

City of San Antonio



Minutes Audit and Accountability Committee

2021 – 2023 Council Members

Chair: John Courage, District 9

Mario Bravo, District 1 | Jalen McKee-Rodriguez, Dist. 2

Manny Pelaez, Dist. 8 | Judy Trevino, Citizen Member

Philip Harris, Citizen Member

Wednesday, March 29, 2023

2:00 PM

Council Briefing Room,
City Hall

The Audit and Accountability Committee convened a regular meeting in City Hall beginning at 2:04 PM. City Clerk Debbie Racca-Sittre took the Roll Call noting a quorum with the following Committee Members present:

Members Present: John Courage, *Chair*
Mario Bravo, *Member*
Judy Trevino, *Citizen Member*
Philip Harris, *Citizen Member*

Members Absent: Manny Pelaez, *Member*

Approval of Minutes

1. Approval of minutes from the February 20, 2023 Audit and Accountability Committee Meeting.

Councilmember Bravo moved to Approve the minutes for the February 20, 2023 Audit and Accountability Committee meeting. Councilmember Trevino seconded the motion. The motion carried by the following vote:

Aye: Courage, Bravo, Harris, Trevino

Absent: Pelaez

Public Comments

There was no Public Comment.

CONSENT AGENDA

Final Internal Audit Reports

2. Acceptance of the Office of the City Auditor Report AU22-013 Audit of SWMD City Fees Billed by CPS Energy. [Kevin W. Barthold, City Auditor]

There was no presentation or discussion on the Item.

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

Aye: Courage, Bravo, Trevino, Harris
Absent: Pelaez

3. Acceptance of the Office of the City Auditor Report AU22-001 Audit of Arts and Culture - Arts Funding [Kevin W. Barthold, City Auditor]

There was no presentation or discussion on the Item.

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

Aye: Courage, Bravo, Trevino, Harris
Absent: Pelaez

4. Acceptance of the Office of the City Auditor Report AU22-038 Audit of Public Works - Traffic Signals [Kevin W. Barthold, City Auditor]

There was no presentation or discussion on the Item.

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

Aye: Courage, Bravo, Trevino, Harris
Absent: Pelaez

ITEMS FOR INDIVIDUAL CONSIDERATION

Pre-Solicitation High Profile Briefings

5. Briefing on the release of a solicitation for one annual contract for Custodial Services at the San Antonio Public Library in the estimated total value of \$6,000,000 for 3 years with 2, 1-year options to renew. [David W. McCary, Assistant City Manager; Ramiro S. Salazar, Director, Library]

Assistant Library Director Kathy Donnellan provided an overview of the janitorial and custodial services contract for the San Antonio Public Library which was anticipated to start on October 1, 2023. Donnellan listed outreach methods, evaluation panel members, evaluation criteria,

additional requirements which included SBEDA at 20% of the points and a subcontracting requirement of 25% M/WBE and 7% AABE and mentoring.

Chair Courage asked about the procurement timeline and suggested that six weeks was an appropriate standard.

Councilmember Bravo suggested that pricing points should be increased since it was proposed at 20% with experience, background and qualifications being 40%. Donnellan explained that many proposers were expected. Gorzell stated that there were many vendors available and this was considered best practice.

Item was for briefing only, so no action was taken.

6. Briefing on the release of a solicitation for one contract to provide the City with delinquent property tax collection in the estimated total value of \$15,000,000 for 5 years with 1, 5-year option to renew. [Ben Gorzell, Chief Financial Officer; Troy Elliott, Deputy Chief Financial Officer, Finance Department]

Deputy Chief Financial Officer Troy Elliott provided background on the scope of services which would begin on July 1, 2023 when the delinquent property tax rolls were delivered to the City. Elliott stated that under State Law, only law firms could apply and the contract was anticipated to be for five years with one additional five year renewal. The estimated value of the contract was \$1.5 million and would begin on January 1, 2024. Elliott listed outreach methods, evaluation panel members, evaluation criteria, additional requirements which included SBEDA at 20% of the points and a subcontracting requirement of 20% M/WBE. He noted that audited financial statements would be required.

Chair Courage requested clarification on the amount of money the law firm could receive and whether the collector's standard 15 percent would also include penalties and interest. Elliott explained that the collection fee was in addition to the penalties and interest. Chair Courage asked why we would score pricing if it was a set percent. Elliott stated that although 15% was the standard, the firm could charge more.

Citizen Member Trevino clarified that the funds came from the delinquent property owner and were only calculated on the City's portion of the property tax.

Item was for briefing only, so no action was taken.

Post-Solicitation High Profile Briefings

7. Approval to proceed with scheduling one contract for City Council consideration to provide the City with Merchant Banking Services in the estimated total value of \$7,575,000.00 for an initial period of 3 years with 1, 2-year renewal option. [Ben Gorzell Jr., Chief Financial Officer; Troy Elliott, Deputy Chief Financial Officer]

Deputy Chief Financial Officer Troy Elliott provided background on the services which included credit card and other payment transfer systems. The contract term would be three years with one, two-year option and would begin on July 1, 2023, but the current provider might need to overlap

with the timeline in an extension because of the extensive integration required. Elliott provided the initial scores of the five vendors that submitted, and the three shortlisted firms that were interviewed. Elliott reported that 87 vendors were notified and eight attended the pre-solicitation, six responded and five were deemed responsive as one did not meet statutory requirement. Elliott stated that there was a second interview of the top vendor.

Chair Courage asked why the recommended vendor was re-interviewed. Elliott explained that one of the lower scoring firms that should not have been shortlisted was inadvertently invited to an interview, therefore, the decision was made to re-interview the top firm, however, the other firm did not attend the interview.

Citizen Member Trevino asked if the shortlisted vendors were allowed to revise their pricing in the interview phase. Elliott replied that they were not. Councilmember Courage confirmed that the City could still negotiate the price.

Councilmember Bravo moved to Approve and Forward the Item to the full City Council for consideration. Citizen Member Trevino seconded the motion. The motion carried by the following vote:

Aye: Courage, Bravo, Trevino, Harris
Absent: Pelaez

8. **Approval to proceed with scheduling 19 contracts for City Council consideration to create a list of qualified contractors to utilize for residential rehabilitation projects in the estimated total value of up to \$45,000,000 for a term of one year, with an additional 4, 1-year options to renew.** [Lori Houston, Assistant City Manager; Veronica Garcia, Director, NHSD]

Veronica Garcia, Director of the Neighborhood and Housing Services Department, provided background on the services which included construction contractors that would provide rehabilitation of homes owned by residents in the Minor Home Repair and Rehab Programs and funding would come from the General Fund and the 2022 Housing Bond and would be distributed equitably using a forgivable loan to the homeowner. She stated that the program included 19 vendors that would be on the City's preapproved list for one year with four, one-year options and would begin on July 1, 2023. Garcia reported that the contract for the work would be between the homeowner and the vendor.

Garcia stated that 20 vendors responded and 19 were being recommended as the department's intent was to provide as many vendor options as possible for the homeowners. Garcia noted that the evaluation included SBEDA points to encourage M/WBE, Emerging Small Business Entities (ESBE), and Veteran owned small businesses to apply. She noted that the one vendor not selected did not appear to have the requisite experience as a general contractor and was encouraged to become a subcontractor to the other firms.

Chair Courage noted that only eight of the contractors were SMWBEs and asked how many were outreached. Garcia stated that the notice was sent to 3,327 construction contractors and explained that 10 of the selected respondents were existing contractors but many vendors did not respond because they were expected to begin work using their own funds and would receive progress payments after the work had been completed.

Chair Courage asked if the program also included the Under One Roof Program. Garcia stated that the program was included and there were only two roofing vendors. Program Administrator over the Home Rehab Program Ann Eaton explained that most of the vendors did roofing as well as other work but two were only roofers and the need for the program was greater for minor rehab and repair not just roofs.

Councilmember Bravo moved to Approve and Forward the Item to the full City Council for consideration. Citizen Member Trevino seconded the motion. The motion carried by the following vote:

Aye: Courage, Bravo, Trevino, Harris
Absent: Pelaez

Final Internal Audit Report

9. Acceptance of the Office of the City Auditor Report AU22-036 Audit SAPD Park Police Operations [Kevin W. Barthold, City Auditor]

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

Aye: Courage, Bravo, Trevino, Harris
Absent: Pelaez

Consideration of items for future meetings

Next Scheduled Meeting Date: April 26, 2023

ADJOURNMENT

There being no further discussion, the meeting was adjourned at 3:04 p.m.

Approved

John Courage, Chair

Debbie Racca-Sittre, City Clerk