

**AUDIT & ACCOUNTABILITY COUNCIL COMMITTEE
MEETING MINUTES
FEBRUARY 18, 2020 at 10:00 AM
MUNICIPAL PLAZA BUILDING, “B” Room**

Committee Present:	Councilmember John Courage, <i>District 9, Chair</i> Councilmember Roberto C. Treviño, <i>District 1</i> Councilmember Adriana Rocha Garcia, <i>District 4</i> Citizen Member Judy Treviño
Committee Absent:	Citizen Member Priscilla Soto
Staff Present:	Carlos Contreras, <i>Assistant City Manager</i> ; Maria Villagomez, <i>Assistant City Manager</i> ; Andy Segovia, <i>City Attorney</i> ; Ed Guzman, <i>Deputy City Attorney</i> ; Kevin Barthold, <i>City Auditor</i> ; Ben Gorzell, <i>Chief Financial Officer</i> ; Troy Elliott, <i>Deputy Chief Financial Officer</i> ; Jesus Saenz, <i>Director, Aviation</i> ; Lori Steward, <i>Director, Human Resources</i> ; Christopher Monestier, <i>Assistant Fire Chief, SAFD</i> ; Razi Hosseini, <i>Interim Director, Transportation & Capital Improvements</i> ; Alejandra Lopez, <i>Interim Director, Economic Development Department</i> ; Eric McGowin, <i>Supply Chain Manager, SAFD</i> ; Nancy Cano, <i>Office of the City Clerk</i>
Others Present:	Ellen Berky, <i>League of Independent Voters, District 1</i> ; Stan Mitchell, <i>Vista Ridge Resolution Coalition</i>

CALL TO ORDER

Chairman Courage called the meeting to order.

1. Approval of the Minutes from the Audit & Accountability Committee Meeting on February 18, 2020.

Councilmember Treviño moved to approve the Minutes of the February 18, 2020 Audit and Accountability Council Committee Meeting. Councilmember Rocha Garcia seconded the motion. The motion carried unanimously by those present.

PUBLIC COMMENT:

Stanley Mitchell advocated for an independent audit of the Vista Ridge Project and stated that he addressed the SAWS board last week on the matter. He referenced Ordinance No. 75686 signed in 1992 by which City Council established SAWS and noted that the Ordinance provided for the City Attorney to serve as Chief Legal Advisor for the SAWS Board of Trustees. He requested that the City Attorney hold SAWS accountable.

Ellen Berky requested that the Audit & Accountability Committee review the \$3.4 billion Vista Ridge Project. She referenced ConnectSA and asked the Committee to review a proposed tradeoff of aquifer protection-related sales taxes for benefit of road building and enhanced public transit. She added that staff projected the initial investment to cost \$1.36 billion and cited other sources as

stating that the actual total cost of the project would be \$2.7 billion. She noted a significant omission as to how many years the sale tax would need to be in effect.

CONSENT AGENDA

Pre-Solicitation High Profile Items

2. **Web-Based Uniform Commissary System** [María Villagómez, Deputy City Manager; Charles N. Hood, Fire Chief]
3. **Employee Life Insurance** [Ben Gorzell, Chief Financial Officer; Lori Steward, Director, Human Resources]
4. **On-Call Civil Engineering and Program Management Services** [Roderick Sanchez, Assistant City Manager; Razi Hosseini, Interim Director, Transportation & Capital Improvements]
5. **Woodlawn Lake Multi-Generational Center** [Roderick Sanchez, Assistant City Manager; Razi Hosseini, Interim Director, Transportation & Capital Improvements]

Internal Audit Reports

6. **AU19-C05 Audit of Finance Google Fiber Right-of-Way Agreement**
7. **AU19-012 Audit of Finance Purchasing Division Procurement**
8. **AU19-011 Audit of Finance Travel & Employee Expense Reimbursements**

Citizen Member Treviño moved to approve Items 2 through 8. Councilmember Treviño seconded the motion. The motion carried unanimously by those present.

ITEMS FOR INDIVIDUAL CONSIDERATION

Pre-Solicitation High Profile Briefings

9. **Airfield Improvements, Package 7** [Carlos Contreras, Assistant City Manager, Jesus Saenz, Director, Aviation]

Jesus Saenz state that a Request for Competitive Sealed Proposal (RFCSP) for Airfield Improvements Package 7 at an estimated cost of \$21 million would be released. He stated that the project would consist of the removal of an in-ground taxiway bridge connecting to Runway 13L/31R; removal of underlying municipal solid waste and construction debris waste; reconstruction of Taxiway R at grade; and asphalt mill and overlay at Runway 13L/31R. He noted that the Federal Aviation Administration (FAA) would fund 75% of the total project cost at an estimate of \$16 million; and the City would fund the rest of the estimated project cost at an estimate of \$8.25 million, to include the remainder 25% total project cost at \$4 million, and an additional \$4.25 million for the asphalt mill and overlay at Runway 13L/31R that the City would fund at

100%. He added that Airfield Improvements, Package 7 would be the last funding package needed to complete the project. He reviewed the vendor, advertising, voting member, evaluation criteria and solicitation requirements. Mr. Saenz presented the timeline information with City Council consideration scheduled for October 2020.

No action was required for Item 9.

Post-Solicitation High Profile Briefings

10. Medical Supplies [María Villagómez, Deputy City Manager; Charles N. Hood, Fire Chief]

Troy Elliott provided a solicitation process overview of the EMS Medical Supplies & Equipment solicitation with an estimated value of \$7.5 million (estimated at \$1,500,000 annually) that included a three-year term with two, one-year options and a 25% M/WBE (minority/women-owned business enterprise) subcontracting requirement. He provided a price evaluation of the respondents and noted that a national company was the low responsive bidder for five categories with a 25% M/WBE subcontracting requirement. He added that a local company was a low responsive bidder for one category and would be self performing a 25% M/WBE subcontracting requirement. He recommended an award to non-local Vendor A at \$1,357,032.40 and an award to local Vendor B at \$147,017.34.

Mr. Elliott provided a solicitation process overview of the EMS Pharmaceutical Supplies solicitation with an estimated value of \$925,661.21 that reflected the application of a prompt payment discount of 5% and a M/WBE subcontracting requirement. He recommended a single category award to non-local Vendor A at \$925,661.21.

Mr. Elliott provided a solicitation process overview of the EMS Citywide Medical Supplies Catalog solicitation with an estimated value of \$1.5 million that included a three-year term with two, one-year options. He stated that a national company was the low responsive bidder that offered approximately 35,000 medical supply items in an online catalog. He recommended a single category award to non-local Vendor A at \$300,235.34.

Citizen Member Treviño noted that two local vendors bid within a range of \$3,000 to \$6,000 under the lowest bidder, non-local Vendor A. She asked of a requirement that awarded offers based solely on the lowest bid. Mr. Elliott replied that it is typically required that lowest bids are awarded offers. Citizen Member Treviño asked of a requirement that awarded multiple catalogs, not just a single catalog. Mr. Elliott stated that an award of multiple catalogs would be burdensome from an administrative standpoint due to the high volume of 35,000 catalog items.

Councilmember Rocha Garcia moved to approve Item 10. Councilmember Treviño seconded the motion. The motion carried unanimously by those present.

Staff Briefing

11. Staff briefing on the current Federal Office of Management and Budget Super Circular guidelines and procurement standards for federally funded contracts awarded by the City [Ben Gorzell, Chief Financial Officer; Troy Elliott, Deputy Chief Financial Officer]

Troy Elliott stated that the City's temporary staffing services solicitation briefing presented to the Audit and Accountability Committee last month sought proposals from local temporary employment agencies that met the City's evaluation criteria for experience, qualifications, background and Small Business Economic Development Advocacy Program (SBEDA) requirements. He stated that temporary staffing services were procured for all City departments and noted that some City departments received federal grants and funding awards. Mr. Elliott reported of a conflict between the City's local preference program and the federal Super Circular guidelines. He stated that the Super Circular prohibited the use of geographical preference and stated this was in direct conflict with the City's local preference program which awarded respondent companies that resided within the municipal boundaries of San Antonio. He provided the definition of "The Super Circular" as the "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards." He stated that the Super Circular consolidated and changed administrative requirements for all federal assistance and provided set guidelines. He noted these guidelines were not in effect for the City until 2018. Mr. Elliott recommended the removal of 10 local preference points and 5 veteran preference points from solicited bids for temporary staffing services. He stated the points would be redistributed to other available areas such as experience, background, qualifications, the proposed plan, and potential pricing. He stated that temporary employment agency bid proposals would then be re-submitted for approval to the Audit and Accountability Committee next month.

Chairman Courage asked how many agencies provided temporary staffing services for the City and how many would be excluded because of Super Circular requirements. He made the recommendation that separate agencies be retained for federally-regulated versus non-federally regulated requirements. He noted opportunities to negotiate for lower markups and Super Circular guidelines as part of the City's outreach to temporary staffing agencies. Ben Gorzell replied that the City currently uses three local temporary staffing agencies and that markups were evaluated as part of the solicitation process. He stated that the Human Resource Department (HR) was analyzing areas where the City could reduce the number of temporary staffing positions, especially for those of a project-based duration.

Councilmember Treviño requested data for the number of individuals placed in temporary positions for over six months. He noted that temporary employees in long term assignments did not receive any equitable benefits and that money was paid for temporary staffing agency markup fees instead. Mr. Gorzell stated that an analysis was being conducted by HR and that HR was working with departments individually to implement changes. He noted that some annually grant-funded positions were identified and those temporary positions would become full-time, permanent positions. Councilmember Treviño requested a two-phase briefing on HR's findings, and the Super Circular and local preference program issues, before the next Audit and Accountability Committee meeting. Mr. Gorzell agreed.

Consideration of Items for Future Meetings

Next scheduled meeting date: March 17, 2020.

Adjourn

There being no further discussion, Chairman Courage adjourned the meeting at 11:03 pm.

John Courage, Chairman

Nancy Cano
Office of the City Clerk