

**AUDIT & ACCOUNTABILITY COUNCIL COMMITTEE
MEETING MINUTES
MAY 21, 2019 at 9:30 AM
MUNICIPAL PLAZA, B ROOM**

Committee Present:	Councilmember John Courage, <i>District 9, Chair</i> Councilmember Roberto C. Treviño, <i>District 1</i> Councilmember Clayton Perry, <i>District 10</i> Citizen Member Judy Treviño
Committee Absent:	Citizen Member Priscilla Soto
Staff Present:	Erik Walsh, <i>City Manager</i> ; Carlos Contreras, <i>Assistant City Manager</i> ; Lori Houston, <i>Assistant City Manager</i> ; Rod Sanchez, <i>Assistant City Manager</i> ; Ben Gorzell, Jr., <i>Chief Financial Officer</i> ; Troy Elliott, <i>Deputy Chief Financial Officer & Director of Finance</i> ; Kevin Barthold, <i>City Auditor</i> ; Andy Segovia, <i>City Attorney</i> ; Ed Guzman, <i>Deputy City Attorney</i> ; Chris Hebner, <i>Assistant City Attorney</i> ; Ray Rodriguez, <i>Assistant City Attorney</i> ; Leticia Saenz, <i>Deputy City Clerk</i> ; John Jacks, <i>Director, Center City Development and Operations Department</i> ; David McCary, <i>Director, Solid Waste Management Department</i> ; Terry Kannawin, <i>Assistant Director, Development Services Department</i> ; Michael Sindon, <i>Assistant Director, Economic Development Department</i> ; Benito Medrano, <i>Assistant Director, ITSD</i> ; Christie Chapman, <i>Assistant Director, Transportation and Capital Improvements Department</i> ; Nick Galus, <i>Assistant Director, Solid Waste Management Department</i> ; Rebecca Moulder, <i>Auditor</i> ; Terri Hernandez, <i>IT Auditor</i> ; Javier Castillo, <i>IT Auditor</i> ; Mark Bigler, <i>Audit Manager</i> ; Denice F. Trevino, <i>Office of the City Clerk</i>
Others Present:	Jane Gonzalez, <i>Medwheels</i> ; Siew Pang, <i>SBAC Member</i> ; Cecilia Castellano, <i>Azteca Designs</i> ; Chris Herring, <i>Chair, SBAC</i>

CALL TO ORDER

Chairman Courage called the meeting to order.

1. Approval of the Minutes from the Audit & Accountability Committee Meeting on April 16, 2019

Councilmember Perry moved to approve the minutes of the April 16, 2019 Audit and Accountability Council Committee Meeting. Citizen Member Treviño seconded the motion. The motion carried unanimously by those present.

CONSENT AGENDA

Pre-Solicitation High Profile Items

- 2. On-Call General Technology Consulting Services.** [Carlos Contreras, Assistant City Manager; Russell Handy, Director, Aviation]

Post-Solicitation High Profile Items

- 3. Traffic Management Controller Firmware/Software.** [Roderick J. Sanchez, Assistant City Manager; Razi Hosseini, Interim Director, Transportation and Capital Improvements]
- 4. Electronic Plan Review Software.** [Roderick J. Sanchez, Assistant City Manager; Michael Shannon, Director, Development Services]

Final Internal Audit Reports

- 5. AU19-017 Audit of SAMHD STD/HIV Prevention Program**

Citizen Member Treviño moved to accept Items 2 through 5. Councilmember Perry seconded the motion. The motion carried unanimously by those present.

ITEMS FOR INDIVIDUAL CONSIDERATION

- 6. Briefing on Proposed Changes to High Profile Procurement Process.** [Ben Gorzell, Chief Financial Officer; Troy Elliott, Deputy Chief Financial Officer, Finance]

Troy Elliott stated that the high profile definition included discretionary solicitations which met one or more of the following:

- Contracts valued over \$1 million
- High level of community interest or other exceptional interest
- Highly complex or technical in nature, or contract terms and conditions which are non-standard or complex

He noted that staff considered revising the contract value to \$5 million but after meeting with stakeholder groups the consensus was to leave the contract value at \$1 million. He stated that the Committee reviewed an average of 43 contracts on any given year. He reviewed the common briefing elements and the elements of pre-solicitation briefings and post-solicitation briefings. He noted that the current process included:

- Annual high profile forecast to Committee
- Pre-solicitation briefing to Committee
- Solicitation and evaluation phase
- Post-solicitation briefing to Committee
- City Council A Session consideration

Councilmember Treviño entered the meeting at this time.

Mr. Elliott stated that current reporting included:

- Annual forecast
 - Projects categorized as individual or consent
 - Presented to Audit and Accountability Committee
- Monthly high profile reports
 - High profile projects currently released
 - Distributed to Mayor and City Council
 - Posted to the City's website
- Bidding and contracting opportunities webpage
 - High profile contracts currently released
 - Identify restrictions on communications and blackout period for campaign contributions

Mr. Elliott stated that the recommended process revisions included:

1. Establish new select high profile procurement category
2. Bi-annual forecast presentation at B Session
3. B Session feedback
4. B Session pre- and post-solicitation briefings

He noted that the following criteria were proposed for select high profile contracts:

- Financial impact (contract value in excess of \$25 million)
- Contract term (10 years or more)
- Policy/public safety implications
- Community/stakeholder impact or interest
- Professional judgement

Mr. Elliott reviewed the proposed select solicitation process and noted that during said process; the restrictions on communications would begin with the solicitation release and would end when posted for City Council consideration at A-Session. He stated that restrictions on campaign contributions would begin 10 business days after the release of the solicitation and would end 30 days after the award. He reviewed the following proposed process updates:

- Include B-Session update for select high profile projects
- Increase standard advertisement period from 30 to 45 days
- Present both initial and final score matrices
- Display respondent names
- No impact to Ethics Code, restrictions on communications, or current reporting

Citizens to be Heard

Chairman Courage called upon the citizens registered to speak.

Jane Gonzalez spoke in opposition to the proposed recommendations and noted that the Small Business Advocacy Committee was not notified of the proposed recommendations.

Siew Pang spoke in opposition to the proposed recommendations and their effect on small businesses.

Cecilia Castellano spoke of the lack of transparency in the process.

Chris Herring stated that he would have liked to have seen the proposed recommendations prior to today's meeting.

Chairman Courage noted that not every high profile contract must be for \$25 million or above.

Mr. Elliott noted that the proposed recommendations were an additional layer of the process for select high profile contracts.

Ben Gorzell added that the proposed recommendations related to staff's communication with the City Council.

Councilmember Treviño requested that staff meet with the Small Business Advocacy Committee to discuss member concerns. He confirmed that the names of the companies that bid on a contract would be provided to the Audit and Accountability Committee.

Councilmember Perry confirmed that the criteria for high profile contracts would remain the same. He stated that he preferred that the names of the companies not be disclosed to the Audit Committee.

Citizen Member Treviño asked if select high profile contracts would be presented to the Audit and Accountability Committee, City Council at B-Session, or both. Mr. Elliott replied that the next steps for a solicitation would be identified in the Bi-Annual Forecast. Citizen Member Treviño stated that she would prefer that the company names were not disclosed to the Audit and Accountability Committee.

Councilmember Treviño asked why the company names would be released if the City Council were not allowed to speak with them. Mr. Gorzell replied that it would give the City Council time to review the companies and what they provided. Councilmember Treviño spoke of the short window of time available to speak with companies. Andy Segovia noted that extending the time would require a revision to the Ethics Code. Councilmember Treviño expressed support for review of the Ethics Code by City Council. Mr. Segovia noted that the prohibited communication did not include staff.

Chairman Courage stated that he preferred not to have the names of companies revealed until after a company was approved by the Audit and Accountability Committee.

No action was required for Item 6.

Select Pre-Solicitation High Profile Briefings

7. Organic Material Processing Services. [Roderick J. Sanchez, Assistant City Manager; David W. McCary, Director, Solid Waste Management]

David McCary stated that the Recycling and Resource Recovery Plan which was adopted by the City Council in 2010, included processing of organics as a critical component. He stated that on December 31, 2019, the five-year contract for organics processing would expire and said contract included five, one-year renewal options. He noted that the Solid Waste Management Department (SWMD) collected 60,000 tons of compostable material per year through curbside green cart collections. He stated that processing of the material required a manual sorting process to remove non-compostable material. He noted that staff met with the current contractor who indicated that a subsequent contract would include a 40% increase in the cost. He provided the solicitation overview and requirements, and reviewed the evaluation voting members for the solicitation.

Chairman Courage asked of the three targeted vendors. Mr. McCary stated that the three targeted vendors were equipped to process the volume presented.

Councilmember Perry asked if the program would continue at a higher cost. Mr. McCary stated that it would be determined if the program would continue at a higher cost at a later date.

No action was required for Item 7.

8. Dockless Vehicles. [Lori Houston, Assistant City Manager; John Jacks, Director, Center City Development and Operations]

John Jacks stated that the Center City Development and Operations (CCDO) Department was seeking proposals from qualified firms to provide micromobility/dockless vehicle transportation options. He noted that three vendors would be selected and permits for 5,000 vehicles would be issued. He stated that the annual permit fee was \$100 per vehicle and respondents may propose additional revenue sharing opportunities. He noted that the proposed term was for two years with one, 1-year renewal and the estimated value of the solicitation was \$1.5 million. He stated that 14 vendors were expected to respond to the solicitation. He reviewed the evaluation voting members, the solicitation requirements, and the project timeline.

Chairman Courage asked how citizen complaints would be addressed by the solicitation. Mr. Jacks replied that the number of vehicles and companies would be reduced and through the Request for Proposals (RFP) process, the three best companies would be identified.

Councilmember Treviño requested that a member of the Disability Access Advisory Committee and a representative from the Transportation and Capital Improvements Department be included as an evaluation voting member.

Chairman Courage requested that a member of the Public Safety Committee be included as an evaluation voting member.

Citizen Member Treviño asked if there would be 5,000 permits per vendor or 5,000 permits in total. Mr. Jacks replied that there would be a total of 5,000 permits issued among the three vendors.

Councilmember Perry expressed concern that the number of permits for each vendor could impact their business model. He suggested that the number of permits for each vendor be limited to 2,000 for a total of 6,000.

Chairman Courage requested that the RFP be provided to the City Council once it was released.

No action was required for Item 8.

Executive Session

Chairman Courage recessed the meeting into Executive Session at 11:06 a.m. to deliberate the following Information Technology Services Department security audits pursuant to Texas Government Code Section 551.076 (deliberations regarding security devices or security audits):

AU19-021 General controls-change/configuration management
AU18-011 Internet of things vulnerabilities
AU18-F05 Software licensing follow-up
AU18-F07 Mobile computing device security follow-up

Chairman Courage reconvened the meeting at 11:36 a.m. and announced that no action was taken during the Executive Session.

Citizen Member Treviño moved to approve the following four ITSD Audits:

AU19-021 General controls-change/configuration management
AU18-011 Internet of things vulnerabilities
AU18-F05 Software licensing follow-up
AU18-F07 Mobile computing device security follow-up

Councilmember Treviño seconded the motion. The motion carried unanimously by those present.

ADJOURN

There being no further discussion, Chairman Courage adjourned the meeting at 11:37 a.m.

ATTEST:

John Courage, Chairman

*Leticia Y. Saenz
Deputy City Clerk*