

AUDIT & ACCOUNTABILITY COUNCIL COMMITTEE
MEETING MINUTES
SEPTEMBER 14, 2017 at 3:00 PM
CITY HALL, MEDIA BRIEFING 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 Tom Nichta
Staff Present:	Kevin Barthold, <i>City Auditor</i> ; Andy Segovia, <i>City Attorney</i> ; Ben Gorzell, Jr., <i>Chief Financial Officer</i> ; Troy Elliott, <i>Deputy Chief Financial Officer & Director of Finance</i> ; Erik Walsh, <i>Deputy City Manager</i> ; Peter Zanon, <i>Deputy City Manager</i> ; William McManus, <i>Police Chief</i> ; Steven Baum, <i>Assistant Police Director</i> ; Mike Frisbie, <i>Director of TCI</i> ; Christie Chapman, <i>Assistant Director of TCI</i> ; Michael Sindon, <i>Assistant Director of EDD</i> ; Leticia Saenz, <i>Deputy City Clerk</i> ; Tina Flores, <i>Compliance Auditor</i> ; Patrick Steck, <i>Special Projects Manager</i> ; Jay Podjenski, <i>District 1</i> ; Derek Roberts, <i>District 9</i> ; Zack Lyke, <i>District 9</i> ; Paul Jimenez, <i>District 10</i> ; Cecily Hope Pretty, <i>Office of the City Clerk</i>
Others Present:	Andres Peña, <i>Kaufman & Killen, Inc.</i>

CALL TO ORDER

Chairman Courage called the meeting to order.

High Profile Contract Subcommittee Items

1. Management of the Growdon Vehicle Storage Facility [San Antonio Police Department]

Mr. Steven Baum stated that the Growdon Vehicle Storage Facility held automobiles involved in traffic accidents, abandoned on city right-of-ways, impounded for evidence in a criminal investigation, or owned by prisoners. He noted that out of 54,000 vehicles towed annually 27,000 were stored at the facility. He stated that the current contract oversaw storage and auction services for 5,600 vehicles yearly and that it was set to expire September 30, 2017. He noted that the proposed contract was for a six-year term with two, 1-year renewal options valued at \$5.9 million annually and would go before the full City Council on September 21, 2017. He stated that solicitation requirements did not include a SBEDA subcontracting element due to lack of availability in the scope of the contract. He noted that there had been concerns regarding loss of revenue to the city and that the terms had been renegotiated to maintain the current contract terms to award the city 85% of auction revenue and 2% of impound fees. He presented an overview of the necessary capital improvements for the facility to be performed by the contractor and the city. He described the funding plan to dedicate any funds in excess of \$3 million from the first two years of the contract to contractor improvements and excess funds from year three forward to the city's portion of the improvements.

Mr. Troy Elliott provided an overview of the procurement process and noted that there were no adverse financial findings regarding the three vendors selected for final consideration. Mr. Kevin Barthold added that there were no findings from an audit perspective.

Councilmember Perry asked of the large increase in vehicles at the facility in 2016 and 2017. Mr. Baum replied that it was due to changes in the insurance industry and body shop operations.

Citizen Member Nichta asked if civil asset forfeitures went to the facility. Mr. Baum replied that they were stored there but were managed through another contract and overseen by uniformed personnel. Citizen Member Nichta asked to whom the majority of the auctioned vehicles were sold. Mr. Baum replied that they were sold to salvage dealers and for scrap metal. Citizen Member Nichta asked of city control over the contractor's portion of capital improvements. Mr. Baum stated that the contractors would be held to the existing Codes of the city. Mr. Erik Walsh added that all projects would be subject to city approval.

Councilmember Treviño asked of the customer service impact of the contract. Mr. Baum replied that the subcontractor was a large, nationwide vehicle management company with proprietary software that would digitize the queuing and service process for the convenience of the customer.

Councilmember Treviño moved to forward Item 1 to the full City Council for consideration. Citizen Member Nichta seconded the motion. The motion carried unanimously.

2. Selection of Design Consultation for 2017 Bond Program [Transportation and Capital Improvements]

Mr. Mike Frisbie stated that design consultants were selected for five aspects of the 2017-2022 Bond Program: (1) Streets, Bridges, and Sidewalks; (2) Drainage and Flood Control; (3) Parks, Recreation, and Open Space; (4) Library and Cultural Facilities; and (5) Public Safety Facilities. He noted that out of 180 projects; 105 were included in the mass selection process which streamlined the city's ability to begin work on the Bond Package. He stated that the department issued RFQs on May 9, 2017 for civil engineering, landscape architecture, and architecture consultation and had asked prospective consultants to provide input in an innovative solicitation process. He stated that a major goal of the program was to have vendors who traditionally acted as sub-consultants move into prime roles. He noted there were over 400 attendees at the pre-submittal conference, 122 eligible submittals with two firms deemed ineligible due to contributions during the blackout period, and a total of 79 recommended prime contractors and 247 recommended subcontractors. He stated that the selections would go to the full City Council for approval on October 5, 2017.

Councilmember Treviño asked of the difference between Small Businesses and Emerging Small Businesses (ESBs) and asked staff to be sure that they were differentiated during the procurement process. Mr. Frisbie replied that ESBs were up to a quarter of the size of Small Businesses and had been incentivized separately for the first time. He noted that 28 ESBs were being recommended as primes and a spot check could be done to verify average firm size. Councilmember Treviño asked of the process for keeping citizens informed of the status of bond projects. Mr. Frisbie replied that the 2012 Bond Dashboard was currently active and the 2017

Bond Dashboard was being created with phase, cash flow, and schedule information. He stated that data was provided directly from SAP and the Primavera Scheduling System for timely, accurate updates. Councilmember Treviño asked of innovation in the design and construction process. Mr. Frisbie replied that they were utilizing “context-sensitive design” to identify unique solutions to each project’s need.

Councilmember Perry asked that staff examine how to change restrictions on incentives for veteran-owned businesses. Mr. Frisbie stated that the restrictions were originally implemented to prevent low-bidding design work. Mr. Gorzell noted that they had sponsored a bill to change local preference regulations for Requests for Competitive Sealed Proposals but it was vetoed.

Citizen Member Nichta asked if each of the prime and subcontractors were unique in the total count. Mr. Frisbie replied that they were not unique and there were overlaps and duplicates in some partnerships.

Chairman Courage asked if the same selection process would be followed for Bond Program construction contracts and whether they would come before the Audit and Accountability Committee. Mr. Frisbie replied that they were subject to a different process and would go before City Council individually for consideration. Ms. Christie Chapman noted that four discretionary design-build contracts would likely come before the Committee for approval.

Councilmember Treviño moved to forward Item 2 to the full City Council for consideration. Chairman Courage seconded the motion. The motion carried unanimously.

Consideration of items for future meetings

This item was not addressed.

Adjourn

There being no further discussion, Chairman Courage adjourned the meeting at 4:03 pm.

ATTEST:

Leticia Y. Saenz
Deputy City Clerk

John Courage, Chairman