

# City of San Antonio



## Minutes

### Audit Committee

2023 – 2025 Council Members

Chair: Phyllis Viagran, District 3

John Courage, District 9 | Marc Whyte, Dist. 10

Citizen Representatives Judy Trevino and Philip M. Harris

Tuesday, August 8, 2023

10:00 AM

City Hall Complex

The Audit and Accountability Committee convened a regular meeting in the City Hall Council Briefing Room beginning at 10:02 AM. City Clerk Debbie Racca-Sittre took the Roll Call noting a quorum with the following Committee Members present:

**Members Present:** Phyllis Viagran, *Chair*  
John Courage, *Member*  
Marc Whyte, *Member*  
Philip Harris, *Citizen Member*

**Members Absent:** Judy Trevino, *Citizen Member*

### Approval of Minutes

1. Approval of minutes from the June 13, 2023 Audit and Accountability Committee Meeting

Councilmember Courage moved to Approve the minutes of the June 13, 2023 Audit and Accountability Committee meeting. Citizen Member Harris seconded the motion. The motion carried by the following vote:

**Aye:** Viagran, Courage, Harris

**Absent:** Whyte, Trevino

### Public Comments

Lourdes Galvan with the League of United Latin American Citizens (LULAC) National Commission, Cecilia Castellano with Azteca Designs, Juanita Sepulveda, Chair of the Small Business Economic Development Advocacy (SBEDA) Committee, Christopher Herring with the Global Chamber San Antonio, and Jane Gonzalez with MEDwheels spoke regarding Item 2 and in support of providing more contracting opportunities for local small businesses and women-owned businesses; opposed to specifying proprietary equipment, opposed low-bid process, and in support of MEDwheels to be

selected as best value for defibrillators, ventilator and ResQCPR supplies. Gonzalez provided the Committee with a letter from the Fair Contracting Coalition in support of her position.

## **Staff Briefing**

2. **Briefing on the release of a solicitation for Zoll Medical Equipment to provide the San Antonio Fire Department (SAFD) with defibrillators, ventilator and ResQCPR supplies and associated accessories in the estimated total value of \$6,800,000.00 for 3 years with, 2, 1-year renewals, and a solicitation for Zoll defibrillator accessories in the estimated total value of \$5,500,000.00 for 3 years with, 2, 1-year renewals.** [María Villagómez, Deputy City Manager; Charles N. Hood, Fire Chief]

Chief Financial Officer Ben Gorzell noted that the Item did not meet the criteria as a high-profile solicitation but had significant community interest so it was being briefed to the Committee. Chief of the San Antonio Fire Department (SAFD) Charles Hood provided background on the department noting they responded to 170,000 medical incidents every year and each SAFD emergency apparatus contained a monitor/defibrillator to measure blood pressure, pulse oximetry and heart rate. Hood described the accessories as cables, blood pressure cuffs of various sizes.

Deputy Chief Financial Officer Troy Elliott explained that he oversaw the Finance and Procurement functions of the City of San Antonio and introduced the procurement team led by Angelica Mata, Assistant Director. Elliott noted that these items had been historically procured as a sole source, however, City Council requested staff explore options to encourage competition and small business participation. The Zoll equipment was recommended as a proprietary solution that was only sold by the manufacture.

Elliott recommended de-bundling the solicitation between proprietary equipment from Zoll and the accessories that could be sourced through a third-party which had been provided by MEDwheels. Elliott provided a timeline for the review and recommendations starting in June 2022 through the present. Elliott described the Local Preference Program (LPP) which was intended to use the City's spending powers to promote fiscal responsibility and maximize the amount of resident tax dollars that remained in the local economy for the benefit of its citizens by utilizing available legal opportunities to contract with small businesses. Elliott stated that the City's procurement office was maximizing local preference points allowed by State Law at 5% including local non-profits.

Elliott described the different procurement options including Invitation for Bid (IFB), Request for Competitive Sealed Proposals (RFCSP), Request for Offers (RFO) from cooperatives or allowing for statutory exemptions. Elliott stated that the IFB was statutory and did not allow for brand specification, RFCSPs were used for services rather than commodities, Cooperatives were used for items that were very specific or needed a quick turnaround. Elliott stated that statutory exemptions were allowed for public safety and sole sources.

Elliott noted that the Fair Contracting Coalition had requested extension of the contract for five years which was not a standard practice of the procurement office but was within the prerogative of City Council to do so under the public safety exemption. Elliott recommended moving forward with the RFO for all proprietary items from Zoll and use of a competitive RFP for the third-party accessories with a 15% Minority/Woman Business Enterprise (MWBE) subcontracting requirement

that could be self-performed by a qualifying prime vendor. Elliott outlined the requirements, criteria, and timeline for the proposed solicitation.

#### DISCUSSION:

Chair Viagran noted that she was in full support of the LPP and the City supporting local contracts, and suggested that this contract was an opportunity for our local small businesses.

Councilmember Courage requested clarification on the ability of the City to specify Zoll equipment. Elliott explained that the equipment was proprietary, and a procurement exemption was allowed under the public safety exemption. Councilmember Courage asked if Zoll was the only manufacturer of defibrillators. Hood stated that the Tool and Equipment Committee had reviewed the different types of defibrillators and determined that the Zoll was the most advanced and there was a need for standard equipment to ensure there was consistency across the department. Councilmember Courage asked when the last time multiple products were evaluated. Hood stated that he would check on the dates.

Councilmember Courage suggested the ancillary products might be more generic and work with other equipment and noted that those were the third-party opportunities for local small businesses.

Chair Viagran asked Gonzalez about which procurement option was used to first award the contract to MEDwheels. Gonzalez noted that the contract was de-bundled as a result of community involvement. Gonzalez stated that her company was a direct distributor of other defibrillators such as Massimo and Stryker, and noted that the accessories worked with those types as well as with Zoll. Gonzalez maintained that this item met the definition of a high-profile contract and requested more contracting funds to go to local small MWBEs noting that low-bids hurt their efforts. Gonzalez requested postponing the procurement and instead, extend the contract with MEDwheels.

Chair Viagran asked about the impact of a postponement. Elliott stated that if it was postponed, the current contracts would need to be extended. City Attorney Andy Segovia noted the fire union assisted in selecting equipment.

Councilmember Courage stated that he was willing to consider postponing the procurement so long as it was a fiscally responsible decision and would help extend opportunities for local SMWBEs.

Gorzell stated that the Item was for briefing only, and requested feedback.

Councilmember Whyte stated that he favored moving forward with the procurement process as outlined by staff. Citizen Member Harris supported the staff recommendation.

Councilmember Courage requested a review of the timeline. Elliott stated that extension of the contracts would need to be negotiated with vendors, and that Zoll was not interested in another extension.

Chair Viagran clarified that there needed to be more discussion with other Councilmembers to see

how the Buy Local Program could be expanded and allow SAFD time to evaluate other products.

Item was for briefing so no action was taken.

**3. Briefing and possible action on the Office of the City Auditor Proposed FY2024 Annual Audit Plan** [Kevin W. Barthold, City Auditor]

City Auditor Kevin Barthold explained that City Ordinance required the City Auditor to develop and present an Annual Audit Plan which would need to be approved by the Audit Committee and the full City Council. Barthold stated that the development of the Plan was based on input from City Council, management, high level risk assessments and research on current trends in local governments. Barthold added that the Plan could be modified during the year.

Barthold outlined the FY2024 Proposed Audit Plan which included 37 performance and information technology (IT) audits and one attestation project for SAPD. He stated that the Plan included a review of the SAP upgrades project, a follow-up on previous audits to ensure management corrective action plans had been implemented, continuous monitoring and data analytics as well as special requests for an audit. Barthold provided a list of the departments and programs proposed in the Audit Plan.

The committee had no comments on the Plan.

Councilmember Courage moved to Approve. Councilmember Harris seconded the motion. The motion carried by the following vote:

**Aye:** Viagran, Courage, Whyte, Harris  
**Absent:** Trevino

**CONSENT AGENDA**

**Final Internal Audit Reports**

**4. Acceptance of the Office of the City Auditor Report AU23-017 Audit of SAFD Controlled Substance and Medical Supplies Management** [Kevin W. Barthold, City Auditor]

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

**Aye:** Viagran, Courage, Whyte, Harris  
**Absent:** Trevino

**5. Acceptance of the Office of the City Auditor Report AU23-018 Audit of Metro Health Lab Operations** [Kevin W. Barthold, City Auditor]

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

**Aye:** Viagran, Courage, Whyte, Harris  
**Absent:** Trevino

## **ITEMS FOR INDIVIDUAL CONSIDERATION**

Chief Financial Officer Ben Gorzell proposed providing a memorandum to the Audit Committee instead of presenting Items 6 through 11 at this meeting due to time constraints.

Councilmember Courage requested clarification on the process for follow-up and any action required from the Committee. Gorzell explained that the proposed memorandum process had been used before when there was a very heavy agenda for the Audit Committee and staff would consider any comments received individually from the Committee Members.

Chair Viagran and the Committee supported the memorandum process to allow Items 6 through 11 to move forward without official action from the Audit Committee.

### **Pre-Solicitation High Profile Briefings**

- 6. Briefing on the release of a solicitation for up to two Construction Manager At Risk (CMAR) contracts to provide the Public Works Department with Pre-Construction and Construction Phase Services for an estimated total value of \$33,286,885.50.** [Roderick Sanchez, Assistant City Manager; Razi Hosseini, P.E., Director, Public Works]
- 7. Briefing on the release of a solicitation for up to five contracts to supplement the City's National Environmental Policy Act (NEPA) consulting resources related to federal transportation projects, capital improvement bond projects and other City projects in the estimated total value of \$15,000,000 for 3 years with 2, 1-year options to renew.** [Roderick Sanchez, Assistant City Manager; Razi Hosseini, P.E., Director, Public Works]

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

- 8. Approval to proceed with scheduling one contract for City Council consideration to provide the Public Works Department with a construction contract for the Alamodome Improvements Project in an amount not to exceed \$19,890,000 for project duration.** [Roderick Sanchez, Assistant City Manager; Razi Hosseini, P.E., Director, Public Works]
- 9. Approval to proceed with scheduling one contract for City Council consideration to provide the Public Works Department with a construction contract for the Alamodome Structural Repairs Project in the estimated amount not to exceed \$9,159,100.** [Roderick Sanchez, Assistant City Manager; Razi Hosseini, P.E., Director, Public Works]
- 10. Approval to proceed with scheduling one contract for City Council consideration to provide the City with delinquent property tax collection services in the estimated total**

**value of \$15,000,000 for five years with one, 5-year option to renew.** [Ben Gorzell, Jr., Chief Financial Officer; Troy Elliott, Deputy Chief Financial Officer]

- 11. Approval to proceed with scheduling six contracts for City Council consideration to provide the Transportation Department with On-Call Civil Engineering and Program Management services in the estimated total value of \$9,750,000 for an initial three-year term with two, one-year options to renew.** [Roderick Sanchez, Assistant City Manager; Catherine Hernandez, Interim Director, Transportation]

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

Next Scheduled Meeting Date: September 12, 2023

### **ADJOURNMENT**

There being no further discussion, the meeting was adjourned at 11:14 a.m.

**Approved**

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*Phyllis Viagran, Chair*

*Debbie Racca-Sittre, City Clerk*