

# Memorandum



CITY OF DALLAS

**DATE:** April 18, 2014  
**TO:** Honorable Mayor and Members of the City Council  
**SUBJECT:** Office of the City Auditor – Audit, Attestation and Investigative Services Update:  
Fiscal Year 2014 Third Quarter

The *Audit, Attestation and Investigative Services Update: Fiscal Year 2014 Third Quarter* (Update) is presented to provide current information about the results and status of audit, attestation, and investigative service projects of the Office of the City Auditor (Office).

A total of six audit, attestation, and investigative reports were issued in the second quarter of Fiscal Year (FY) 2014, including:

- Audit of City of Dallas' Self-Insured Medical Program
- Audit of Arts and Cultural Program Funding
- Special Audit of the Accounts of Former City Attorney, Thomas P. Perkins, Jr.
- Audit of Contract Compliance – Office Depot
- Agreed-Upon Procedures: one weapons destruction
- Investigative Report: Department of Sustainable Development and Construction – Harassment of Citizen

The key points from these reports are included in Section II of the Update. Section III of the Update includes information related to reports issued to date (as of April 18, 2014) for the third quarter of FY 2014. The project objectives for reports scheduled to be released and for projects currently in progress or expected to be started in the third quarter of FY 2014 are included in Sections IV through VI of the Update.

Should you have questions or if we can be of assistance, please contact me at 214-670-3222.

Sincerely,

A handwritten signature in black ink that reads "Craig D. Kinton".

Craig D. Kinton  
City Auditor

Attachment

Honorable Mayor and Members of the City Council  
April 18, 2014  
Page 2 of 2

C: A.C. Gonzalez, City Manager  
Warren M. S. Ernst, City Attorney  
Rosa Rios, City Secretary

**City of Dallas  
Office of the City Auditor**

**Audit, Attestation and  
Investigative  
Services Update**

**Fiscal Year 2014 – Third Quarter**

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## Summary of Audit, Attestation and Investigative Services \*

**Audit** – Reports that provide objective analysis to assist management and those charged with governance and oversight in using the information to improve program performance and operations, reduce costs, facilitate decision making by parties with responsibility to oversee or initiate corrective action, and contribute to public accountability

**Attestation** – Reports that cover a broad range of financial or non-financial objectives; results in an examination, a review, or an agreed-upon procedures report on a subject matter or an assertion about a subject matter that is the responsibility of another party

**Investigative** – Reports providing evaluations and results of substantiated allegations of fraud, waste and abuse

### Audit and Attestation Services Reports Issued Fiscal Year 2014 – Second Quarter January 1, 2014 to March 31, 2014 (See Section II for Details)

- Audit of City of Dallas' Self-Insured Medical Program
- Audit of Arts and Cultural Program Funding
- Special Audit of the Accounts of Former City Attorney, Thomas P. Perkins, Jr.
- Audit of Contract Compliance – Office Depot
- Independent Auditor's Report on Applying Agreed-Upon Procedures for the Fiscal Year 2013 # 3 Weapons Destruction

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\* All audit and attestation services are conducted under authority of the City Charter, Chapter IX, Section 3, and in accordance with the Annual Audit Plan approved by the City Council. We conduct our work in accordance with generally accepted government auditing standards. Those standards require that we plan and perform our work to obtain sufficient and appropriate evidence to provide a reasonable basis for our findings and conclusions based on our objective(s). Fraud investigations are conducted in accordance with Quality Standards for Investigations issued by the Council of the Inspectors General on Integrity and Efficiency.

**Audit and Attestation Services Reports Issued**  
**Fiscal Year 2014 – Third Quarter to Date**  
**April 1, 2014 to April 18, 2014**  
**(See Section III for Details)**

- Audit of the Department of Dallas Water Utilities' Wastewater Collection and Treatment Operations – Internal Controls over Chemical Supplies
- Confidential Limited Use Report: Audit of the Department of Dallas Water Utilities' Wastewater Collection and Treatment Operations – Internal Controls over Chemical Supplies
- Audit of Software License Compliance
- Independent Auditor's Report on Applying Agreed-Upon Procedures for Sole Source Procurement: AirIT Content Management Application – Renewals for Software License, Hardware Warranty and Support, \$286,751.00

**Investigative Services Reports Issued**  
**Fiscal Year 2014 – Third Quarter to Date**  
**April 1, 2014 to April 18, 2014**  
**(See Section III for Details)**

- Department of Sustainable Development and Construction – Harassment of Citizen

**Audit and Attestation Services Anticipated Report Releases**  
**Fiscal Year 2014 – Third Quarter**  
**April 1, 2014 to June 30, 2014**  
**(See Section IV for Details)**

- Prior Audit Recommendations Follow-Up
- Special Audit of the Accounts of Former City Manager, Mary K. Suhm
- May 11, 2013 Election Costs Invoiced by Dallas County Elections Department
- Patriot's Crossing Development

**Audit and Attestation Services Projects in Progress**  
**Fiscal Year 2014 – Third Quarter**  
**April 1, 2014 to June 30, 2014**  
**(See Section V for Details)**

- Franchise Fees Review through MuniServices (*Ongoing*)
- Sales/Use Tax Compliance Review Through MuniServices (*Ongoing*)
- Convention and Event Services – Controls over Cash Receipts and Collections
- South Dallas Fair Park Trust Fund
- Water Customer Billings
- Contract Monitoring
- Employees' Retirement Fund / Dallas Police Fire Pension System
- Parking Management Contract Oversight
- Payroll Audit
- Purchasing / Contracting Processes
- Tracking Firearms and Equipment
- Building Permits
- Fleet Maintenance
- Maintenance of Infrastructure
- Paving and Maintenance Program / Capital Program Streets and Thoroughfares

**Audit and Attestation Services Anticipated Project Starts**  
**Fiscal Year 2014 – Third Quarter**  
**April 1, 2014 to June 30, 2014**  
**(See Section VI for Details)**

- Revenue Estimates – Budgeted Revenues for Fiscal Year 2014-2015
- Civil Service
- Independent Auditor's Report on Applying Agreed-Upon Procedures (as requested) for:
  - Single Bid Procurements
  - Sole Source Procurements

**Audit and Attestation Services  
Reports Issued  
Fiscal Year 2014 – Second Quarter  
January 1, 2014 to March 31, 2014**

**Audit Services**

**Audit of City of Dallas' Self-Insured Medical Program (February 14, 2014)**

- The City of Dallas' (City) Department of Human Resources (HR) has opportunities to improve administration and internal controls over the Self-Insured Medical Program (Program). Specifically:
  - Independent audits are not completed timely to verify Third Party Administrators (TPA) processed and paid medical and pharmacy claims in accordance with Program guidelines.
  - The HR does not have written procedures to ensure administrative fee payments are processed accurately and consistently.
  - Checks received in the benefits area are not routinely deposited by the next business day as required by Administrative Directive (AD) 4-13, *Cash and Debt Management Policies and Procedures*.
  - The HR does not always receive and review the TPAs' performance guarantee reports timely.
  - The City has not performed ongoing compliance monitoring activities and cannot ensure Protected Health Information (PHI) is properly protected as required by law.

Audit Recommendation	Responsible Department	Agreement Status	Implementation Date
We recommend the Director of HR ensure medical and pharmacy benefits are paid in accordance with plan guidelines by: (1) contracting with an independent auditor who is qualified to audit medical and pharmacy claims and performance guarantees; and, (2) establishing a schedule to ensure the audits are completed at least bi-annually for each plan.	HR	Agree	12/31/2014

Audit Recommendation	Responsible Department	Agreement Status	Implementation Date
<p>We recommend the Director of HR improve internal controls by developing written procedures for: (1) Guiding employees in processing payments; (2) Specifying spreadsheet controls; (3) Identifying analytical review criteria; (4) Specifying the timing for researching and resolving issues resulting from the analytical review; and, (5) Ensuring supervisory review of the calculation of the monthly administrative fee is performed prior to payment to the TPA.</p>	HR	Agree	09/30/2014
<p>We recommend the Director of HR research and resolve the variance identified for the number of retirees to ensure potential overpayments are corrected.</p>	HR	Agree	02/28/2014
<p>We recommend the Director of HR develop procedures to ensure checks are deposited within one business day as required by AD 4-13.</p>	HR	Agree	02/28/2014
<p>We recommend the Director of HR ensure: (1) The TPAs Reports are received and reviewed at least quarterly to determine compliance with the performance guarantee requirements as set forth in the contracts; (2) Deviations identified during the review are communicated timely to the TPAs and corrected appropriately; and, (3) Amounts due, if any, are requested for collection in the first quarter of the next year.</p>	HR	Agree	02/28/2014
<p>We recommend the Privacy Officer: (1) Conduct ongoing compliance monitoring activities; and, (2) Review all system-related information security plans to ensure alignment between security and privacy practices.</p>	Privacy Officer	Agree	09/30/2015

Audit Recommendation	Responsible Department	Agreement Status	Implementation Date
We recommend the Director of the Department of Communication and Information Services (CIS): (1) Develop procedures to ensure compliance with the <i>City's Policies and Procedures for Health Insurance Portability and Accountability Act (HIPAA) Compliance</i> , including the Health Information Technology for Economic and Clinical Health (HITECH) Act security standards; and, (2) Implement ongoing monitoring activities to ensure compliance with the newly developed procedures.	CIS	Agree	09/30/2015
We recommend the Director of CIS perform HIPAA security risk assessments and ongoing security audits.	CIS	Agree	09/30/2015

### Audit of Arts and Cultural Program Funding (February 21, 2014)

- The Office of Cultural Affairs (OCA) has designed a process to demonstrate applications for funding are evaluated objectively and available funds are distributed fairly for the two main Cultural Contracts Programs: the Cultural Organization Program and the Cultural Projects Program. This process includes: (1) application submission; (2) eligibility determination; (3) funding recommendations; (4) contracting; and, (4) expenditure reimbursement.
- Monitoring controls, segregation of duties, and documentation for the Cultural Programs funding processes, however, can be improved to maximize efficiency and effectiveness.

Audit Recommendation	Responsible Department	Agreement Status	Implementation Date
We recommend the Director of OCA implement improvements to the monitoring controls to ensure that organizations participating in the Cultural Organization Program and Cultural Projects Program comply with Council Resolution 02-3206 and with required contract provisions.	OCA	Agree	09/30/2014
We recommend the Director of OCA segregate funding process responsibilities and/or implement some form of supervisory review.	OCA	Agree	09/30/2015

Audit Recommendation	Responsible Department	Agreement Status	Implementation Date
We recommend the Director of OCA document OCA's funding process consistently for each Cultural Organization Program and Cultural Projects Program applicant by using a checklist or other forms.	OCA	Agree	09/30/2014

**Special Audit of the Accounts of Former City Attorney, Thomas P. Perkins, Jr. (February 28, 2014)**

Regarding the accounts of the former City Attorney, Thomas P. Perkins, Jr.:

- Accounts were in order
- Access to City of Dallas (City) systems was timely removed
- No debt was owed to the City
- All City items assigned were substantiated

*No associated recommendations with this report.*

**Audit of Contract Compliance – Office Depot (February 28, 2014)**

- Between January 2006 and August 2010, the City of Dallas (City) incurred financial losses estimated to be between \$1.3 million to \$3.6 million resulting from Office Depot's non-compliance with certain terms of Master Agreement Number 42595 (contract). (Note: Office Depot disagreed with this conclusion.)
- The Department of Business Development and Procurement Services (BDPS) did not have formal contract monitoring policies and procedures in place to guide BDPS personnel in establishing monitoring oversight responsibilities and conducting routine monitoring activities to verify that Office Depot and City departments complied with the contract.
- Between June 2009 and August 2010, BDPS increased the Office Depot contract by approximately \$900,000 (14 percent of the original \$6.5 million contract) by processing 35 individual change orders. While allowable under Administrative Directive 4-5, *Contracting Policy*, the total result was a significant increase in purchasing authority under the contract without additional oversight or approval by the City Council.
- The City also paid \$272,373 for 941 office products which each exceeded the authorized limit of \$150 per Council Resolutions.

Audit Recommendation	Responsible Department	Agreement Status	Implementation Date
We recommend the City Manager (CMO), with the assistance of the City Attorney's Office, initiate actions to collect the overcharges from Office Depot.	CMO	Agree	To Be Determined
We recommend the Director of BDPS improve contract monitoring by developing formal policies and procedures that ensure BDPS personnel identify: (1) key contract provisions; (2) monitoring oversight responsibilities; and, (3) monitoring activities, including the documentation necessary to demonstrate that appropriate monitoring occurred.	BDPS	Agree	05/2014
We recommend the CMO consider amending AD 4-5 to add limits on the number and/or amount of change orders authorized to department directors through the City Manager's delegation.	BDPS	Agree	09/2014
We recommend the Director of BDPS amend AD 4-5 to include appropriate processing controls for change orders.	BDPS	Agree	09/2014

## **Attestation Services**

### **Independent Auditor's Report on Applying Agreed-Upon Procedures for the Fiscal Year 2013 # 3 Weapons Destruction (January 15, 2014)**

1,024 weapons were destroyed according to Agreed-Upon Procedures to assist the Dallas Police Department

*Exceptions noted:*

- Seven weapons (invoice numbers 308348, 307997, 308003, 307384, 327908, 328049, and 307207) had incorrect serial numbers recorded in *Evidence Manager*. The serial numbers were re-run through the National Crime Information Center (NCIC) with no match.
- Two weapons (invoice numbers 268670 and 326414) had incorrect blue tag seal numbers.
- One weapon (invoice number 327738) had an incorrect description.

- One weapon (invoice 279713) had an incorrect service number.

All discrepancies were corrected in *Evidence Manager* and verified by City Auditor personnel prior to the destruction.

**Audit, Attestation and Investigative Services  
Reports Issued  
Fiscal Year 2014 – Third Quarter to Date  
April 1, 2014 to April 18, 2014**

**Audit Services**

**Audit of the Department of Dallas Water Utilities' Wastewater Collection and Treatment Operations – Internal Controls over Chemical Supplies (April 11, 2014)**

- The Department of Dallas Water Utilities (DWU) Wastewater Collection and Treatment facilities have established certain controls over chemical supplies used in the wastewater treatment process. Central and Southside facilities personnel, however, do not have a formal receiving process to independently determine the reasonableness of the amount of chemical supplies received. As a result, DWU cannot readily determine that the City only pays for amounts received.
- In Fiscal Year (FY) 2013, Budget versus Actual Reports showed expenditures for chemical supplies totaled \$4,024,442, or 27 percent, of the \$14,770,335 total supply expenditures at the two wastewater facilities.

Audit Recommendation	Responsible Department	Agreement Status	Implementation Date
We recommend the Director of DWU require facility personnel to independently determine the reasonableness of the amount of chemical supplies received to ensure that the City pays only for amounts actually received.	DWU	Agree	Retroactively implemented beginning with records from October 2013
We recommend the Director of DWU ensure the Central facility consistently follow record keeping practices.	DWU	Agree	April 2013

**Confidential Limited Use Report: Audit of the Department of Dallas Water Utilities' Wastewater Collection and Treatment Operations – Internal Controls over Chemical Supplies (April 11, 2014)**

- The report issues and associated recommendations related to security over chemical supplies are omitted from the publicly released report based upon:
  - Government Auditing Standards, December 2011, Revision, Section 7.39 – 7.43, *Reporting Confidential and Sensitive Information*

**Audit of Software License Compliance (April 11, 2014)**

- The City of Dallas (City) does not have an effective software asset management plan for the acquisition, use, and disposal of software.
- The City also cannot properly track software and assess software license compliance. Specifically: (1) software licenses' usage and compliance cannot be readily identified; (2) Administrative Directives (AD) are not consistently followed or clear; (3) annual software licenses' costs are not readily identifiable; and, (4) software license policy is not communicated effectively.

Audit Recommendation	Responsible Department	Agreement Status	Implementation Date
We recommend the Director of the Department of Communication and Information Services (CIS) continue to develop and maintain an inventory of software and related software licenses in the two categories that CIS knows of and has control over managing daily and/or manages for departments with their approval.	CIS	Agree	September 30, 2015
We recommend the City Manager (CMO) develop a formal software license compliance program for the two software categories for which software license management is not clearly understood.	CMO	Agree	September 30, 2015
We recommend the CMO ensure City departments comply with AD 2-26 and perform annual software inventories of software licenses.	CMO	Agree	September 30, 2015

Audit Recommendation	Responsible Department	Agreement Status	Implementation Date
We recommend the Director of CIS update AD 2-26 to clarify what the departments, including CIS, should do with the annual software inventories and specify a method to periodically evaluate software licensing activities using the software inventories.	CIS	Agree	September 30, 2015
We recommend the Director of the Department of Business Development and Procurement Services (BDPS) update AD 4-05 to clarify that high technology items procured through AAs also require consultation with CIS prior to procurement.	BDPS	Agree	January 2015
We recommend the City Controller's Office (CCO) clarify the object codes that should be used by departments with a focus on accurately and consistently accounting for software license cost.	CCO	Agree	October 2014
We recommend the Director of CIS ensure that software license policy is communicated periodically to City employees with formal acknowledgement that the employee has read and understood the policy.	CIS	Agree	September 30, 2015

## **Attestation Services**

### **Independent Auditor's Report on Applying Agreed-Up Procedures for Sole Source Procurement: Airt Content Management Application – Renewals for Software License, Hardware Warranty and Support, \$286,751.00 (April 10, 2014)**

The procurement met the exemptions from competitive bidding as specified in the State of Texas Local Government Code, Chapter 252.022, **General Exemptions (a) (7)** – *a procurement of items that are available from only one source.*

No exceptions were noted.

## **Investigative Services**

### **Investigative Report: Department of Sustainable Development and Construction – Harassment of Citizen (April 2, 2014)**

- This report summarizes the results of an investigation of an allegation involving a Department of Sustainable Development and Construction (SDC) Senior Inspector harassing a City of Dallas (City) citizen.
- The allegations were investigated by the Dallas Police Department – Public Integrity Unit (DPD-PIU); however, the citizen did not want to press charges. The Office of the City Auditor began its investigation and concluded that the Senior Inspector's conduct violated numerous City Personnel Rules.
- The SDC: (1) reviewed the allegations and evidence; (2) considered the seriousness of the allegations along with other concerns about the Senior Inspector's job performance; and, (3) determined the appropriate disciplinary action was termination of employment. The SDC and the Department of Human Resources initiated the termination procedure and, upon receiving the pre-termination hearing letter, the employee decided to retire as of March 18, 2014.

**Audit and Attestation Services  
Anticipated Report Releases  
Fiscal Year 2014 – Third Quarter  
April 1, 2014 to June 30, 2014**

**Audit Services**

**Prior Audit Recommendations Follow-Up**

- Anticipated Report Date: May 2014
- Project Objective(s): To evaluate management implementation of prior audit recommendations

**Special Audit of the Accounts of Former City Manager, Mary K. Suhm**

- Anticipated Report Date: May 2014
- Project Objective(s): Conduct audits, in accordance with Chapter IX, Section 4 of the City Charter, of officers who vacate their offices due to death, resignation, removal, or expiration of term

**Attestation Services**

**Independent Auditor's Reports on Applying Agreed-Upon Procedures  
for:**

**May 11, 2013 Election Costs Invoiced by Dallas County Elections  
Department**

- Anticipated Report Date: May 2014
- Project Objective(s): To perform the procedures agreed to with the City Secretary's Office to assist in determining whether election costs were properly invoiced by Dallas County

## **Patriot's Crossing Development**

- Anticipated Report Date: May 2014
- Project Objective(s): To perform the procedures agreed to by the City of Dallas Review Team comprised of representatives from the City Manager's Office, the City Attorney's Office, the Office of Financial Services, and the Department of Sustainable Development and Construction, solely to assist the City in determining whether staff: (1) Complied with regulations, policies, procedures, and rules; and, (2) Followed City Council's direction related to the Patriot's Crossing Development

**Audit and Attestation Services  
Projects in Progress  
Fiscal Year 2014 – Third Quarter  
April 1, 2014 to June 30, 2014**

**Audit Services**

**Franchise Fees Review through MuniServices (*Ongoing*)**

- Anticipated Report Date: Periodic, as warranted
- Project Objective(s): To verify that franchise fees (which may include utilities, cable, and telephone) identified by MuniServices are received by the City

**Sales/Use Tax Compliance Review through MuniServices (*Ongoing*)**

- Anticipated Report Date: Periodic, as warranted
- Project Objective(s): To identify and collect new and misreported tax revenue through MuniServices which will conduct Sales and Use Tax Compliance Review and Recovery Services

**Convention and Event Services – Controls over Cash Receipts and Collections**

- Anticipated Report Date: June 2014
- Project Objective(s): Evaluate the efficiency, effectiveness, or adequacy of internal controls over Convention and Event Services cash receipts and collections

**South Dallas Fair Park Trust Fund**

- Anticipated Report Date: Fourth Quarter Fiscal Year 2014
- Project Objective(s): To provide an audit of the Trust Fund and its operations as required by Council Resolution 06-1833

### **Water Customer Billings**

- Anticipated Report Date: Fourth Quarter Fiscal Year 2014
- Project Objective(s): To determine the efficiency and effectiveness of Dallas Water Utilities' billing adjustments and assess internal controls over billing adjustments

### **Contract Monitoring**

- Anticipated Report Date: First Quarter Fiscal Year 2015
- Project Objective(s): To evaluate whether the monitoring process(es) used for selected contracted programs are adequate to ensure compliance with contract terms and conditions

### **Employees' Retirement Fund / Dallas Police Fire Pension System**

- Anticipated Report Date: First Quarter Fiscal Year 2015
- Project Objective(s): To evaluate the City's processes for accumulating and transferring employee payroll information to the retirement funds

### **Parking Management Contract Oversight**

- Anticipated Report Date: First Quarter Fiscal Year 2015
- Project Objective(s): To evaluate: (1) management's oversight and monitoring controls to assess the third parties compliance with the contract terms; and, (2) the adequacy of internal controls over cash collections and cash equivalents

### **Payroll Audit**

- Anticipated Report Date: First Quarter Fiscal Year 2015
- Project Objective(s): To assess internal controls and processes to determine the accuracy of the payroll system and the adequacy/reliability of controls

### **Purchasing / Contracting Processes**

- Anticipated Report Date: First Quarter Fiscal Year 2015
- Project Objective(s): To determine whether processing controls for purchasing / contracting for goods / services are adequate

### **Tracking Firearms and Equipment**

- Anticipated Report Date: First Quarter Fiscal Year 2015
- Project Objective(s): To evaluate the adequacy of internal controls over tracking firearms and equipment

### **Building Permits**

- Anticipated Report Date: Second Quarter Fiscal Year 2015
- Project Objective(s): To evaluate the adequacy of internal controls over certain building permit processes which may include issuance, billing, cash handling, and cash collections

### **Fleet Maintenance**

- Anticipated Report Date: Second Quarter Fiscal Year 2015
- Project Objective(s): To evaluate efficiency and/or effectiveness of selected aspects of Dallas Fire-Rescue's fleet maintenance management

### **Maintenance of Infrastructure**

- Anticipated Report Date: Second Quarter Fiscal Year 2015
- Project Objective(s): To determine whether Dallas Water Utilities adequately maintains and renovates infrastructure to ensure current and future service delivery

## **Paving and Maintenance Program / Capital Program Streets and Thoroughfares**

- Anticipated Report Date: Second Quarter Fiscal Year 2015
- Project Objective(s): To evaluate the Street Paving and Maintenance Programs which may include administrative and inspection processes

### **Attestation Services**

#### **Independent Auditor's Reports on Applying Agreed-Upon Procedures**

None Currently

**Audit and Attestation Services  
Anticipated Project Starts  
Fiscal Year 2014 – Third Quarter  
April 1, 2014 to June 30, 2014**

**Audit Services**

**Revenue Estimates – Budgeted Revenues for Fiscal Year 2014-2015**

- Anticipated Report Date: September 2014
- Project Objective(s): To determine whether the City has effective processes to ensure reasonable revenue estimates are included in the City Manager's proposed operating budget

**Civil Service**

- Anticipated Report Date: Second Quarter Fiscal Year 2015
- Project Objective(s): To evaluate Civil Service Department's efficiency and/or effectiveness for selected services and compliance with the City Charter, Civil Service Rules, and policies and procedures

**Attestation Services**

**Independent Auditor's Reports on Applying Agreed-Upon Procedures**

**A. Single Bid: As Requested**

Anticipated Issue Date: As Completed

Project Objective(s): To perform Agreed-Upon Procedures to ensure the Department of Business Development and Procurement Services (BDPS) follows Administrative Directive (AD) 4-5 provisions for processing single bid items and makes reasonable efforts to increase bid participation

**B. Sole Source: As Requested**

Anticipated Issue Date: As Completed

Project Objective(s): To perform Agreed-Upon Procedures to ensure the procurement meets the exemptions from competitive bidding as specified in the State of Texas Local Government Code, Chapter 252.022, **General Exemptions** (a) (7) – *a procurement of items that are available from only one source*