with scheduling one contract for City Council consideration to provide the Transportation Department with consultant services in updating the City's Bicycle Network Plan at the estimated total value of $2,700,000 for the project duration.** [Roderick Sanchez, Assistant City Manager; Tomika Monterville, Director, Transportation]

Director of the Department of Transportation, Tomika Monterville, provided an overview of the solicitation which was to solicit for a qualified firm to update the Bicycle Network Plan and identify and prioritize bike and non-motorized network. Monterville stated there was a 17% Small Business Economic Development Advocacy Program (SBEDA) Small Minority and Woman-owned Business Enterprise (SMWBE) Subcontracting Goal, 3,590 vendors were notified of the opportunity and 24 attended the pre-submittal conference. She stated that six responses were received, and one response was disqualified for not meeting the SBEDA Goal. Monterville provided a chart of the scoring and stated that the most qualified firm would be recommended to City Council for the Contract.

Chair Perry asked for clarification on the difference between the Initial Scoring and the Final

Scoring matrix. Monterville stated that the Final Scoring reflected results of the Interview and better indicated firms that were ready and able to take on the project including their level of understanding of our City's needs, opportunities and challenges.

Chair Perry mentioned that the recommended vendor did not received Local Preference Points or Small Business Points. Monterville stated that SMWBE's were participating as subcontractors, not prime contractors.

Councilmember Pelaez moved to Approve. Councilmember McKee-Rodriguez seconded the motion. The motion carried by the following vote:

Aye: Perry, McKee-Rodriguez, Pelaez
Absent: Trevino

Staff Briefing

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

Ben Gorzell, Chief Financial Officer, introduced the Item and Deputy Chief Financial Officer Troy Elliott who outlined the proposed changes to the Local Preference Program (LPP). 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. 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 Local Preference Program and the proposed change and provided a chart showing the different contract types and the contract value that were local and non-local. Elliott estimated that the annual additional cost to move to a higher preference percentage was $24,331. Gorzell commented that this was a minimal cost to the City to be able to provide more contracts to local businesses.

Elliott also outlined exceptions to the LPP for Federally Funded programs, Telecommunications, contracts under $50,000, and for contracts that the owner Department or City Council deemed that the LPP would not add value.

Chair Perry expressed support for the updated LPP.

Pelaez asked if the proposal was to still exclude non-profits. Elliott stated that experts have explained that the non-profit business structure was inherently more competitive than a for-profit business. Pelaez provided some examples of situations where non-profit organizations could not compete with for-profit businesses who received LPP points and stated that when the recommendations went before City Council, he would move to include non-profits. City Attorney Andy Segovia clarified that there was no prohibition on including non-profits in the LPP.

Councilmember Perry commented that non-profits could qualify for grants and tax breaks which would give them an advantage over private businesses.

Gorzell stated that at the B Session on October 18, 2022, the proposed policy, along with other items would be briefed to the City Council including an update to the High Profile Definition.

Councilmember McKee-Rodriguez clarified that while the proposed changes were a small cost to the City, it would mean a lot to local businesses and would make a substantial impact to our community. Gorzell added that the estimated gains were conservative and might be much higher with de-bundling and other projects. Councilmember McKee-Rodriguez recommended that staff brief the Fair Contracting Coalition on the proposed changes.

City Auditor Kevin Barthold mentioned that the management of LPP was in the 2023 Audit Plan.

No action was required for Item 9.

Consideration of items for future meetings

ADJOURNMENT

There being no further discussion, Chair Perry adjourned the meeting at 2:50 PM.

Approved

Clayton H. Perry, Chair

Debbie Racca-Sittre, City Clerk