

AUDIT & ACCOUNTABILITY COUNCIL COMMITTEE
MEETING MINUTES
NOVEMBER 13, 2018 at 2:00 PM
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 Priscilla Soto
Committee Absent:	Citizen Member Judy Treviño
Staff Present:	Sheryl Sculley, <i>City Manager</i> ; 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> ; Lori Houston, <i>Assistant City Manager</i> ; Verónica Soto, <i>Director of Neighborhood & Housing Services</i> ; Melody Woosley, <i>Director of Human Services</i> ; Mike Frisbie, <i>Director of Transportation & Capital Improvements</i> ; Craig Hopkins, <i>Director of Information Technology Services</i> ; Russ Handy, <i>Director of Aviation</i> ; Rene Dominguez, <i>Director of Economic Development</i> ; Patricia Muzquiz Cantor, <i>Director of Convention & Sports Facilities</i> ; Ray Rodriguez, <i>Deputy City Attorney</i> ; Leticia Saenz, <i>Deputy City Clerk</i> ; Patsy Boozer, <i>Chief Information Security Officer</i> ; Christie Chapman, <i>Assistant Director of Transportation & Capital Improvements</i> ; Michael Sindon, <i>Assistant Director of Economic Development</i> ; Edward Gonzales, <i>Assistant Director of Human Services</i> ; Dale McNeill, <i>Assistant Library Director</i> ; Danielle Boazeman-Schick, <i>Assistant City Attorney</i> ; Katinka Howell, <i>Assistant City Attorney</i> ; Lisa Biediger, <i>Assistant City Attorney</i> ; Scott Zimmerer, <i>Assistant City Attorney</i> ; Mark Bigler, <i>Audit Manager</i> ; Tina Flores, <i>Compliance Auditor</i> ; Terri Hernandez, <i>IT Auditor</i> ; Danny Zuñiga, <i>Auditor</i> ; Lauron Fischer, <i>Executive Management Assistant</i> ; Cecily Hope Pretty, <i>Office of the City Clerk</i>

CALL TO ORDER

Chairman Courage called the meeting to order.

1. Approval of the Minutes from the Audit & Accountability Committee Meeting on October 16, 2018

Councilmember Perry moved to approve the minutes of the October 16, 2018 Audit and Accountability Council Committee meeting. Citizen Member Soto seconded the motion. The motion carried unanimously by those present.

CONSENT AGENDA

Pre-Solicitation High Profile Items

- 2. Print Materials, Cataloging & Digital Processing Services [San Antonio Public Library]**

Post-Solicitation High Profile Items

- 3. Annual Contract for Custodial Services [Human Services]**

Final Internal Audit Reports

- 4. AU18-005 Audit of GPA Public Education & Government (PEG) Fund**
- 5. AU18-023 Audit of TCI Capital Project Accounting**

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

ITEMS FOR INDIVIDUAL CONSIDERATION

- 6. FY 2019 Annual High Profile Forecasting Report**

Troy Elliott stated that the Finance Department coordinated with all departments to determine their anticipated high profile procurements for the coming fiscal year. He noted that there were 51 projects in FY 2018 of which 28 were completed and 23 would carry over to FY 2019. He stated that forecasting predicted an additional 38 projects with 18 to be heard individually and 20 to be placed on consent agendas.

Councilmember Treviño entered the meeting at this time.

Mr. Elliott stated that items were selected for consent or individual consideration based on dollar value, routine, and policy implications. He noted that the Committee could request that items be moved to individual consideration or the consent agenda.

No action was required for Item 6.

Select Pre-Solicitation High Profile Briefings

- 7. Engineering Design Services for Broadway Street (IH-35 to E. Mulberry Avenue) [Transportation & Capital Improvements]**

Christie Chapman stated that she presented on the design-build contract for the lower part of Broadway in April 2018 and the current briefing addressed the upper part of Broadway along Texas Department of Transportation (TxDOT) right-of-way. She noted that the solicitation was for design services only to include a complete street concept, roadway reconstruction, sidewalks,

bike amenities, lighting upgrade, traffic signal upgrades, and drainage. She stated that the contract was estimated at \$2.5 million with design completion in May 2020. She provided an overview of outreach, the Evaluation Committee, and evaluation criteria. She noted Small Business Economic Development Advocacy (SBEDA) Program subcontracting requirements of 21% Minority/Women-Owned Business Enterprise (M/WBE) and 1% African-American Business Enterprise (AABE) and mandatory participation in the Small Business Mentor Program. She stated that the solicitation would be due January 11, 2019 and be presented to the full City Council for consideration in April 2019.

Councilmember Perry asked why the project was divided. Mike Frisbie replied that the upper portion involved federal monies whereas the lower portion could be executed more quickly with local funds. Councilmember Perry asked of coordination between the projects. Mr. Frisbie replied that the same project management team was overseeing both to ensure consistent design throughout the corridor.

No action was required for Item 7.

8. Contracted Security Services for San Antonio International Airport [Aviation]

Russ Handy stated that the solicitation was to provide supplemental services to existing Federal and Police Department staff for secured area access management and monitoring services. He noted that the contract was for a five-year term beginning in May 2019 for a value of \$8.8 million. He provided an overview of outreach efforts and the Evaluation Committee. He stated that points were available for Small Business Enterprises, Local Preference, and Veteran-Owned Small Businesses (VOSB). He noted that the solicitation would be presented to the full City Council for consideration by May 2019 in order to prevent a gap in services at the end of the current contract.

Chairman Courage asked of Federal Aviation Administration (FAA) oversight of contracting security services. Mr. Handy replied that the FAA set the guidelines that the program was built upon and the contractor was subject to federal inspections.

Councilmember Perry requested that the solicitation due date be pushed back a week to account for the winter holidays. Mr. Handy replied that staff would do same.

No action was required for Item 8.

9. Audio Visual & Rigging Services for the Convention Center [Convention & Sports Facilities]

Patricia Muzquiz Cantor stated that the solicitation would be issued as a Request for Proposals (RFP) for a five-year term with a five-year renewal option for a value of \$15.7 million. She noted that the current contract expires on May 1, 2019. She provided an overview of outreach efforts and the Evaluation Committee. She noted that solicitation requirements included 10 points for Local Preference and five points for VOSB. She added that there was a 5% Small Business Enterprise (SBE) subcontracting requirement. She stated that the solicitation would be

due in January 2019, return to the Committee in June, and be presented to the full City Council for consideration in August for a contract start date in October 2019.

Chairman Courage asked of the current contract's Minimum Annual Guarantee (MAG). Ms. Muzquiz Cantor replied that for the current contract year it was \$744,000 and the previous year's revenues totaled \$1.4 million.

Councilmember Perry asked if the current contract would be extended. Ms. Muzquiz Cantor replied that it would be brought before the City Council for extension to realign with the Fiscal Year.

No action was required for Item 9.

10. Automated Ticketing System for the Alamodome [Convention & Sports Facilities]

Ms. Muzquiz Cantor stated that the selected firm would be responsible for design, implementation, maintenance, and support of software for ticketed events at the Alamodome. She noted that the solicitation was an RFP for a five-year term and a five-year renewal option valued at \$7.8 million. She stated that the current contract would expire June 30, 2019. She provided an overview of outreach efforts and the Evaluation Committee. She noted that solicitation requirements included 10 points for Local Preference and five points for VOSB. She stated that a SBEDA waiver was approved due to insufficient M/WBE availability. She noted that the contract would be negotiated in May 2019 and brought to the full City Council for consideration in August for a start date on October 1, 2019.

Chairman Courage asked of competition for the solicitation. Ms. Muzquiz Cantor replied that there were several providers but the current provider, Ticketmaster, was the most robust.

No action was required for Item 10.

Select Post-Solicitation High Profile Briefings

11. cafécollege

Chairman Courage recused himself from voting on Item 11 by exiting the meeting and noting he submitted his recusal forms to the City Clerk.

Melody Woosley stated that cafécollege served as a one-stop college access center to promote access and completion. She noted that the solicitation for operations was an RFP for a one-year term with 4, one-year renewal options valued at \$3.425 million. She provided an overview of cafécollege's activities and solicitation requirements. She noted that SBEDA, Local Preference, and VOSB were not applicable in the evaluation criteria because cafécollege operated as a non-profit. She stated that there were SBEDA subcontracting goals of 15% M/WBE and 2% AABE. She noted that the solicitation would be presented to the full City Council for consideration on December 6, 2018. She stated that one proposal was received and recommended for award. She reviewed the Evaluation Committee and noted no findings as a result of due diligence.

Councilmember Perry asked why only one response was received. Ms. Woosley replied that initially interested parties did not appear well-aligned with operational requirements but staff could follow up for details. Councilmember Perry asked why the contract term was only one year. Ms. Woosley replied that it was commensurate with previous contracts for cafécollege and she did not consider the short term length to be a deterrent due to the lack of large startup costs for providers. Sheryl Sculley added that program performance would be monitored in the first year and staff would consider recommendations for operational changes and longer terms based on what was observed.

Councilmember Perry moved to forward Item 11 to the full City Council for consideration. Councilmember Treviño seconded the motion. The motion carried by the following vote:

AYES: Councilmembers Treviño and Perry, Citizen Member Soto. **ABSENT:** Citizen Member Treviño. **ABSTAIN:** Chairman Courage.

12. Gap Financing for Rental Housing Developments [Neighborhood & Housing Services]

Verónica Soto stated that gap financing for the construction of affordable rental housing units would be covered by HOME and Community Development Block Grant (CDBG) funds totaling \$4.5 million. She noted that the solicitation was a Request for Application (RFA) with proposed terms varying from five-year to 35-year affordability periods. She stated that five firms submitted proposals and reviewed the scoring matrix. She noted that this was the first time a preliminary underwriting review was performed to ensure project viability and only the three firms deemed viable were recommended for award. She noted no findings as a result of due diligence. She stated that the solicitation would be presented to the full City Council for consideration on December 6, 2018.

Chairman Courage asked of other sources to address funding gaps. Ms. Soto replied that firms were soliciting tax credits to assist with gaps.

Councilmember Perry asked of self-scoring performed by firms. Ms. Soto replied that firms self-scored based on the solicitation criteria and the Evaluation Committee validated the scores. Councilmember Perry asked why two firms were deemed non-viable. Ms. Soto replied that they had not yet secured funding for the projects and were not able to start construction upon contract award.

Chairman Courage asked how many housing units would be provided and at what percentage of Area Median Income (AMI). Ms. Soto replied that there would be 330 total units and all firms offered units at 60% AMI or below. Chairman Courage asked if any units would be offered at market rate. Ms. Soto replied that one firm would offer eight market rate units.

Councilmember Treviño moved to forward Item 12 to the full City Council for consideration. Councilmember Perry seconded the motion. The motion carried unanimously by those present.

13. Airport Parking Valet Services at San Antonio International Airport [Aviation]

Mr. Handy stated that there was growing demand for premium services so the Aviation Department decided to pursue an RFP to provide year-round valet services with value added

services. He noted that the solicitation had a \$200,000 MAG and the City would collect 10% on all premium services. He stated that the recommended firm was a subsidiary of a large, successful company with a great deal of airport experience. He reviewed the Evaluation Committee and evaluation criteria. He stated that three proposals were received and two were deemed non-responsive due to failure to include the required proposal bond. He noted no findings as a result of due diligence.

Chairman Courage asked of the bonding requirement. Mr. Elliott replied that it was \$5,000. Mr. Handy added that bonding requirements are made clear very early in the solicitation process to ensure respondents are aware that they are necessary.

Councilmember Perry expressed concern that two out of three proposals were deemed non-responsive for the same reason and asked that the vendors be contacted for clarification.

Councilmember Perry moved to forward Item 13 to the full City Council for consideration. Councilmember Treviño seconded the motion. The motion carried unanimously by those present.

14. Executive Session

Chairman Courage recessed the Audit and Accountability Council Committee into Executive Session at 2:58 pm to deliberate the Security Audit pertaining to the Information Technology Services Department Security Management and Access Controls (AU18-012), pursuant to Texas Government Code Section 551.076, Deliberation regarding Security Devices or Security Audits.

Chairman Courage reconvened the meeting at 3:12 pm and announced that no action was taken during Executive Session.

Councilmember Perry moved to accept the audit. Citizen Member Soto seconded the motion. The motion carried unanimously by those present.

ADJOURN

There being no further discussion, Chairman Courage adjourned the meeting at 3:13 pm.

ATTEST:

John Courage, Chairman

Leticia Y. Saenz
Deputy City Clerk