

BUDGET, FINANCE & AUDIT COMMITTEE
DALLAS CITY COUNCIL COMMITTEE AGENDA

RECEIVED

2015 OCT 16 AM 11:39

CITY SECRETARY
DALLAS, TEXAS

MONDAY, OCTOBER 19, 2015
CITY HALL
COUNCIL BRIEFING ROOM, 6ES
1500 MARILLA
DALLAS, TEXAS 75201
1:00 P.M. – 2:30 P.M.

Chair, Councilmember Jennifer S. Gates
Vice-Chair, Councilmember Philip T. Kingston
Deputy Mayor Pro Tem Erik Wilson
Councilmember Rickey D. Callahan
Councilmember Scott Griggs
Councilmember Lee M. Kleinman

Call to Order

1. Consideration of Minutes from the October 5, 2015 Budget, Finance and Audit Committee meeting

BRIEFINGS

2. Health Benefits Update Molly Carroll
Director, Human Resources
3. Janitorial and Event Set-up Services at the Kay Bailey Hutchison Convention Center Dallas Ron King
Director, Convention and Event Services

FYI

4. Quarterly Investment Report as of September 30, 2015

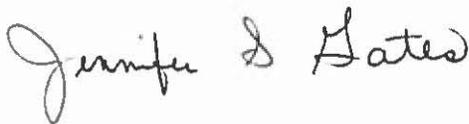
UPCOMING AGENDA ITEMS

October 28, 2015 City Council Meeting

- A. Agenda Item #2: Authorize (1) the acceptance of a grant from the Federal Aviation Administration for the federal share of the eligible capital improvement project costs at Dallas Love Field through the Airport Improvement Program Grant for Hold Position Relocation (Grant No. 3-48-0062-49-2015, CFDA No. 20.106) in the amount of \$863,445; (2) acceptance of a grant from the Federal Aviation Administration through the Airport Improvement Program Grant for Airfield Pavement Analysis (Grant No. 3-47-0062-047-2014, CFDA No. 20.106) in the amount of \$833,157; and (3) execution of the grant agreements - Total not to exceed \$1,696,602 - Financing: Federal Aviation Administration Airport Improvement Program Grant Funds

- B. Agenda Item #3: Authorize a three-year service contract to provide pressure washing, scraping, and sweeping of City owned parking lots, sidewalks, vertical surfaces, service vehicles and equipment - H and W Cleaning Systems, Inc. in the amount of \$1,399,917 and Fleet Clean Systems, Inc. in the amount of \$21,942, lowest responsible bidders of four - Total not to exceed \$1,421,859 - Financing: Current Funds (\$1,319,675), Aviation Current Funds (\$51,379), Convention and Event Services Current Funds (\$25,438) and Water Utilities Current Funds (\$25,367) (subject to annual appropriations)
- C. Agenda Item #5: Authorize the purchase of a 48-inch check valve - Hugh M. Cunningham, Inc., lowest responsible bidder of four - Not to exceed \$122,500 - Financing: Water Utilities Capital Improvement Funds
- D. Agenda Item #7: Authorize a three-year master agreement for replacement belts for specialized Water Utilities' machinery - National Filter Media dba Filter Belts, lowest responsible bidder of three - Not to exceed \$326,580 - Financing: Water Utilities Current Funds
- E. Agenda Item #51: Authorize a three-year master agreement for saw blades - Simba Industries in the amount of \$209,437, Desert Diamond Industries in the amount of \$194,796, Dunard Government Services, LLC in the amount of \$11,468, HD Supply Construction & Industrial White Cap in the amount of \$12,658 or \$11,896 (Tie Bid – Line 8), Simba Industries (Alternate) in the amount of \$3,984 or \$3,222 (Tie Bid – Line 8) and Root Brothers Manufacturing & Supply in the amount of \$2,773, lowest responsible bidders of seven - Total not to exceed \$434,354 - Financing: Current Funds (\$368,957), Aviation Current Funds (\$29,943), Water Utilities Current Funds (\$29,786) and Stormwater Drainage Management Current Funds (\$5,668)

Adjourn



Jennifer S. Gates, Chair
Budget, Finance & Audit Committee

A closed executive session may be held if the discussion of any of the above agenda items concerns one of the following:

1. Contemplated or pending litigation, or matters where legal advice is requested of the City Attorney. Section 551.071 of the Texas Open Meetings Act.
2. The purchase, exchange, lease or value of real property, if the deliberation in an open meeting would have a detrimental effect on the position of the City in negotiations with a third person. Section 551.072 of the Texas Open Meetings Act.
3. A contract for a prospective gift or donation to the City, if the deliberation in an open meeting would have a detrimental effect on the position of the City in negotiations with a third person. Section 551.073 of the Texas Open Meetings Act.
4. Personnel matters involving the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee or to hear a complaint against an officer or employee. Section 551.074 of the Texas Open Meetings Act.
5. The deployment, or specific occasions for implementation of security personnel or devices. Section 551.076 of the Texas Open Meetings Act.
6. Deliberations regarding economic development negotiations. Section 551.087 of the Texas Open Meetings Act.

Budget, Finance & Audit Committee

Meeting Record- DRAFT

Meeting Date: October 5, 2015

Convened: 1:08 pm

Adjourned: 2:20 pm

Committee Members Present:

Jennifer S. Gates, Chair
Philip T. Kingston, Vice-Chair

Erik Wilson
Rickey D. Callahan

Lee M. Kleinman
Scott Griggs

Committee Members Absent:

N/A

Other Council Members Present:

Casey Thomas, II

Staff Present:

Jeanne Chipperfield
Craig Kinton
Edward Scott
Nick Fehrenbach
Stephanie Cooper
Juanita Ortiz

Mike Frosch
J.D. Travis
Tommy Tine
Davis Fisher
Zarin Gracey
Wally Waits

William Finch
Anna Holmes
Terry Lowery
Zachary Peoples
Ileana Fernandez
Corrine Steeger

Barbara McAnich
Errick Thompson
Harold Holland
Lynetta Kidd
Ron King
Shareese Davis

Filicia Hernandez
Zack Kuentz
Jack Ireland
Zaida Basora
Obeng Opoku-Acheampong

Others Present:

N/A

AGENDA:

Call to Order

1. Consideration of the September 21, 2015 Minutes

Presenter(s):

Information Only: _

Action Taken/Committee Recommendation(s):

A motion was made to approve the September 21, 2015 minutes. Motion passed unanimously.

Motion made by: Erik Wilson

Motion seconded by: Lee M. Kleinman

2. General Obligation Bond Sale

Presenter(s): Wallace Waits, Debt Manager, City Controller's Office

Information Only: _

Action Taken/Committee Recommendation(s):

Councilmember Kleinman requested information on the effect of the duration of the bonds on the entire portfolio of outstanding debt. A motion was made to authorize plans to proceed with bond sale and the payment of the expenses associated with the issuance of up to \$227 million General Obligation Refunding and Improvement Bonds, Series 2015 on the October 14th Council Agenda and Authorize the sale of up to \$227 million General Obligation Refunding and Improvement Bonds, Series 2015 on the October 28th Council Agenda. Motion passed unanimously.

Motion made by: Erik Wilson

Motion seconded by: Philip T. Kingston

Budget, Finance & Audit Committee

Meeting Record- DRAFT

3. Business Inclusion and Development Program Overview

Presenter(s): Zarin Gracey, Assistant Director, Business Development and Procurement Services

Information Only: _

Action Taken/Committee Recommendation(s):

Councilmember Gates requested a legal briefing regarding the proposed motion. Councilmember Kingston made a motion to forward to the City Council as an agenda item for consideration of a renewed study. Motion passed unanimously.

Motion made by: Philip T. Kingston

Motion seconded by: Erik Wilson

FYI:

4. August 2015 Financial Forecast Report

UPCOMING AGENDA ITEMS:

October 14, 2015 City Council Meeting

- A. Draft Agenda Item: Authorize (1) a sixteen-month service contract to establish a master agreement for meter lease and maintenance for four Pitney Bowes postage machines in the amount of \$54,656; and (2) a sixteen-month master agreement for postage in the amount of \$2,944,934 - Pitney Bowes, Inc., sole source - Total not to exceed \$2,999,590 - Financing: Current Funds (subject to annual appropriations)**

A motion was made to forward to the City Council with support for Wednesday, October 14, 2015. Motion passed unanimously.

Motion made by: Erik Wilson

Motion seconded by: Rickey D. Callahan

- B. Draft Agenda Item: Authorize a three-year service contract for plumbing services at City facilities - A Star Heat & Air, Inc., lowest responsible bidder of three - Not to exceed \$829,617 - Financing: Current Funds (\$246,161), Water Utilities Current Funds (\$388,291), Sanitation Current Funds (\$91,716), Aviation Current Funds (\$43,260), Convention and Event Services Current Funds (\$42,100) and Stormwater Drainage Management Current Funds (\$18,089) (subject to annual appropriations)**

A motion was made to forward to the City Council with support for Wednesday, October 14, 2015. Motion passed unanimously.

Motion made by: Erik Wilson

Motion seconded by: Rickey D. Callahan

- C. Agenda Item #4: Draft Agenda Item: Authorize a three-year service contract for boat and motor repairs – Tommy’s Mobile Boat & Motor Service, Inc. in the amount of \$208,154 and Triad Marine & Industrial Supply, Inc. in the amount of \$27,000, lowest responsible bidders of two – Total not to exceed \$235,154 – Financing: Current Funds (\$124,284), Water Utilities Current Funds (\$100,460) and Stormwater Drainage Management Current Funds (\$10,410) (subject to annual appropriations)**

A motion was made to forward to the City Council with support for Wednesday, October 14, 2015. Motion passed unanimously.

Motion made by: Erik Wilson

Motion seconded by: Rickey D. Callahan

Budget, Finance & Audit Committee

Meeting Record- DRAFT

- D. Draft Agenda Item: Authorize a five-year service contract for preventative maintenance, parts and repair for the central utility plant at Love Field airport – Trane U.S., Inc., most advantageous proposer of three - Not to exceed \$2,313,720 - Financing: Aviation Current Funds (subject to annual appropriations)**

A motion was made to forward to the City Council with support for Wednesday, October 14, 2015. Motion passed unanimously.

Motion made by: Erik Wilson

Motion seconded by: Rickey D. Callahan

- E. Draft Agenda Item: Authorize the purchase of a broadcast transmitter and related equipment for WRR radio station - Nautel Maine, Inc., lowest responsible bidder of two - Not to exceed \$178,936 - Financing: WRR Capital Construction Funds**

A motion was made to forward to the City Council with support for Wednesday, October 14, 2015. Motion passed unanimously.

Motion made by: Erik Wilson

Motion seconded by: Rickey D. Callahan

- F. Draft Agenda Item: Authorize a three-year master agreement for reprographic printing - Thomas Reprographics dba Thomas Printworks, lowest responsible bidder of four - Not to exceed \$1,354,746 - Financing: Current Funds (\$1,305,670), Water Utilities Current Funds (\$25,907), Stormwater Drainage Management Current Funds (\$12,288) and Aviation Current Funds (\$10,882)**

A motion was made to forward to the City Council with support for Wednesday, October 14, 2015. Motion passed unanimously.

Motion made by: Erik Wilson

Motion seconded by: Rickey D. Callahan

- G. Draft Agenda Item: Authorize a three-year master agreement for lumber and building materials - Craddock Lumber Company in the amount of \$1,833,247, Big D Lumber Company in the amount of \$276,950 and Simba Industries in the amount of \$8,760, lowest responsible bidders of four - Total not to exceed \$2,118,957 - Financing: Current Funds (\$1,185,533), 2015-16 Community Development Block Grant Funds (\$392,752), Aviation Current Funds (\$181,423), Water Utilities Current Funds (\$169,738), Stormwater Drainage Management Current Funds (\$100,758), Convention and Event Services Current Funds (\$79,124) and Sanitation Current Funds (\$9,629)**

A motion was made to forward to the City Council with support for Wednesday, October 14, 2015. Motion passed unanimously.

Motion made by: Erik Wilson

Motion seconded by: Rickey D. Callahan

Budget, Finance & Audit Committee

Meeting Record- DRAFT

- H. **Draft Agenda Item: Authorize payment of annual membership fees and continuation of arrangements for providing specialized municipal-related services to Gartner, Inc. (IT Executives and Leaders) in the amount of \$121,089, North Central Texas Council of Governments in the amount of \$124,427, North Texas Commission in the amount of \$93,320, Oncor Cities Steering Committee in the amount of \$160,169, Texas Coalition of Cities For Utility Issues in the amount of \$51,243, Texas Municipal League in the amount of \$51,947, Water Environment Research Foundation in the amount of \$80,820, and Water Research Foundation in the amount of \$243,998 - Total not to exceed \$927,013 - Financing: Current Funds (\$602,195) and Water Utilities Current Funds (\$324,818)**

A motion was made to forward to the City Council without a recommendation for Wednesday, October 14, 2015. Motion passed unanimously.

Motion made by: Philip T. Kingston

Motion seconded by: Rickey D. Callahan

- I. **Draft Agenda Item: Authorize Supplemental Agreement No. 1 to the contract with Campos Engineering, Inc. for additional engineering services for renovation of the east kitchen at the Kay Bailey Hutchison Convention Center Dallas located at 650 South Griffin Street - Not to exceed \$88,500, from \$49,950 to \$138,450 - Financing: 2009 Convention Center Revenue Bonds**

A motion was made to forward to the City Council with support for Wednesday, October 14, 2015. Motion passed unanimously.

Motion made by: Erik Wilson

Motion seconded by: Rickey D. Callahan

Adjourn

Jennifer S. Gates, Chair
Budget, Finance & Audit Committee

Memorandum



CITY OF DALLAS

DATE October 16, 2015

TO Members of the Budget, Finance & Audit Committee: Jennifer S. Gates (Chair), Philip T. Kingston (Vice Chair), Erik Wilson, Rickey D. Callahan, Scott Griggs, Lee M. Kleinman

SUBJECT Health Benefits Update

On October 19, 2015 the Budget, Finance and Audit Committee will be briefed on a Health Benefits Update. The briefing is attached for your review.

Please let me know if you need additional information.

A handwritten signature in blue ink, appearing to read 'Molly Carroll'.

Molly Carroll
Human Resources Director

Attachment

c: Honorable Mayor and Members of City Council	Jill A. Jordan, P.E., Assistant City Manager
A.C. Gonzalez, City Manager	Joey Zapata, Assistant City Manager
Warren M.S. Ernst, City Attorney	Mark McDaniel, Assistant City Manager
Rosa A. Rios, City Secretary	Eric D. Campbell, Assistant City Manager
Craig D. Kinton, City Auditor	Jeanne Chipperfield, Chief Financial Officer
Daniel F. Solis, Administrative Judge	Sana Syed, Public Information Officer
Ryan S. Evans, First Assistant City Manager	Elsa Cantu, Assistant to the City Manager

HEALTH BENEFITS UPDATE



Budget, Finance and Audit Committee
October 19, 2015

TABLE OF CONTENTS

- **How Healthcare is Paid/Administered**
- **Dallas Health Plan Overview**
 - Health Plan Costs/Participation
- **Managing Trend**
 - Cost Mitigation Strategies
 - Historical Healthcare Spending
- **North Texas Coalition**
- **Next Steps**

HOW HEALTHCARE IS PAID/ADMINISTERED

“FULLY INSURED” VERSUS “SELF INSURED”

- Employers provide healthcare coverage for employees by either being “Fully Insured” or “Self Insured”
- Dallas is Self-Insured

Fully Insured

- Employer purchases an insurance plan from an insurance company
 - Can compare prices of insurance plans and buy the product that best fits their needs
- When a person on the insurance plan receives health care (doctor visit, medical procedure, etc.), **the claim is paid by the insurance company**

Self Insured

- Employer sets aside money to pay for healthcare claims
- When a person on the health plan receives health care (doctor visit, medical procedure, etc.), **the claim is paid by the employer**
- Usually, the employer hires a “Plan Administrator” to manage the healthcare plan

“FULLY INSURED” VERSUS “SELF INSURED”

- Large employers (1,000 or more covered lives) normally self-insure because:
 - It is less expensive
 - Employers can design the plan to best meet the needs of the employees
 - Pharmacy plans can be carved out to reduce costs
- The City of Dallas is self insured for active employee and non-Medicare eligible retiree healthcare
 - Revenues are collected from the City, the employees, and retirees via the payroll systems
 - Healthcare claims are paid from those revenues

HEALTHCARE DELIVERY

HEALTHCARE DELIVERY

- Most large employers hire a third-party administrator (TPA) to provide two major services:
 - 1. A “network” of healthcare providers**
 - Hospitals
 - Physicians
 - Other healthcare providers (chiropractors, etc.)
 - Ancillary health-care services (labs, imaging facilities)
 - 2. Claims adjudication**
 - The process of paying claims submitted or denying payment after comparing claims to the benefits or coverage requirements

There are four major TPAs in the market

- Blue Cross/Blue Shield
- United Healthcare
- Cigna
- Aetna

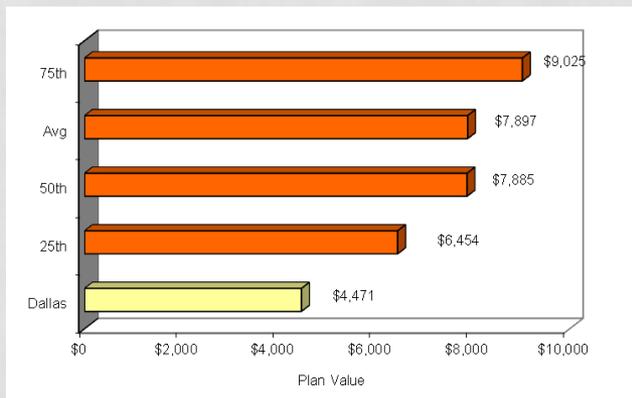
CITY OF DALLAS HEALTH PLAN OVERVIEW

COST, PARTICIPATION AND OPTIONS

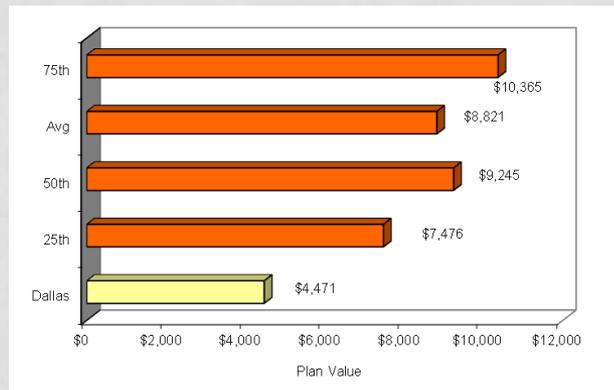
DALLAS COMPARED TO OTHER EMPLOYERS

- The City's health plan provides basic health coverage for members
- Milliman conducted a Total Compensation study in 2012
 - Study revealed the City's health benefits plan is in the bottom quartile compared to both public and private employers

Medical/Vision- Custom Survey



Medical/Vision- Private Sector



- Custom survey data is comprised of other local government and quasi governmental entities of similar size as Dallas
- Private sector survey data is from published survey data

FY15-16 HEALTH PLAN COST

\$128.8(TOTAL NUMBER)

SELF INSURED PLAN

	City Contributions	Employee/Retiree Contributions
Medical Plans HRA Plan PPO – 70/30/3k Medicare Plans	\$78.5 million	\$50.3 million \$23.2 million from employees \$27.1 million from retirees
Other Benefits (Dental, Vision, FSA, etc.)	No City Contributions	\$17.1 million

HEALTH PLAN PARTICIPATION

Status	Plan	Lives Covered
Active	HRA	14,699
Active	EPO	4,741
Terminated	COBRA	6
Retirees	Plan	Lives Covered
Pre-65	HRA	960
Pre-65	EPO	1655
Post-65	HRA	6
Post-65	EPO	108

- ❑ Two medical plan options
 - 75/25 Health Reimbursement Account (HRA)
 - 70/30 Exclusive Provider Organization (EPO)
- ❑ 22,175 lives covered
- ❑ 1,864 Employees have waived coverage
- ❑ 4,438 Retiree supplemental Medicare plans are purchased

MANAGING TREND

STRATEGIES, HISTORICAL SPENDING, HEALTHCARE COST

CITY'S PLAN HAS PERFORMED WELL COMPARED TO DFW MARKET "TREND"

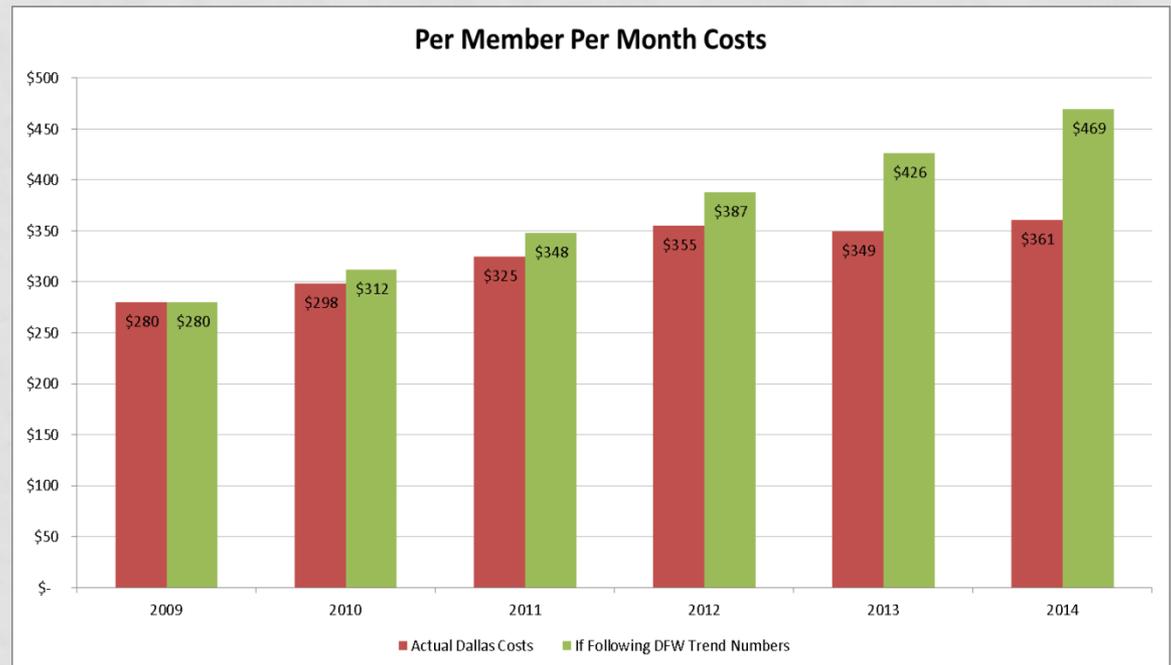
- "Trend" is the change in costs that health plans experience over time
- DFW market is one of the most expensive healthcare markets in the country and has been consistently trending higher
- Continuing to manage the healthcare trend is critical to the City's fiscal health

Year	PMPM	Dallas' % Change (Trend)	DFW Market Trend
2009	\$ 280		10.9%
2010	\$ 298	6.6%	11.4%
2011	\$ 325	8.9%	11.5%
2012	\$ 355	9.3%	11.5%
2013	\$ 349	-1.5%	9.9%
2014	\$ 361	3.2%	10.2%

PMPM = "Per Member Per Month"

MANAGING HEALTHCARE COST HAS PRODUCED SIGNIFICANT SAVINGS

- If the City's healthcare costs had matched the actual DFW healthcare trend during the past five years, the City would have incurred **\$64.8M more** in expenses
- If Dallas had matched DFW market trend since 2009, the **2014 costs would have been about \$27.7M more** than actual



4 COST MITIGATION STRATEGIES

Four major ways for employers to mitigate health plan costs

1. Plan design changes to incentivize more efficient utilization of the healthcare. This includes strategies such as:
 - Increasing member utilization of in-network providers
 - Dallas' in-network utilization is 95.8%
 - Public Entities in North Texas average 93%
 - Increasing generic drugs utilization
 - Dallas' generic drug utilization is 81.8%
 - Best in class generic drug utilization is 81.3%
 - Implementation of a “Consumer Driven Health Plan” (CDHP) which increases employee engagement as consumers of healthcare
 - Encouraging members to use the appropriate health solution

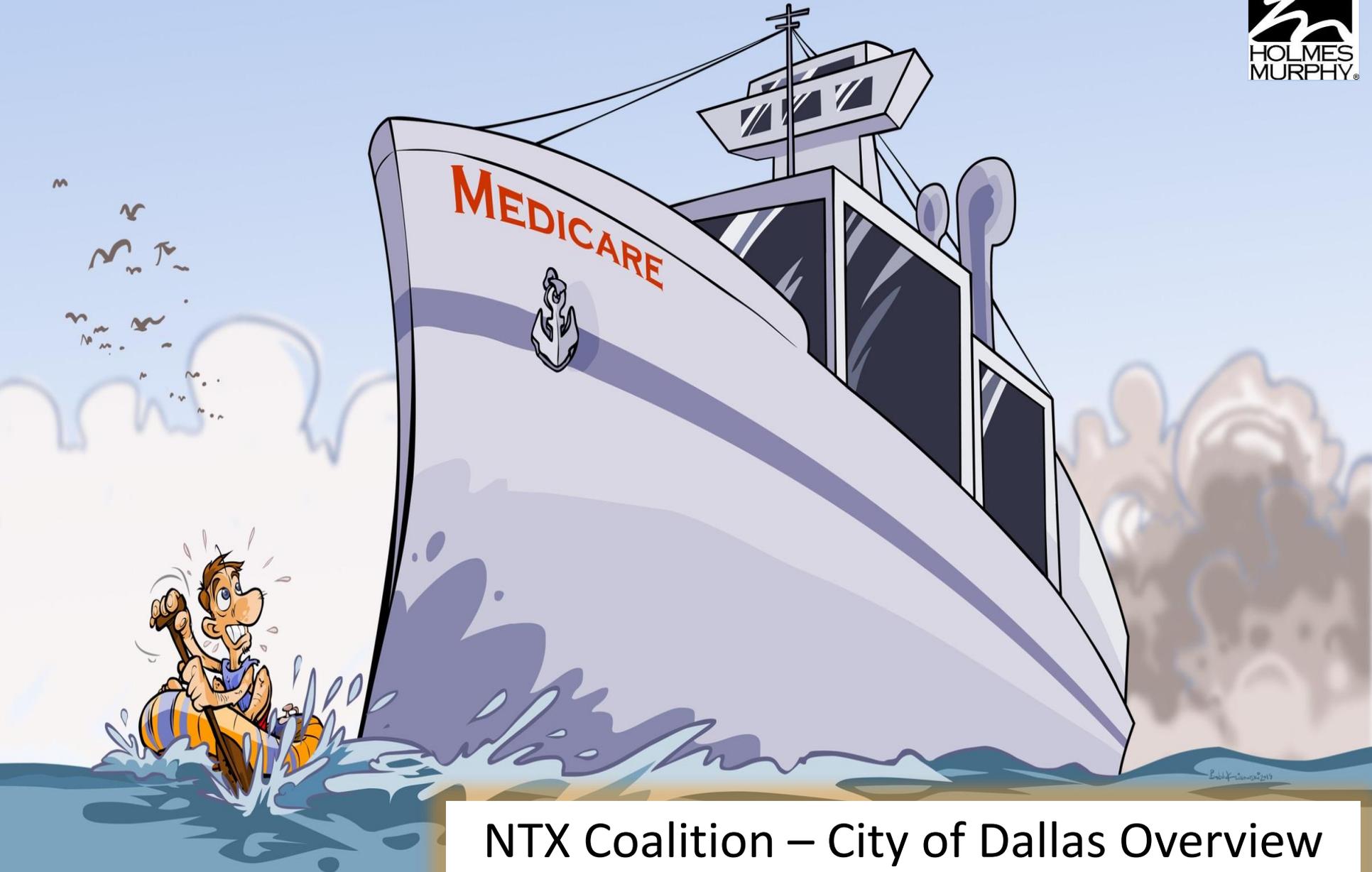
4 COST MITIGATION STRATEGIES

2. Plan design changes that shift costs to plan members, including:
 - Increasing deductibles
 - Increasing the co-insurance (percentage of the costs paid by members)
 - Increasing members' annual out-of-pocket maximums
3. Reducing the price paid for healthcare/ reducing the trend
4. Reduce healthcare demand

HEALTHCARE LANDSCAPE

- The Affordable Care Act is changing the health care landscape
 - Healthcare providers and hospital systems are exploring ways to more efficiently deliver care
 - Employers are exploring value based contracting opportunities
- For the 2016 Plan Year, UHC negotiated for the City additional price concessions from Baylor and Methodist for a plan design that encourages use of their facilities
- For the 2017 Plan Year, we are exploring additional strategies for contracting with hospital systems
 - This strategy is for hospital in-patient and out-patient services only
 - We will still need (and will issue an RFP for) a nationwide network for physician/ancillary services and for out of area health care

NORTH TEXAS COALITION

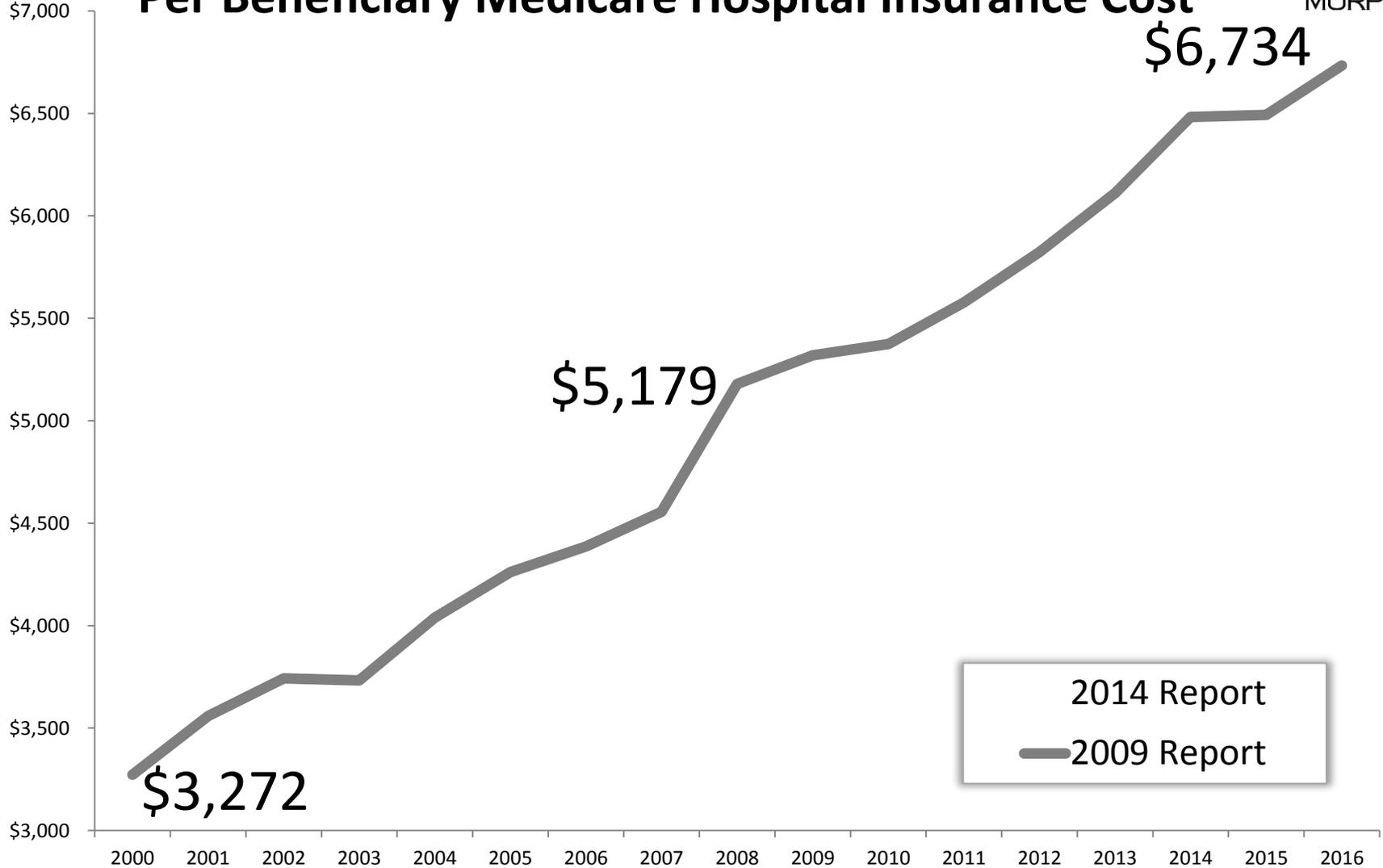


NTX Coalition – City of Dallas Overview
October 19, 2015

The Medicare Miracle



Per Beneficiary Medicare Hospital Insurance Cost

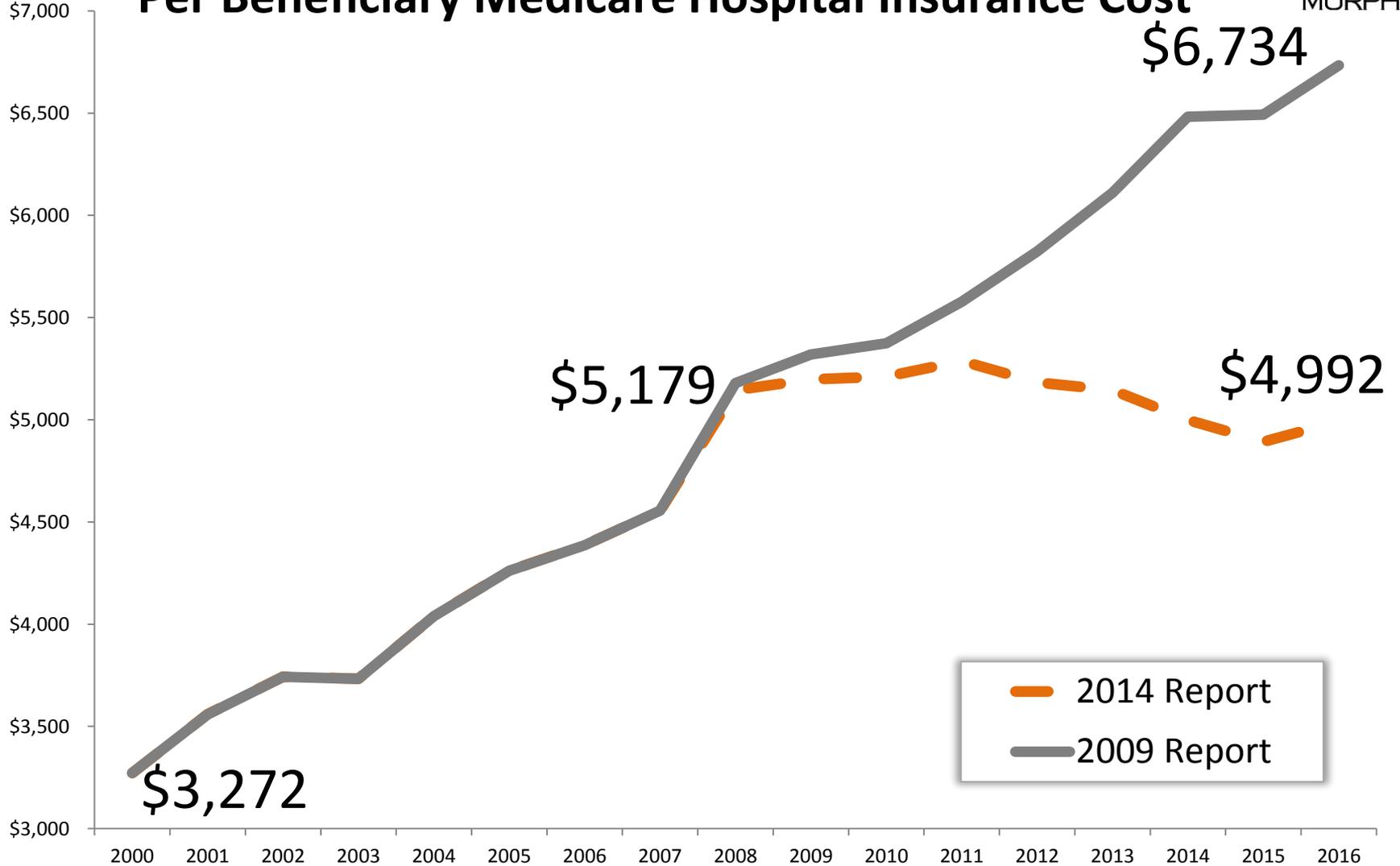


2009 and 2014 Medicare Trustee Reports

The Medicare Miracle

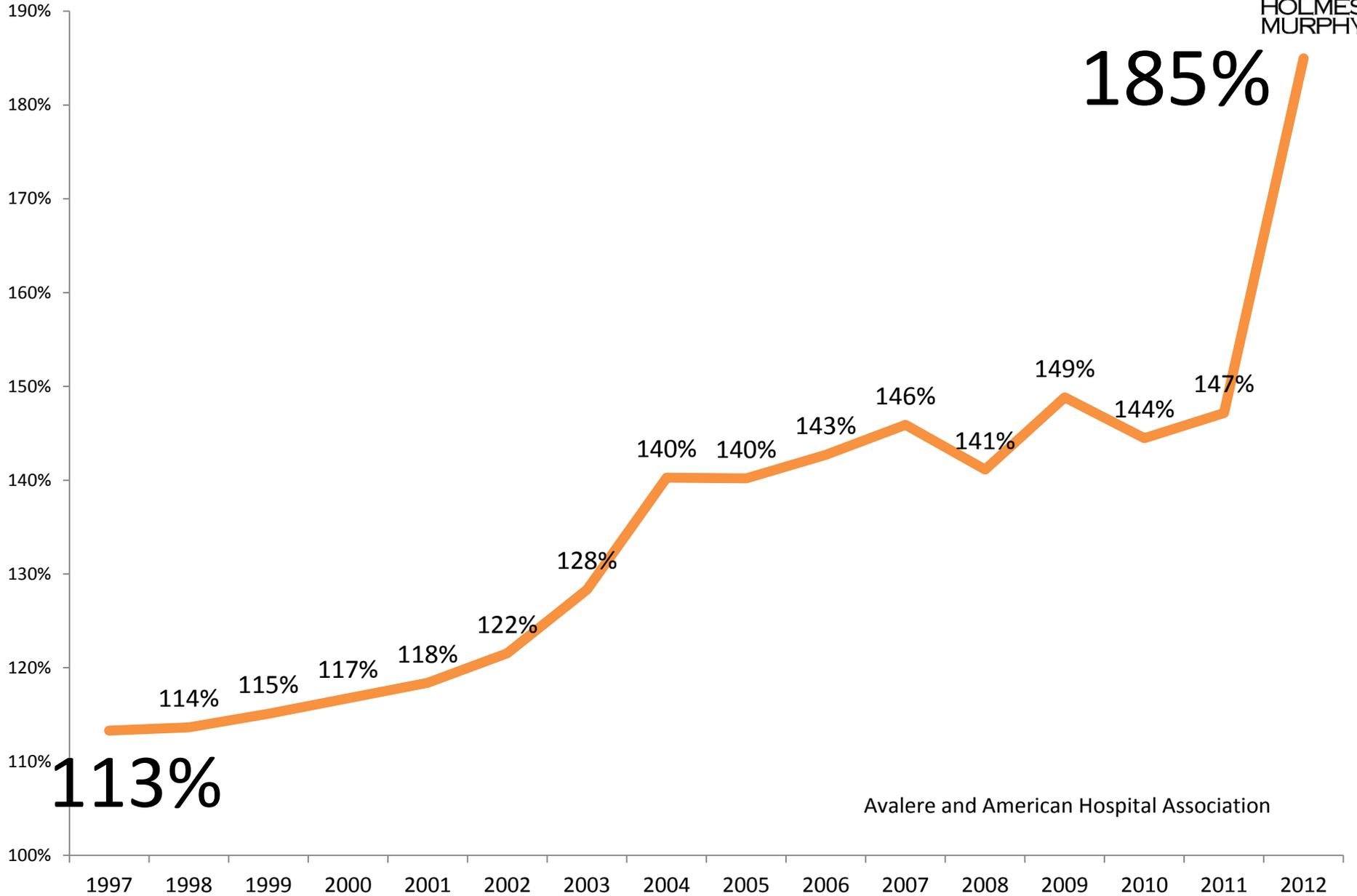


Per Beneficiary Medicare Hospital Insurance Cost

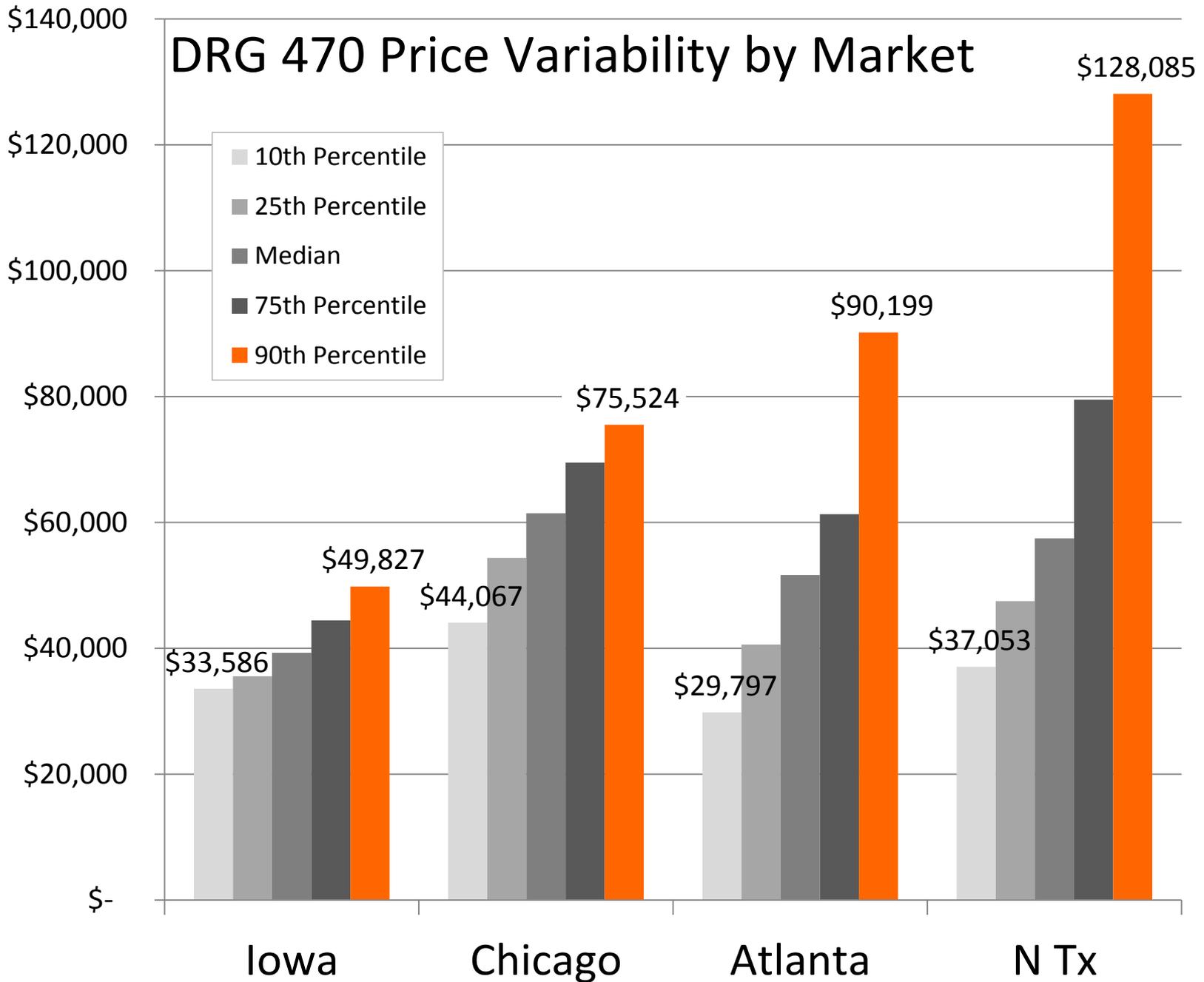


2009 and 2014 Medicare Trustee Reports

Medicare/Private Hospital Payment Ratio



Avalere and American Hospital Association



Fair
Indexed
Reasonable
Simple
Transparent

We are...

- Combining City Strength
- Working Directly With Hospitals/Health Systems
- Transparency in Reimbursement Rates
- Improving Budget Forecasting
- Reducing Future Healthcare Inflation

We are not...

- Comingling funds
- Purchasing insurance
- Combining risk
- Setting contributions
- Requiring broker/consultant change
- Changing plan design
- Creating an Exchange

1 Hospital systems set price

2 Cities accept or reject price

3 Third Party Administrators
Process Claims

4 Cities set plan designs and
contributions

Participating Cities



1. Addison
2. Arlington
3. Bedford
4. Carrollton
5. Cedar Hill
6. Colleyville
7. Coppell
8. Dallas
9. Denton
10. Farmers Branch
11. Fort Worth
12. Frisco
13. Garland
14. Grand Prairie
15. Haltom City
16. Highland Park
17. Irving
18. Keller
19. Lewisville
20. McKinney
21. Mesquite
22. N. Richland Hills
23. Plano
24. Rockwall
25. Rowlett
26. The Colony
27. University Park
28. Watauga
29. White Settlement
30. Wylie



Letter of Commitment Due



Provider RFP Goes to Market

Founder/Associate
Level Members will
Send Data for
Claims Repricing.



Timeline

NTX Coalition FIRST Pricing

Claims Repricing
results Delivered
to Founder and
Associate Level
Members



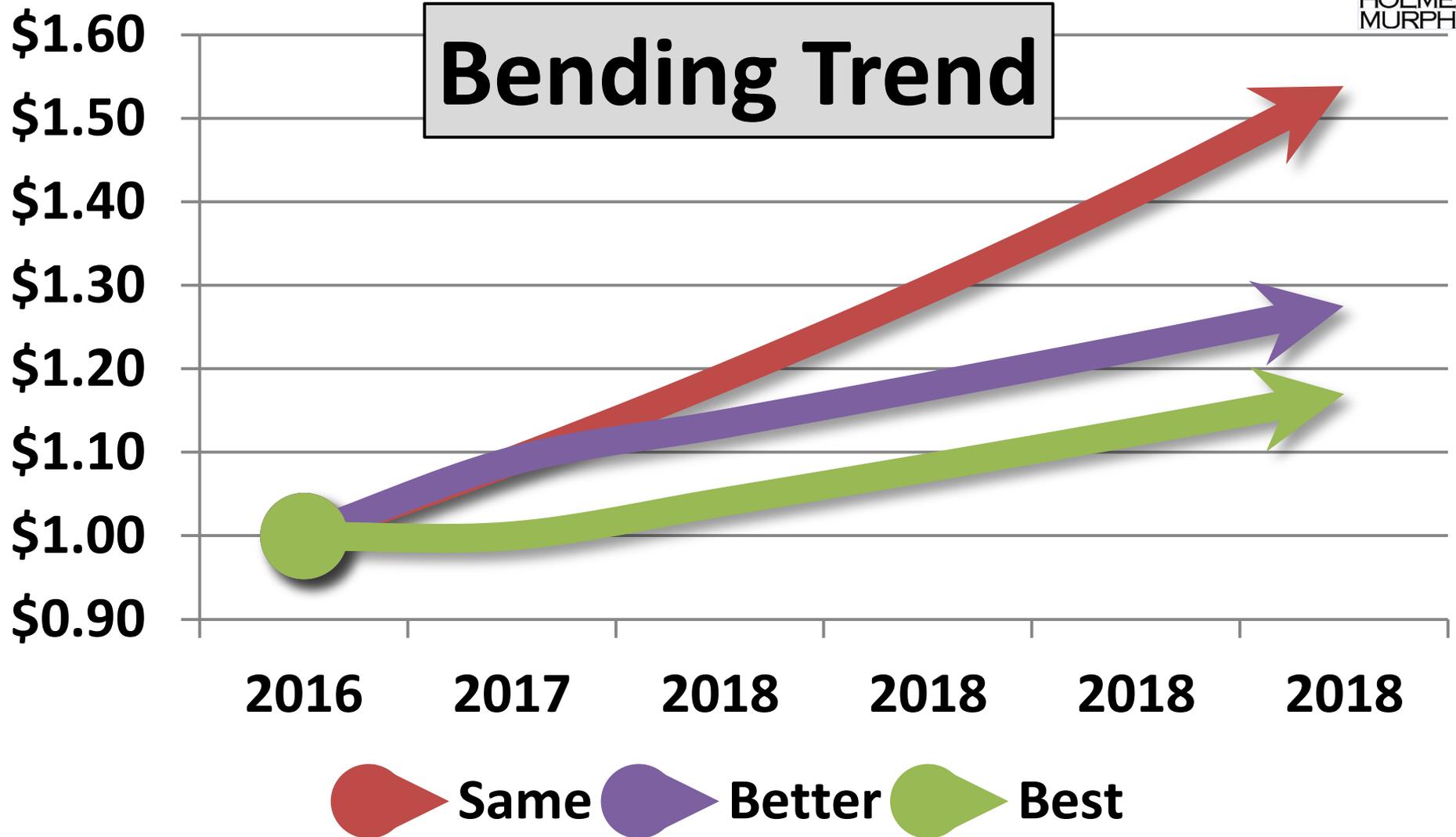
Provider RFP
Results Delivered
to Founder Level
Members Only

FIRST Pricing
Contracts Effective



GOAL: Have provider negotiations, rules of engagement, etc. finalized by Q1-2016 in time for the City to market effectively and make changes where appropriate.

CONTRACT EFFECTIVE DATE: January 1, 2017



NEXT STEPS

NEXT STEPS

Service/Product	RFP Date/Implementation Date	Next Steps
Enhanced Benefit Network with Baylor and Methodist	<ul style="list-style-type: none"> Begins January 1, 2016 	None
Basic/Supplemental Life Insurance	<ul style="list-style-type: none"> RFP Issued July, 2015 Begins January 1, 2016 	Council Agenda December, 2015
RFP for direct contracting with hospital systems (NTX Coalition)	<ul style="list-style-type: none"> Issue RFP late October/early November, 2015 Begins January 1, 2017 	Brief BF&A and Council approval, late Spring 2015
RFP for full network/third-party-administrator	<ul style="list-style-type: none"> Issue RFP late November/early December, 2015 Begins January 1, 2017 	Brief BF&A and Council approval, late Spring 2015
RFP for Pharmacy Benefits Manager (PBM)	<ul style="list-style-type: none"> Issue RFP late November/early December, 2015 Begins January 1, 2017 	Brief BF&A and Council approval, late Spring 2015
RFP for Dental & Vision	<ul style="list-style-type: none"> Issue RFP late November/early December, 2015 Begins January 1, 2017 	Brief BF&A and Council approval, late Spring 2015
RFP for Retiree Solutions (Pre-Medicare Retirees & Medicare Supplemental Plans)	<ul style="list-style-type: none"> Issue RFP late November/early December, 2015 Begins January 1, 2017 	Brief BF&A and Council approval, late Spring 2015
RFP for Affordable Care Act Administration	<ul style="list-style-type: none"> Issue RFP early November 2015 Begins Spring 2016 	Brief BF&A and Council approval, late Spring 2015
RFP for Benefits Communications	<ul style="list-style-type: none"> Issue RFP early November 2015 Begins Spring 2016 	Brief BF&A and Council approval, late Spring 2015

Memorandum



CITY OF DALLAS

DATE October 16, 2015

TO Members of the Budget, Finance & Audit Committee: Jennifer S. Gates (Chair), Philip T. Kingston (Vice Chair), Erik Wilson, Rickey D. Callahan, Scott Griggs, Lee M. Kleinman

SUBJECT **October 28, 2015 Agenda Items- Janitorial and Event Set-up Services at the Kay Bailey Hutchison Convention Center Dallas**

The October 28th City Council Agenda includes two items for janitorial and event set-up at the Kay Bailey Hutchison Convention Center Dallas (KBHCCD). The first item authorizes a five-year service contract for janitorial services at the KBHCCD with Member's Building Maintenance, LLC, the most advantageous proposer of four, not to exceed \$22,497,861. The second item authorizes the rejection of the only responsive bid and the re-advertisement of a new solicitation for event set-up at the KBHCCD.

The Kay Bailey Hutchison Convention Center Dallas spans 2.2m square feet and hosts an excess of one million visitors each year, requiring comprehensive maintenance and event and post event cleaning, often necessitating rapid turnaround times. A Request for Proposals was issued and four proposals were received and evaluated by a seven member committee. Member's Building Maintenance, LLC, was selected as the most advantageous proposer based on experience/qualifications, pricing, staffing plan/approach and BID Plan. This service contract will provide for daily janitorial maintenance, including cleaning offices, public areas, restrooms and the facility exterior, as well as event cleaning of exhibit halls, restrooms and meeting rooms with increased attention and frequently throughout events. The vendor is required to provide all supplies, equipment and labor for the performance of this contract.

A Request for Bid was issued for event set-up at the KBHCCD and only one responsive bid was received, which may have resulted from the specifications being too restrictive. In addition, unit pricing greatly exceeded our current contract for event set-up. It is more advantageous to the City to reject the bid and re-advertise a new solicitation. Business Development and Procurement Services and Convention & Event Services will modify the specifications and bid sheet prior to issuing a new Request for Proposals.

Please let me know if you need additional information.

A handwritten signature in blue ink that reads "Ryan S. Evans".

Ryan S. Evans
First Assistant City Manager

C: Honorable Mayor and Members of City Council
A.C. Gonzalez, City Manager
Warren M.S. Ernst, City Attorney
Craig D. Kinton, City Auditor
Rosa A. Rios, City Secretary
Daniel F. Solis, Administrative Judge
Jill A. Jordan, P.E., Assistant City Manager

Joey Zapata, Assistant City Manager
Mark McDaniel, Assistant City Manager
Eric D. Campbell, Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Sana Syed, Public Information Officer
Elsa Cantu, Assistant to the City Manager

Memorandum



CITY OF DALLAS

DATE October 16, 2015

TO Members of the Budget, Finance & Audit Committee: Jennifer S. Gates (Chair), Philip T. Kingston (Vice Chair), Erik Wilson, Rickey D. Callahan, Scott Griggs, Lee M. Kleinman

SUBJECT Quarterly Investment Report as of September 30, 2015

The City of Dallas Investment Policy, in accordance with the Texas Public Funds Investment Act, requires that the City Council and City Manager receive quarterly investment reports. The purpose of this report is to provide a means for Council members, Council committee members and staff to regularly review and monitor the City's investment position and to demonstrate compliance with the City's Investment Policy and the Public Funds Investment Act. Summary reports on each of the City's portfolios are included as well as summary information on the portfolio as a whole.

For the quarter ended September 30, 2015 the City's individual portfolios and the combined portfolio are in compliance with the relevant provisions of the Public Funds Investment Act and the investment strategies adopted in Sec. 17.0 of the City's Investment Policy.

Please let me know if you need additional information.


Jeanne Chipperfield
Chief Financial Officer

Attachment

c: Honorable Mayor and Members of City Council
A.C. Gonzalez, City Manager
Warren M.S. Ernst, City Attorney
Craig D. Kinton, City Auditor
Rosa A. Rios, City Secretary
Daniel F. Solis, Administrative Judge
Ryan S. Evans, First Assistant City Manager

Jill A. Jordan, P.E., Assistant City Manager
Joey Zapata, Assistant City Manager
Mark McDaniel, Assistant City Manager
Eric D. Campbell, Assistant City Manager
Sana Syed, Public Information Officer
Elsa Cantu, Assistant to the City Manager



CITY OF DALLAS

QUARTERLY INVESTMENT REPORT

September 30, 2015

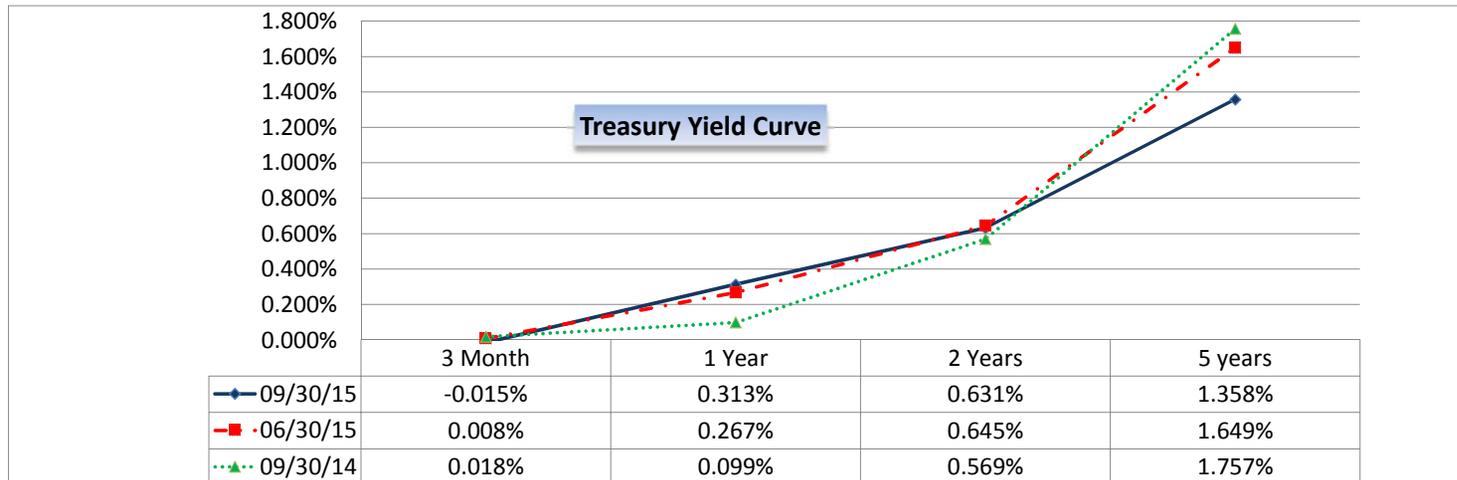
Quarterly National Economic and Market Update
 Quarter Ended September 30, 2015

- Economic activity is expanding at a moderate rate. Household spending and business fixed investment have been increasing moderately, and the housing sector has improved further; however, net exports have been soft. The labor market continued to improve, with solid job gains and declining unemployment.
- Inflation has continued to run below the Federal Open Market Committee's (FOMC's) 2 percent longer-run objective, partly reflecting declines in energy prices and in prices of non-energy imports.
- Recent global economic and financial developments may restrain economic activity somewhat and are likely to put further downward pressure on inflation in the near term.
- The FOMC anticipates that it will be appropriate to raise the target range for the federal funds rate when it has seen some further improvement in the labor market and is reasonably confident that inflation will move back to its 2 percent objective over the medium term.

Source: FOMC September 17, 2015 Statement

National Economic Data	9/30/2015	9/30/2014
Fed Funds Effective Rate	0.00% -0.25%	0.00% -0.25%
2 Years Treasury Note	0.631%	0.569%
10 Years Treasury Note	2.038%	2.490%
Monthly Unemployment Rate	5.10%	5.90%
Weekly Initial Jobless Claims	276,000	288,000
Monthly Change in Nonfarm Payrolls	142,000	256,000
Monthly New Housing Starts	1,126,000	1,038,000

Source: Bloomberg



Source: Bloomberg

City of Dallas
Portfolio Holdings
Combined Investment Summary
As of 09/30/2015

Portfolio Description	Face Amount	Book Value	Market Value	Accrued Interest	Market Value + Accrued Interest	*Unrealized Gain/(Loss)	Yield To Maturity
01 The City's Investment Pool	1,404,855,000	1,405,961,788	1,409,200,997	1,829,546	1,411,030,543	3,239,208	0.73%
02 Convention Center Reserve	18,900,000	18,900,000	18,975,166	16,665	18,991,831	75,166	1.29%
03 Water Reserve	90,000,000	89,912,277	90,374,880	135,915	90,510,795	462,603	1.07%
04 Art Endowment	2,235,000	2,235,000	2,233,990	3,204	2,237,193	(1,010)	1.20%
05 Ida Green Library Fund	1,000,000	1,000,000	1,002,901	4,067	1,006,968	2,901	1.20%
10 DWU Commercial Paper Program	2,187	2,187	2,187	0	2,187	-	0.01%
17 GO Commercial Paper	27,880,000	27,880,000	27,880,000	0	27,880,000	-	0.02%
14 Trinity Parkway Escrow	546,634	546,634	546,634	0	546,634	-	0.08%

*Unrealized gain/loss is the difference between the market value and book value and does not represent an actual gain or loss. Gains and losses are realized only when a security is sold prior to maturity. Since it is the City's practice to hold investments until they mature, the temporary gains and losses are unlikely to be realized.

City of Dallas
Trade Activity by Portfolio
As of: 06/30/15 - 09/30/2015

Portfolio Description	Beginning Face Amount	Beginning Yield To Maturity	Purchased/Deposited	Matured/Called/ Redeemed	Ending Face Amount	Ending Yield To Maturity
City's Investment Pool*						
Federal Agricultural Mortgage Corp.	224,770,000	0.81%	-	30,000,000	194,770,000	0.91%
Federal Farm Credit Bank	195,000,000	0.55%	-	95,000,000	100,000,000	0.78%
Federal Home Loan Bank	351,860,000	0.74%	13,300,000	140,025,000	225,135,000	0.74%
Federal Home Loan Mortgage Corp.	368,355,000	0.78%	45,000,000	76,355,000	337,000,000	0.90%
Federal National Mortgage Assoc.	249,458,000	0.75%	70,000,000	24,528,000	294,930,000	0.89%
Total	1,389,443,000	0.74%	128,300,000	365,908,000	1,151,835,000	0.86%
<i>*Trade activity excludes local government investment pools and money market mutual funds.</i>						
Convention Center Reserve						
Federal Home Loan Bank	15,000,000	1.30%	-	-	15,000,000	1.30%
Federal National Mortgage Assoc.	3,900,000	1.23%	-	-	3,900,000	1.23%
Total	18,900,000	1.29%	-	-	18,900,000	1.29%
Water Reserve						
Federal Farm Credit Bank	5,000,000	0.30%	-	-	5,000,000	0.30%
Federal Home Loan Bank	35,000,000	1.04%	30,000,000	10,000,000	55,000,000	1.07%
Federal Home Loan Mortgage Corp.	20,000,000	1.21%	-	-	20,000,000	1.21%
Federal National Mortgage Assoc.	-	-	10,000,000	-	10,000,000	1.14%
Total	60,000,000	1.04%	40,000,000	10,000,000	90,000,000	1.07%
Art Endowment						
Federal Farm Credit Bank	2,235,000	0.35%	-	2,235,000	-	-
Federal Home Loan Bank	-	-	2,235,000	-	2,235,000	1.20%
Total	2,235,000	0.35%	2,235,000	-	2,235,000	1.20%
Ida Green Library Endowment						
Federal Home Loan Bank	1,000,000	1.20%	-	-	1,000,000	1.20%
Total	1,000,000	1.20%	-	-	1,000,000	1.20%
DWU Commercial Paper						
Money Market - Tax Exempt	17,970	0.01%	8,359,339	8,375,123	2,187	0.01%
Total	17,970	0.01%	8,359,339	8,375,123	2,187	0.01%
GO Commercial Paper						
Money Market - Tax Exempt	-	-	27,880,000	-	27,880,000	0.02%
Total	-	-	27,880,000	-	27,880,000	0.02%
Trinity Parkway Escrow						
Money Market	546,522	0.07%	112	-	546,634	0.08%
Total	546,522	0.07%	112	-	546,634	0.08%

City of Dallas
 Summary Statement by Portfolio
 As of: 06/30/15 - 09/30/2015

Portfolio Description	Beginning Face Amount	Ending Face Amount	Beginning Book Value	Ending Book Value	Beginning Market Value	Ending Market Value	Deposits/ (Redemptions)	Change in Market Value	Accrued Interest	Ending Yield To Maturity
City's Investment Pool¹										
Local Govt. Investment Pool	73,020,000	100,020,000	73,020,000	100,020,000	73,020,000	100,020,000	27,000,000	-	-	0.16%
Money Market	102,000,000	153,000,000	102,000,000	153,000,000	102,000,000	153,000,000	51,000,000	-	-	0.14%
US Agency	1,389,443,000	1,151,835,000	1,391,064,806	1,152,941,788	1,393,456,649	1,156,180,997	(237,608,000)	295,772	1,829,546	0.86%
*Total	1,564,463,000	1,404,855,000	1,566,084,806	1,405,961,788	1,568,476,649	1,409,200,997	(159,608,000)	295,772	1,829,546	0.73%
Convention Center Reserve²										
US Agency	18,900,000	18,900,000	18,900,000	18,900,000	18,963,927	18,975,166	-	11,239	16,665	1.29%
Total	18,900,000	18,900,000	18,900,000	18,900,000	18,963,927	18,975,166	-	11,239	16,665	1.29%
Water Reserve²										
US Agency	60,000,000	90,000,000	59,901,434	89,912,277	60,093,330	90,374,880	30,000,000	281,550	135,915	1.07%
Total	60,000,000	90,000,000	59,901,434	89,912,277	60,093,330	90,374,880	30,000,000	281,550	135,915	1.07%
Art Endowment³										
US Agency	2,235,000	2,235,000	2,235,000	2,235,000	2,235,467	2,233,990	2,235,000	(1,477)	3,204	1.20%
Total	2,235,000	2,235,000	2,235,000	2,235,000	2,235,467	2,233,990	-	(1,477)	3,204	1.20%
Ida Green Library Endowment⁴										
US Agency	1,000,000	1,000,000	1,000,000	1,000,000	1,000,800	1,002,901	-	2,101	4,067	1.20%
Total	1,000,000	1,000,000	1,000,000	1,000,000	1,000,800	1,002,901	-	2,101	4,067	1.20%
DWU Commercial Paper⁵										
Money Market - Tax Exempt	17,970	2,187	17,970	2,187	17,970	2,187	(15,784)	-	-	0.01%
Total	17,970	2,187	17,970	2,187	17,970	2,187	(15,784)	-	-	0.01%
GO Commercial Paper⁵										
Money Market - Tax Exempt	-	27,880,000	-	27,880,000	-	27,880,000	27,880,000	-	-	0.02%
Total	-	27,880,000	-	27,880,000	-	27,880,000	27,880,000	-	-	0.02%
Trinity Parkway Escrow⁶										
Money Market	546,522	546,634	546,522	546,634	546,522	546,634	112	-	-	0.08%
Total	546,522	546,634	546,522	546,634	546,522	546,634	112	-	-	0.08%

Notes 1-6: See Page 6 for Strategy Statement by Portfolio.
 *Numbers may not sum due to rounding

City of Dallas
Strategy Statement and Compliance by Portfolio
As of: 06/30/15 - 09/30/2015

STRATEGY COMPLIANCE STATEMENT

For the quarter ended September 30, 2015 the portfolios are in compliance with the relevant provisions of the Public Fund Investment Act and the investment strategies adopted in Sec. 17.0 of the City's Investment Policy.

STRATEGY STATEMENT BY PORTFOLIO

1) City's Investment Pool

The City's Investment Pool is an aggregation of the majority of City funds that includes tax receipts, enterprise fund revenues, fine and fee revenues, as well as some, but not all, bond proceeds, grants, gifts and endowments. This portfolio is maintained to meet anticipated daily cash needs for City of Dallas operations, capital projects and debt service. In order to ensure the ability of the City to meet obligations and to minimize potential liquidation losses, the dollar-weighted average stated maturity of the Investment Pool shall not exceed 1.5 years.

2) Convention Center Bond Reserve and Water Bond Reserve

Non-pooled reserve funds for outstanding revenue bonds (Convention Center and Water) are set at levels required by their respective bond ordinances. These funds will be used to pay principal and/or interest at final maturity or if called prior to final maturity.

3) Art Endowment

The Art Endowment Fund was created by the City from a \$1,285,026 repayment to the General Fund from the Convention Center. Pursuant to Resolution No. 84-311 dated September 26, 1984, this endowment fund was created to provide additional monies for the arts, not to replace the current level of support. Funds received as gifts to the City with instructions that the income generated by the investment of said funds be used for specified purposes are invested as separate non-pooled portfolios in order to maximize return.

4) Ida Green Library Endowment

The Ida M. Green Endowment Fund was created with the proceeds from the sale of stock from the estate of Ms. Green pursuant to Resolution No. 87-0836. Its purpose is to provide funds for the operating and capital expenses of the library's Texas Center for the Book and Children's Center. Funds received as gifts to the City with instructions that the income generated by the investment of said funds be used for specified purposes are invested as separate non-pooled portfolios in order to maximize return.

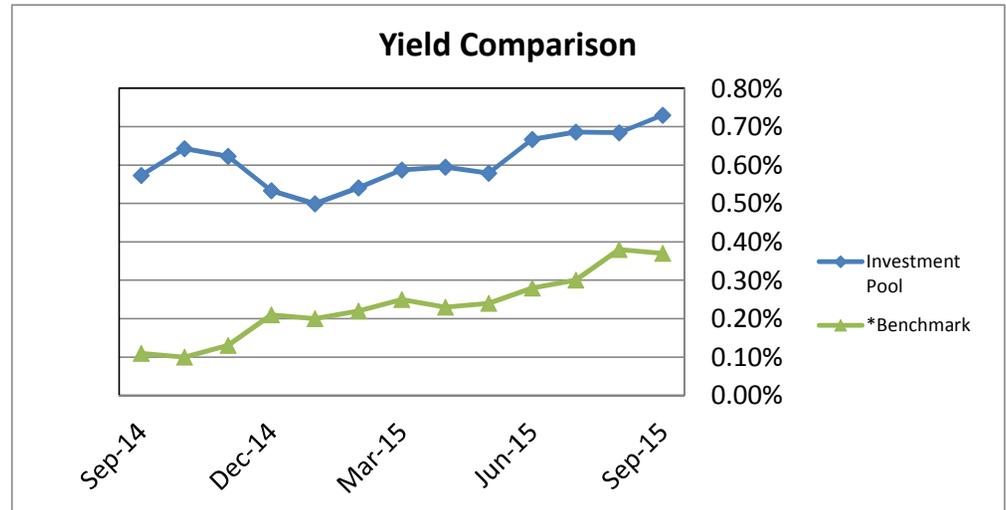
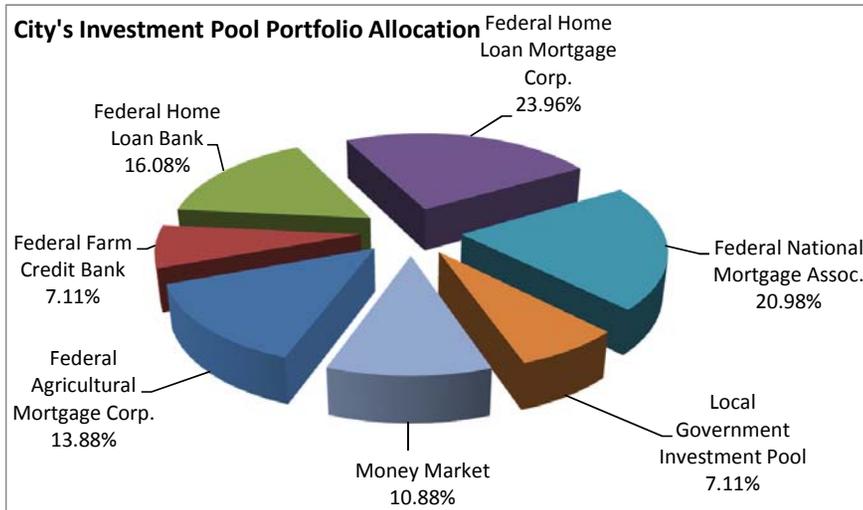
5) DWU Commercial Paper Program and GO Commercial Paper Program

The City issues tax-exempt commercial paper notes as an interim financing tool for construction and capital projects. Proceeds from the issuance of commercial paper debt must be liquid in order to fund periodic payments to contractors and may be invested in tax-exempt securities in order to avoid costly and complex arbitrage rebate computations. In order to meet these objectives, commercial paper proceeds may either be invested in tax-exempt securities or expended subject to a reimbursement program.

6) Trinity Parkway Escrow

The Trinity Parkway Escrow portfolio was created with the deposit of \$5,000,000 on November 16, 1999 in an escrow account in accordance with an agreement dated as of January 1, 1999 between the City and the North Texas Tollway Authority ("NTTA") pertaining to development of the Trinity Parkway. A subsequent deposit of \$4,500,000 was made in June 2009. These funds will be used to reimburse NTTA for specified payment related to project feasibility. Permitted investments for this account are defined in the Escrow Agreement as those that are consistent with the Public Funds Investment Act.

City of Dallas
City's Investment Pool Portfolio Allocation
Investment Summary
As of 09/30/2015



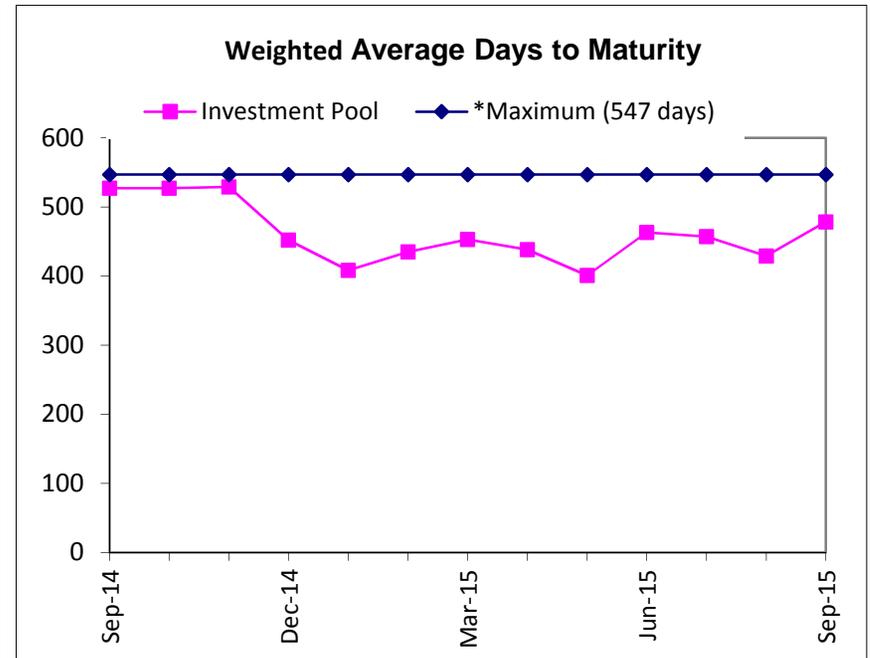
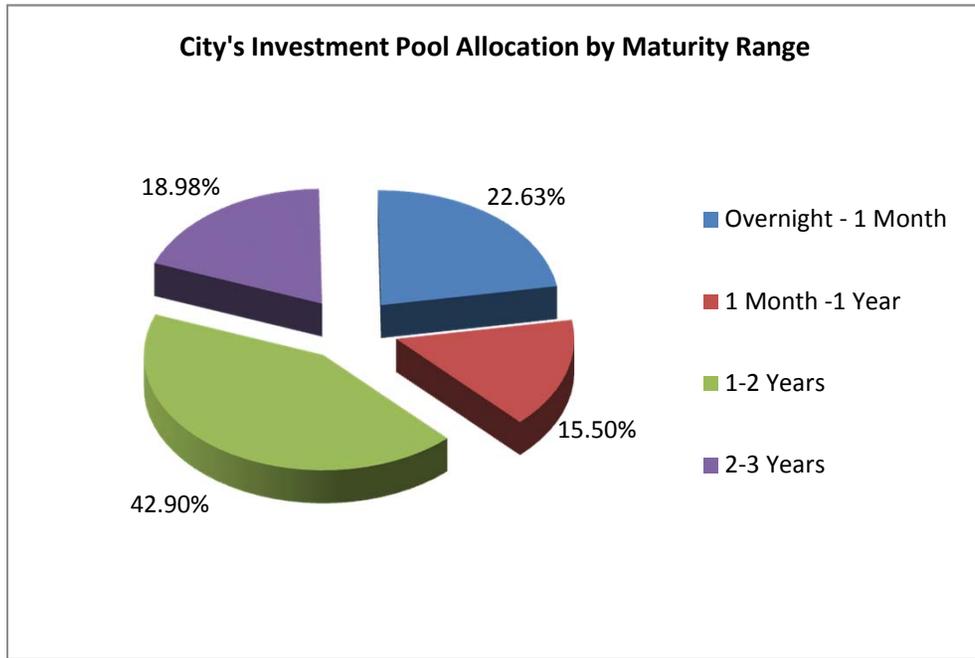
Description	Face Amount	Book Value	Market Value	**Unrealized Gain/(Loss)	Weighted Average Days To Maturity	Yield To Maturity	% of Portfolio
Federal Agricultural Mortgage Corp.	194,770,000	195,099,549	195,776,030	676,481	613	0.91%	13.88%
Federal Farm Credit Bank	100,000,000	99,957,045	100,245,470	288,425	533	0.78%	7.11%
Federal Home Loan Bank	225,135,000	226,017,015	226,290,293	273,278	434	0.74%	16.08%
Federal Home Loan Mortgage Corp.	337,000,000	336,830,672	337,949,269	1,118,597	627	0.90%	23.96%
Federal National Mortgage Assoc.	294,930,000	295,037,506	295,919,934	882,428	641	0.89%	20.98%
Local Government Investment Pool	100,020,000	100,020,000	100,020,000	-	1	0.16%	7.11%
Money Market	153,000,000	153,000,000	153,000,000	-	1	0.14%	10.88%
***Total	1,404,855,000	1,405,961,788	1,409,200,997	3,239,208	478	0.73%	100.00%

*As per Section 17.1 of the City's Investment Policy, the benchmark for the Investment Pool is the 12-month moving average yield on treasury 1-year constant maturities as reported by Federal Reserve Statistical Release H.15.

** Unrealized gain/loss is the difference between the market value and book value and does not represent an actual gain or loss. Gains and losses are realized only when a security is sold prior to maturity. Since it is the City's strategy to hold investments until they mature, the temporary gains and losses are unlikely to be realized.

*** Numbers may not sum due to rounding

City of Dallas
City's Investment Pool Allocation by Maturity Range
As of 09/30/2015



Description	Face Amount/Shares	Book Value	Market Value	Yield To Maturity	Weighted Average Days To Maturity	% of Portfolio
Overnight - 1 Month	318,120,000	318,147,680	318,152,874	0.17%	6	22.63%
1 Month -1 Year	217,285,000	217,887,342	218,216,938	0.58%	288	15.50%
1-2 Years	602,830,000	603,101,627	605,088,087	0.89%	561	42.90%
2-3 Years	266,620,000	266,825,140	267,743,098	1.16%	1,006	18.98%
**Total	1,404,855,000	1,405,961,788	1,409,200,997	0.73%	478	100%

*As per Section 17.1 of the City's Investment Policy, the dollar-weighted average stated maturity of the Investment Pool shall not exceed 1.5 years (547 days).

** Numbers may not sum due to rounding

**City of Dallas
Date To Date
Broker/Dealer Activity
As of: FY 14-15 to Date**

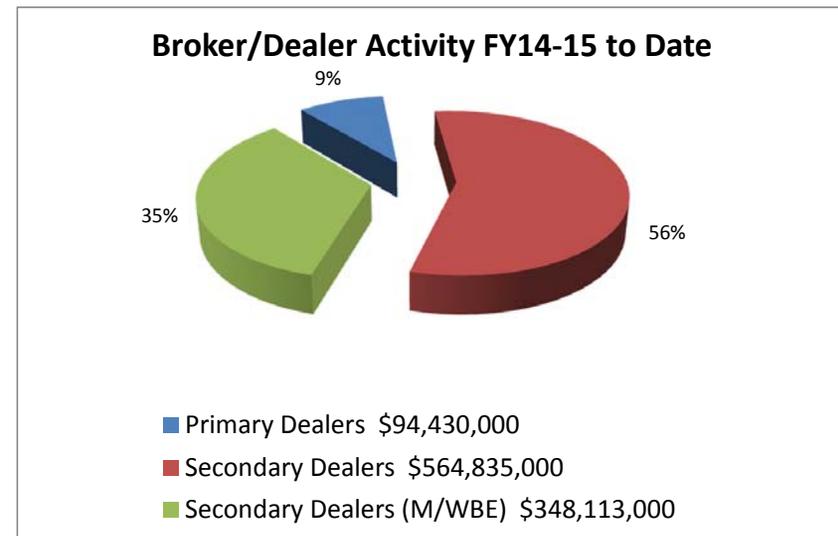
FY 14-15 to Date		
Description	Awarded	%
Primary Dealers		
Bank of America	\$35,430,000	3.52%
Cantor Fitzgerald	5,000,000	0.50%
Jefferies & Co.	54,000,000	5.36%
Secondary Dealers		
Coastal Securities	150,000,000	14.89%
First Southwest	87,030,000	8.64%
Mutual Securities	20,000,000	1.99%
Raymond James and Associates	25,000,000	2.48%
Samco Capital Market	107,035,000	10.63%
Vining Sparks	55,000,000	5.46%
Wells Fargo	120,770,000	11.99%
Secondary Dealers - M/WBE		
Duncan Williams - M/WBE	24,550,000	2.44%
Loop Capital - M/WBE	55,000,000	5.46%
Ramirez & Co. - M/WBE	103,900,000	10.31%
Rice Financial - M/WBE	164,663,000	16.35%
Williams Capital - M/WBE	0	0.00%
Total	\$1,007,378,000	100.00%

Notes:

Section 9 of the City's investment Policy requires the investment committee to annually review and adopt a list of qualified broker/dealers. These firms represent the broker dealer firms that are currently approved by the Investment Committee as of February 2015.

It is the City's Practice to solicit three or more competitive bids/offers each trade except for agency securities purchased at issue.

Q4 FY 14-15		
Description	Awarded	%
Coastal Securities	\$85,000,000	49.84%
Jefferies & Co.	30,000,000	17.59%
Loop Capital - M/WBE	35,000,000	20.52%
Samco Capital Market	20,535,000	12.04%
Total	\$170,535,000	100.00%



CITY OF DALLAS

QUARTERLY INVESTMENT REPORT

September 30, 2015

For the quarter ended September 30, 2015 the portfolios are in compliance with the relevant provisions of the Public Funds Investment Act and the investment strategies adopted in Sec. 17.0 of the City's Investment Policy.

Chief Financial Officer:



City Controller:



Treasury Manager:



KEY FOCUS AREA: E-Gov
AGENDA DATE: October 28, 2015
COUNCIL DISTRICT(S): 2
DEPARTMENT: Aviation
CMO: Ryan S. Evans, 671-9837
MAPSCO: 34E

SUBJECT

Authorize **(1)** the acceptance of a grant from the Federal Aviation Administration for the federal share of the eligible capital improvement project costs at Dallas Love Field through the Airport Improvement Program Grant for Hold Position Relocation (Grant No. 3-48-0062-49-2015, CFDA No. 20.106) in the amount of \$863,445; **(2)** acceptance of a grant from the Federal Aviation Administration through the Airport Improvement Program Grant for Airfield Pavement Analysis (Grant No. 3-47-0062-047-2014, CFDA No. 20.106) in the amount of \$833,157; and **(3)** execution of the grant agreements - Total not to exceed \$1,696,602 - Financing: Federal Aviation Administration Airport Improvement Program Grant Funds

BACKGROUND

The Federal Aviation Administration (FAA) has approved the following projects for federal funding in an amount up to \$1,696,602.00 of the actual and eligible project costs. Grant funds for these specific projects will be used to reimburse the program.

Runway Hold Position Relocation

Currently, a number of holding positions on Runways 13L-31R and 13R-31L are located closer to the runway centerline than permitted by FAA Criteria. This design project will relocate aircraft holding position signage and markings on taxiways intersecting Runway 13L-31R and 13R-31L so that they are in compliance with criteria contained in current FAA Advisory Circulars. The relocated holding positions will assure that Dallas Love Field airport complies with the latest industry safety standards.

BACKGROUND (Continued)

Airfield Pavement Analysis

This project will take a comprehensive look at airfield pavement through testing, investigation and nondestructive means and methods. The analysis will provide recommendations for a pavement management plan including improvement projects, cost estimates and a pavement management system. The evaluation of the airport's pavement infrastructure will provide cost-effective solutions along with detailed plans, project justifications and documentation for FAA planning purposes.

PRIOR ACTION / REVIEW (COUNCIL, BOARDS, COMMISSIONS)

Authorized the professional services contract with Kimley Horn and Associates, Inc. for Airfield Pavement Analysis, on March 26, 2014, by Resolution No. 14-0511.

Authorized the professional services contract with Atkins North America, Inc. for Runway Hold Position Relocation, on September 24, 2014, by Resolution No. 14-1604.

Information about this item will be provided to the Budget, Finance and Audit Committee on October 19, 2015.

FISCAL INFORMATION

\$1,696,602.00 - Federal Aviation Administration Airport Improvement Program Grant Funds

October 28, 2015

WHEREAS, it is desirable to maintain the airport infrastructure to provide a safe and attractive environment for aircraft owners and operators to conduct business at Dallas Love Field, Dallas Executive Airport and the Dallas Vertiport; and,

WHEREAS, on March 26, 2014, City authorized the professional services contract with Kimley Horn and Associates, Inc. for the Airfield Pavement Analysis by Resolution No. 14-0511; and,

WHEREAS, on September 24, 2014, City authorized the professional services contract with Atkins North America, Inc. for Runway Hold Position Relocation by Resolution No. 14-1604; and,

WHEREAS, the Federal Aviation Administration (FAA) through the Airport Improvement Program (AIP) has indicated that the following Dallas Love Field Projects are eligible for Federal Aviation Administration Grants: Runway Hold Position Relocation and Pavement Analysis; and,

WHEREAS, it is desirable to accept grant funds from the FAA for the eligible costs of each project and execute the grant agreements.

Now, Therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

Section 1. That the City Manager is hereby authorized to **(1)** accept grant funds from the FAA Airport Improvement Program Grant for Hold Sign Relocation (Grant No. 3-48-0062-49-2015, CFDA No. 20.106) in the amount of \$863,445.00 for the federal share of eligible capital improvement projects at Dallas Love Field; **(2)** accept grant funds from the FAA Airport Improvement Program Grant for Pavement Analysis Project (Grant No. 3-47-0062-047-2014, CFDA No. 20.106) in the amount of \$833,157.00 for the federal share of eligible capital improvement projects at Dallas Love Field; and **(3)** execute the grant agreements and any other documents required by the grant.

Section 2. That the Chief Financial Officer is hereby authorized to receive and deposit grant funds in the amount of \$863,445.00 for Runway Holding Position Relocation in the Aviation Improvement Program (AIP) Grant Fund F472, Dept. AVI, Unit 1794, Revenue Source 9907.

October 28, 2015

Section 3. That the Chief Financial Officer is hereby authorized to reimburse eligible design and construction administration costs for Runway Holding Position Relocation project from the AIP Grant Fund F472, Dept. AVI to Aviation Capital Construction Fund 0131, Dept. AVI in an amount not to exceed \$863,445.00.

Section 4. That the Chief Financial Officer is hereby authorized to receive and deposit grant funds in the amount of \$833,157.00 for Pavement Analysis in the Aviation Airport Improvement Program (AIP) Grant Fund F474, Dept. AVI, Unit 1797, Revenue Source 9907.

Section 5. That the Chief Financial Officer is hereby authorized to reimburse eligible design and construction administration costs for Pavement Analysis project from the AIP Grant Fund F474, Dept. AVI to Aviation Capital Construction Fund 0131, Dept. AVI in an amount not to exceed \$833,157.00.

Section 6. That the City Manager is hereby authorized to reimburse FAA any expenditures identified as ineligible. The City Manager shall notify the appropriate City Council Committee of expenditures identified as ineligible no later than 30 days after the reimbursement.

Section 7. That the City Manager shall keep the appropriate City Council Committee informed of all final FAA monitoring reports not later than 30 days after the receipt of the report.

Section 8. That this resolution shall take effect immediately from and after its passage, in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.

AGENDA ITEM # 3

KEY FOCUS AREA: Clean, Healthy Environment

AGENDA DATE: October 28, 2015

COUNCIL DISTRICT(S): All

DEPARTMENT: Business Development & Procurement Services
Aviation
Convention and Event Services
Equipment & Building Services
Park & Recreation
Street Services
Water Utilities

CMO: Jeanne Chipperfield, 670-7804
Ryan S. Evans, 671-9837
Jill A. Jordan, P.E., 670-5299
Willis Winters, 670-4071
Mark McDaniel, 670-3256

MAPSCO: N/A

SUBJECT

Authorize a three-year service contract to provide pressure washing, scraping, and sweeping of City owned parking lots, sidewalks, vertical surfaces, service vehicles and equipment - H and W Cleaning Systems, Inc. in the amount of \$1,399,917 and Fleet Clean Systems, Inc. in the amount of \$21,942, lowest responsible bidders of four - Total not to exceed \$1,421,859 - Financing: Current Funds (\$1,319,675), Aviation Current Funds (\$51,379), Convention and Event Services Current Funds (\$25,438) and Water Utilities Current Funds (\$25,367) (subject to annual appropriations)

BACKGROUND

This action does not encumber funds; the purpose of a service contract is to establish firm pricing for services, for a specific term, which are ordered on an as needed basis.

This service contract will be used for pressure washing, scraping, and sweeping of City owned parking lots, sidewalks, vertical surfaces, service vehicles and equipment. All pressure washing services will be on an as needed basis. This service contract requires the vendor to reclaim and properly dispose of all waste water resulting from this service in accordance with federal, state and local requirements regarding environmental protection.

BACKGROUND (Continued)

Parking lots, service center lots, sidewalks and other paved areas require periodic cleaning due to the accumulation of dirt, debris and fluids from personal vehicles, service vehicles and heavy equipment. Examples of paved areas owned by the City to be cleaned under this service contract include:

- Fire-Rescue training and maintenance facility
- Fair Park
- Service centers
- Municipal buildings

Service vehicles and equipment require periodic cleaning due to the accumulation of dirt, debris and fluids from the normal course of operation. This service contract will also be used to pressure wash exteriors, engine compartments and undercarriages of service vehicles and equipment such as:

- Brush trucks tractors and trailers
- Automated (refuse) trucks
- Roll-off trucks
- Pick-up trucks
- Service cars

The use of environmentally friendly Green Seal certified cleaning products is a requirement in the specifications. Further, when additional related products become certified, the vendor is required to use those products.

This solicitation was structured in a manner which required bidders to submit a response using group pricing. This bid resulted in a 1.4% decrease over comparable prices for the bids awarded 2012.

As part of the solicitation process and in an effort to increase competition, Business Development and Procurement Services (BDPS) used its procurement system to send out 243 email bid notifications to vendors registered under respective commodities. To further increase competition, BDPS uses historical solicitation information, the internet, and vendor contact information obtained from user departments to contact additional vendors by phone. Additionally, in an effort to secure more bids, notifications were sent by the Business Development and Procurement Services' ResourceLINK Team (RLT) to 25 chambers of commerce, the DFW Minority Business Council and the Women's Business Council – Southwest, to ensure maximum vendor outreach.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On June 27, 2012, City Council authorized a three year service agreement for pressure washing of City owned parking lots, vertical surfaces and service vehicles and equipment by Resolution No. 12-1607.

Information about this item will be provided to the Budget, Finance and Audit Committee on October 19, 2015.

FISCAL INFORMATION

- \$1,319,674.84 - Current Funds (subject to annual appropriations)
- \$ 51,379.00 - Aviation Current Funds (subject to annual appropriations)
- \$ 25,437.60 - Convention and Event Services Current Funds (subject to annual appropriations)
- \$ 25,367.00 - Water Utilities Current Funds (subject to annual appropriations)

M/WBE INFORMATION

- 27 - Vendors contacted
- 26 - No response
 - 1 - Response (Bid)
 - 0 - Response (No bid)
 - 1 - Successful

243 - M/WBE and Non-M/WBE vendors were contacted

The recommended awardees have fulfilled the requirements set forth in the Business Inclusion and Development (BID) Plan adopted by Council Resolution No. 08-2826 as amended.

ETHNIC COMPOSITION

H and W Cleaning Systems, Inc.

White Male	0	White Female	0
Black Male	8	Black Female	3
Hispanic Male	8	Hispanic Female	0
Other Male	0	Other Female	0

Fleet Clean Systems, Inc.

White Male	3	White Female	1
Black Male	3	Black Female	3
Hispanic Male	1	Hispanic Female	0
Other Male	1	Other Female	0

BID INFORMATION

The following bids were received from solicitation number BQ1510 and were opened on June 18, 2015. This service contract is being awarded to the lowest responsive and responsible bidders by group.

*Denotes successful bidders

<u>Bidders</u>	<u>Address</u>	<u>Amount</u>
*H and W Cleaning Systems, Inc.	605 S. Sherman St. Suite 705L Richardson, TX 75081	Group 1 - \$1,331,871.44 Group 2 - No Bid Group 3 - \$ 68,045.00
*Fleet Clean Systems, Inc.	4343 Congress Ave. Suite 366 Dallas, TX 75219	Group 1 - No Bid Group 2 - \$ 21,942.00 Group 3 - No Bid
MRM Ultimate Service, LLC dba Ultimate Sweepers	2640 Northaven Rd. Suite 105 Dallas, TX 75229	Group 1 - \$1,695,292.90 Group 2 - No Bid Group 3 - \$ 497,140.00
DFW Clear Choice Cleaning, Inc.	11363 Denton Dr. Suite 127 Dallas, TX 75229	Group 1 - \$1,507,999.18 Group 2 - No Bid Group 3 - \$ 773,190.00
Fleetwash, Inc.	11102 Ables Ln. Dallas, TX 75229	Non-responsive**

**Fleetwash, Inc. was been deemed non-responsive due to not meeting specifications.

OWNERS

H and W Cleaning Systems, Inc.

Le'Wiburne Maurice Williams-King, President

Fleet Clean Systems, Inc.

Scott Marr, President

BUSINESS INCLUSION AND DEVELOPMENT PLAN SUMMARY

PROJECT: Authorize a three-year service contract to provide pressure washing, scraping, and sweeping of City owned parking lots, sidewalks, vertical surfaces, service vehicles and equipment - H and W Cleaning Systems, Inc. in the amount of \$1,399,917 and Fleet Clean Systems, Inc. in the amount of \$21,942, lowest responsible bidders of four - Total not to exceed \$1,421,859 - Financing: Current Funds (\$1,319,675), Aviation Current Funds (\$51,379), Convention and Event Services Current Funds (\$25,438) and Water Utilities Current Funds (\$25,367) (subject to annual appropriations)

H and W Cleaning Systems, Inc. is a local minority firm, has signed the "Business Inclusion & Development" documentation, and propose to use the following sub-contractors. Fleet Clean Systems, Inc. is a local, non-minority firm, has signed the "Business Inclusion & Development" documentation, and propose to use their own workforce.

PROJECT CATEGORY: Other Services

LOCAL/NON-LOCAL CONTRACT SUMMARY

	<u>Amount</u>	<u>Percent</u>
Total local contracts	\$1,421,858.44	100.00%
Total non-local contracts	\$0.00	0.00%
TOTAL CONTRACT	\$1,421,858.44	100.00%

LOCAL/NON-LOCAL M/WBE PARTICIPATION

Local Contractors / Sub-Contractors

<u>Local</u>	<u>Certification</u>	<u>Amount</u>	<u>Percent</u>
H and W Cleaning System, Inc.	BMMB61854N0516	\$1,343,916.44	94.52%
2M Business Products	IMDB46640Y0516	\$14,000.00	0.98%
Master Cleaning Supply, Inc.	PFMB63898Y0117	\$42,000.00	2.95%
Total Minority - Local		\$1,399,916.44	98.46%

Non-Local Contractors / Sub-Contractors

None

TOTAL M/WBE CONTRACT PARTICIPATION

	<u>Local</u>	<u>Percent</u>	<u>Local & Non-Local</u>	<u>Percent</u>
African American	\$1,343,916.44	94.52%	\$1,343,916.44	94.52%
Hispanic American	\$0.00	0.00%	\$0.00	0.00%
Asian American	\$56,000.00	3.94%	\$56,000.00	3.94%
Native American	\$0.00	0.00%	\$0.00	0.00%
WBE	\$0.00	0.00%	\$0.00	0.00%
	-----	-----	-----	-----
Total	\$1,399,916.44	98.46%	\$1,399,916.44	98.46%

October 28, 2015

WHEREAS, on June 27, 2012, City Council authorized a three year service agreement for pressure washing of City owned parking lots, vertical surfaces and service vehicles and equipment by Resolution No. 12-1607;

NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

Section 1. That the City Manager is authorized to execute a service contract with H and W Cleaning Systems, Inc. (242072) in the amount of \$1,399,916.44 and Fleet Clean Systems, Inc. (VS89172) in the amount of \$21,942.00 for pressure washing, scraping, and sweeping of City owned parking lots, sidewalks, vertical surfaces, service vehicles and equipment for a term of three years in a total amount not to exceed \$1,421,858.44, upon approval as to form by the City Attorney. If the service was bid or proposed on an as needed, unit price basis for performance of specified tasks, payment to H and W Cleaning Systems, Inc. and Fleet Clean Systems, Inc. shall be based only on the amount of the services directed to be performed by the City and properly performed by H and W Cleaning Systems, Inc. and Fleet Clean Systems, Inc.

Section 2. That the Chief Financial Officer is hereby authorized to disburse funds in an amount not to exceed \$1,421,858.44 (subject to annual appropriations).

Section 3. That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.

KEY FOCUS AREA: E-Gov

AGENDA DATE: October 28, 2015

COUNCIL DISTRICT(S): 7

DEPARTMENT: Business Development & Procurement Services
Water Utilities

CMO: Jeanne Chipperfield, 670-7804
Mark McDaniel, 670-3256

MAPSCO: 48 J

SUBJECT

Authorize the purchase of a 48-inch check valve - Hugh M. Cunningham, Inc., lowest responsible bidder of four - Not to exceed \$122,500 - Financing: Water Utilities Capital Improvement Funds

BACKGROUND

This purchase will provide a 48-inch check valve for Water Utilities' Pumping Division. The Pumping Division is replacing an existing 48-inch check valve at the Jim Miller Pump Station. The check valve is used to control surges within the White Rock transmission line. The current check valve was purchased in 1985 and parts for repairs are no longer obtainable.

As part of the solicitation process and in an effort to increase competition, Business Development and Procurement Services (BDPS) used its procurement system to send out 177 email bid notifications to vendors registered under respective commodities. To further increase competition, BDPS uses historical solicitation information, the internet, and vendor contact information obtained from user departments to contact additional vendors by phone. Additionally, in an effort to secure more bids, notifications were sent by the BDPS' ResourceLINK Team (RLT) to 25 chambers of commerce, the DFW Minority Business Council and the Women's Business Council – Southwest, to ensure maximum vendor outreach.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

Information about this item will be provided to the Budget, Finance and Audit Committee on October 19, 2015.

FISCAL INFORMATION

\$122,500.00 - Water Utilities Capital Improvement Funds

M/WBE INFORMATION

- 33 - Vendors contacted
- 33 - No response
 - 0 - Response (Bid)
 - 0 - Response (No bid)
 - 0 - Successful

177 - M/WBE and Non-M/WBE vendors were contacted

The recommended awardee has fulfilled the good faith requirements set forth in the Business Inclusion and Development (BID) Plan adopted by Council Resolution No. 08-2826 as amended.

ETHNIC COMPOSITION

Hugh M. Cunningham, Inc.

White Male	70	White Female	26
Black Male	5	Black Female	4
Hispanic Male	16	Hispanic Female	5
Other Male	1	Other Female	1

BID INFORMATION

The following bids were received from solicitation number BM1541 and were opened on August 20, 2015. This purchase will be awarded in its entirety to the lowest responsive and responsible bidder.

*Denotes successful bidder

<u>Bidders</u>	<u>Address</u>	<u>Amount</u>
*Hugh M. Cunningham, Inc.	2029 Westgate Dr. Suite # 120 Carrollton, TX 75006	\$122,500.00
Municipal Valve & Equipment Company, Inc.	4547 Westgrove Dr. Addison, TX 75001	\$142,000.00

BID INFORMATION (Continued)

<u>Bidders</u>	<u>Address</u>	<u>Amount</u>
ShoJonn, LLC dba Johnson Sales Associates	14140 Midway Rd. Suite # 206 Farmers Branch, TX 75244	\$157,210.00
Water Technology Resources, Inc.	9201 E. Bloomington Fwy. Suite Z Bloomington, MN 55420	Non-responsive**

**Water Technology Resources, Inc. was deemed non-responsive due to not meeting bid specifications.

OWNER

Hugh M. Cunningham, Inc.

David A. Cunningham, President
Dan Townsend, Vice President
D'Lissa V. Cunningham, Treasurer

BUSINESS INCLUSION AND DEVELOPMENT PLAN SUMMARY

PROJECT: Authorize the purchase of a 48-inch check valve - Hugh M. Cunningham, Inc., lowest responsible bidder of four - Not to exceed \$122,500 - Financing: Water Utilities Capital Improvement Funds

Hugh M. Cunningham, Inc. is a local, non-minority firm, has signed the "Business Inclusion & Development" documentation, and proposes to use their own workforce.

PROJECT CATEGORY: Goods

LOCAL/NON-LOCAL CONTRACT SUMMARY

	<u>Amount</u>	<u>Percent</u>
Total local contracts	\$122,500.00	100.00%
Total non-local contracts	\$0.00	0.00%
TOTAL CONTRACT	\$122,500.00	100.00%

LOCAL/NON-LOCAL M/WBE PARTICIPATION

Local Contractors / Sub-Contractors

None

Non-Local Contractors / Sub-Contractors

None

TOTAL M/WBE CONTRACT PARTICIPATION

	<u>Local</u>	<u>Percent</u>	<u>Local & Non-Local</u>	<u>Percent</u>
African American	\$0.00	0.00%	\$0.00	0.00%
Hispanic American	\$0.00	0.00%	\$0.00	0.00%
Asian American	\$0.00	0.00%	\$0.00	0.00%
Native American	\$0.00	0.00%	\$0.00	0.00%
WBE	\$0.00	0.00%	\$0.00	0.00%
Total	\$0.00	0.00%	\$0.00	0.00%

October 28, 2015

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

Section 1. That the purchase of a 48-inch check valve is authorized with Hugh M. Cunningham, Inc. (094131) in an amount not to exceed \$122,500.00.

Section 2. That the Purchasing Agent is authorized, upon appropriate requisition, to issue a purchase order for a 48-inch check valve. If a formal contract is required for this purchase instead of a purchase order, the City Manager is authorized to execute the contract upon approval as to form by the City Attorney.

Section 3. That the Chief Financial Officer is hereby authorized to disburse funds from the following appropriation, in an amount not to exceed \$122,500.00:

<u>FUND</u>	<u>DEPT</u>	<u>UNIT</u>	<u>OBJECT</u>	<u>ENCUMBRANCE</u>	<u>AMOUNT</u>
3115	DWU	PW40	4420	CT-DWU7AI300CP	\$122,500.00

Section 4. That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.

AGENDA ITEM # 7

KEY FOCUS AREA: E-Gov

AGENDA DATE: October 28, 2015

COUNCIL DISTRICT(S): All

DEPARTMENT: Business Development & Procurement Services
Water Utilities

CMO: Jeanne Chipperfield, 670-7804
Mark McDaniel, 670-3256

MAPSCO: N/A

SUBJECT

Authorize a three-year master agreement for replacement belts for specialized Water Utilities' machinery - National Filter Media dba Filter Belts, lowest responsible bidder of three - Not to exceed \$326,580 - Financing: Water Utilities Current Funds

BACKGROUND

This action does not encumber funds; the purpose of a master agreement is to establish firm pricing for goods for a specific term, which are ordered on an as needed basis.

This master agreement will provide replacement belts of various types and sizes for specialized Water Utility (DWU) machinery used to maintain current water and wastewater treatment plant operations. This agreement enables DWU to acquire and stock the replacement belts with minimal delay, reducing the likelihood of service interruption to customers. The belts perform various functions, one such function is the use of porous weave belts to separate waste solids from liquid during the de-watering of sludge.

Water Utilities treats approximately 170.4 billion gallons of water and 65.8 billion gallons of wastewater per year.

As part of the solicitation process and in an effort to increase competition, Business Development and Procurement Services (BDPS) used its procurement system to send out 529 email bid notifications to vendors registered under respective commodities.

BACKGROUND (Continued)

To further increase competition, BDPS uses historical solicitation information, the internet, and vendor contact information obtained from user departments to contact additional vendors by phone. Additionally, in an effort to secure more bids, notifications were sent by the BDPS' ResourceLINK Team (RLT) to 25 chambers of commerce, the DFW Minority Business Council and the Women's Business Council – Southwest, to ensure maximum vendor outreach.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

Information about this item will be provided to the Budget, Finance and Audit Committee on October 19, 2015.

FISCAL INFORMATION

\$326,580.00 - Water Utilities Current Funds

M/WBE INFORMATION

- 58 - Vendors contacted
- 58 - No response
 - 0 - Response (Bid)
 - 0 - Response (No bid)
 - 0 - Successful

529 - M/WBE and Non-M/WBE vendors were contacted

The recommended awardee has fulfilled the good faith requirements set forth in the Business Inclusion and Development (BID) Plan adopted by Council Resolution No. 08-2826 as amended.

ETHNIC COMPOSITION

National Filter Media dba Filter Belts

White Male	21	White Female	10
Black Male	0	Black Female	0
Hispanic Male	0	Hispanic Female	0
Other Male	0	Other Female	0

BID INFORMATION

The following bids were received from solicitation number BM1535 and were opened on July 16, 2015. This master agreement is being awarded in its entirety to the lowest responsive and responsible bidder.

*Denotes successful bidder

<u>Bidders</u>	<u>Address</u>	<u>Amount</u>
*National Filter Media dba Filter Belts	12 Winada Dr. Winthrop, ME 04364	\$326,580.00
GMS Filtration, Inc.	140 Joe R. McCrary Rd. Fall Branch, TN 37656	\$374,119.90
Andritz Separation, Inc.	1010 Commercial Blvd. S Arlington, TX 76001	\$440,421.10

OWNER

National Filter Media dba Filter Belts

John R. Eugster, President
Jim R. Smith, Vice President

BUSINESS INCLUSION AND DEVELOPMENT PLAN SUMMARY

PROJECT: Authorize a three-year master agreement for replacement belts for specialized Water Utilities' machinery - National Filter Media dba Filter Belts, lowest responsible bidder of three - Not to exceed \$326,580 - Financing: Water Utilities Current Funds

National Filter Media dba Filter Belts is a non-local, non-minority firm, has signed the "Business Inclusion & Development" documentation, and proposes to use their own workforce.

PROJECT CATEGORY: Goods

LOCAL/NON-LOCAL CONTRACT SUMMARY

	<u>Amount</u>	<u>Percent</u>
Total local contracts	\$0.00	0.00%
Total non-local contracts	\$326,580.00	100.00%
TOTAL CONTRACT	\$326,580.00	100.00%

LOCAL/NON-LOCAL M/WBE PARTICIPATION

Local Contractors / Sub-Contractors

None

Non-Local Contractors / Sub-Contractors

None

TOTAL M/WBE CONTRACT PARTICIPATION

	<u>Local</u>	<u>Percent</u>	<u>Local & Non-Local</u>	<u>Percent</u>
African American	\$0.00	0.00%	\$0.00	0.00%
Hispanic American	\$0.00	0.00%	\$0.00	0.00%
Asian American	\$0.00	0.00%	\$0.00	0.00%
Native American	\$0.00	0.00%	\$0.00	0.00%
WBE	\$0.00	0.00%	\$0.00	0.00%
Total	\$0.00	0.00%	\$0.00	0.00%

October 28, 2015

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

Section 1. That a master agreement for the purchase of replacement belts for specialized Water Utilities' machinery is authorized with National Filter Media dba Filter Belts (359380) for a term of three years in an amount not to exceed \$326,580.00.

Section 2. That the Purchasing Agent is authorized, upon appropriate request and documented need by a user department, to issue a purchase order for replacement belts for specialized Water Utilities' machinery. If a written contract is required or requested for any or all purchases for replacement belts for specialized Water Utilities' machinery under the master agreement instead of individual purchase orders, the City Manager is authorized to execute the contract upon approval as to form by the City Attorney.

Section 3. That the Chief Financial Officer is hereby authorized to disburse funds in an amount not to exceed \$326,580.00.

Section 4. That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.

KEY FOCUS AREA: Public Safety

AGENDA DATE: October 28, 2015

COUNCIL DISTRICT(S): All

DEPARTMENT: Business Development & Procurement Services
Aviation
Fire
Park & Recreation
Street Services
Trinity Watershed Management
Water Utilities

CMO: Jeanne Chipperfield, 670-7804
Ryan S. Evans, 671-9837
Eric Campbell, 670-3255
Willis Winters, 670-4071
Jill A. Jordan, P.E., 670-5299
Mark McDaniel, 670-3256

MAPSCO: N/A

SUBJECT

Authorize a three-year master agreement for saw blades - Simba Industries in the amount of \$209,437, Desert Diamond Industries in the amount of \$194,796, Dunard Government Services, LLC in the amount of \$11,468, HD Supply Construction & Industrial White Cap in the amount of \$12,658 or \$11,896 (Tie Bid – Line 8), Simba Industries (Alternate) in the amount of \$3,984 or \$3,222 (Tie Bid – Line 8) and Root Brothers Manufacturing & Supply in the amount of \$2,773, lowest responsible bidders of seven - Total not to exceed \$434,354 - Financing: Current Funds (\$368,957), Aviation Current Funds (\$29,943), Water Utilities Current Funds (\$29,786) and Stormwater Drainage Management Current Funds (\$5,668)

BACKGROUND

This action does not encumber funds; the purpose of a master agreement is to establish firm pricing for goods, for a specific term, which are ordered on an as needed basis.

BACKGROUND (Continued)

This master agreement will provide for the purchase of various types of saw blades. Blades under this agreement will be utilized throughout the City to cut various types of material such as:

- Concrete
- Asphalt
- Wood
- Iron

Additionally, Fire-Rescue has 150 pieces of front line equipment that utilize saw blades to ventilate roofs of burning structures and cut through security bars or other construction materials during emergency response.

This solicitation was structured in a manner which required bidders to submit a response using unit pricing. This bid resulted in a 2% increase on comparable unit prices for the bids awarded in 2012.

As part of the solicitation process and in an effort to increase competition, Business Development and Procurement Services (BDPS) used its procurement system to send out 372 email bid notifications to vendors registered under respective commodities. To further increase competition, BDPS uses historical solicitation information, the internet, and vendor contact information obtained from user departments to contact additional vendors by phone. Additionally, in an effort to secure more bids, notifications were sent by the BDPS' ResourceLINK Team (RLT) to 25 chambers of commerce, the DFW Minority Business Council and the Women's Business Council - Southwest, to ensure maximum vendor outreach.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On August 8, 2012, City Council authorized a three-year master agreement for saw blades by Resolution No. 12-1894.

Information about this item will be provided to the Budget, Finance and Audit Committee on October 19, 2015.

FISCAL INFORMATION

\$368,956.62 - Current Funds
\$ 29,943.00 - Aviation Current Funds
\$ 29,785.99 - Water Utilities Current Funds
\$ 5,667.95 - Stormwater Drainage Management Current Funds

M/WBE INFORMATION

59 - Vendors contacted
57 - No response
2 - Response (Bid)
0 - Response (No Bid)
2 - Successful

372 M/WBE and Non-M/WBE vendors were contacted

The recommended awardees have fulfilled the good faith requirements set forth in the Business Inclusion and Development (BID) Plan adopted by Council Resolution No. 08-2826 as amended.

ETHNIC COMPOSITION

Simba Industries

White Male	5	White Female	4
Black Male	0	Black Female	0
Hispanic Male	0	Hispanic Female	0
Other Male	0	Other Female	0

Desert Diamond Industries

White Male	4	White Female	1
Black Male	1	Black Female	0
Hispanic Male	0	Hispanic Female	0
Other Male	0	Other Female	0

Dunard Government Services, LLC

White Male	1	White Female	0
Black Male	0	Black Female	0
Hispanic Male	0	Hispanic Female	0
Other Male	0	Other Female	0

HD Supply Construction & Industrial White Cap

White Male	9	White Female	2
Black Male	9	Black Female	0
Hispanic Male	11	Hispanic Female	0
Other Male	0	Other Female	0

ETHNIC COMPOSITION (Continued)

Root Brothers Manufacturing & Supply

White Male	1	White Female	1
Black Male	0	Black Female	0
Hispanic Male	1	Hispanic Female	0
Other Male	0	Other Female	0

BID INFORMATION

The following bids were received from solicitation number BT1508 and were opened on April 23, 2015. This master agreement is being awarded to the lowest responsive responsible bidders by line. Information related to this solicitation is available upon request.

*Denotes successful bidders

<u>Bidders</u>	<u>Address</u>	<u>Amount of Bid</u>
*Simba Industries	753 Port America Pl. Suite 210 Grapevine, TX 76051	Multiple Lines
*Desert Diamond Industries	2799 E. Tropicana Ave. Suite G Las Vegas, NV 89121	Multiple Lines
*Dunard Government Services, LLC	4118 Bolton Overlook Woodbridge, VA 22192	Multiple Lines
*HD Supply Construction & Industrial White Cap	2037 E. Lancaster Ave. Fort Worth, TX 76103	Multiple Lines
*Root Brothers Manufacturing & Supply	11910 Shiloh Rd. Suite 100 Dallas, TX 75228	Multiple Lines
MK Diamond Products, Inc.	1315 Storm Pkwy. Torrance, CA 90509	Multiple Lines
*Simba Industries (Alternate)	753 Port America Pl. Suite 210 Grapevine, TX 76051	Multiple Lines

OWNERS

Simba Industries

Vickie L. Kasten, President

Desert Diamond Industries

Nicholas Mione, President

Dunard Government Services, LLC

Monte E. Dunard, President

HD Supply Construction & Industrial White Cap

John Stegeman, President

Evan Levitt, Chief Financial Officer

Dan McDevitt, Secretary

Joe Deangelo, Chief Executive Officer

Root Brothers Manufacturing & Supply

David Root, President

Gary Root, Vice President

Aaron Root, Secretary

BUSINESS INCLUSION AND DEVELOPMENT PLAN SUMMARY

PROJECT: Authorize a three-year master agreement for saw blades - Simba Industries in the amount of \$209,437, Desert Diamond Industries in the amount of \$194,796, Dunard Government Services, LLC in the amount of \$11,468, HD Supply Construction & Industrial White Cap in the amount of \$12,658 or \$11,896 (Tie Bid – Line 8), Simba Industries (Alternate) in the amount of \$3,984 or \$3,222 (Tie Bid – Line 8) and Root Brothers Manufacturing & Supply in the amount of \$2,773, lowest responsible bidders of seven - Total not to exceed \$434,354 - Financing: Current Funds (\$368,957), Aviation Current Funds (\$29,943), Water Utilities Current Funds (\$29,786) and Stormwater Drainage Management Current Funds (\$5,668)

Simba Industries is a local, minority firm, has signed the "Business Inclusion & Development" documentation, and proposes to use their own workforce. Root Brothers Manufacturing & Supply and HD Supply Construction & Industrial White Cap are local, non-minority firms, have signed the "Business Inclusion & Development" documentation, and propose to use their own workforces. Desert Diamond Industries and Dunard Government Services, LLC are non-local, non-minority firms, have signed the "Business Inclusion & Development" documentation, and propose to use their own workforces.

PROJECT CATEGORY: Goods

LOCAL/NON-LOCAL CONTRACT SUMMARY

	<u>Amount</u>	<u>Percent</u>
Total local contracts	\$228,089.56	52.51%
Total non-local contracts	\$206,264.00	47.49%
TOTAL CONTRACT	\$434,353.56	100.00%

LOCAL/NON-LOCAL M/WBE PARTICIPATION

Local Contractors / Sub-Contractors

<u>Local</u>	<u>Certification</u>	<u>Amount</u>	<u>Percent</u>
Simba Industries	WFWB62220N0616	\$213,420.74	93.57%
Total Minority - Local		\$213,420.74	93.57%

Non-Local Contractors / Sub-Contractors

None

TOTAL M/WBE CONTRACT PARTICIPATION

	<u>Local</u>	<u>Percent</u>	<u>Local & Non-Local</u>	<u>Percent</u>
African American	\$0.00	0.00%	\$0.00	0.00%
Hispanic American	\$0.00	0.00%	\$0.00	0.00%
Asian American	\$0.00	0.00%	\$0.00	0.00%
Native American	\$0.00	0.00%	\$0.00	0.00%
WBE	\$213,420.74	93.57%	\$213,420.74	49.14%
	-----	-----	-----	-----
Total	\$213,420.74	93.57%	\$213,420.74	49.14%

BUSINESS INCLUSION AND DEVELOPMENT PLAN SUMMARY

PROJECT: Authorize a three-year master agreement for saw blades - Simba Industries in the amount of \$209,437, Desert Diamond Industries in the amount of \$194,796, Dunard Government Services, LLC in the amount of \$11,468, HD Supply Construction & Industrial White Cap in the amount of \$12,658 or \$11,896 (Tie Bid – Line 8), Simba Industries (Alternate) in the amount of \$3,984 or \$3,222 (Tie Bid – Line 8) and Root Brothers Manufacturing & Supply in the amount of \$2,773, lowest responsible bidders of seven - Total not to exceed \$434,354 - Financing: Current Funds (\$368,957), Aviation Current Funds (\$29,943), Water Utilities Current Funds (\$29,786) and Stormwater Drainage Management Current Funds (\$5,668)

Simba Industries is a local, minority firm, has signed the "Business Inclusion & Development" documentation, and proposes to use their own workforce. Root Brothers Manufacturing & Supply and HD Supply Construction & Industrial White Cap are local, non-minority firms, have signed the "Business Inclusion & Development" documentation, and propose to use their own workforces. Desert Diamond Industries and Dunard Government Services, LLC are non-local, non-minority firms, have signed the "Business Inclusion & Development" documentation, and propose to use their own workforces.

PROJECT CATEGORY: Goods

LOCAL/NON-LOCAL CONTRACT SUMMARY

	<u>Amount</u>	<u>Percent</u>
Total local contracts	\$228,089.56	52.51%
Total non-local contracts	\$206,264.00	47.49%
TOTAL CONTRACT	\$434,353.56	100.00%

LOCAL/NON-LOCAL M/WBE PARTICIPATION

Local Contractors / Sub-Contractors

<u>Local</u>	<u>Certification</u>	<u>Amount</u>	<u>Percent</u>
Simba Industries	WFWB62220N0616	\$212,658.44	93.23%
Total Minority - Local		\$212,658.44	93.23%

Non-Local Contractors / Sub-Contractors

None

TOTAL M/WBE CONTRACT PARTICIPATION

	<u>Local</u>	<u>Percent</u>	<u>Local & Non-Local</u>	<u>Percent</u>
African American	\$0.00	0.00%	\$0.00	0.00%
Hispanic American	\$0.00	0.00%	\$0.00	0.00%
Asian American	\$0.00	0.00%	\$0.00	0.00%
Native American	\$0.00	0.00%	\$0.00	0.00%
WBE	\$212,658.44	93.23%	\$212,658.44	48.96%
	-----	-----	-----	-----
Total	\$212,658.44	93.23%	\$212,658.44	48.96%

October 28, 2015

WHEREAS, on August 8, 2012, City Council authorized a three-year master agreement for saw blades by Resolution No. 12-1894;

NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

Section 1. That a master agreement for the purchase of saw blades is authorized with Simba Industries (519720) in the amount of \$209,436.43, Desert Diamond Industries (VS0000063842) in the amount of \$194,796.00, Dunard Government Services, LLC (VS0000074164) in the amount of \$11,468.00, HD Supply Construction & Industrial White Cap (518381) in the amount of \$12,658.40 or \$11,896.10 (Tie Bid - Line 8), Simba Industries (Alternate) (519720) in the amount of \$3,984.31 or \$3,222.01 (Tie Bid - Line 8) and Root Brothers Manufacturing & Supply (VC14754) in the amount of \$2,772.72, for a term of three years in a total amount not to exceed \$434,353.56.

Section 2. That the Purchasing Agent is authorized, upon appropriate request and documented need by a user department, to issue a purchase order for saw blades. If a written contract is required or requested for any or all purchases of saw blades under the master agreement instead of individual purchase orders, the City Manager is authorized to execute the contract upon approval as to form by the City Attorney.

Section 3. That the Chief Financial Officer is hereby authorized to disburse funds in an amount not to exceed \$434,353.56.

Section 4. That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.