

**AUDIT & ACCOUNTABILITY COUNCIL COMMITTEE
MEETING MINUTES
MAY 24, 2018 at 1:30 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>
Committee Absent:	Citizen Member Priscilla Soto Citizen Member Judy Treviño
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> ; Jorge Pérez, <i>Director of Building & Equipment Services</i> ; Xavier Urrutia, <i>Director of Parks & Recreation</i> ; Craig Hopkins, <i>Chief Information Officer</i> ; Patricia Cantor, <i>Interim Director of Convention & Sports Facilities</i> ; Russ Handy, <i>Director of Aviation</i> ; Melody Woosley, <i>Director of Human Services</i> ; Carl Wedige, <i>Deputy Fire Chief</i> ; Leticia Saenz, <i>Deputy City Clerk</i> ; Christie Chapman, <i>Assistant Director of TCI</i> ; Razi Hosseini, <i>Assistant Director of TCI</i> ; Veronica Garcia, <i>Assistant Director of Center City Development</i> ; John Rodriguez, <i>Assistant Director of Information Technology Services</i> ; Steve Whitworth, <i>Assistant City Attorney</i> ; Katinka Howell, <i>Assistant City Attorney</i> ; Lauren O'Connor, <i>Assistant City Attorney</i> ; Tina Flores, <i>Compliance Auditor</i> ; Thea Setterbo, <i>Public Affairs Manager</i> ; Lauron Fischer, <i>Executive Management Assistant</i>

CALL TO ORDER

Chairman Courage called the meeting to order.

CONSENT AGENDA

Pre-Solicitation High Profile Items

- 1. Custodial Services for Various City Facilities (DHS/SAPD/SAFD) [Finance]**

Post-Solicitation High Profile Items

- 2. Professional Asset Management Services (Street Pavement Condition Index) for TCI [Transportation & Capital Improvements]**

3. Custodial Services for La Villita, Market Square, Centro de Artes, Centro Information Center, Downtown Lavatory, San Antonio Garden Center, and Brush Recycling Centers [Finance]

4. Supplemental Event Security Services [Convention & Sports Facilities]

Councilmember Treviño moved to accept Items 1 through 4. Councilmember Perry seconded the motion. The motion carried unanimously by those present.

ITEMS FOR INDIVIDUAL CONSIDERATION

Deputy City Clerk Leticia Saenz announced that Item 6 was pulled from the agenda by staff and would not be addressed.

Select Pre-Solicitation High Profile Briefings

5. Procurement Process for SAFD Medical Supplies [Finance]

Troy Elliott stated that the contract was for medical supplies to be used in daily Fire Department operations. He noted that the items for procurement were brand-specific as identified by the Medical Director of the Fire Department. He stated that it was a \$12 million contract for a five-year term. He noted that the item typically would not be considered High Profile but the level of community involvement merited presentation to the Audit and Accountability Council Committee. He stated that the current contract would expire September 30, 2018 with one, 1-year renewal option but staff was recommending a new procurement process instead of renewal due to interest from small, minority, and local vendors. He recommended de-bundling the existing contract to create opportunities for small, local vendors to compete for portions of the procurement. He noted that prior de-bundling processes had led to more favorable pricing overall.

Mr. Elliott stated that staff recommended three procurements: (1) Medical supplies; (2) Emergency Medical Services (EMS) supplies; and (3) Medications. He noted that each procurement package would be broken down into smaller categories that could be bid on separately. He stated that the medical supplies procurement had a goal of 12% Minority/Women-Owned Business Enterprise (M/WBE) and Local Preference would apply. He noted that the procurement totaled \$4 million over a three-year term with two, 1-year options for renewal. He stated that the EMS supplies procurement totaled \$5.2 million over a three-year term with two, 1-year options. He noted that the medications procurement totaled \$4 million over a one-year term with two, 1-year options. He stated that the EMS supplies and medications procurements still needed to go through the goal-setting process. He reviewed outreach efforts and noted that they could choose to exercise the final renewal option with the current vendor as a benchmark against solicitation responses. He stated that a Post-Solicitation Briefing to the Committee was planned for August 2018.

Chairman Courage asked how the procurement categories were determined. Mr. Elliott replied that they were developed in partnership with the Fire Department and the Small

Business Office. Chairman Courage expressed support for utilizing the final renewal option with the current vendor as a comparative measure.

Councilmember Perry asked of the possibility to include Equal Clauses rather than require brand-specific items. Deputy Fire Chief Carl Wedge replied that the Fire Department selected specific brands based on experience and the expertise of the Medical Director and noted that items were evaluated regularly. Councilmember Perry requested a discussion with staff regarding the selection process and asked of engagement with the Small Business Advocacy Committee (SBAC). Mr. Elliott replied that staff met with the SBAC regularly and they expressed support for de-bundling. Councilmember Perry requested that staff solicit feedback from local vendors to confirm that the bundles made sense to suppliers and suggested allowing the military to partner on similar contracts. Mr. Elliott replied that staff would follow up on both requests.

No action was required for Item 5.

7. Fire Station 54 [TCI]

Christie Chapman stated that Fire Station 54 was part of the Fiscal Year 2018 Capital Budget as a result of the Foster Road Annexation. She noted that the project would be solicited as a Request For Competitive Sealed Proposals (RFCSP) valued at \$1.7 million. She stated that construction was estimated to be completed in April 2019. She noted that the project would include the construction of a modular building for living quarters and a pre-engineered three-bay metal building for the fleet. She noted that the project included associated site work to include utilities. She stated that the project was funded with Certificates of Obligation (COOs). She reviewed solicitation requirements including 10 possible points for Emerging Small Business Enterprise (ESBE), 10 points for M/WBE, and subcontracting goals of 26% M/WBE and 5% African-American Business Enterprise (AABE). She reviewed the Goal-Setting Committee, outreach efforts, and Project Evaluation Committee. She presented an overview of the timeline including a Post-Solicitation Briefing to the Committee in August 2018, full City Council consideration in September 2018, and a contract start date in October 2018.

Chairman Courage noted that the cost seemed low for a full structure. Chief Wedge stated that stations were generally built for 50-year usage but Fire Station 54 would not be due to the need to move the associated Fire Company quickly. He added that a more permanent structure would be built in the future. Chairman Courage asked if it would be included in a future Bond Package. Chief Wedge replied that it would. Chairman Courage asked of the projected staffing for the station. Chief Wedge replied that it would include four people.

Councilmember Treviño expressed support for the pre-fabricated building to meet current needs. Chief Wedge noted that they had utilized similar structures in other annexed areas.

Councilmember Perry asked why the station was not included in the 2017-2022 Bond Program. Erik Walsh replied that City Council initiated the Foster Road Annexation after the Bond Program was already approved. Councilmember Perry asked of the life expectancy of the pre-engineered buildings. Mr. Walsh replied that it was 10 years. Councilmember Perry asked if there were other areas in need of a similar project. Mr. Walsh replied that there were none.

No action was required for Item 7.

Select Post-Solicitation High Profile Briefings

8. Design Build Services for San Antonio Zoo Parking Garage [Transportation & Capital Improvements]

Christie Chapman stated that the Zoo Parking Garage was part of the 2017-2022 Bond Program valued at \$10.1 million and would be completed in May 2019. She noted that the project included the construction of a parking garage with 600 spaces to serve the San Antonio Zoo, Brackenridge Park, and other nearby venues and to provide needed parking, alleviate congestion, and improve pedestrian safety. She reviewed the project timeline and noted that the solicitation was a two-step design-build solicitation with a Request For Qualifications (RFQ) and Request For Proposals (RFP). She reviewed solicitation requirements including five points for Small Business Enterprise (SBE), five points for M/WBE, and subcontracting goals of 19% M/WBE and 2% AABE. She noted that there was a requirement to participate in the Small Business Mentor Program. She provided an overview of the Evaluation Committee and Score Matrix. She stated that seven firms submitted during the RFQ phase and four were shortlisted for the RFP phase. She noted that there were no findings as a result of due diligence.

Chairman Courage asked if subcontracting percentages corresponded to dollar amounts. Ms. Chapman replied that they did. Chairman Courage asked if the project was tied to contractor mass selection processes. Ms. Chapman replied that it was not because the mass selection process applied to design services only.

Councilmember Perry asked of the inclusion of Veteran-Owned Small Businesses (VOSB). Ms. Chapman replied that VOSB was not allowed under state law because it was a discretionary contract.

Discussion ensued regarding legal restrictions on application of preferences and contract types. City Attorney Andy Segovia stated that staff would prepare a briefing on applicable laws.

Councilmember Perry moved to forward Item 8 to the full City Council for consideration. Councilmember Treviño seconded the motion. The motion carried unanimously by those present.

9. Telecommunications, Network Connectivity & Other Telecommunication Services [Information Technology Services]

Craig Hopkins stated that the solicitation was an RFCSP. He noted that current contract would expire June 30, 2018 and the proposed term was six years with two, 2-year options for renewal valued at \$37.5 million. He provided an overview of the project scope to include five categories of telecommunications work: (1) Wire line services; (2) Ethernet services; (3) Broadband services; (4) Internet services; and (5) 3-1-1, conferences, long distance, international, and directory services.

John Rodriguez provided an overview of the project timeline with full City Council consideration planned for June 21, 2018 and a contract start date of July 1st. He noted that staff was meeting with the contractor to transition from the old contract to the new contract smoothly.

He provided an overview of solicitation requirements and noted that the Proposed Plan was valued at 50 points because of the importance of the transition. He stated that there was a 10% SBE subcontracting requirement. He provided an overview of the Evaluation Committee and outreach efforts. He noted that two firms were deemed non-responsive for failure to submit required proposal documents and failure to submit their proposal by the due date and time. He stated that there were no findings as a result of due diligence.

Craig Hopkins noted that staff did not include net neutrality as part of the solicitation but bidders provided corporate statements regarding net neutrality for consideration during the contract negotiation process.

Chairman Courage asked how late the non-responsive proposal was submitted. Mr. Elliott replied that it was 24 hours late. Chairman Courage expressed concern that the process was overly strict. Mr. Segovia stated that consistency was important to ensure a fair process immune from criticism.

Councilmember Perry asked of funding for the project. Ben Gorzell replied that it was from the department's Operating Budget. Councilmember Perry asked of anticipated increases in service costs. Mr. Rodriguez replied that Fire Stations were being converted to higher capacity systems which may lead to higher annual costs. Mr. Hopkins added that volume across all departments was also increasing which may require greater capacity and greater costs.

Councilmember Perry moved to forward Item 9 to the full City Council for consideration. Councilmember Treviño seconded the motion. The motion carried unanimously by those present.

10. Airport Advertising Concession [Aviation]

Russ Handy stated that the contract would select a vendor to take commercial advertising contracts and determine placement in San Antonio International Airport. He noted that the Aviation Department collected a percentage of profits generated and it served as a significant source of revenue. He stated that the RFP was released for a contract value of at least \$7 million over ten years with no renewal options. He noted that the current contract expired October 31, 2017 and the contractor was operating on a month-to-month basis. He reviewed the project scope and noted the importance of an innovative approach with multiple media display types. He provided an overview of the project timeline with full City Council consideration planned for June 7, 2018 and a contract start date the following week. He reviewed the solicitation requirements with 20 points possible for Airport Concession Disadvantaged Business Enterprise (ACDBE). He noted that federal law prohibited the application of any other preferences. He reviewed the Evaluation Committee and Score Matrix and noted that the top vendor received the highest score in the history of the concession.

Mr. Elliott and Kevin Barthold noted no findings as a result of due diligence.

Councilmember Treviño asked of the exclusion of Stinson Municipal Airport from the concession. Mr. Handy replied that its size allowed advertising to be managed internally but staff could investigate Stinson's inclusion in the future.

Councilmember Perry expressed concern with the length of the contract. Mr. Handy stated that it was commensurate with industry standards due to the large investment required at the contractor's expense. Councilmember Perry asked who was responsible for contract monitoring. Mr. Handy replied that it was primarily the Properties Team.

Chairman Courage asked of the inclusion of an Escalator Clause to increase revenue. Mr. Handy replied that there was a minimum annual guarantee of \$700,000 for the first year that would increase in subsequent years.

Councilmember Treviño moved to forward Item 10 to the full City Council for approval. Councilmember Perry seconded the motion. The motion carried unanimously by those present.

Consideration of Items for Future Meetings

Chairman Courage stated that future meetings would be held on a monthly basis.

ADJOURN

There being no further discussion, Chairman Courage adjourned the meeting at 2:50 pm.

ATTEST:

John Courage, Chairman

*Leticia Y. Saenz
Deputy City Clerk*