

**AUDIT & ACCOUNTABILITY COUNCIL COMMITTEE
MEETING MINUTES
JANUARY 19, 2021 at 10:00 AM
VIDEOCONFERENCE**

Committee Present:	Councilmember John Courage, <i>District 9, Chair</i> Councilmember Ana Sandoval, <i>District 7</i> Councilmember Clayton Perry, <i>District 10</i> Citizen Member Judy Treviño Citizen Member Priscilla Soto
Staff Present:	Erik Walsh, <i>City Manager</i> ; David McCary, <i>Assistant City Manager</i> ; Roderick J. Sanchez, <i>Assistant City Manager</i> ; Andy Segovia, <i>City Attorney</i> ; Ray Rodriguez, <i>Deputy City Attorney</i> ; Kevin Barthold, <i>City Auditor</i> ; Ben Gorzell, <i>Chief Financial Officer</i> ; Lori Steward, <i>Director, Human Resources</i> ; Douglas Melnick, <i>Director, Office of Sustainability</i> ; Razi Hosseini, <i>Director, Public Works</i> ; Verónica Soto, <i>Director, Neighborhood & Housing Services Department</i> ; Troy Elliott, <i>Deputy Chief Financial Officer</i> ; Julia Murphy, <i>Deputy Chief, Office of Sustainability</i> ; Krystal Strong, <i>Assistant Director, Human Resources</i> ; Harley Hubbard, <i>Sustainable Transportation Manager, Office of Sustainability</i> ; Christie Chapman, <i>Assistant Director, Public Works</i> ; Michael Sindon, <i>Assistant Director, Economic Development Department</i> ; Nancy Cano, <i>Office of the City Clerk</i>
Others Present:	Brendan Jones, <i>Chief Operating Officer, Blink Charging, Inc.</i> ; Yechiel Baron, <i>In-House Counsel, Blink Charging, Inc.</i> ; Anthony Orlando, <i>Regional Vice President, Blink Charging, Inc.</i> ; John Leal, <i>Director, Local Government Relations, CPS Energy</i> ; Valerie von Schramm, <i>Strategic Research & Innovation Manager, CPS Energy</i>

CALL TO ORDER

Chairman Courage called the meeting to order.

1. Approval of minutes from the Audit and Accountability Committee meeting on November 17, 2020.

Councilmember Sandoval moved to approve the Minutes of the November 17, 2020 Audit and Accountability Council Committee Meeting. Citizen Member Judy Treviño seconded the motion. The motion carried unanimously.

2. Approval of minutes from the Audit and Accountability Committee meeting on December 15, 2020.

Councilmember Sandoval moved to approve the Minutes of the December 15, 2020 Audit and Accountability Council Committee Meeting. Citizen Member Judy Treviño seconded the motion. The motion carried unanimously.

Public Comment

None.

CONSENT AGENDA

Pre-Solicitation High Profile Items

- 3. On-Call City-wide Commercial Heating Ventilation and Air Conditioning (HVAC) Services** [Carlos Contreras, Assistant City Manager, Patricia Muzquiz Cantor, Executive Director, Convention & Sports Facilities Department]
- 4. NCAA Final Four 2025 Improvements Design Services** [Roderick Sanchez, Assistant City Manager; Razi Hosseini, Director, Public Works]
- 5. On-Call Mechanical Electrical and Plumbing (MEP) Engineering Services** [Roderick Sanchez, Assistant City Manager; Razi Hosseini, Director, Public Works]
- 6. On-Call Structural Engineering Services** [Roderick Sanchez, Assistant City Manager; Razi Hosseini, Director, Public Works]

Citizen Member Treviño moved to approve Items 3-6. Councilmember Sandoval seconded the motion. The motion carried unanimously.

CONSENT ITEMS CONCLUDED

ITEMS FOR INDIVIDUAL CONSIDERATION

- 7. Park Police Headquarters** [Roderick Sanchez, Assistant City Manager; Razi Hosseini, Director, Public Works]

Razi Hosseini reported that the Park Police Headquarters Project was a \$4.8 million project that was initially part of the 2017 Bond Program for a San Antonio Police Department (SAPD) Substation, and the Park Police Headquarters that totaled \$23 million altogether. He noted that \$18.24 million was allocated for the SAPD Substation at 2020. St. Mary's St.

He provided an itemized breakdown of the \$4.8 million Park Police Headquarters Budget as follows:

Park Police Headquarters Project Budget	
Construction Costs	\$3.4 million
Professional Design Fees	\$298,000
Inspection Fees, Material Testing and	\$87,000

Balance, Commissioning, and Environmental Fees	
Contingency Fees	\$271,000
Project Management	\$382,000
ITSD Security, Special Equipment, Fixtures, Furnishings, & Equipment (FFE), and Public Art	\$340,000
TOTAL:	\$4.8 million

Mr. Hosseini reported that a three-acre property was originally planned to be located in the downtown area, but a space could not be located that met the size requirements or the budgeted purchase price; therefore, the project was divided into two separate projects, with Park Police Headquarters to be located in Hemisfair Park in a proposed remodeled 24,000 square foot, two-story building. He reported that the budget for the project was \$3.5 million; a Request for Competitive Sealed Proposals (RFCSP) would be released on February 5, 2021; the closing date was March 31, 2021; and the proposal would be forwarded to City Council for approval in June 2021.

Councilmember Sandoval requested that the RFCSP process include retrofit green standards and that questions regarding bidder experience with green elements be included. She requested that retrofit green standards be integrated into design projects and the solicitation process going forward.

Ben Gorzell added that questions could be included that asked for experience executing projects with green elements included in the design process.

Chairman Courage requested that a list of proposed solicitation questions for future RFPs regarding bidder experience for design projects with green elements and green retrofitting be provided to the Committee for review.

City Manager Walsh stated that the policy level issue was one for the entire City Council to discuss. He noted that the design and early work for the SAPD Substation and Park Police Headquarters began two and a half years ago. He recognized that the issue was how staff incorporated the City's organizational goals and community goals in new building projects or renovation projects, such as the Park Police Headquarters. He noted that the 2022 Bond Program was an item scheduled for a B Session in March 2020 and would be a good starting place for conversations about green retrofitting and green element design for future projects.

Councilmember Perry noted that Leadership in Energy and Environmental Design (LEED) standards in some cases could double the cost of construction and noted that consideration of construction costs and renovation costs was needed to assess the return on investment.

No action was required for Item 7.

8. Briefing on Publicly-Accessible Electric Vehicle (EV) Charging Infrastructure Solicitation [David McCary, Assistant City Manager; Douglas Melnick, Chief Sustainability Officer]

Douglas Melnick reported that a Request for Proposal (RFP) was released in July 2020 to select a firm to supply, install, operate, maintain, and own Publicly-Accessible Electric Vehicle (EV) Charging

Infrastructure on City Property with an initial contract term for one year with four, one-year options to renew. He stated that a six-member Evaluation Committee recommended Blink as the highest-ranked respondent. He added that in December 2020, City Council approved a motion to delay consideration of the contract until additional briefings could be held.

Troy Elliott reviewed the due diligence process which involved an extensive background check. He reported that the due diligence review did not produce any material findings. He noted that Blink's Income Statement showed a loss and discussed the Income Statement with the Blink Executive Team who provided an explanation of the company's financial performance, market strategy, and market outlook that would generate a positive net income stream in the future.

Deputy City Attorney Ray Rodriguez reported on three lawsuits disclosed by Blink. He noted that one involved an employee termination and would not be considered. He stated that the other two were regarding allegations that the company made false or misleading statements during the punitive period, which was a violation of the Securities Act. He added that Blink's executive leadership and legal counsel provided background on the class action lawsuit and expected a favorable resolution, given the nature of the claimant and the lack of substance on the claims.

Assistant City Manager David McCary noted that Blink was named to Forbes' America's Best Small Companies 2021 List.

Brendan Jones, Chief Operating Officer, Blink Charging, reported that the company's cash on hand was in excess of \$230 million, the valuation of the company was \$1.8 billion to \$2 billion, and stock prices were up 200% from when the shareholder lawsuits were filed. He reported that the lawsuits were consolidated, would be heard in Florida, and he anticipated a Motion to Dismiss would be filed in April 2021. He reported that Blink's 19.2 kilowatt IT Charging Station was the best, if not one of the best, charging stations on the market and the company had over 5,000 in operation across the nation. He added that Blink had the manufacturing capability to produce as many units as needed in a month.

Councilmember Perry requested the amount of charging units operated by Blink. He asked of the City's revenue share after the all projected infrastructure costs. Mr. Jones stated that SEC filings corroborated the number of units sold, deployed, and operated by Blink as 15,000. Anthony Orlando reported that the timeline for the breakeven point was projected in two years and depended on several variables, such as if a grant was received by the State.

Councilmember Sandoval moved to recommend and forward Item 8 to City Council for consideration after the Committee's review of the due diligence process of Item 8. Chairman Courage seconded the motion. The motion carried unanimously.

Pre-Solicitation High Profile Briefings

9. Job Order Contracting Program [Roderick Sanchez, Assistant City Manager; Razi Hosseini, Director, Public Works]

Mr. Hosseini reported that Item 9 was presented to the Committee in November 2020; however, the Committee requested that certain solicitation requirements be reviewed. He stated that a Request for Competitive Sealed Proposal (RFCSP) was sought for the Job Order Contracting Program for a

proposed two-year initial term with two, 1-year options to extend. He added that the current contract would expire on March 1, 2021 with a one-year option to extend. He noted that the overall estimated contract value was not to exceed \$96 million. He cited evaluation criteria and solicitation requirements, and mentioned that 309 vendors from the Central Vendor Registry would be notified, with a weekly targeted outreach base of 2,000 vendors. He outlined advertising campaign efforts for TV, website and newspaper publication. He provided a list of Evaluation Committee Members. He cited evaluation criteria and highlighted Small Business Economic Development Advocacy (SBEDA) Program requirements: Minority/Women Business Enterprise (M/WBE): 10 points; Small Business Enterprise (SBE): 5 points; Emerging Small Business Enterprise (ESBE): 5 points. He provided timeline information with a potential City Council consideration date of September 2021 and a contract start date of October 2021.

Councilmember Sandoval asked if additional points were provided for certification in green retrofitting requirements or certification in alignment with the City's Climate Action Adaption Plan (CAAP). She requested that the RFCSP be amended to include program points for green building. Mr. Hosseini reported that CAAP measures were addressed during the project design phase and not during the construction phase. He noted that contracted builders were trained to use as much recycled material as possible during demolition and salvage. Ben Gorzell added that questions could be included that asked for experience executing projects with green elements included in the design process.

Chairman Courage requested that a list of proposed solicitation questions for future RFPs regarding bidder experience for design projects with green elements and green retrofitting be provided to the Committee for review.

No action was required for Item 9.

10. Temporary Staffing Services [Ben Gorzell, Chief Financial Officer; Lori Steward, Director, Human Resources]

Lori Steward reported that Item 10 was presented to the Committee in January 2020; however, the Committee expressed some concerns regarding the number of temporary staff utilized, the cost of the contract, and issues with Federal limitations on grant funding and the allowance of local preference points. She explained that due to the COVID-19 Pandemic, the solicitation process was delayed and City Council approved a one-year extension of the current Temporary Staffing Services contract in October 2020. She added that new restrictions no longer allowed for the direct hiring of temporary agencies by City departments which now required a review and staffing method recommendations to be made by the Human Resource Department, the Budget Office, and even the City Manager's Office. She noted that 65 new positions were established in the FY 2021 Budget.

Ms. Steward reported that the estimated cost of the five-year contract was \$20 million, which was a 42% reduction from the \$48 million projected cost in January 2020. She noted that the current number of temporary staff was 192, which was a 43% reduction from the 450 temporary staff last year. She noted that the 73% of temporary staff were deployed in the Human Services, Housing, and Health Departments as part of the City's COVID-19 Recovery and Resiliency Plan.

Ms. Steward noted that the current contract would expire on December 20, 2021 and the Request for Proposal (RFP) would fulfill a three-year term with two, one-year extensions. She cited vendor, voting

member, evaluation criteria and solicitation requirements. She provided timeline information with City Council consideration scheduled for September 2021 and a contract start date of December 2021.

Chairman Courage asked if the solicitation would request the amount of specified wages that the temporary agencies paid staff, the mark-up percentage passed on to the City, and any benefits the temporary agency provided to staff. Ms. Steward reported that the RFP would include a request for such information and would be factored in the program plan points assessed. She reported that the average markup range was 34% to 38% and factored in the temporary agency's cost of payroll taxes, background checks, drug testing, and any benefits provided.

Chairman Courage expressed concern that temporary staff would earn less than \$15 per hour, which was the minimum wage paid by the City. Ms. Steward noted that some positions that earned less than \$15 per hour were for youth workers, student staff, and summer youth employment.

Councilmember Sandoval requested a listing of all pay structures and the positions that typically required temporary staffing.

No action was required for Item 10.

Post-Solicitation High Profile Briefings

11. Employee Benefits Consultant [Ben Gorzell, Chief Financial Officer; Lori Steward, Director, Human Resources]

Lori Steward reported that an RFP was released on August 26, 2020 that sought proposals from experienced actuarial consulting firms with a proven track record for comprehensive employee benefits consulting services and noted that the consultant would assist the City in its collective bargaining processes. She stated that the contract was for a three-year initial term with two, 1-year options to extend. She added that the overall estimated contract value was \$520,000 annually and totaled \$2.6 million. She cited evaluation criteria and solicitation requirements, and mentioned that 62 vendors from the Central Vendor Registry were notified and six responses were received. She provided a list of Evaluation Committee Members which recommended awarding the contract to the highest-ranked respondent. She stated that this item was scheduled for Council consideration on February 4, 2021.

Chairman Courage asked if staff from the Audit or Finance Department could conduct the ongoing research needed or if additional staff could be hired full time to perform the service. Ms. Steward reported that the consulting firm would provide the City with access to actuarial experts which was a skill level the City did not have on staff. She emphasized that the consulting firm had a broad scope of experts in actuarial services, employee benefits, wellness programs and legal counsel. She noted that the contract also included data warehousing services which would provide monthly claims data on pharmacy and medical vendors to inform the development of wellness programs, medical review programs, budget preparation and access to benchmark data for other programs, plan designs and changes in cost-sharing agreements.

Chairman Courage requested a list of all consultants hired by the City and the departments they worked in over the past few years.

Councilmember Perry moved to approve Item 11. Councilmember Sandoval seconded the motion. The motion carried unanimously.

12. Neighborhood Improvements Bond Program - S. San Pedro Avenue Affordable Housing Redevelopment Project [Lori Houston, Assistant City Manager; Verónica R. Soto, Director, Neighborhood & Housing Services]

Verónica Soto reported that an RFP was released in October 2020 for the purchase and development of an affordable/workforce rental housing development for a 0.95-acre tract of vacant land located at 419/425 San Pedro Avenue. She stated that the estimated contract value was \$4.65 million with a \$350,000 contingency in affordable housing gap financing for a three-year development agreement. She added that 100% of the development would be for households at or below 60% of the Area Median Income (AMI), with 60% available to families making 50% AMI or below. She reported that over 5,000 vendors were notified, nine vendors attended a pre-submittal conference, and only one response was received. She added that a due diligence review was conducted with no material findings. She reported that the Evaluation Committee interviewed the sole respondent in December 2020 and by consensus recommended awarding the contract to the sole responsive firm. She noted that the item was scheduled for City Council consideration on February 4, 2021.

Chairman Courage asked if the other 8 vendors that attended the pre-submittal conference provided an explanation as to why they did not place a final bid. Ms. Soto explained that in order to achieve deeper affordability, the City provided layered incentives for its development projects to make the rent as affordable as possible, and offered a housing tax credit on this specialized development project. She reported that the vendors indicated that they did not have the capacity to take on an additional project at the time.

Councilmember Sandoval asked how many housing bond projects had been approved to date. She asked if the development would be tax exempt and how frequently the AMI criteria would be evaluated. She requested that staff review options that would protect a renter from potential ineligibility from future adjustments to AMI rates.

Ms. Soto replied that she would provide a listing of the three housing projects that had been approved by City Council. She stated that she would confirm the partnership structure and tax exemption status. She added that AMI was evaluated every year; any future AMI rate adjustments would depend on additional financing, if needed; and that the proposed housing tax credit was a significant financing source for the project.

Citizen Member Treviño moved to approve Item 12. Councilmember Sandoval seconded the motion. The motion carried unanimously.

Adjourn

There being no further discussion, Chairman Courage adjourned the meeting at 12:28 pm.

John Courage, Chairman

Nancy Cano, Office of the City Clerk