

# City of San Antonio



## Minutes Audit and Accountability Committee

### 2021 – 2023 Council Members

Chair: John Courage, District 9  
Mario Bravo, District 1 | Manny Pelaez, Dist. 8  
Citizen Member Judy Trevino

**Tuesday, January 31, 2023**

**10:00 AM**

**Council Briefing Room,  
City Hall**

The Audit and Accountability Committee convened a regular meeting in City Hall beginning at 10:09 AM. Deputy City Clerk Aurora Perkins took the Roll Call noting a quorum with the following Committee Members present:

**Members Present:** John Courage, *Chair*  
Mario Bravo, *Member*  
Manny Pelaez, *Member*  
Judy Trevino, *Citizen Member*

**Members Absent:** None

### Approval of Minutes

#### 1. Approval of minutes from the December 6, 2022 Audit and Accountability Committee meeting.

Councilmember Bravo moved to Approve the minutes from the December 6, 2022 Audit and Accountability Committee meeting. Councilmember Pelaez seconded the motion. The motion carried by the following vote:

**Aye:** Courage, Bravo, Pelaez, Trevino

### Public Comments

None.

## CONSENT AGENDA

### Final Internal Audit Reports

2. **Acceptance of the Office of the City Auditor Report AU22-022 Audit of HR - Health Benefits Third-Party Administration** [Kevin W. Barthold, City Auditor]

Councilmember Bravo moved to Approve on the Consent Agenda. Councilmember Pelaez seconded the motion. The motion carried by the following vote:

**Aye:** Courage, Bravo, Pelaez, Trevino

3. **Acceptance of the Office of the City Auditor Report AU22-011 Audit of EDD - SBEDA Compliance** [Kevin W. Barthold, City Auditor]

Councilmember Bravo moved to Approve on the Consent Agenda. Councilmember Pelaez seconded the motion. The motion carried by the following vote:

**Aye:** Courage, Bravo, Pelaez, Trevino

4. **Acceptance of the Office of the City Auditor Report AU22-026 Audit of ITSD - Oracle Security Compliance** [Kevin W. Barthold, City Auditor]

If a Committee Member pulls this item off the consent agenda then this item will be briefed in Executive Session pursuant to Texas Government Code Section 551.076, deliberation regarding security devices or security audit

Councilmember Bravo moved to Approve on the Consent Agenda. Councilmember Pelaez seconded the motion. The motion carried by the following vote:

**Aye:** Courage, Bravo, Pelaez, Trevino

## ITEMS FOR INDIVIDUAL CONSIDERATION

### Pre-Solicitation High Profile Briefings

5. **Briefing on the release of a solicitation to provide the Information Technology Services Department with a contract for Independent Verification and Validation Services and a briefing of the overall SAP Upgrade Program. The Independent Verification and Validation Services contract will have an estimated total value of \$1,500,000 for 3 years with 2, 1-year options to renew.** [Ben Gorzell, Chief Financial Officer; Kevin Goodwin, Deputy Director, Information Technology Services]

Craig Hopkins, Chief Information Officer, provided a brief on the release of a solicitation to provide the Information Technology Services Department (ITSD) with a contract for independent verification and validation services and SAP upgrade integration services. He reviewed the scope of

work for the Employee Relations Program (ERP) platform solutions and reasoning for sought out upgrade. He stated that the platform approach was conducted over 18 months and in partnership with Human Resources, Office of Management and Budget (OMB), Finance and ITSD and reevaluated the work structure and re-engineered current structure of SAP/ERP platform.

Hopkins stated that the process should take approximately three years and he reviewed the program procurement timeline for this high profile solicitation with a total cost of \$55 million. Hopkins reviewed the pre-solicitation process and components and noted the Small Business Economic Development Advocacy (SBEDA) Program components of the solicitation.

Chair Courage asked why this was not a sole source solicitation. Hopkins stated that the SAP/ERP platform currently used by the City premium support ended in 2027 and spoke to the shortcomings of the platform, and noted that the timeline would be much longer and more costly if the City integrated the program solely with SAP. Chief Financial Officer Ben Gorzell stated that SAP had been upgraded numerous times and that the City would be seeking bids on the implementors that would bring the SAP updated licenses in place. Hopkins stated that a competitive process would be more cost efficient and bring in outside integrators to assist in the implementation in a more timely and efficient manner.

Councilmember Pelaez stated that he supported the Item but asked if there were components that needed to be reconsidered to replace SAP components. Hopkins stated that the SAP improvements would provide a better customer experience.

No action was required for Item 5.

**6. Briefing on the release of a solicitation for a minimum of 5 contracts to provide the Transportation Department with On-Call Professional Consulting Services for Planning, Design, and Engineering in the estimated total value of \$15,000,000 for 3 years with 2, 1-year options to renew. [Roderick Sanchez, Assistant City Manager; Tomika Monterville, Director, Transportation]**

Transportation Director Tomika Monterville provided a briefing on the release of a solicitation for a minimum of five contracts to provide the department with on-call professional consultation services for planning, design and engineering for a total value of \$15 million for three years with two, one-year options to renew. She reviewed the solicitation process, evaluation committee and scope of the solicitation and Small Economic Development Advocacy (SBEDA) Program goals. Monterville reviewed the project timeline which included tentative City Council consideration in August 2023.

Chair Courage asked how the Bipartisan Infrastructure Law (BIL) impacted the need of these services. Monterville stated that the services provided under this contract would greatly impact the design, engineering and other services used for analysis of potential projects submitted under the BIL and other Federal grant programs. She stated that the contracted vendors would provide services to assist staff with Federal funds augmentation. Chair Courage stated that he hoped that local firms would be considered under the solicitation.

Councilmember Bravo stated that there was concern that many firms used more of a “car

oriented” model for transportation and suggested that a multi-modal approach for transportation be sought. Monterville agreed that a multi-modal approach was being sought out and that bike lanes, pedestrian areas were a priority for integration.

No action was required for Item 6.

### **Post-Solicitation High Profile Briefings**

- 7. Approval to proceed with scheduling three contracts for City Council consideration to provide the Public Works Department with On-Call Civil Engineering Services for the Infrastructure Management Program (IMP) and Neighborhood Access Mobility Program (NAMP) in the estimated total value of \$14,250,000 for an initial 3-year term with 2, 1-year options to renew.** [Roderick Sanchez, Assistant City Manager; Razi Hosseini, Director of Public Works]

Public Works Director Razi Hosseini provided a solicitation overview of the solicitation for on-call engineering services for the infrastructure Management Program (IMP) and Neighborhood Access Mobility Program (NAMP) in the estimated value of \$14,250,000. He stated that three firms had been identified for awards and the contracts would be considered by the City Council.

Chair Courage noted that there was a need to meet the capacity for services in the area of engineering services for these programs. Hosseini stated that an increase in staff and the services under these contracts would address the need for capacity for these programs. Hosseini stated that he was confident that the contracts would greatly impact the identification and completion of engineering services for future construction programs.

Councilmember Pelaez moved to Approve. Councilmember Trevino seconded the motion. The motion carried by the following vote:

**Aye:** Courage, Bravo, Pelaez, Trevino

### **Staff Briefing**

- 8. Status update on outstanding management action plans for prior audit recommendations.** [Kevin W. Barthold, City Auditor]

City Auditor Kevin Barthold provided an update on outstanding management action plans for prior audit recommendations and noted that follow-up audits were on track in the majority of those audits. He noted that the City Auditor worked closely with City departments to address follow-up audits and staffing capacity was on track.

### **Final Internal Audit Report**

- 9. Acceptance of the Office of the City Auditor Report AU22-017 Audit of Finance - Asset Capitalization** [Kevin W. Barthold, City Auditor]

City Auditor Kevin Barthold provided an overview of the audit of the Finance Department Asset Capitalization Process and associated findings. He noted that the overall review was positive but that improvements were recommended for oversight of the program and removal of assets in City inventory and associated authorizations.

Chair Courage asked what were the assets considered under the program. Deputy Financial Officer Troy Elliott reviewed the items covered under the asset program which were usually valued over \$5,000. Barthold stated that the current process was a good one but that recommendations were provided for final approval protocols. Elliott stated that the Finance Department had updated policies and procedures for the authorization process and policy and procedures for the program. Chair Courage requested a report on the improved processes associated with the program.

Councilmember Bravo moved to Approve. Councilmember Trevino seconded the motion. The motion carried by the following vote:

**Aye:** Courage, Bravo, Pelaez, Trevino

**10. Acceptance of the Office of the City Auditor Report AU22-040 Audit of ORM - Claims Subrogation [Kevin W. Barthold, City Auditor]**

Auditor Manager Buddy Vargas provided an overview of City conducted audit of the Office of Risk Management Claims Subrogation process and its effectiveness and compliance with relevant policies and procedures. Vargas noted that the audit could not determine effectiveness and compliance process because documentation for the subrogation process was not sufficiently maintained and performance metrics were not accurate. He reviewed the identified findings and recommended development of an action plan with a follow-up to be conducted in December 2023.

Debra Ojo, Director of the Office of Risk Management, noted that in January 2022, the Risk Management Office had been in the process of upgrading and transitioning into a new tracking system and access to all data was still accessible but that the audit did not identify the transition period. Chair Courage asked if ORM had requested a delay in the audit. City Auditor Kevin Barthold stated that a delay had not been considered and that it was anticipated that ORM would be further along in the data transition.

Chair Courage asked if a third party vendor had been considered to assist in review of claims. Chief Financial Officer Ben Gorzell stated that the City did currently utilize a third party vendor for these services and worked closely with the Department. Gorzell stated that a review of the vendors was being considered and he asked that the Auditor's Office assist in a review. Barthold noted that there was a good process in ORM for claims but that improvements could be made as recommended by the City Auditor's Office.

Councilmember Bravo moved to Approve. Citizen Member Trevino seconded the motion. The motion carried by the following vote:

**Aye:** Courage, Bravo, Pelaez, Trevino

## **Executive Session**

11. Possible deliberation on the following Information Technology Services Department Oracle Security audit pursuant to Texas Government Code Section 551.076, deliberation regarding security devices or security audits.

No Executive Session was held.

## **Consideration of items for future meetings**

Next Scheduled Meeting Date: February 22, 2023

Councilmember Bravo stated that he would like a briefing on Library Asset Disposal process to include disposal of books and other materials. Chief Financial Officer Ben Gorzell stated that he would meet with Councilmember Bravo to discuss the disposal process.

## **ADJOURNMENT**

There being no further discussion, the meeting was adjourned at 11:09 AM.

**Approved**

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***John Courage, Chair***

***Debbie Racca-Sittre, City Clerk***