

RECEIVED

**BUDGET, FINANCE, & AUDIT COMMITTEE**  
DALLAS CITY COUNCIL COMMITTEE AGENDA

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2016 NOV -4 AM 11:27

CITY SECRETARY  
DALLAS, TEXAS

MONDAY, NOVEMBER 7, 2016  
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 the minutes from the October 17, 2016 Budget, Finance, & Audit Committee meeting

**BRIEFINGS**

2. Audit Planning Meeting: Communications Related to the FY 2016 Audit Dan Barron, Partner  
*Grant Thornton*
3. COPS Hiring Grant Brett Wilkinson, Director  
*Intergovernmental Services*
4. Office of the City Auditor Fiscal Year 2017 - First Quarter Update Craig Kinton, City Auditor

**FYI:**

5. September 30, 2016 Quarterly Investment Report

## **UPCOMING AGENDA ITEMS**

### **November 9, 2016 City Council Meeting**

- A. Agenda Item #3: Authorize an Other Transaction Agreement with the Federal Aviation Administration for a Limited Design and Implementation Reimbursable Agreement for the mitigation of impacts to the Instrument Landing System control cabling due to the rehabilitation of Taxiway Bravo at Dallas Love Field - Not to exceed \$79,196 - Financing: Aviation Capital Construction Funds
- B. Agenda Item #4: Authorize an application for and acceptance of a grant from the Federal Aviation Administration for the federal share of the eligible capital improvement projects at Dallas Love Field - Not to exceed \$988,086 - Financing: Federal Aviation Administration Airport Improvement Program Grant Funds
- C. Agenda Item #6: Authorize a six-year service contract for preventive maintenance and repair services for the City's outdoor warning siren system - West Shore Services, Inc., most advantageous proposer of two - Not to exceed \$567,368 - Financing: Current Funds (subject to annual appropriations)
- D. Agenda Item #7: Authorize a three-year subscription and maintenance contract for a business information and process automation management system - Salesforce distributed by Carahsoft Technology Corporation, through the Department of Information Resources - Not to exceed \$5,024,646 - Financing: Current Funds (subject to annual appropriations)
- E. Agenda Item #8: Authorize a five-year concession contract, with two two-year renewal options, for the operation of snack vending machines at City facilities - Compass Group USA, Inc., only responsive proposer of two - Estimated Annual Average Net Revenue: \$13,260
- F. Agenda Item #10: Authorize a three-year master agreement for lead free brass fittings and accessories - Fortiline, Inc. in the amount of \$933,900, Mueller Co., LLC in the amount of \$623,500, ACT Pipe & Supply, Inc. in the amount of \$223,300, 4-Star Hose & Supply, Inc. in the amount of \$29,500, and Winston Water Cooler, LTD in the amount of \$1,800, lowest responsible bidders of five - Total not to exceed \$1,812,000 - Financing: Current Funds (\$48,750), Stormwater Drainage Management Current Funds (\$67,750), and Water Utilities Current Funds (\$1,695,500)

## **UPCOMING ADDENDUM ITEMS**

- G. Addendum Item #5: Authorize an Interlocal agreement between the City of Dallas and the North Central Texas Council of Governments providing for: the Dallas Fire-Rescue Training Facility located at 5000 Dolphin Road, Dallas, TX 75223 to be used as a site host for the 2016 North Central Texas Full Scale Exercise ("Big X") - Financing: No cost consideration to the City

H. Addendum Item #10 and #11: Parking Collections Contract

Authorize Supplemental Agreement No. 10 to extend the service contract with Xerox State and Local Solutions, Inc. for services related to citation payments and delinquent collections, from September 15, 2016 through December 15, 2016 – Estimated Revenue: \$618,555

Authorize (1) a five-year service contract, with a one-year renewal option, for the collection of delinquent parking citations - Xerox State and Local Solutions, Inc., most advantageous proposer of five - Estimated Annual Revenue: \$813,960; and (2) payment for services related to automated license plate reader hosting, on-site service and wireless connectivity – Not to exceed \$100,000 – Financing: Current Funds (subject to annual appropriations)

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.

**Handgun Prohibition Notice for Meetings of Governmental Entities**

**"Pursuant to Section 30.06, Penal Code (trespass by license holder with a concealed handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a concealed handgun."**

***"De acuerdo con la sección 30.06 del código penal (ingreso sin autorización de un titular de una licencia con una pistola oculta), una persona con licencia según el subcapítulo h, capítulo 411, código del gobierno (ley sobre licencias para portar pistolas), no puede ingresar a esta propiedad con una pistola oculta."***

**"Pursuant to Section 30.07, Penal Code (trespass by license holder with an openly carried handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a handgun that is carried openly."**

***"De acuerdo con la sección 30.07 del código penal (ingreso sin autorización de un titular de una licencia con una pistola a la vista), una persona con licencia según el subcapítulo h, capítulo 411, código del gobierno (ley sobre licencias para portar pistolas), no puede ingresar a esta propiedad con una pistola a la vista."***

# Budget, Finance, & Audit Committee

## Meeting Record

Meeting Date: October 17, 2016

Convened: 1:02 pm

Adjourned: 2:17 pm

### Committee Members Present:

Jennifer S. Gates, Chair  
Philip Kingston, Vice Chair  
Erik Wilson

Rickey D. Callahan  
Scott Griggs  
Lee Kleinman

### Committee Members Absent:

N/A

### Other Council Members Present:

N/A

### Staff Present:

Craig D. Kinton  
Michael Frosch  
Jack Ireland  
Akilah McLaughlin  
Elizabeth Reich

Stephanie Cooper  
Robert Sims  
Corrine Steeger  
William Finch  
Milton Henderson

Edward Scott  
Lance Sehorn  
William Finch  
Don Knight  
Ben Collins

David Trevino  
Lynetta Kidd  
Kris Sweckard  
Terry Lowery  
Rick Galceran

Mark Duebner  
Errick Thompson  
Scott Wright  
David Cossum  
Jill Jordan

### Others Present:

N/A

### **AGENDA:**

#### **Call to Order**

#### **1. Consideration of the September 19, 2016 Minutes**

Presenter(s):

Information Only: \_

Action Taken/Committee Recommendation(s):

A motion was made to approve the September 19, 2016 minutes. Motion passed unanimously.

Motion made by: Rickey D. Callahan

Motion seconded by: Erik Wilson

#### **2. Financial Advisory Services Contract**

Presenter(s): Corrine Steeger, Assistant Director, *City Controller's Office*

Information Only: \_

Action Taken/Committee Recommendation(s):

A motion was made to authorize a five-year service contract for financial advisory services per Agenda Item D.  
Motion passed on unanimous vote.

Motion made by: Rickey D. Callahan

Motion seconded by: Erik Wilson

# Budget, Finance, & Audit Committee

## Meeting Record

3. Dallas Love Field Parking Garage C Update

Presenter(s): Mark Duebner, Director, *Aviation*

Information Only: X

Action Taken/Committee Recommendation(s):

Motion made by: N/A

Motion seconded by: N/A

4. City Facilities Needs Inventory

Presenter(s): Zaida Basora, Assistant Director, *Equipment and Building Services*

Information Only: X

Action Taken/Committee Recommendation(s):

Motion made by: N/A

Motion seconded by: N/A

FYI:

5. Financial Forecast Report Information as of August 31, 2016

Presenter(s):

Information Only: X

Action Taken/Committee Recommendation(s):

Motion made by: N/A

Motion seconded by: N/A

### UPCOMING AGENDA ITEMS:

#### October 26, 2016 City Council Meeting

- A. **Agenda Item: Authorize a three-year service contract for the purchase and application of hydro-mulch - 814 Solutions, LLC, lowest responsible bidder of two - Not to exceed \$186,060 Financing: Stormwater Drainage Management Current Funds (\$181,800) and Water Utilities Current Funds (\$4,260) (subject to annual appropriations)**

A motion was made to forward to the City Council on October 26, 2016. Motion passed on unanimous vote.

Motion made by: Rickey D. Callahan

Motion seconded by: Erik Wilson

- B. **Agenda Item: Authorize a three-year service contract for digitization services - DRS Imaging Services of Texas, Inc., most advantageous proposer of twelve - Not to exceed \$663,660 - Financing: Building Inspection Current Funds (subject to annual appropriations)**

A motion was made to forward to the City Council on October 26, 2016. Motion passed on unanimous vote.

Motion made by: Rickey D. Callahan

Motion seconded by: Erik Wilson

# Budget, Finance, & Audit Committee

## Meeting Record

- C. **Agenda Item: Authorize a three-year service contract for temporary day labor - Lane Staffing, Inc., most advantageous proposer of five - Not to exceed \$14,783,393 - Financing: Current Funds (\$11,380,493), Convention and Event Services Current Funds (\$1,947,450), Water Utilities Current Funds (\$1,067,452), and Aviation Current Funds (\$387,998) (subject to annual appropriations)**

A motion was made to forward to the City Council on October 26, 2016. Motion passed on unanimous vote.

Motion made by: Rickey D. Callahan

Motion seconded by: Erik Wilson

- D. **Agenda Item: Authorize a five-year service contract for financial advisory services - Hilltop Securities, Inc. in the amount of \$75,000 and Estrada Hinojosa & Company, Inc. in the amount of \$50,000 proposed jointly; and PFM Financial Advisors, LLC in the amount of \$375,000, most advantageous proposers of three - Total not to exceed \$500,000 - Financing: Financial advisory fees to be paid from bond proceeds and Water Utilities Current Funds, contingent upon completion of each bond sale; fees for advisory services not related to bond issuance to be paid from Current funds (\$500,000) (subject to annual appropriations)**

A motion was made to forward to the City Council on October 26, 2016. Motion passed on unanimous vote.

Motion made by: Rickey D. Callahan

Motion seconded by: Erik Wilson

- E. **Agenda Item: Authorize the purchase of one heavy duty snow blower, with attachments, for Aviation - M-B Companies, Inc. through the National Joint Powers Alliance - Not to exceed \$1,241,368 - Financing: Aviation Current Funds**

A motion was made to forward to the City Council on October 26, 2016. Motion passed on unanimous vote.

Motion made by: Rickey D. Callahan

Motion seconded by: Erik Wilson

- F. **Agenda Item: Authorize (1) a three-year master agreement for the purchase of mulch materials - The LETCO Group, LLC dba Living Earth in the amount of \$549,010, GWG Wood Group, Inc. in the amount of \$308,644, and Blackson, Inc. in the amount of \$75,600; and (2) a three-year service contract for the delivery and installation of playground chips - Naturomulch, LLC in the amount of \$1,431,000, lowest responsible bidders of six - Total not to exceed \$2,364,254 - Financing: Current Funds (\$1,890,813), Water Utilities Current Funds (\$338,078), Aviation Current Funds (\$135,000), and 2016-17 Community Development Block Grant Funds (\$363) (subject to annual appropriations)**

A motion was made to forward to the City Council on October 26, 2016. Motion passed on unanimous vote.

Motion made by: Rickey D. Callahan

Motion seconded by: Erik Wilson

# Budget, Finance, & Audit Committee

## Meeting Record

- G. **Agenda Item: Authorize a three-year master agreement for large concrete water pipes and accessories - Forterra Pressure Pipe, Inc. in the amount of \$4,469,223 and Forterra Pipe & Precast, LLC in the amount of \$1,113,936, most advantageous proposers of two - Total not to exceed \$5,583,159 - Financing: Current Funds (\$1,012,007), Water Utilities Current Funds (\$4,246,528), and Stormwater Drainage Management Current Funds (\$324,624)**

A motion was made to forward to the City Council on October 26, 2016. Motion passed on unanimous vote.

Motion made by: Rickey D. Callahan

Motion seconded by: Erik Wilson

- H. **Agenda Item: Authorize Supplemental Agreement No. 1 to increase the service contract for temporary information technology professionals - EJES, Inc. in the amount of \$665,309 from \$2,661,237 to \$3,326,546, Global Information Systems, Inc. in the amount of \$248,119 from \$992,478 to \$1,240,597, and Sierra Infosys, Inc. in the amount of \$87,807 from \$351,228 to \$439,035 - Total not to exceed \$1,001,235, from \$4,004,943 to \$5,006,178 - Financing: Current Funds (subject to annual appropriations)**

A motion was made to forward to the City Council on October 26, 2016. Motion passed on unanimous vote.

Motion made by: Rickey D. Callahan

Motion seconded by: Erik Wilson

- I. **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 \$116,687, North Central Texas Council of Governments in the amount of \$125,773, Steering Committee of Cities Served by Oncor in the amount of \$168,178, Texas Coalition of Cities For Utility Issues in the amount of \$52,004, Texas Municipal League in the amount of \$51,194, Water Environment and Reuse Foundation in the amount of \$82,800, and Water Research Foundation in the amount of \$288,644 - Total not to exceed \$885,280 - Financing: Current Funds (\$513,836) and Water Utilities Current Funds (\$371,444)**

A motion was made to forward to the City Council on October 26, 2016. Motion passed on unanimous vote.

Motion made by: Rickey D. Callahan

Motion seconded by: Erik Wilson

- J. **Agenda Item: Authorize a three-year professional services contract, with two one-year renewal options, for spay/neuter services - Spay Neuter Network, most qualified respondent of three - Not to exceed \$2,037,978 - Financing: Current Funds (subject to annual appropriations)**

A motion was made to forward to the City Council on October 26, 2016. Motion passed on unanimous vote.

Motion made by: Rickey D. Callahan

Motion seconded by: Erik Wilson

# Budget, Finance, & Audit Committee

## Meeting Record

- K. Agenda Item: Authorize (1) rescinding the service contract with Technical Testing International, LLC dba TTI Environmental Laboratories, previously approved on December 11, 2013, by Resolution No. 13-2048, for analytical laboratory testing services; and (2) a service contract for analytical laboratory testing services through December 10, 2017 – Pace Analytical Services, Inc., second lowest responsible bidder of eight - Not to exceed \$948,211 - Financing: Current Funds (\$2,955), Water Utilities Current Funds (\$761,564), Stormwater Drainage Management Current Funds (\$165,357), and Sanitation Current Funds (\$18,335) (subject to annual appropriations) Construction Funds \$3,000,000, Park and Recreation Program Funds \$500,000, and 2006 Bond Funds \$733,053

A motion was made to forward to the City Council on October 26, 2016. Motion passed on unanimous vote.

Motion made by: Rickey D. Callahan

Motion seconded by: Erik Wilson

- L. Agenda Item: Authorize the purchase of twenty-six fleet vehicles for Code Compliance - Sam Pack's Five Star Ford through the Texas Smartbuy - Not to exceed \$622,160 - Financing: Current Funds

A motion was made to forward to the City Council on October 26, 2016. Motion passed on unanimous vote.

Motion made by: Rickey D. Callahan

Motion seconded by: Erik Wilson

Adjourn

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



# Memorandum



CITY OF DALLAS

DATE November 4, 2016

TO Honorable 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 Audit Planning Meeting: Communications Related to the FY 2016 Audit

On Monday, November 7, 2016, Grant Thornton will brief the Budget, Finance, & Audit Committee on the Communications Related to the FY 2016 Audit. We have attached the briefing for your review.

Please let me know if you need additional information.

A handwritten signature in blue ink that reads "M. Elizabeth Reich".

M. Elizabeth Reich  
Chief Financial Officer

Attachment

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

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



# **Audit Planning Meeting: Communications Related to the FY 2016 Audit**

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**Budget, Finance and Audit Committee**

**November 7, 2016**

**Attendees:**

**Dan Barron – Partner**

**Natalie Wood – Senior Manager**

**Kirt Seale – Principal**

## Communications Related to the FY 2016 Audit

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Responsibilities

Scope and Timing

Areas of Audit Focus

IT Control Update

Technical Update

# Our responsibilities

- Perform an audit under US GAAS and GAGAS
  - An audit provides reasonable, not absolute assurance
- Form and express an opinion about whether the financial statements prepared by management, with your oversight:
  - Are materially correct
  - Are fairly presented
  - Conform with generally accepted accounting principles
  - Forming and expressing an opinion about whether certain supplementary information is fairly stated in relation to the financial statements as a whole
- Communicate specific matters to you

***An audit does not relieve you or management of your responsibilities.***

# Our responsibilities

## Federal and State Single Audits

- Appropriately plan the audit by considering control risks
- Form and express an opinion regarding:
  - Schedule of Expenditures of Federal Awards
  - Schedule of Expenditures of State Awards
  - Compliance with major program requirements
  - Internal control over compliance
  - Summarize findings and questioned costs

# Our responsibilities for other information in the Comprehensive Annual Financial Report (CAFR), such as management's discussion and analysis and other required supplementary information

- Read the other information (we do not corroborate it)
- Consider whether it is materially inconsistent with the financial statements
- Call to management's attention identified material inconsistencies or misstatements of fact, if any

***Remember, our responsibility does not extend beyond our report.***

# Those Charged with Governance responsibilities

- Overseeing the financial reporting process
- Setting a positive tone at the top and challenging the City's activities in the financial arena
- Discussing significant accounting and internal control matters with management
- Informing us about fraud or suspected fraud, including its views of fraud risks
- Informing us about other matters that are relevant to our audit

# Management's responsibilities

- Preparing and fairly presenting the financial statements and schedule of expenditures of federal and state awards
- Designing, implementing, evaluating, and maintaining effective internal control over financial reporting and compliance
- Providing us with written representations
  - A copy of the representations will be provided to you at the end of the audit
- Informing us about fraud, illegal acts, significant deficiencies, and material weaknesses
- Adjusting financial statements, including disclosures, to correct material misstatements
- Informing us of subsequent events





## Communications Related to the FY 2016 Audit

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Responsibilities  
Scope and Timing  
Areas of Audit Focus  
IT Control Update  
Technical Update

## We approach your audit by...

- Understanding the City and the environment it operates in
- Using that knowledge and understanding to analyze the City's financial statements
- Determining materiality
- Identifying areas more likely to be materially misstated
- Focusing audit attention and effort on those areas
- Testing major programs compliance with direct and material compliance requirements (OMB Uniform Grants Guidance)(and State of Texas Single Audit Circular)

# Materiality

- Magnitude of an omission or misstatement that likely influences a reasonable person's judgment
- Based on relevant financial statement benchmarks
  - We believe total assets or total revenues (based on the type of fund) is an appropriate benchmark for the City
- Financial statement line items  $>$  materiality are in scope
- Other areas  $<$  materiality may be in scope if qualitative factors are present (e.g., related party transactions, fraud risk, bond coverage requirements, etc.)

# Audit timeline

## Financial statements and Federal and State Single Audits (FY2016)

|   |                          |
|---|--------------------------|
| Audit planning                                      | July-September 2016      |
| IT Procedures                                       | September 2016           |
| Preliminary Single Audit procedures                 | November – December 2016 |
| Preliminary financial procedures                    | November – December 2016 |
| Final procedures                                    | January – March 2016     |
| Status meetings with management                     | Periodic                 |
| Closing meeting with management                     | TBD                      |
| Budget, Finance and Audit Committee closing meeting | TBD                      |

# Engagement Team

## Audit

|   |   |              |
|---|---|--------------|
| Dan Barron – Engagement Partner                   | <a href="mailto:dan.barron@us.gt.com"><u>dan.barron@us.gt.com</u></a>           | 214-561-2440 |
| Angela Dunlap – Engagement Quality Review Partner | <a href="mailto:angela.dunlap@us.gt.com"><u>angela.dunlap@us.gt.com</u></a>     | 832-476-5010 |
| Natalie Wood – Senior Manager                     | <a href="mailto:natalie.wood@us.gt.com"><u>natalie.wood@us.gt.com</u></a>       | 214-561-2409 |
| Juliet Williams – Experienced Manager             | <a href="mailto:juliet.williams@us.gt.com"><u>juliet.williams@us.gt.com</u></a> | 214-563-8199 |
| Tom Ruckman – Manager                             | <a href="mailto:tom.ruckman@us.gt.com"><u>tom.ruckman@us.gt.com</u></a>         | 214-561-2351 |

## Business Advisory

|                        |   |              |
|------------------------|---|--------------|
| Kirt Seale – Principal | <a href="mailto:kirt.seale@us.gt.com"><u>kirt.seale@us.gt.com</u></a>     | 214-561-2367 |
| Aftab Hemani – Manager | <a href="mailto:aftab.hemani@us.gt.com"><u>aftab.hemani@us.gt.com</u></a> | 214-561-2584 |

## Subcontractors

|                  |   |              |
|------------------|---|--------------|
| Reginald Hopkins | <a href="mailto:reggihopkins@sbcglobal.net"><u>reggihopkins@sbcglobal.net</u></a> | 972-686-9535 |
| Thaland Logan    | <a href="mailto:tlogancpa@sbcglobal.net"><u>tlogancpa@sbcglobal.net</u></a>       | 872-293-8244 |
| Dan Serna        | <a href="mailto:dserna@serna.com"><u>dserna@serna.com</u></a>                     | 817-483-3884 |
| Dickey Thurman   | <a href="mailto:diccyt@owensthurman.com"><u>diccyt@owensthurman.com</u></a>       | 214-941-2361 |

# Reports to be issued

- Audits:
  - Comprehensive annual financial report (CAFR)
  - Single audits (OMB Uniform Grants Guidance) (and State of Texas Single Audit Circular)
- Separate reports:
  - Airport Revenues Fund and Passenger Facility Charge compliance
  - Dallas Water Utilities
  - Downtown Dallas Development Authority Tax Increment Financing District
  - Vickery Meadow Tax Increment Financing District
  - Dallas Convention Center Hotel Development Corporation
  - Texas Commission on Environmental Quality financial assurance agreed-upon procedures
- Internal control deficiency letter

## Communications Related to the FY 2016 Audit

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Responsibilities  
Scope and Timing  
Areas of Audit Focus  
IT Control Update  
Technical Update

# Areas of Audit Focus – CAFR

| <b>Areas of Audit Focus</b>  | <b>Assertions</b>  |
|--|--|
| Water and Sewer Revenues and Receivables<br>Airport Revenues   | Existence and occurrence                                 |
| Capital Assets   | Valuation-gross and valuation-net                        |
| Investments  | Valuation-net  |
| Net pension liability and expense, Actuarial information related to self-insurance (IBNR), workers compensation liabilities and OPEB Plans | Presentation and disclosure<br>Completeness and accuracy |
| Compliance and controls related to federal and state single audit major programs   | Completeness and accuracy of SEFA and SESA               |
| Debt compliance and ratios   | Compliance with debt covenants                           |



# Key Areas of Focus – CAFR (contd.)

| Controls                  | Cycles        |
|---------------------------|---------------|
| Controls – based approach | Payroll       |
| Controls – based approach | Disbursements |

## Other Areas:

- Governance
- Fraud inquiries
- Information technology
- Adequacy of disclosures
- Investments/Treasury
- Debt
- Tax Revenues
- Allowance for doubtful accounts
- Net pension liability
- Revenue and GO bond issuances
- Employee Compensation
- Operating Expenditures
- Landfill closure and post-closure
- Passenger Facility Charge compliance
- Dallas Convention Center Hotel Development Corporation
- Love Field Airport Modernization Corporation and related transactions

## Communications Related to the FY 2016 Audit

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Responsibilities  
Scope and Timing  
Areas of Audit Focus  
IT Control Update  
Technical Update

# IT Control Update

## In-scope Systems

SAP (and underlying databases)

Advantage Financial System  
(and underlying databases)

Active Directory

## Control Areas Tested

Security Administration

Change Management

Batch Job Administration

## Deficiencies/Observations

Non-IT Users (accounting and business) with Privileged Access in SAP particularly

- Maintain Users / User provisioning
- Access to Batch Administration
- Developer Access

Lack of timely access removal for terminated users

## Remediation / Mitigation

The above noted deficiencies were remediated during the year. GT performed mitigation testing & determined no financial statement impact.



## Communications Related to the FY 2016 Audit

Responsibilities  
Scope and Timing  
Areas of Audit Focus  
IT Control Update  
Technical Update

# Technical Update

- **GASB Statement No. 72 - "Fair Value Measurement and Application"**
  - Establishes fair value definitions and measurement approaches
  - Requires presentation of fair value hierarchy based on types of inputs
  - Effective for 9/30/2016 year-ends
- **GASB Statement No. 73 - "Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68"**
  - Applicable to pension plans not within the scope of GASB Statement 68
  - Effective for 9/30/2016 year-ends
- **GASB Statement No. 76 - "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments"**
  - Establishes two categories of authoritative GAAP and addresses use of authoritative/nonauthoritative literature
  - Effective for 9/30/2016 year-ends
- **GASB Statement No. 79 - "Certain External Investment Pools and Pool Participants"**
  - Establishes criteria for an external investment pool to qualify for making election to measure at amortized cost
  - Effective for 9/30/2016 year-ends.

# Questions and Answers



# Memorandum



CITY OF DALLAS

DATE November 4, 2016

TO Honorable 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 COPS Hiring Grant

On Monday, November 7, 2016, Intergovernmental Services will brief the Budget, Finance, & Audit Committee on the COPS Hiring Grant. We have attached the briefing for your review.

Please let me know if you need additional information.

A handwritten signature in blue ink that reads "M. Elizabeth Reich".

M. Elizabeth Reich  
Chief Financial Officer

Attachment

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

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

# COPS HIRING GRANT

Budget, Finance & Audit Committee  
November 7, 2016





# COPS HIRING PROGRAM

- **The COPS Hiring program provides grants to law enforcement agencies to hire officers to increase community policing and crime prevention**
- **Pays for up to 75% of entry-level officer salaries and benefits for a three-year period, capped at \$125,000 per officer**
- **At the end of the three year period, all awarded positions must be maintained for a minimum of 12 months with local funds**

# COPS HIRING - TIMELINE

- **April 25 - RFP for COPS grant released**
- **April 25 - May 31 - Several Council Members inquire about Dallas submitting an application. City staff recommends not applying, citing grant requirements and staff time required for compliance**
- **June 23 - Original due date for COPS applications**
- **July 7 - Ambush on Dallas police officers**
- **July 16 - 22 - An additional 200 officers over attrition is requested by DPD. Staff begins to explore funding sources outside of general fund and identifies COPS as a possibility. The City reaches out to DOJ to inquire about the possibility of submitting a late COPS application**
- **July 22 - COPS office contacts the City and agrees to re-open the application with a July 29<sup>th</sup> deadline**
- **July 29 - Application for 25 officers submitted (maximum allowed under the grant)**
- **October 3 - COPS awards announced. Dallas receives 25 positions**

# COPS HIRING – GRANT AWARD

- **The City of Dallas awarded 25 new officer positions, for a total grant amount of \$3,125,000**
  - This is the maximum amount that could be awarded
  - Increases DPD's budgeted strength from 3,613 to 3,638
- **The City will provide \$1,909,268 in matching funds, for a 38% overall match**
- **This award helps the City achieve the long term goal of increasing the sworn strength of the Police department, especially as expansion continues in future budgets**
- **The City last received a COPS Hiring award for 50 officers under the American Reinvestment and Recovery Act in 2009**

# COPS HIRING – COMPLIANCE

- **Compliance is two-part:**
  - **DPD cannot drop below a head count of 3,407 for the next four years (head count at time of application (3,382) + 25 COPS officers), and**
  - **DPD will have to show progress towards reaching a budgeted strength of 3,638**

# COPS HIRING – COMPLIANCE (CON'T)

| DPD CURRENT STRENGTH                            | COMPLIANCE NUMBER  |
|---|--|
| <b>3279</b> – Current head count                | <b>3407</b> – “Magic number” – cannot drop actual head count below this number for 4 years without DOJ-approved adjustment (3382 + 25) |
| <b>3382</b> – Head count at time of application |  |
| <b>3613</b> – Budgeted strength for FY16        | <b>3638</b> – Total target strength – cannot reduce this budgeted number for 4 years without strong economic justification (3613 + 25) |

**NOTE:** If additional officer positions are budgeted in future years, the total target strength number goes up

# COPS HIRING – ACCEPTANCE

- **Staff recommendation** is to accept the grant award, then delay implementation until DPD is confident the City can remain in compliance
  - The City has 90 days from the date of the announcement (Oct. 3) to accept
  - Can delay implementation up to 36 months
- Accepting and delaying implementation allows the City to retain flexibility and explore all options for police hiring
- If it's determined the City will not be able to maintain grant compliance, the City can de-obligate the COPS funding and close out the grant contract

# COPS HIRING FUNDING

**Questions?**

# Memorandum



CITY OF DALLAS

**DATE:** November 4, 2016

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

**SUBJECT:** Office of the City Auditor Fiscal Year 2017 – First Quarter Update

I will provide a briefing to the members of the Budget, Finance & Audit Committee on Monday, November 7, 2016 regarding:

- Office of the City Auditor Fiscal Year 2017 – First Quarter Update

Sincerely,

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

Craig D. Kinton  
City Auditor

C: Honorable Mayor and Members of the City Council  
A.C. Gonzalez, City Manager  
Larry Casto, City Attorney  
Rosa A. Rios, City Secretary  
Daniel F. Solis, Administrative Judge  
M. Elizabeth Reich, Chief Financial Officer  
Elsa Cantu, Assistant to the City Manager – Mayor & Council

Ryan S. Evans, First Assistant City Manager  
Eric D. Campbell, Assistant City Manager  
Jill A. Jordan, P.E., Assistant City Manager  
Mark McDaniel, Assistant City Manager  
Joey Zapata, Assistant City Manager  
Sana Syed, Public Information Officer



# Office of the City Auditor Fiscal Year 2017 – First Quarter Update



City of Dallas  
Office of the City Auditor  
November 7, 2016



# Office of the City Auditor Vision, Mission, and Statement of Values

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## **VISION**

Accountability professionals helping Dallas work better

## **MISSION**

Our mission is to promote public trust and advance accountability by providing independent, objective, and useful professional services for the City of Dallas

## **STATEMENT OF VALUES**

We achieve our mission with PRIDE:

**Professionalism**

**Respect**

**Integrity**

**Diversity**

**Excellence**

# Fiscal Year 2016 Summary

| Staff Tenure with Office |         |
|--------------------------|---------|
|                          | Percent |
| Under Two Years          | 27.3    |
| Two to Five Years        | 36.4    |
| Six to Ten Years         | 31.8    |
| More than Ten Years      | 4.5     |

| Gender |                |                      |
|--------|----------------|----------------------|
|        | Office Percent | Dallas, TX * Percent |
| Male   | 59.1           | 50.4                 |
| Female | 40.9           | 49.6                 |

\* Source: US Census Bureau 2015 (Estimate)

| Ethnicity          |                |                      |
|--------------------|----------------|----------------------|
|                    | Office Percent | Dallas, TX * Percent |
| Non-Hispanic White | 54.5           | 29.2                 |
| Non-Hispanic Black | 18.2           | 24.0                 |
| Hispanic           | 9.1            | 41.4                 |
| Other Race         | 18.2           | 5.4                  |

\*Source: Economic Development Profile – Office of Economic Development 2015 (Estimate)

# Fiscal Year 2016 Summary

| Education *             |         |
|-------------------------|---------|
|                         | Percent |
| Some College, No Degree | 4.5     |
| Bachelors Degree        | 95.5    |
| Masters Degree          | 59.1    |
| Doctor in Jurisprudence | 9.1     |

\* Does not total 100% as employees with Masters Degrees also have Bachelors Degrees

| Professional Certifications / Designations * |         |
|--|---------|
|  | Percent |
| Certified Public Accountant (CPA)            | 40.9    |
| Certified Internal Auditor (CIA)             | 31.8    |
| Certified Information System Auditor (CISA)  | 13.6    |
| Certified Fraud Examiner (CFE)               | 27.3    |
| Certified Financial Forensics (CFF)          | 4.5     |
| Licensed Attorney                            | 9.1     |
| Other Certifications                         | 13.3    |

• Does not total 100% as all employees do not have professional certifications / designations and some employees have more than one professional certification / designation

# Fiscal Year 2016 Summary

|                               | FY 2016<br>Target | FY 2016<br>Actual |
|-------------------------------|-------------------|-------------------|
| <b>Outputs</b>                |                   |                   |
| Performance Audits            | 15                | 16                |
| Attestations                  | 13                | 2                 |
| Investigative Reports         | 17                | 19                |
| Nonaudit Services             | 15                | 20                |
| <b>Totals</b>                 | <b>60</b>         | <b>57</b>         |
| <b>Efficiency</b>             |                   |                   |
| % of Hours on Direct Projects | 75%               | 78%               |
| Hourly Billable Rate          | \$80.94           | \$82.95           |

# Fiscal Year 2016 Summary

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|   | FY 2016<br>Target | FY 2016<br>Actual |
|---|-------------------|-------------------|
| <b>Outcome Measures Include:</b>  |                   |                   |
| Percentage of Recommendations Management<br>Agrees to Implement                                 | 90%               | 99%               |
| Percentage of Substantiated Fraud/Waste/Abuse<br>Complaints Resulting in Accountability Actions | 100%              | 100%              |

# Fiscal Year 2016 Summary

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- Performance Audits – Produced 16 reports which provided coverage of operational risks and produced 79 total recommendations made to reduce risks or improve operations in areas such as:
  - Fleet maintenance management (DFR)
  - Infrastructure maintenance (DWU)
  - Access controls for information systems (CTS)
  - Contract monitoring (HOU and PBW)
  - Aquatic facilities (PKR)
  - 311 Customer Service Center (Management Services)
  - Leasing / Concessions (AVI)
  - Special audits of former City Council Members and the former City Attorney
  - Revenue estimates for FY 2017 Proposed Annual Budget

# Fiscal Year 2016 Summary

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- Attestation engagements – Produced 2 reports in support of the City’s efforts to comply with State of Texas purchasing requirements related to two large construction procurements totaling \$210,864,686
  - Storm drainage improvements for Mill Creek / Peaks Branch / State-Thomas drainage relief tunnel procurement
  - Dallas City Hall and I.C. Harris Service Center underground storage tank removal and replacement



# Fiscal Year 2016 Summary

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- Investigative Services – Produced 19 reports
  - Closed 104 complaints during FY 2016, resulting in at least 24 accountability actions, including filing of criminal charges, termination of employment, or implementation of other disciplinary or administrative control measures
  - Began FY 2016 with 24 open complaints
  - Received 104 complaints during FY 2016
  - 24 complaints remained open at end of FY 2016

# Fiscal Year 2016 Summary

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- Nonaudit Services – Completed 20 \*
  - 5 City Council Members’ request for assistance
  - 2 departments’ request for assistance
  - 13 presentations to City staff and City Council committees

*\* Note: Nonaudit Services refers to any service provided by the Office that is not performed under Government Auditing Standards established by the United States Comptroller General. These standards require the Office to consider whether the performance of the service would pose a potential threat to auditor independence.*

# Fiscal Year 2016 Summary

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- Association of Local Government Auditors – Peer Review Results

*“...The City Auditor’s internal control system was suitably designed and operating effectively...”*

# Audit and Attestation Services Reports Issued

(Fourth Quarter FY 2016 through November 4, 2016)

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## ■ Performance Audits

- Revenue Estimates Included in FY 2016-17 Proposed Annual Budget
- Management Services / 311 Customer Service Center
- Fiscal Year 2014 Audit Follow-Up of Prior Audit Recommendations for Fiscal Years 2012, 2013, and 2014
- Design of Controls over the Dallas Police Department's Police Personnel and Training Services

# Revenue Estimates included in FY 2016-17 Proposed Annual Budget Recommendations

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- Correct errors and misclassifications noted in Department of Aviation's (AVI) FY 2016-17 Rental on Airport and Terminal Concessions revenue estimates to reduce the potential for future errors and misclassifications



- Ensure AVI's FY 2017-18 revenue estimates are: (1) accurately and completely documented in up-to-date methodologies; and, (2) properly supported, including the verification of calculations and internal consistency

# Management Services / 311 Customer Service Center Recommendations



- Ensure City-wide formal (written, approved, and dated) policy and procedures are developed and implemented that define: (1) roles, responsibilities, and accountability among 311 and City departments; and, (2) a process for establishing and periodically assessing Service Request SLA Goals
- Review e-mail escalation configuration for all dispatch service request types with emergency priority levels and formally document basis for not using automatic e-mail escalation in CRMS
- Ensure system errors are properly corrected in CRMS and develop and implement formal monitoring process to ensure e-mail escalations are properly routed and prepare late service request reports and service request performance reports as scheduled
- Develop and implement formal (written, approved, and dated) documented policies and procedures for: (1) important operational activities; (2) formal training plans for 311 service agents and the effectiveness of formal training, including refresher training
- Establish appropriate CRMS user application access for 311 departmental coordinators to complete the “Information Update Request”

# **Fiscal Year 2014 Audit Follow-Up of Prior Audit Recommendations (FY 2012, 2013, 2014) Recommendations**

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- Improve and / or implement the internal controls needed to ensure that recommendations are timely implemented and associated risks are appropriately mitigated by implementing the recommendations contained throughout the report

# Design of Controls over Dallas Police Departments' Police Personnel and Training Service Recommendations



- Ensure the Training Advisory Board Members' files include evidence: (1) the Chief of Police approved the appointment of each Advisory Board member; (2) of each Advisory Board member's biography; and, (3) Advisory Board training is completed within one year of appointment
- Develop and implement an SOP that defines the DPD Police Academy instructor qualification requirements to align with TCOLE standards
- In consultation with the City Attorney's Office, improve documentation to demonstrate compliance with DPD's Personnel and Development Division Standard Operating Procedure sections related to recruiting and the President's Task Force on 21<sup>st</sup> Century Policing, May 2015, Recommendation 1.8
- Implement an automated system to efficiently capture and report DPD Academy Basic Training and police officer continuing education training courses



# Investigative Services Reports Issued

(Fourth Quarter FY 2016 through November 4, 2016)

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- Theft – Department of Trinity Watershed Management
  - A TWM employee was observed stealing food items from a convenience store while on duty and while in possession of a City truck
- Theft – Department of Dallas Water Utilities
  - On April 29, 2016, a former DWU employee was indicted by a Dallas County Grand Jury for Misapplication of Fiduciary Property, a second degree felony
- Allegations of Fire Code Violations – Department of Dallas Fire-Rescue
  - Allegations related to the Black Police Officers Association building fire code violations were substantiated; there was insufficient evidence to substantiate that a DFR member had someone “cover up” the violations
- Theft of Water Services – Department of Dallas Water Utilities
  - A DWU employee had Class B Misdemeanor theft charges filed against her for illegally having water service reconnected at her personal home

# Audit and Attestation Services

## Projects In-Progress

First Quarter, Fiscal Year 2017

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- Animal Services
- Construction Related Procurements
- Courts Information System – Cash Management / Collections Processes
- Neighborhood Code Enforcement Services
- Prior Audit Recommendations Follow-Up (Fiscal Year 2015)
- Sole Source / Single Bid Procurements – Business Development and Procurement Services
- Special Audit of the Accounts of Former Chief Financial Officer
- Trinity Watershed Management
- Environmental Compliance – Multiple Departments
- Information Technology Processes – Communication and Information Services
- Records Management System – Dallas Police Department
- Franchise Fees Review through MuniServices (*Ongoing*)
- Sales/Use Tax Compliance Review through MuniServices (*Ongoing*)

# Audit and Attestation Services

## Anticipated Project Starts

First Quarter, Fiscal Year 2017

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- Business Partner Oversight
- City Attorney's Office Operations
- Continuity of Operations Audit Follow-Up
- Homeless Response System Effectiveness
- Special Collections Operations

# QUESTIONS?



**City of Dallas**  
**Office of the City Auditor**  
**November 7, 2016**



# Appendix

## Report Links

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### Audit Reports

- [Audit of Revenue Estimates Included in Fiscal Year 2016-17 Proposed Annual Budget for the City of Dallas](#)
- [Audit of Management Services / 311 Customer Service Center](#)
- [Fiscal Year 2014 Audit Follow-Up of Prior Audit Recommendations for Fiscal Years 2012, 2013, and 2014](#)
- [Audit of the Design of Controls over the Dallas Police Department's Police Personnel and Training Services](#)

### Investigative Reports

- [Theft – Department of Trinity Watershed Management](#)
- [Theft – Department of Dallas Water Utilities](#)
- [Allegations of Fire Code Violations – Department of Dallas Fire-Rescue](#)
- [Theft – Department of Dallas Water Utilities](#)

# Memorandum



CITY OF  
DALLAS

DATE November 4, 2016

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 September 30, 2016 Quarterly Investment Report

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. We have included summary reports on each of the City's individual portfolios, as well as summary information on the combined portfolio.

For the quarter ended September 30, 2016 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.

A handwritten signature in blue ink that reads "M. Elizabeth Reich".

M. Elizabeth Reich  
Chief Financial Officer

## Attachment

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



CITY OF DALLAS

**September 30, 2016**

**QUARTERLY INVESTMENT REPORT**



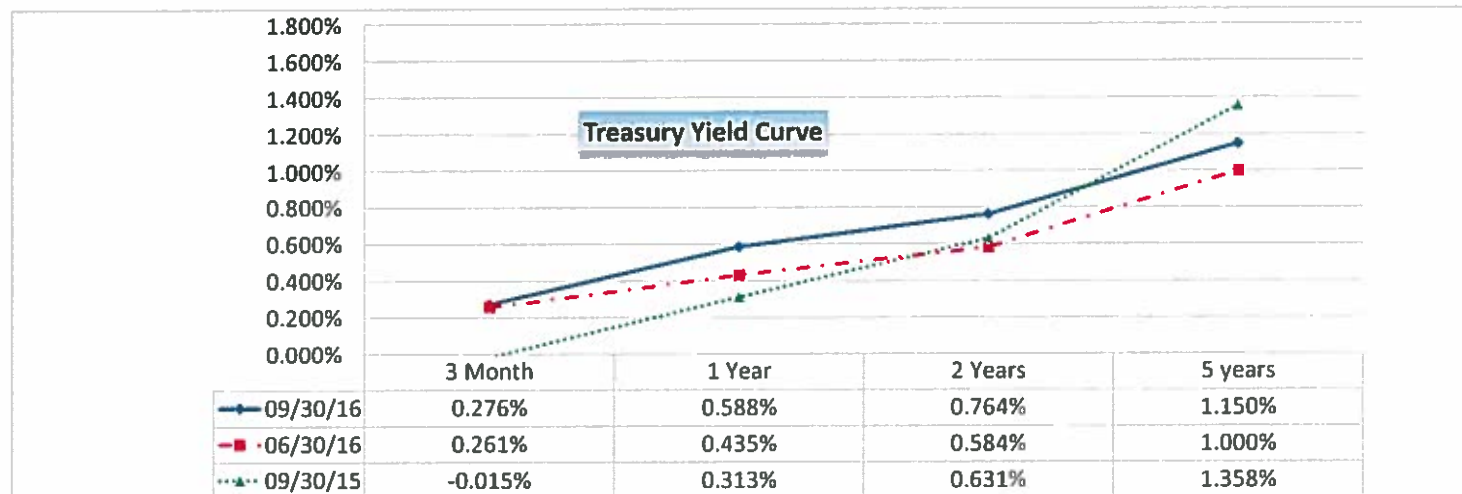
Quarterly National Economic and Market Update  
 Quarter Ended September 30, 2016

- The labor market had continued to strengthen and growth of economic activity had picked up from the modest pace seen in the first half of this year. Although the unemployment rate was little changed, job gains had been solid, on average. Household spending had been growing strongly but business fixed investment had remained soft.
- Inflation was expected to remain low in the near term, in part because of earlier declines in energy prices, but to rise to 2 percent over the medium term as the transitory effects of past declines in energy and import prices dissipate and the labor market strengthens further.
- The Federal Open Market Committee (FOMC) decided to maintain the target range for the federal funds rate at 0.25 to 0.50 percent. Further increases will depend upon changes in labor market conditions and inflation.

Source: FOMC September 21, 2016 Statement

| National Economic Data             | 9/30/2015    | 9/30/2016    |
|------------------------------------|--------------|--------------|
| Fed Funds Effective Rate Target    | 0.00% -0.25% | 0.25% -0.50% |
| 2 Years Treasury Note              | 0.631%       | 0.764%       |
| 10 Years Treasury Note             | 2.038%       | 1.595%       |
| Monthly Unemployment Rate          | 5.10%        | 5.00%        |
| Weekly Initial Jobless Claims      | 276,000      | 249,000      |
| Monthly Change in Nonfarm Payrolls | 137,000      | 156,000      |
| Monthly New Housing Starts         | 1,204,000    | 1,047,000    |

Source: Bloomberg



Source: Bloomberg



City of Dallas  
 Portfolio Holdings  
 Combined Investment Summary  
 As of 9/30/2016

| Portfolio Description           | Face Amount   | Book Value    | Market Value  | Accrued Interest | Market Value +<br>Accrued Interest | *Unrealized<br>Gain/(Loss) | Weighted<br>Average<br>Yield To<br>Maturity |
|---------------------------------|---------------|---------------|---------------|------------------|------------------------------------|----------------------------|---|
| 01 The City's Investment Pool   | 1,564,970,000 | 1,565,082,222 | 1,567,662,977 | 2,364,550        | 1,570,027,527                      | 2,580,755                  | 0.94%                                       |
| 02 Convention Center Reserve    | 23,000,000    | 23,000,000    | 22,961,871    | 33,617           | 22,995,488                         | (38,129)                   | 1.34%                                       |
| 03 Water Reserve                | 90,000,000    | 89,959,757    | 89,953,500    | 114,139          | 90,067,639                         | (6,257)                    | 1.26%                                       |
| 04 Art Endowment                | 2,235,000     | 2,235,000     | 2,232,669     | 3,442            | 2,236,111                          | (2,331)                    | 1.32%                                       |
| 05 Ida Green Library Fund       | 1,000,000     | 1,000,000     | 998,150       | 3,924            | 1,002,074                          | (1,850)                    | 1.25%                                       |
| 10 DWU Commercial Paper Program | 15,404        | 15,404        | 15,404        | 0                | 15,404                             | -                          | 0.27%                                       |
| 14 Trinity Parkway Escrow       | 548,341       | 548,341       | 548,341       | 0                | 548,341                            | -                          | 0.37%                                       |

\*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: 06/30/2016 - 09/30/2016

| Portfolio Description  | Beginning Face Amount | Beginning Weighted Average Yield To Maturity | Purchased/Deposited | Matured/Called/ Redeemed | Ending Face Amount   | Ending Weighted Average Yield To Maturity |
|--|-----------------------|--|---------------------|--------------------------|----------------------|---|
| <b>City's Investment Pool*</b>   |                       |  |                     |                          |                      |   |
| Federal Agricultural Mortgage Corp.  | 252,270,000           | 0.93%  | -                   | 20,000,000               | 232,270,000          | 0.95%                                     |
| Federal Farm Credit Bank   | 265,000,000           | 0.93%  | 50,000,000          | 30,000,000               | 285,000,000          | 0.91%                                     |
| Federal Home Loan Bank   | 278,445,000           | 0.96%  | 10,000,000          | 78,595,000               | 209,850,000          | 1.11%                                     |
| Federal Home Loan Mortgage Corp.   | 449,039,000           | 1.04%  | 50,000,000          | 125,039,000              | 374,000,000          | 0.98%                                     |
| Federal National Mortgage Assoc.   | 236,480,000           | 0.95%  | 10,000,000          | 91,650,000               | 154,830,000          | 1.15%                                     |
| Treasury Note  | 10,000,000            | 0.56%  | -                   | 10,000,000               | -                    | -   |
| <b>Total Portfolio</b>   | <b>1,491,234,000</b>  | <b>0.97%</b>                                 | <b>120,000,000</b>  | <b>355,284,000</b>       | <b>1,255,950,000</b> | <b>1.00%</b>                              |
| <i>*Trade activity excludes local government investment pools and money market mutual funds.</i> |                       |  |                     |                          |                      |   |
| <b>Convention Center Reserve</b>   |                       |  |                     |                          |                      |   |
| Federal Home Loan Mortgage Corp.   | 19,000,000            | 1.41%  | -                   | 15,000,000               | 4,000,000            | 1.25%                                     |
| Federal National Mortgage Assoc.   | 4,000,000             | 1.30%  | 15,000,000          | -                        | 19,000,000           | 1.36%                                     |
| <b>Total Portfolio</b>   | <b>23,000,000</b>     | <b>1.39%</b>                                 | <b>15,000,000</b>   | <b>15,000,000</b>        | <b>23,000,000</b>    | <b>1.34%</b>                              |
| <b>Water Reserve</b>   |                       |  |                     |                          |                      |   |
| Federal Home Loan Bank   | 45,000,000            | 1.28%  | -                   | 40,000,000               | 5,000,000            | 1.50%                                     |
| Federal Home Loan Mortgage Corp.   | 30,000,000            | 1.22%  | -                   | -                        | 30,000,000           | 1.22%                                     |
| Federal National Mortgage Assoc.   | 15,000,000            | 1.42%  | 40,000,000          | -                        | 55,000,000           | 1.26%                                     |
| <b>Total Portfolio</b>   | <b>90,000,000</b>     | <b>1.28%</b>                                 | <b>40,000,000</b>   | <b>40,000,000</b>        | <b>90,000,000</b>    | <b>1.26%</b>                              |
| <b>Art Endowment</b>   |                       |  |                     |                          |                      |   |
| Federal Home Loan Bank   | 2,235,000             | 1.20%  | -                   | 2,235,000                | -                    | -   |
| Federal Home Loan Mortgage Corp.   | -                     | -  | 2,235,000           | -                        | 2,235,000            | 1.32%                                     |
| <b>Total Portfolio</b>   | <b>2,235,000</b>      | <b>1.20%</b>                                 | <b>2,235,000</b>    | <b>2,235,000</b>         | <b>2,235,000</b>     | <b>1.32%</b>                              |
| <b>Ida Green Library Endowment</b>   |                       |  |                     |                          |                      |   |
| Federal Agricultural Mortgage Corp.  | 1,000,000             | 1.25%  | -                   | -                        | 1,000,000            | 1.25%                                     |
| <b>Total Portfolio</b>   | <b>1,000,000</b>      | <b>1.25%</b>                                 | <b>-</b>            | <b>-</b>                 | <b>1,000,000</b>     | <b>1.25%</b>                              |
| <b>DWU Commercial Paper</b>  |                       |  |                     |                          |                      |   |
| Money Market - Tax Exempt  | 11,244                | 0.24%  | 16,129              | 11,969                   | 15,404               | 0.27%                                     |
| <b>Total Portfolio</b>   | <b>11,244</b>         | <b>0.24%</b>                                 | <b>16,129</b>       | <b>11,969</b>            | <b>15,404</b>        | <b>0.27%</b>                              |
| <b>GO Commercial Paper</b>   |                       |  |                     |                          |                      |   |
| Money Market - Tax Exempt  | 244                   | 0.22%  | 244                 | 489                      | -                    | -   |
| <b>Total Portfolio</b>   | <b>244</b>            | <b>0.22%</b>                                 | <b>244</b>          | <b>489</b>               | <b>-</b>             | <b>-</b>                                  |
| <b>Trinity Parkway Escrow</b>  |                       |  |                     |                          |                      |   |
| Money Market   | 547,784               | 0.40%  | 557                 | -                        | 548,341              | 0.37%                                     |
| <b>Total Portfolio</b>   | <b>547,784</b>        | <b>0.40%</b>                                 | <b>557</b>          | <b>-</b>                 | <b>548,341</b>       | <b>0.37%</b>                              |

City of Dallas  
 Summary Statement by Portfolio  
 As of: 06/30/2016 - 09/30/2016

| 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 Weighted Average Yield To Maturity |
|--|-----------------------|----------------------|----------------------|----------------------|------------------------|----------------------|-------------------------|------------------------|------------------|---|
| <b>City's Investment Pool<sup>1</sup></b>      |                       |                      |                      |                      |                        |                      |                         |                        |                  |   |
| Local Govt. Investment Pool                    | 237,020,000           | 256,020,000          | 237,020,000          | 256,020,000          | 237,020,000            | 256,020,000          | 19,000,000              | -                      | -                | 0.75%                                     |
| Money Market                                   | 16,000,000            | 53,000,000           | 16,000,000           | 53,000,000           | 16,000,000             | 53,000,000           | 37,000,000              | -                      | -                | 0.37%                                     |
| US Agency                                      | 1,481,234,000         | 1,255,950,000        | 1,481,443,625        | 1,256,062,222        | 1,486,476,056          | 1,258,642,977        | (225,284,000)           | (2,549,079)            | 2,364,550        | 1.00%                                     |
| US Treasury                                    | 10,000,000            | -                    | 9,999,530            | -                    | 10,002,550             | -                    | (10,000,000)            | (2,550)                | -                | -   |
| <b>*Total Portfolio</b>                        | <b>1,744,254,000</b>  | <b>1,564,970,000</b> | <b>1,744,463,155</b> | <b>1,565,082,222</b> | <b>1,749,498,606</b>   | <b>1,567,662,977</b> | <b>(179,284,000)</b>    | <b>(2,551,629)</b>     | <b>2,364,550</b> | <b>0.94%</b>                              |
| <b>Convention Center Reserve<sup>2</sup></b>   |                       |                      |                      |                      |                        |                      |                         |                        |                  |   |
| US Agency                                      | 23,000,000            | 23,000,000           | 23,000,000           | 23,000,000           | 23,015,314             | 22,961,871           | -                       | (53,443)               | 33,617           | 1.34%                                     |
| <b>Total Portfolio</b>                         | <b>23,000,000</b>     | <b>23,000,000</b>    | <b>23,000,000</b>    | <b>23,000,000</b>    | <b>23,015,314</b>      | <b>22,961,871</b>    | <b>-</b>                | <b>(53,443)</b>        | <b>33,617</b>    | <b>1.34%</b>                              |
| <b>Water Reserve<sup>2</sup></b>               |                       |                      |                      |                      |                        |                      |                         |                        |                  |   |
| US Agency                                      | 90,000,000            | 90,000,000           | 89,949,585           | 89,959,757           | 90,187,655             | 89,953,500           | -                       | (234,155)              | 114,139          | 1.26%                                     |
| <b>Total Portfolio</b>                         | <b>90,000,000</b>     | <b>90,000,000</b>    | <b>89,949,585</b>    | <b>89,959,757</b>    | <b>90,187,655</b>      | <b>89,953,500</b>    | <b>-</b>                | <b>(234,155)</b>       | <b>114,139</b>   | <b>1.26%</b>                              |
| <b>Art Endowment<sup>3</sup></b>               |                       |                      |                      |                      |                        |                      |                         |                        |                  |   |
| US Agency                                      | 2,235,000             | 2,235,000            | 2,235,000            | 2,235,000            | 2,236,466              | 2,232,669            | -                       | (3,797)                | 3,442            | 1.32%                                     |
| <b>Total Portfolio</b>                         | <b>2,235,000</b>      | <b>2,235,000</b>     | <b>2,235,000</b>     | <b>2,235,000</b>     | <b>2,236,466</b>       | <b>2,232,669</b>     | <b>-</b>                | <b>(3,797)</b>         | <b>3,442</b>     | <b>1.32%</b>                              |
| <b>Ida Green Library Endowment<sup>4</sup></b> |                       |                      |                      |                      |                        |                      |                         |                        |                  |   |
| US Agency                                      | 1,000,000             | 1,000,000            | 1,000,000            | 1,000,000            | 1,003,059              | 998,150              | -                       | (4,909)                | 3,924            | 1.25%                                     |
| <b>Total Portfolio</b>                         | <b>1,000,000</b>      | <b>1,000,000</b>     | <b>1,000,000</b>     | <b>1,000,000</b>     | <b>1,003,059</b>       | <b>998,150</b>       | <b>-</b>                | <b>(4,909)</b>         | <b>3,924</b>     | <b>1.25%</b>                              |
| <b>DWU Commercial Paper<sup>5</sup></b>        |                       |                      |                      |                      |                        |                      |                         |                        |                  |   |
| Money Market - Tax Exempt                      | 11,244                | 15,404               | 11,244               | 15,404               | 11,244                 | 15,404               | 4,160                   | -                      | -                | 0.27%                                     |
| <b>Total Portfolio</b>                         | <b>11,244</b>         | <b>15,404</b>        | <b>11,244</b>        | <b>15,404</b>        | <b>11,244</b>          | <b>15,404</b>        | <b>4,160</b>            | <b>-</b>               | <b>-</b>         | <b>0.27%</b>                              |
| <b>GO Commercial Paper<sup>5</sup></b>         |                       |                      |                      |                      |                        |                      |                         |                        |                  |   |
| Money Market - Tax Exempt                      | 244                   | -                    | 244                  | -                    | 244                    | -                    | (244)                   | -                      | -                | -   |
| <b>Total Portfolio</b>                         | <b>244</b>            | <b>-</b>             | <b>244</b>           | <b>-</b>             | <b>244</b>             | <b>-</b>             | <b>(244)</b>            | <b>-</b>               | <b>-</b>         | <b>-</b>                                  |
| <b>Trinity Parkway Escrow<sup>6</sup></b>      |                       |                      |                      |                      |                        |                      |                         |                        |                  |   |
| Money Market                                   | 547,784               | 548,341              | 547,784              | 548,341              | 547,784                | 548,341              | 557                     | -                      | -                | 0.37%                                     |
| <b>Total Portfolio</b>                         | <b>547,784</b>        | <b>548,341</b>       | <b>547,784</b>       | <b>548,341</b>       | <b>547,784</b>         | <b>548,341</b>       | <b>557</b>              | <b>-</b>               | <b>-</b>         | <b>0.37%</b>                              |

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: 06/30/2016 - 09/30/2016**

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**STRATEGY COMPLIANCE STATEMENT**

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For the quarter ended September 30, 2016 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.

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**STRATEGY STATEMENT BY PORTFOLIO**

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**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.

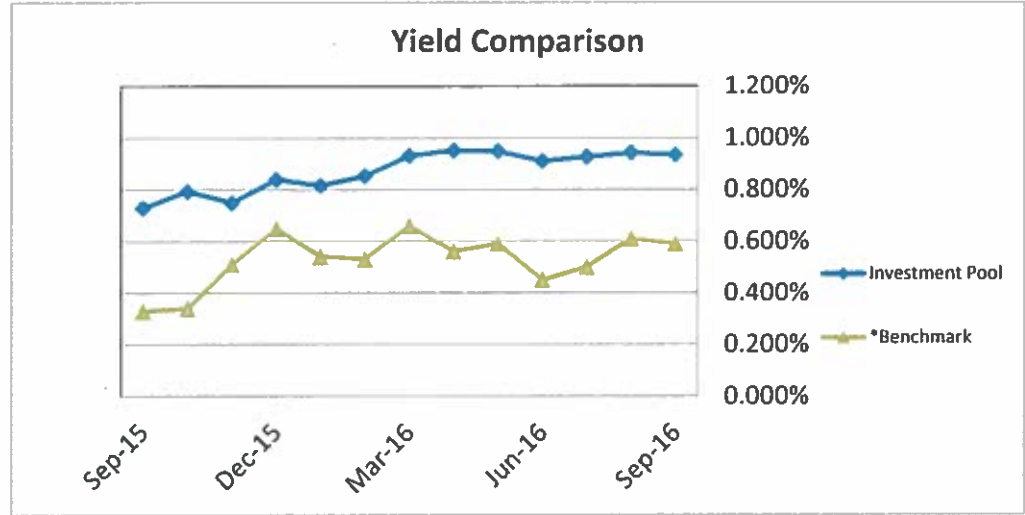
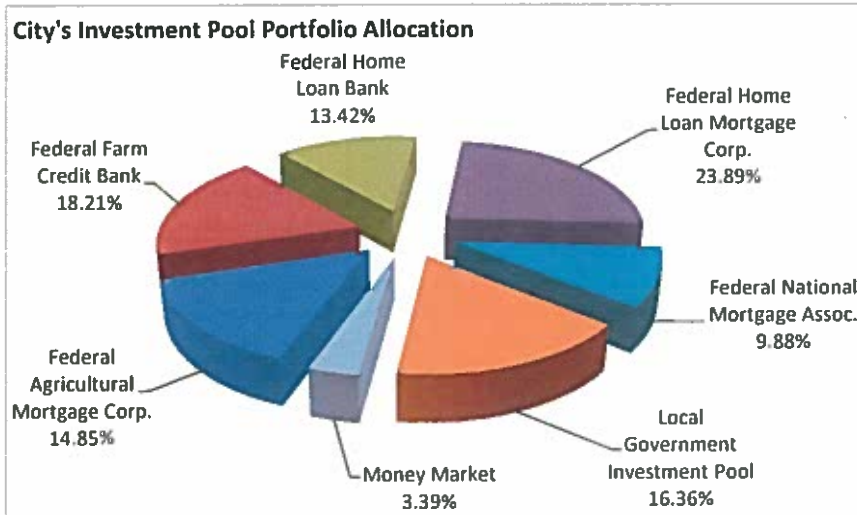
**5) DWU Commercial Paper Program and GO Commercial Paper Program**

The City issues tax-exempt commercial paper notes as an interim financing tool for construction and capital projects. The investment of the proceeds from the issuance of commercial paper debt should have a high degree of liquidity in order to fund payments to contractors.

**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, North Texas Tollway Authority ("NTTA"), and TxDOT pertaining to development of the Trinity Parkway. 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 9/30/2016



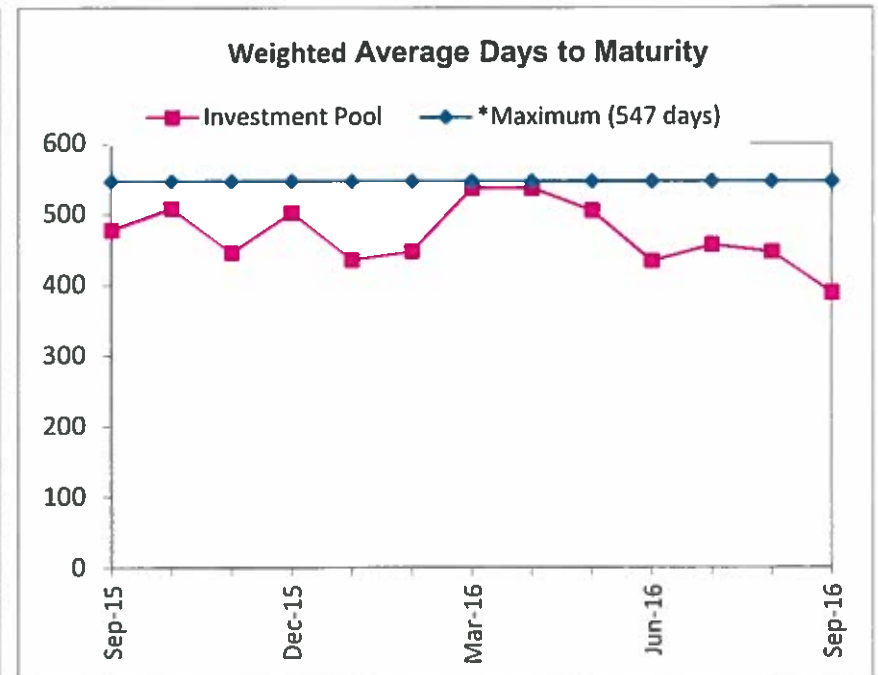
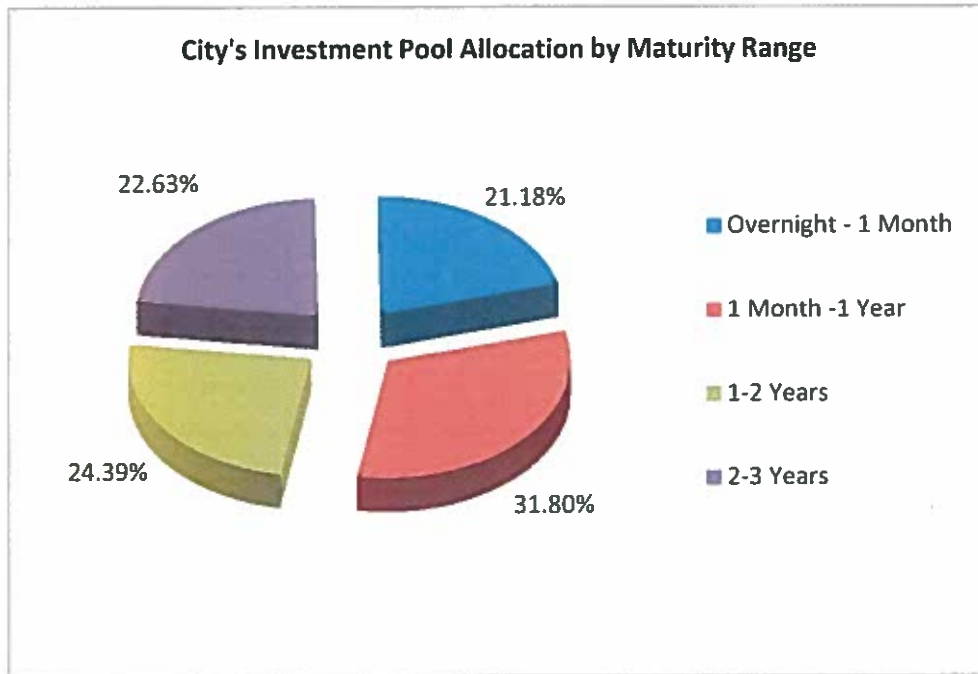
| Description                         | Face Amount          | Book Value           | Market Value         | **Unrealized Gain/(Loss) | Weighted Average Days To Maturity | Weighted Average Yield To Maturity | % of Portfolio |
|-------------------------------------|----------------------|----------------------|----------------------|--------------------------|-----------------------------------|------------------------------------|----------------|
| Federal Agricultural Mortgage Corp. | 232,270,000          | 232,489,216          | 232,988,757          | 499,541                  | 361                               | 0.95%                              | 14.85%         |
| Federal Farm Credit Bank            | 285,000,000          | 284,970,667          | 285,466,470          | 495,803                  | 520                               | 0.91%                              | 18.21%         |
| Federal Home Loan Bank              | 209,850,000          | 210,011,486          | 210,379,530          | 368,044                  | 607                               | 1.11%                              | 13.42%         |
| Federal Home Loan Mortgage Corp.    | 374,000,000          | 373,907,097          | 374,646,540          | 739,443                  | 419                               | 0.98%                              | 23.89%         |
| Federal National Mortgage Assoc.    | 154,830,000          | 154,683,756          | 155,161,680          | 477,924                  | 592                               | 1.15%                              | 9.88%          |
| Local Government Investment Pool    | 256,020,000          | 256,020,000          | 256,020,000          | -                        | 1                                 | 0.75%                              | 16.36%         |
| Money Market                        | 53,000,000           | 53,000,000           | 53,000,000           | -                        | 1                                 | 0.37%                              | 3.39%          |
| <b>***Total Portfolio</b>           | <b>1,564,970,000</b> | <b>1,565,082,222</b> | <b>1,567,662,977</b> | <b>2,580,755</b>         | <b>389</b>                        | <b>0.94%</b>                       | <b>100.00%</b> |

\*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 9/30/2016



| Description              | Face Amount/Shares   | Book Value           | Market Value         | Weighted Average Yield To Maturity | Weighted Average Days To Maturity | % of Portfolio |
|--------------------------|----------------------|----------------------|----------------------|------------------------------------|-----------------------------------|----------------|
| Overnight - 1 Month      | 331,520,000          | 331,519,644          | 331,523,675          | 0.69%                              | 2                                 | 21.18%         |
| 1 Month -1 Year          | 497,830,000          | 497,726,986          | 498,602,914          | 0.85%                              | 186                               | 31.80%         |
| 1-2 Years                | 381,620,000          | 381,735,554          | 382,592,914          | 1.00%                              | 530                               | 24.39%         |
| 2-3 Years                | 354,000,000          | 354,100,038          | 354,943,474          | 1.23%                              | 884                               | 22.63%         |
| <b>**Total Portfolio</b> | <b>1,564,970,000</b> | <b>1,565,082,222</b> | <b>1,567,662,977</b> | <b>0.94%</b>                       | <b>389</b>                        | <b>100%</b>    |

\*As per Section 13.0 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 15-16 Year to Date

| FY 15-16 Year to Date            |                        |                |
|----------------------------------|------------------------|----------------|
| Description                      | Awarded                | %              |
| <b>Primary Dealers</b>           |                        |                |
| Bank of America                  | \$148,000,000          | 14.13%         |
| Daiwa Capital Markets            | 20,000,000             | 1.91%          |
| Morgan Stanley                   | 60,000,000             | 5.73%          |
| Jefferies & Co.                  | 55,000,000             | 5.25%          |
| Wells Fargo                      | 38,235,000             | 3.65%          |
| <b>Secondary Dealers</b>         |                        |                |
| Coastal Securities               | 112,010,000            | 10.70%         |
| Hilltop Securities Inc.          | 85,000,000             | 8.12%          |
| Mutual Securities                | 20,000,000             | 1.91%          |
| Piper Jaffray & Co.              | 40,000,000             | 3.82%          |
| Samco Capital Market             | 100,000,000            | 9.55%          |
| SunTrust Robinson Humphrey, Inc. | 30,000,000             | 2.86%          |
| Vining Sparks                    | 67,400,000             | 6.44%          |
| <b>Secondary Dealers - M/WBE</b> |                        |                |
| Bonwick Capital - M/WBE          | 119,539,000            | 11.41%         |
| Loop Capital - M/WBE             | 35,000,000             | 3.34%          |
| Ramirez & Co. - M/WBE            | 40,000,000             | 3.82%          |
| Rice Financial - M/WBE           | 37,050,000             | 3.54%          |
| Stern Brothers & Co. - M/WBE     | 40,000,000             | 3.82%          |
| <b>Total</b>                     | <b>\$1,047,234,000</b> | <b>100.00%</b> |

**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 January 2016.

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 15-16                  |                      |                |
|------------------------------|----------------------|----------------|
| Description                  | Awarded              | %              |
| Bank of America              | \$110,000,000        | 62.06%         |
| Coastal Securities           | 10,000,000           | 5.64%          |
| Jefferies & Co.              | 25,000,000           | 14.11%         |
| Morgan Stanley               | 10,000,000           | 5.64%          |
| Samco Capital Market         | 10,000,000           | 5.64%          |
| Stern Brothers & Co. - M/WBE | 10,000,000           | 5.64%          |
| Wells Fargo                  | 2,235,000            | 1.26%          |
| <b>Total</b>                 | <b>\$177,235,000</b> | <b>100.00%</b> |

**Broker/Dealer Activity FY15-16 to Date**





# CITY OF DALLAS

September 30, 2016

## QUARTERLY INVESTMENT REPORT

For the quarter ended September 30, 2016 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.

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Chief Financial Officer: M. Elizabeth Reich

City Controller: [Signature]

Treasury Manager: Connie Steege



## AGENDA ITEM # 3

**KEY FOCUS AREA:** Economic Vibrancy  
**AGENDA DATE:** November 9, 2016  
**COUNCIL DISTRICT(S):** 2  
**DEPARTMENT:** Aviation  
**CMO:** Ryan S. Evans, 671-9837  
**MAPSCO:** 34E

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### **SUBJECT**

Authorize an Other Transaction Agreement with the Federal Aviation Administration for a Limited Design and Implementation Reimbursable Agreement for the mitigation of impacts to the Instrument Landing System control cabling due to the rehabilitation of Taxiway Bravo at Dallas Love Field - Not to exceed \$79,196 - Financing: Aviation Capital Construction Funds

### **BACKGROUND**

The Federal Aviation Administration (FAA) will design the move of its own navigational aids for the rehabilitation of Taxiway Bravo from B1 to B4 and Connectors B3 and B4 project. The FAA has indicated it will provide services limited to labor, travel and expenses required to perform limited technical and/or engineering support for the projects.

### **PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)**

Authorized a professional services contract with Garver, LLC to provide design and preparation of construction documents for the rehabilitation of Taxiway Bravo from B1 to B4 and Connectors B3 and B4, and Runway 18-36 Intersection Improvements at Dallas Love Field on March 25, 2015, by Resolution No. 15-0491.

Authorized Supplemental Agreement No. 2 to the professional services contract with HNTB Corporation to provide design, construction documents and bidding services for a Runway Incursion Project identified by the FAA to be part of the Runway 18-36 Conversion Project at Dallas Love Field on January 27, 2016, by Resolution No. 16-0181.

Authorized a construction contract with Munilla Construction Management, LLC for the Rehabilitation of Taxiway Bravo from B1 to B4 and Connectors B3 and B4 Project at Dallas Love Field on September 28, 2016, by Resolution No. 16-1580.

**PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)** (Continued)

Authorized a construction contract with EAS Contracting, L.P., for the Runway Incursion Mitigation Project at Dallas Love Field on October 11, 2016, by Resolution No. 16-1650.

Information about this item will be provided to the Budget, Finance, and Audit Committee on November 7, 2016.

**FISCAL INFORMATION**

\$79,195.85 - Aviation Capital Construction Funds

November 9, 2016

**WHEREAS**, it is now desirable to authorize an Other Transaction Agreement with the Federal Aviation Administration (FAA) for a Limited Design and Implementation Reimbursable Agreement for the mitigation of impacts to the Instrument Landing System (ILS) control cabling due to the rehabilitation of Taxiway Bravo from B1 to B4 and Connectors B3 and B4 project at Dallas Love Field in the amount not to exceed \$79,195.85; and,

**WHEREAS**, the FAA has indicated it will provide services limited to labor, travel and expenses required to perform limited technical and/or engineering support for the project.

**Now, Therefore,**

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

**Section 1.** That the Chief Financial Officer is hereby authorized to disburse funds in an amount not to exceed \$79,195.85 to be paid to the FAA for the services associated with relocating the ILS control cable in accordance to the terms and conditions of the Other Transaction Agreement from:

Aviation Capital Construction Fund  
Fund 0131, Dept. AVI, Unit W003, Act. AAIP, Obj. 4111  
Program: AVW003, Encumbrance No. CTAVIW003FAAFY17, Comm. Code 92500  
Vendor No. 174291, in an amount not to exceed \$79,195.85

**Section 2.** 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 # 4

**KEY FOCUS AREA:** Economic Vibrancy  
**AGENDA DATE:** November 9, 2016  
**COUNCIL DISTRICT(S):** 2  
**DEPARTMENT:** Aviation  
**CMO:** Ryan S. Evans, 671-9837  
**MAPSCO:** 34E

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### **SUBJECT**

Authorize an application for and acceptance of a grant from the Federal Aviation Administration for the federal share of the eligible capital improvement projects at Dallas Love Field - Not to exceed \$988,086 - Financing: Federal Aviation Administration Airport Improvement Program Grant Funds

### **BACKGROUND**

The Federal Aviation Administration (FAA) has indicated that the following projects are eligible for federal funding and can participate in an amount up to \$988,086.00 of the actual and eligible project costs. One of the projects has already completed design. Grant funds for these specific projects will be used to reimburse the program.

#### **Rehabilitate Taxiway B from RWY 13L to 18-36 (Realignment)**

The existing pavement was assessed in a 2015 Airfield Pavement Condition Survey. The recommendation in the survey was reconstruction. Additionally, the existing airfield drainage needs to be upgraded to conform to current standards.

#### **Runway Incursion Mitigation Project at RWY 18/36**

A runway incursion occurs when an aircraft does not stop at the hold sign before it has been cleared to enter the runway for takeoff. The FAA requested this project, which will simplify the geometry in that area, to mitigate future runway incursions. This design will delineate the work required to physically remove a section of Taxiway A from Runway 18/36.

**PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)**

Authorized a contract with HNTB Corporation to provide engineering services for the Runway 18-36 Conversion project at Dallas Love Field on April 22, 2015, by Resolution No. 15-0806.

Authorized Supplemental Agreement No. 1 to the professional services contract with HNTB Corporation to provide design, construction documents and bidding services for the physical improvements necessary to convert the existing Runway 18/36 to a taxiway for the Runway 18-36 Conversion Project at Dallas Love Field on October 14, 2015, by Resolution No. 15-1880.

Authorized Supplemental Agreement No. 2 to the professional services contract with HNTB Corporation to provide design, construction documents and bidding services for a Runway Incursion Program project identified by the Federal Aviation Administration to be part of the Runway 18-36 Conversion project at Dallas Love Field on January 27, 2016, by Resolution No. 16-0181.

Information about this item will be provided to the Budget, Finance and Audit Committee on November 7, 2016.

**FISCAL INFORMATION**

\$988,086.00 - Federal Aviation Administration Airport Improvement Program Grant Funds

|   |                     |
|---|---------------------|
| Rehabilitation of Taxiway B from RWY 13L to 18-36 (Realignment) | \$789,512.00        |
| Runway Incursion Mitigation Project at RWY 18-36                | <u>\$198,574.00</u> |
| Total   | \$988,086.00        |

November 9, 2016

**WHEREAS**, the Federal Aviation Administration (FAA) through the Airport Improvement Program (AIP) has indicated that the following Dallas Love Field Projects: Design for Rehabilitation of Taxiway B from RWY 13L to 18-36 (Realignment) and Design for Runway Incursion Mitigation Project at RWY 18-36 are eligible for federal funding from the Federal Aviation Administration; and,

**WHEREAS**, on April 22, 2015, City Council authorized a contract with HNTB Corporation to provide engineering services for the Runway 18-36 Conversion project at Dallas Love Field, in an amount not to exceed \$236,929.00, by Resolution No. 15-0806; and,

**WHEREAS**, on October 14 2015, City Council authorized Supplemental Agreement No. 1 to the professional services contract with HNTB Corporation to provide design, construction documents and bidding services for the physical improvements necessary to convert the existing Runway 18/36 to a taxiway for the Runway 18-36 Conversion Project at Dallas Love Field, in an amount not to exceed \$525,492.00, from \$236,929.00 to \$762,421.00, by Resolution No. 15-1880; and,

**WHEREAS**, on January 27, 2016, City Council authorized Supplemental Agreement No. 2 to the professional services contract with HNTB Corporation to provide design, construction documents and bidding services for a Runway Incursion Program project identified by the Federal Aviation Administration to be part of the Runway 18-36 Conversion project at Dallas Love Field, in an amount not to exceed \$287,434, from \$762,421 to \$1,049,855, by Resolution No. 16-0181; and,

**WHEREAS**, it is desirable to apply for and accept reimbursement funds from the FAA for the eligible costs of each project.

**Now, Therefore,**

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

**Section 1.** That the City Manager is hereby authorized to apply for and accept reimbursement funds from the Federal Aviation Administration (FAA) (Grant No. 3-48-0062-051-2016/CFDA No. 20.106) in the amount of \$988,086.00 of the estimated costs, and to apply for and accept future increases in the project cost when approved by both the City and the FAA.

**Section 2.** That upon acceptance of FAA reimbursement funds, the Chief Financial Officer is authorized to receive and deposit funds in the amount of \$789,512.00 for Rehabilitation of Taxiway B from RWY 13L to 18-36 (Realignment) to be deposited in the Aviation Airport Improvement Program (AIP) Grant Fund F491, Dept. AVI, Unit W121, and Revenue Source 9907.

November 9, 2016

**Section 3.** That upon acceptance of FAA reimbursement funds, the Chief Financial Officer is authorized to receive and deposit funds in the amount of \$198,574.00 for Runway Incursion Mitigation Project at RWY 18-36 to be deposited in the Aviation Airport Improvement Program (AIP) Grant Fund F482, Dept. AVI, Unit W047, and Revenue Source 9907.

**Section 4.** That the City Manager is hereby authorized to establish appropriations in the Aviation Grant Fund F482, Unit W047, Obj 3099 in an amount not to exceed \$198,574.00 for the Runway Incursion Mitigation Project.

**Section 5.** That the Chief Financial Officer is hereby authorized to reimburse Aviation Capital Construction Fund 0131, Unit W047, Obj 5011 in an amount not to exceed \$198,574.00 from Aviation Grant Fund F482, Unit W047, Obj. 3099 for project costs under the RIM Project.

**Section 6.** That the City Manager is hereby authorized to reimburse to the granting agency expenditures identified as ineligible. The City Manager shall notify the appropriate City Council Committee of expenditures identified as ineligible not later than 30 days after the reimbursement.

**Section 7.** That the City Manager shall keep the appropriate City Council Committee informed of all final granting agency 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.

**KEY FOCUS AREA:** Public Safety

**AGENDA DATE:** November 9, 2016

**COUNCIL DISTRICT(S):** All

**DEPARTMENT:** Business Development & Procurement Services  
Office of Emergency Management

**CMO:** Elizabeth Reich, 670-7804  
Eric Campbell, 670-3255

**MAPSCO:** N/A

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**SUBJECT**

Authorize a six-year service contract for preventive maintenance and repair services for the City's outdoor warning siren system - West Shore Services, Inc., most advantageous proposer of two - Not to exceed \$567,368 - Financing: Current Funds (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 provide preventive maintenance and repair services for the City's outdoor warning siren system (OWS) that currently consists of 156 sirens strategically located throughout the City. The system alerts residents of approaching or existing hazardous conditions throughout the City to ensure the widest possible coverage. Typically the outdoor warning siren system is used as a warning tool in the event of a tornado or other dangerous weather conditions, it is one of the primary means of emergency warnings for Dallas residents and visitors for all types of hazards. Preventive maintenance is done on each siren every three years.

A five member committee from the following departments reviewed and evaluated the proposals:

- Office of Emergency Management (2)
- Communication and Information Services (1)
- Business Development and Procurement Services (2)\*

\*Business Development and Procurement Services only evaluated the Business Inclusion and Development Plan and cost.



**BACKGROUND (Continued)**

The successful proposer was selected by the committee on the basis of demonstrated competence and qualifications under the following criteria:

- Cost 35%
- Experience and capability 30%
- Approach 20%
- Business Inclusion and Development Plan 15%

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 431 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, BDPS' ResourceLINK Team (RLT) sent notifications to 25 chambers of commerce, the DFW Minority Business Council, and the Women's Business Council – Southwest, to ensure maximum vendor outreach.

The recommended vendor meets the wage floor rate of \$10.37 approved by City Council on November 10, 2015, by Resolution No. 15-2141.

**PRIOR ACTION/REVIEW (COUNCIL BOARDS, COMMISSIONS)**

On August 26, 2015, City Council authorized a six-year service contract, for preventive maintenance and repair services for the City's outdoor warning siren system by Resolution No. 15-1521.

Information about this item will be provided to the Budget, Finance and Audit Committee on November 7, 2016.

**FISCAL INFORMATION**

\$567,368.00 - Current Funds (subject to annual appropriations)

**M/WBE INFORMATION**

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

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

**M/WBE INFORMATION (Continued)**

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**

West Shore Services, Inc.

|               |    |                 |   |
|---------------|----|-----------------|---|
| White Male    | 21 | White Female    | 4 |
| Black Male    | 0  | Black Female    | 0 |
| Hispanic Male | 1  | Hispanic Female | 0 |
| Other Male    | 1  | Other Female    | 1 |

**PROPOSAL INFORMATION**

Business Development and Procurement Services received the following proposals from solicitation number BHZ1613. We opened them on July 15, 2016. We recommend the City Council award this service contract in its entirety to the most advantageous proposer.

\*Denotes successful proposer

| <b><u>Proposers</u></b>                   | <b><u>Address</u></b>                         | <b><u>Amount</u></b> |
|---|---|----------------------|
| *West Shore Services, Inc.                | 6620 Lake Michigan Dr.<br>Allendale, MI 49401 | \$567,368.00         |
| Joe N. Goddard dba<br>Goddard Enterprises | 11950 Thousand Oaks Dr.<br>Edmond, OK 73034   | \$949,600.00         |

**OWNER**

**West Shore Services, Inc.**

Jefferey J. DuPilka, President

November 9, 2016

**WHEREAS**, on August 26, 2015, City Council authorized a six-year service contract, for preventive maintenance and repair services for the City's outdoor warning siren system by Resolution No. 15-1521;

**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 West Shore Services, Inc. (VS0000052434) for preventive maintenance and repair services for the City's outdoor warning siren system for a term of six years in an amount not to exceed \$567,368.00, 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 West Shore Services, Inc. shall be based only on the amount of the services directed to be performed by the City and properly performed by West Shore Services, Inc. under the contract.

**Section 2.** That the Chief Financial Officer is hereby authorized to disburse funds in an amount not to exceed \$567,368.00 (subject to annual appropriations) from Service Contract number MASCMGTFY2017SIRENCT.

**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.

## **BUSINESS INCLUSION AND DEVELOPMENT PLAN SUMMARY**

**PROJECT:** Authorize a six-year service contract for preventive maintenance and repair services for the City's outdoor warning siren system - West Shore Services, Inc., most advantageous proposer of two - Not to exceed \$567,368 - Financing: Current Funds (subject to annual appropriations)

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

**PROJECT CATEGORY:** Other Services

### LOCAL/NON-LOCAL CONTRACT SUMMARY

|                           | <u>Amount</u>       | <u>Percent</u> |
|---------------------------|---------------------|----------------|
| Total local contracts     | \$0.00              | 0.00%          |
| Total non-local contracts | \$567,368.00        | 100.00%        |
| <b>TOTAL CONTRACT</b>     | <b>\$567,368.00</b> | <b>100.00%</b> |

### 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 &amp; 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%          |

## AGENDA ITEM # 7

|                             |   |
|-----------------------------|---|
| <b>KEY FOCUS AREA:</b>      | E-Gov   |
| <b>AGENDA DATE:</b>         | November 9, 2016  |
| <b>COUNCIL DISTRICT(S):</b> | All   |
| <b>DEPARTMENT:</b>          | Business Development & Procurement Services<br>Communication and Information Services |
| <b>CMO:</b>                 | Elizabeth Reich, 670-7804<br>Mark McDaniel, 670-3256                                  |
| <b>MAPSCO:</b>              | N/A   |

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### SUBJECT

Authorize a three-year subscription and maintenance contract for a business information and process automation management system - Salesforce distributed by Carahsoft Technology Corporation, through the Department of Information Resources - Not to exceed \$5,024,646 - Financing: Current Funds (subject to annual appropriations)

### BACKGROUND

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

This contract will allow for access and use of business information and process automation management system to include all maintenance and support. This system is currently being utilized in a few departments. Through this contract the system will be expanded to modernize City processes that are currently not automated and are managed manually. Some of the business processes that will benefit from this system include:

- Citywide Contract Management
- Citywide Audit Implementation Tracking
- Solicitation Process Management
- Internal Controls Process Management
- HIPPA Workflow and Compliance
- IT Governance
- ISO and OHSAS Compliance Management

**BACKGROUND (Continued)**

The system is flexible and scalable to grow and size the solution to fit the business needs of the City. Services, under this contract also include but may not be limited to the configuration of the software, development of interfaces, support services related to the deployment of the software solution, and end user training. Additionally, the City will acquire technical support services for software related issues or changes.

This service contract will allow for the purchase of up to approximately 1,100 licenses over the term of the contract. The contract also includes professional services for configuration and deployment of the software, development of interfaces, and end user training. Additionally, the system is available on desktop and mobile devices.

The Department of Information Resources conforms to the requirements of Texas Statutes that are applicable for competitive bids and proposals, in accordance with the Interlocal Cooperation Act, Chapter 791, Texas Government Code. In addition, the Department of Information Resources receives bids from manufacturers and dealers throughout the United States.

**PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)**

Information about this item will be provided to the Budget, Finance and Audit Committee on November 7, 2016.

**FISCAL INFORMATION**

\$5,024,645.23 - Current Funds (subject to annual appropriations)

**ETHNIC COMPOSITION**

Carahsoft Technology Corporation

|               |     |                 |     |
|---------------|-----|-----------------|-----|
| White Male    | 259 | White Female    | 218 |
| Black Male    | 13  | Black Female    | 10  |
| Hispanic Male | 9   | Hispanic Female | 12  |
| Other Male    | 14  | Other Female    | 23  |

**OWNER**

**Carahsoft Technology Corporation**

Craig P. Abod, President  
Robert Moore, Vice President

November 9, 2016

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

**Section 1.** That the City Manager is hereby authorized to execute a subscription and maintenance contract for Salesforce that is distributed by Carahsoft Technology Corporation (VS0000009713) through the Department of Information Resources for a business information and process automation management system for a term of three years in an amount not to exceed \$5,024,645.23, 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 Carahsoft Technology Corporation shall be based only on the amount of the services directed to be performed by the City and properly performed by Carahsoft Technology Corporation under the contract.

**Section 2.** That the Chief Financial Officer is hereby authorized to disburse funds in an amount not to exceed \$5,024,645.23 (subject to annual appropriations) from Service Contract number MASCDV19SFORCE.

**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.

## AGENDA ITEM # 8

|                             |  |
|-----------------------------|--|
| <b>KEY FOCUS AREA:</b>      | Clean, Healthy Environment   |
| <b>AGENDA DATE:</b>         | November 9, 2016   |
| <b>COUNCIL DISTRICT(S):</b> | All  |
| <b>DEPARTMENT:</b>          | Business Development & Procurement Services<br>Equipment & Building Services |
| <b>CMO:</b>                 | Elizabeth Reich, 670-7804<br>Jill A. Jordan, P.E., 670-5299                  |
| <b>MAPSCO:</b>              | N/A  |

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### SUBJECT

Authorize a five-year concession contract, with two two-year renewal options, for the operation of snack vending machines at City facilities - Compass Group USA, Inc., only responsive proposer of two - Estimated Annual Average Net Revenue: \$13,260

### BACKGROUND

This concession contract will provide for the operation of snack vending machines at City facilities. This contract will consolidate the management, servicing and accounting for snack machine sales on City properties. There are approximately 130 snack vending machines in approximately 95 locations currently in City buildings, parks, recreation centers and other City owned occupied properties.

This award will grant the rights to the highest ranked proposer to provide snack and ice cream vending machines to include a minimum of 75% of items meeting the City's healthy snack vending criteria in year one, at a revenue of 11% to the City and 100% of the items in year two and onward at a revenue of 10% to the City. Snack vending options will include items such as baked snacks, nuts, popcorn, fruit cups and protein bars. Ice cream vending machines will contain options such as fruit bars and low calorie, no sugar added ice creams. Ice cream vending will be provided at recreation centers and other facilities per request.



## **BACKGROUND (Continued)**

The specific mix of products offered in each vending machine shall meet the following standards (excludes nuts, seeds, whole/dried fruit, cheeses and yogurts):

- less than 200 calories per serving size
- less than 35% of calories from total fat
- 0 grams of trans fat
- less than 10% of calories from saturated fat
- less than 35% of calories from sugars
- less than 250 mg of sodium
- Fried snacks not allowed

A six member committee from the following departments reviewed and evaluated the proposals:

- Convention and Event Services (1)
- Office of Cultural Affairs (1)
- Library (1)
- Equipment and Building Services (1)
- Park & Recreation (1)
- Business Development and Procurement Services (1)\*

\*Business Development and Procurement Services only evaluated the fee structure.

The successful proposer was selected by the committee on the basis of demonstrated competence and qualifications under the following criteria:

- Financial terms 60%
- Proposed healthy options and pricing 15%
- Operational plan 15%
- Educational and marketing plan 10%

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 534 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, BDPS' ResourceLINK Team (RLT) sent notifications to 25 chambers of commerce, the DFW Minority Business Council and the Women's Business Council – Southwest, to ensure maximum vendor outreach.

**BACKGROUND (Continued)**

The recommended vendor meets the wage floor rate of \$10.37 approved by City Council on November 10, 2015, by Resolution No. 15-2141.

**PRIOR ACTION / REVIEW (COUNCIL, BOARDS, COMMISSIONS)**

On January 25, 2012, City Council authorized a three-year concession contract for the operation of snack vending machines at City facilities by Resolution No. 12-0271.

On December 7, 2015, the Budget, Finance and Audit Committee was briefed and approved the evaluation criteria and revised healthier options language for this solicitation.

Information about this item will be briefed to the Budget, Finance and Audit Committee on November 7, 2016.

**FISCAL INFORMATION**

\$13,260.00 - Estimated Annual Average Net Revenue

**M/WBE INFORMATION**

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

534 - 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**

Compass Group USA, Inc.

|               |        |                 |        |
|---------------|--------|-----------------|--------|
| White Male    | 24,403 | White Female    | 36,056 |
| Black Male    | 14,694 | Black Female    | 20,610 |
| Hispanic Male | 13,063 | Hispanic Female | 13,715 |
| Other Male    | 0      | Other Female    | 0      |

## **PROPOSAL INFORMATION**

Business Development and Procurement Services received the following bids from solicitation number BTZ1601. We opened them on February 12, 2016. We recommend the City Council award this service contract in its entirety to the lowest responsive and responsible bidder.

\*Denotes successful proposer

| <b><u>Proposers</u></b>                     | <b><u>Address</u></b>                           | <b><u>Score</u></b> |
|---|---|---------------------|
| *Compass Group USA, Inc.                    | 4301 Beltwood Parkway North<br>Dallas, TX 75244 | 97.60%              |
| Onyei Enterprise, LLC<br>dba DeSoto Vending | 3110 East Ledbetter<br>Dallas, TX 75216         | Non-responsive**    |

\*\*Onyei Enterprise, LLC dba DeSoto Vending was deemed non-responsive due to not meeting specifications.

**Note:** A single bid review process has been conducted by Business Development and Procurement Services and no exceptions have been found.

## **OWNER**

### **Compass Group USA, Inc.**

Adrian Meredith, President  
Charles Palmer Brown, Vice President  
Jennifer McConnell, Secretary  
Daniel Thomas, Treasurer

November 9, 2016

**WHEREAS**, on January 25, 2012, City Council authorized a three-year concession contract for the operation of snack vending machines at City facilities by Resolution No. 12-0271;

**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 concession contract with Compass Group USA, Inc. (VC0000011522) for the operation of snack vending machines at City facilities for a term of five-years, with two two-year renewal options, for an estimated annual average net revenue amount of \$13,260.00, upon approval as to form by the City Attorney.

**Section 2.** That the Chief Financial Officer is hereby authorized to receive and deposit all revenues received from Compass Group USA, Inc. as follows:

| <u>Fund</u> | <u>Dept</u> | <u>Unit</u> | <u>Revenue Source</u> | <u>Amount</u> |
|-------------|-------------|-------------|-----------------------|---------------|
| 0001        | BMS         | 1991        | 7263                  | \$13,260.00   |

**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.

## AGENDA ITEM # 10

**KEY FOCUS AREA:** E-Gov

**AGENDA DATE:** November 9, 2016

**COUNCIL DISTRICT(S):** All

**DEPARTMENT:** Business Development & Procurement Services  
Trinity Watershed Management  
Water Utilities

**CMO:** Elizabeth Reich, 670-7804  
Mark McDaniel, 670-3256

**MAPSCO:** N/A

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### SUBJECT

Authorize a three-year master agreement for lead free brass fittings and accessories - Fortiline, Inc. in the amount of \$933,900, Mueller Co., LLC in the amount of \$623,500, ACT Pipe & Supply, Inc. in the amount of \$223,300, 4-Star Hose & Supply, Inc. in the amount of \$29,500, and Winston Water Cooler, LTD in the amount of \$1,800, lowest responsible bidders of five - Total not to exceed \$1,812,000 - Financing: Current Funds (\$48,750), Stormwater Drainage Management Current Funds (\$67,750), and Water Utilities Current Funds (\$1,695,500)

### 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 allow for the purchase of lead free brass fittings and accessories. The City will be able to continue to purchase various types and sizes of brass fittings for general service, water main repairs, and new installations. The City performs approximately 750 water main repairs, 1,100 general service repairs, and 1,050 new installations annually.

The State and Environmental Protection Agency (EPA) regulations requires the fittings to be certified by the National Sanitation Foundation due to placement of the fittings purchased under this agreement within the water distribution system.

This solicitation was structured in a manner which required bidders to submit a percentage discount/markup from manufacturer catalog. This bid resulted in an average discount of 51.78% compared to an average discount of 55.40% received in 2013.

## **BACKGROUND (Continued)**

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 313 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, BDPS' ResourceLINK Team (RLT) sent notifications 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 two-year master agreement for the purchase of brass fittings by Resolution No. 12-1612.

On October 23, 2013, City Council authorized a three-year master agreement for the purchase of brass fittings by Resolution No. 13-1820.

Information about this item will be provided to the Budget, Finance and Audit Committee on November 7, 2016.

## **FISCAL INFORMATION**

\$ 48,750.00 - Current Funds

\$ 67,750.00 - Stormwater Drainage Management Current Funds

\$1,695,500.00 - Water Utilities Current Funds

## **M/WBE INFORMATION**

57 - Vendors contacted

57 - No response

0 - Response (Bid)

0 - Response (No bid)

0 - Successful

313 - 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**

### **Fortiline, Inc.**

|               |     |                 |    |
|---------------|-----|-----------------|----|
| White Male    | 272 | White Female    | 31 |
| Black Male    | 33  | Black Female    | 3  |
| Hispanic Male | 6   | Hispanic Female | 0  |
| Other Male    | 10  | Other Female    | 0  |

### **Mueller Co., LLC**

|               |     |                 |    |
|---------------|-----|-----------------|----|
| White Male    | 391 | White Female    | 37 |
| Black Male    | 64  | Black Female    | 7  |
| Hispanic Male | 1   | Hispanic Female | 0  |
| Other Male    | 5   | Other Female    | 1  |

### **ACT Pipe & Supply, Inc.**

|               |   |                 |   |
|---------------|---|-----------------|---|
| White Male    | 9 | White Female    | 3 |
| Black Male    | 1 | Black Female    | 0 |
| Hispanic Male | 2 | Hispanic Female | 0 |
| Other Male    | 0 | Other Female    | 0 |

### **4-Star Hose & Supply, Inc.**

|               |    |                 |   |
|---------------|----|-----------------|---|
| White Male    | 29 | White Female    | 4 |
| Black Male    | 6  | Black Female    | 0 |
| Hispanic Male | 10 | Hispanic Female | 0 |
| Other Male    | 2  | Other Female    | 0 |

### **Winston Water Cooler, LTD**

|               |    |                 |   |
|---------------|----|-----------------|---|
| White Male    | 24 | White Female    | 8 |
| Black Male    | 3  | Black Female    | 0 |
| Hispanic Male | 11 | Hispanic Female | 0 |
| Other Male    | 0  | Other Female    | 0 |

## **BID INFORMATION**

Business Development and Procurement Services received the following bids from solicitation number BM1612. We opened them on July 15, 2016. We recommend the City Council award this master agreement to the lowest responsive and responsible bidders by line. Information related to this solicitation is available upon request.

**BID INFORMATION (Continued)**

\*Denotes successful bidders

| <b><u>Bidders</u></b>          | <b><u>Address</u></b>                           | <b><u>Amount</u></b> |
|--------------------------------|---|----------------------|
| *Fortiline, Inc.               | 11200 Seagoville Rd.<br>Balch Springs, TX 75100 | Multiple Lines       |
| *Mueller Co., LLC              | 500 W. Eldorado St.<br>Decatur, IL 62525        | Multiple Lines       |
| *ACT Pipe & Supply, Inc.       | 1888 W. Northwest Hwy.<br>Dallas, TX 75220      | Multiple Lines       |
| *4-Star Hose & Supply,<br>Inc. | 10704 Composite Dr.<br>Dallas, TX 75220         | Multiple Lines       |
| *Winston Water Cooler, LTD     | 6626 Oakbrook Blvd.<br>Dallas, TX 75235         | Multiple Lines       |

**OWNERS**

**Fortiline, Inc.**

Tim Tysinger, President  
James Cagle, Vice President  
Jason Painter, Secretary

**Mueller Co., LLC**

Greg Rogowski, President  
Mike Williams, Vice President  
Chad Mize, Treasurer

**ACT Pipe & Supply, Inc.**

Andy Zizinia, President  
Steve Haas Sr., Vice President  
Mary Gagnow, Secretary  
Harry Kirk, Treasurer



**OWNERS (Continued)**

**4-Star Hose & Supply, Inc.**

Keith Culhane, President  
Brent Culhane, Vice President

**Winston Water Cooler, LTD**

Jane Butter, President

## **BUSINESS INCLUSION AND DEVELOPMENT PLAN SUMMARY**

**PROJECT:** Authorize a three-year master agreement for lead free brass fittings and accessories - Fortiline, Inc. in the amount of \$933,900, Mueller Co., LLC in the amount of \$623,500, ACT Pipe & Supply, Inc. in the amount of \$223,300, 4-Star Hose & Supply, Inc. in the amount of \$29,500, and Winston Water Cooler, LTD in the amount of \$1,800, lowest responsible bidders of five - Total not to exceed \$1,812,000 - Financing: Current Funds (\$48,750), Stormwater Drainage Management Current Funds (\$67,750), and Water Utilities Current Funds (\$1,695,500)

Mueller Co., LLC is a non-local, non-minority firm, has signed the "Business Inclusion & Development" documentation, and proposes to use their own workforce. ACT Pipe & Supply, Inc., 4-Star Hose & Supply, Inc., Winston Water Cooler, LTD and Fortiline, Inc. are 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     | \$1,188,500.00        | 65.59%         |
| Total non-local contracts | \$623,500.00          | 34.41%         |
| <b>TOTAL CONTRACT</b>     | <b>\$1,812,000.00</b> | <b>100.00%</b> |

### 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 &amp; 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%          |
| <b>Total</b>      | <b>\$0.00</b> | <b>0.00%</b>   | <b>\$0.00</b>                | <b>0.00%</b>   |

November 9, 2016

**WHEREAS**, on June 27, 2012, City Council authorized a two-year master agreement for the purchase of brass fittings by Resolution No. 12-1612, and,

**WHEREAS**, on October 23, 2013, City Council authorized a three-year master agreement for the purchase of brass fittings by Resolution No. 13-1820;

**NOW, THEREFORE,**

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

**Section 1.** That a master agreement for the purchase of lead free brass fittings and accessories is authorized with Fortiline, Inc. (VS0000073028) in the amount of \$933,900.00, Mueller Co., LLC (VS0000021750) in the amount of \$623,500.00, ACT Pipe & Supply, Inc. (358157) in the amount of \$223,300.00, 4-Star Hose & Supply, Inc. (161103) in the amount of \$29,500.00, and Winston Water Cooler, LTD (500437) in the amount of \$1,800.00, for a term of three years in a total amount not to exceed \$1,812,000.00.

**Section 2.** That the Purchasing Agent is authorized, upon appropriate request and documented need by a user department, to issue a purchase order for lead free brass fittings and accessories. If a written contract is required or requested for any or all purchases of lead free brass fittings and accessories 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 \$1,812,000.00 from Master Agreement number BM1612.

**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:** November 9, 2016  
**COUNCIL DISTRICT(S):** 2  
**DEPARTMENT:** Office of Emergency Management  
**CMO:** Eric Campbell, 670-3255  
**MAPSCO:** 47J

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**SUBJECT**

Authorize an Interlocal Agreement with the North Central Texas Council of Governments for use of the Dallas Fire-Rescue Training Facility located at 5000 Dolphin Road, Dallas, TX 75223 as a host site for the 2016 North Central Texas Full Scale Exercise (“Big X”) - Financing: No cost consideration to the City

**BACKGROUND**

This item is being submitted on the Council addendum due to finalization of the Site Host Agreement and the exercise date being before the next available council agenda date.

**North Central Texas Regional Exercise Goals**

The North Central Texas Regional Full-Scale Exercise (Big X) is a comprehensive multi-discipline, multi-jurisdictional full-scale regional exercise. The overarching goal for this exercise would be to increase proficiency levels in identified core capabilities and enhance regional response to large-scale incidents. The Big X exercise is intended to:

- Enhance the skills and abilities of regional first responders, as well as those responsible for coordinating and managing large-scale events
- Assess the region’s ability to successfully respond to and manage multiple terrorist events and other emergencies occurring simultaneously throughout the region
- Provide the NCTCOG Region with critical gap analysis information by identifying the existing level of preparedness and capabilities and comparing that information to related desired levels
- Conclude with the creation of a comprehensive After Action Report and Improvement Plan (AAR-IP) that provides an accurate assessment of involved functions and preparedness program area

## **BACKGROUND** (Continued)

### HOST's Obligations:

During the Term of this Agreement, the HOST agrees to provide an exercise site located at 5000 Dolphin Road on November 11-13, 2016. The HOST agrees to provide a facility with:

- An isolated area inaccessible to the public during the exercise
- Adequate parking for 15 – 20 vehicles
- Participant brief and debrief area indoors or under adequate shelter
- Scenario area outside of public view
- Tables and chairs for 15 – 20 people
- Electricity
- Lighting
- Restroom facilities
- Accessible to exercise participants and observers
- 10 – 15 personnel on site to execute and continue exercise operations throughout the duration of the Big X. with personnel expenses borne by the HOST
- There is no funding available for reimbursements, backfill, or overtime. The Big X Exercise Planning Team will assist with resource requests and site-specific logistics purchasing before the exercise as grant guidance, funding limitations, and circumstances allow
- If necessary, enforce safety procedures, provided by the Big X Exercise Planning Team, as outlined in the Big X Safety Plan
- Provide a primary point of contact to coordinate with NCTCOG and The Olson Group, LTD. (the vendor designing and conducting the exercise)
- Provide the name, agency, job title, phone number, and e-mail address for all people who need access to the site during the exercise

### NCTCOG's Obligations:

During the Term of this Agreement, NCTCOG agrees to the following:

- Foster coordination with Olson Group Exercise Support Team (EST)
- Provide the site host with the Big X Safety Plan
- Coordinate with The Big X Planning Team to assist in the planning and development of the exercise site requirements, and ensuring the exercise site HOST receives a copy of the Big X Safety Plan
- Provide HOST with plan to prevent damage to HOST property during the event
- Provide a primary point of contact to coordinate with HOST

**PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)**

Information about this item will be provided to the Budget, Finance & Audit Committee on November 7, 2016.

**FISCAL INFORMATION**

No cost consideration to the City

November 9, 2016

**WHEREAS**, the health, safety and welfare of citizens in North Central Texas is threatened by a variety of natural and technological hazards including terrorism; and,

**WHEREAS**, NCTCOG and The Olson Group, LTD. have designed a regional full-scale multi-disciplinary/multi-jurisdictional exercise as recommended by the Emergency Preparedness Planning Council; and,

**WHEREAS**, the proposed regional full-scale exercise is intended to assess the North Central Texas Regions' ability to successfully respond to and manage multiple terrorist events and other emergencies occurring simultaneously throughout the region; and,

**WHEREAS**, a multi-layered regional full-scale exercise will enhance the skills and abilities of regional first responders as well as those responsible for coordinating and managing large-scale events; and

**WHEREAS**, the City of Dallas is a municipality and wishes to host an exercise site.

**NOW, THEREFORE,**

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

**Section 1.** That the City Manager is hereby authorized to execute an Interlocal agreement with the North Central Texas Council of Governments for use of the Dallas-Fire Rescue Training Facility located at 5000 Dolphin Road, Dallas, TX 75223, as a host site for the 2016 North Central Texas Full Scale Exercise ("Big X").

**Section 2.** 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:** November 9, 2016

**COUNCIL DISTRICT(S):** All

**DEPARTMENT:** Business Development & Procurement Services  
Police

**CMO:** Elizabeth Reich, 670-7804  
Eric Campbell, 670-3255

**MAPSCO:** N/A

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**SUBJECT**

**Parking Collections Contract**

- \* Authorize Supplemental Agreement No. 10 to extend the service contract with Xerox State and Local Solutions, Inc. for services related to citation payments and delinquent collections, from September 15, 2016 through December 15, 2016 – Estimated Revenue: \$618,555
- \* Authorize **(1)** a five-year service contract, with a one-year renewal option, for the collection of delinquent parking citations - Xerox State and Local Solutions, Inc., most advantageous proposer of five - Estimated Annual Revenue: \$813,960; and **(2)** payment for services related to automated license plate reader hosting, on-site service and wireless connectivity – Not to exceed \$100,000 – Financing: Current Funds (subject to annual appropriations)

**BACKGROUND**

This item is on the addendum in order to allow for services to continue under the current contract.

Supplemental Agreement No. 10 will provide for continuous citation payments and delinquent collections during the transition period between service contracts. This extension will allow customers to make payments by walk-in, mail, payment by phone, payment by web, and setup payment plans. A vendor fee schedule by method of payment was negotiated with the City to continue providing numerous payment options for our customers.



**BACKGROUND (Continued)**

On June 15, 2016, the City Council awarded seven of eight components of the City’s parking system. The delinquent collections service System component is the final of eight parking services components in the City’s Parking System.

This service contract for the delinquent collections component of the City’s parking system will provide for the collection and processing of fines and fees associated with parking violations enforced within the City limits. Cases which are unresolved and become delinquent are assigned to a private vendor for collection. This service contract will enable the continued timely collection of delinquent amounts for parking violations.

In FY 2015-16, approximately \$793,902 in revenue was generated by the collection of delinquent accounts. The awarded vendor will warranty at least a 15% minimum collection rate for all delinquent parking citations assigned for collections.

If the owner of a vehicle has three or more unpaid parking tickets in a year, their vehicle becomes boot eligible. Parking Enforcement has a sport utility vehicle that is used to apply parking boots to vehicles. This vehicle is equipped with an automated license plate reader that is used to identify these boot eligible vehicles while on-street. This contract will provide hosting, on-site, and wireless connectivity services for the operation of this vehicle.

Per state law the private collections vendor, Xerox State and Local Solutions, Inc., will receive a 30% add-on commission which is paid by the defendant on cases originating on or after June 18, 2003. No commission will be paid on cases preceding that date, in accordance with current interpretation of state law. Xerox State and Local Solutions, Inc. proposal brings the highest net revenue to the City of the four vendors submitting proposals.

An eight member committee from the following departments reviewed and evaluated the proposals:

- Police (1)
- Office of Financial Services (1)
- Office of Economic Development (1)
- Communication and Information Services (1)
- Planning and Urban Design (1)
- Mobility and Street Services (1)
- Business Development and Procurement Services (2)\*

\*Business Development and Procurement Services only evaluated the Business Inclusion and Development Plan and revenue.

**BACKGROUND (Continued)**

The successful proposer was selected by the committee on the basis of demonstrated competence and qualifications under the following criteria:

- Approach 30 Points
- Revenue 30 Points
- Value added services 20 Points
- Business Inclusion and Development Plan 15 Points
- Qualifications 5 Points

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 946 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, BDPS' ResourceLINK Team (RLT) sent notifications to 25 chambers of commerce, the DFW Minority Business Council and the Women's Business Council - Southwest, to ensure maximum vendor outreach.

The recommended vendor meets the wage floor rate of \$10.37 approved by City Council on November 10, 2015, by Resolution No. 15-2141.

**PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)**

On April 27, 2005, City Council authorized a sixty-month professional services contract, with one sixty-month renewal option, for meter operation and parking management information system by Resolution No. 05-1331.

On April 26, 2006, City Council authorized Supplemental Agreement No. 1 to the professional services contract with ACS State and Local Solutions, Inc., for the provision of license recognition equipment and maintenance, staff and equipment for an auto pound payment station, and reimbursement to the City for two Boot Officers by Resolution No. 06-1220.

On May 12, 2010, City Council authorized the renewal option to the contract with ACS State and Local Solutions, Inc. for a five-year period for services related to meter operations and a parking management information system for the period June 1, 2010 through May 31, 2015, by Resolution No. 10-1257.

On September 26, 2012, City Council authorized to amend the contract with ACS State and Local Solutions, Inc., to provide for pay-by-phone or wireless application services for all metered parking spaces in the City by Resolution No. 12-2426.

**PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS) (Continued)**

On March 25, 2015, City Council authorized Supplemental Agreement No. 7, to exercise the option of a one-year renewal to the contract with Xerox State and Local Solutions, Inc. (formerly ACS State and Local Solutions, Inc.) for services related to meter operations and a parking management information system for the period May 2, 2015 through May 1, 2016, by Resolution No. 15-0549.

On April 27, 2016, City Council authorized Supplemental Agreement No. 8 to the contract with Xerox State and Local Solutions, Inc. (formerly ACS State and Local Solutions, Inc.) to extend the contract term from May 2, 2016 through August 2, 2016 for services related to meter operations and a parking management information system by Resolution No. 16-0689.

Information about this item was briefed by memorandum to the Public Safety Committee on May 23, 2016.

On May 25, 2016, this item was deferred by Councilmember Adam McGough.

On June 15, 2016, City Council authorized a service contract with SP Plus Corporation, Xerox State and Local Solutions, Inc., Ace Parking III, LLC and ParkMe, Inc. for parking services for a term of five years, with a one-year renewal option by Resolution No. 16-1007.

On June 22, 2016, City Council authorized Supplemental Agreement No. 9 to the contract with Xerox State and Local Solutions, Inc. (formerly ACS State and Local Solutions, Inc.) to extend the contract term from August 3, 2016 through September 14, 2016 for services related to meter operations and a parking management information system by Resolution No. 16-1130.

Information about this item will be provided to the Budget, Finance and Audit Committee on November 7, 2016.

**FISCAL INFORMATION**

\$1,432,515.00 - Estimated Annual Revenue

**M/WBE INFORMATION**

- 199 - Vendors contacted
- 199 - No response
  - 0 - Response (Bid)
  - 0 - Response (No Bid)
  - 0 - Successful

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

**M/WBE INFORMATION (Continued)**

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**

Xerox State and Local Solutions, Inc.

|               |     |                 |     |
|---------------|-----|-----------------|-----|
| White Male    | 940 | White Female    | 901 |
| Black Male    | 279 | Black Female    | 759 |
| Hispanic Male | 269 | Hispanic Female | 684 |
| Other Male    | 237 | Other Female    | 204 |

**PROPOSAL INFORMATION**

Business Development and Procurement Services received the following proposals from solicitation number BKZ1521A. We opened them on October 30, 2015. We recommend the City Council award this service contract in its entirety to the most advantageous proposer by group. On June 15, 2016, the City Council awarded seven of eight components of the City’s parking system.

\*Denotes successful proposer

| <b><u>Proposers</u></b>                | <b><u>Address</u></b>                                      | <b><u>Score</u></b> | <b><u>Collection Warranty</u></b> |
|--|--|---------------------|-----------------------------------|
| *Xerox State and Local Solutions, Inc. | 1860 Willow Oaks Corporate Dr.<br>Fairfax, VA 22031        | 73.50%              | 15.0%                             |
| SP Plus Corporation                    | 1700 Pacific Ave.<br>Suite 1840<br>Dallas, TX 75201        | 64.17%              | 11.0%                             |
| Professional Account Management, LLC   | 633 W. Wisconsin Ave.<br>Suite 1600<br>Milwaukee, WI 53203 | 64.07%              | 10.7%                             |
| Data Ticket, Inc.                      | 4600 Campus Dr.<br>Suite 200<br>Newport Beach, CA 92660    | 37.83%              | 4.0%                              |
| Inet, Inc.                             | P.O. Box 60309<br>San Diego, CA 92106                      | Non-responsive**    |                                   |

\*\*Inet, Inc. was deemed non-responsive due to not meeting specifications.

**OWNER**

**Xerox State and Local Solutions, Inc.**

David A. Amoriell, President

Michael M. Davis, Vice President

November 9, 2016

**WHEREAS**, on April 27, 2005, City Council authorized a sixty-month professional services contract, with one sixty-month renewal option, for the meter operation and parking management information system by Resolution No. 05-1331; and,

**WHEREAS**, on April 26, 2006, City Council authorized Supplemental Agreement No.1 to the professional services contract with ACS State and Local Solutions, Inc., for the provision of license recognition equipment and maintenance, staff and equipment for an auto pound payment station, and reimbursement to the City for two Boot Officers by Resolution No. 06-1220; and,

**WHEREAS**, on April 12, 2007, Administrative Action No. 07-1107 authorized Supplemental Agreement No. 2 to the contract with ACS State and Local Solutions, Inc., to provide for the ability to adjust the revenue guarantee scale and alter the minimum guarantee; and,

**WHEREAS**, on May 12, 2010, City Council authorized the renewal option to the contract with ACS State and Local Solutions, Inc. for a five-year period for services related to meter operations and a parking management information system for the period June 1, 2010 through May 31, 2015, by Resolution No. 10-1257; and,

**WHEREAS**, on September 26, 2012, City Council authorized an amendment to the contract with ACS State and Local Solutions, Inc., to provide for pay-by-phone or wireless application services for all metered parking spaces in the City by Resolution No. 12-2426; and,

**WHEREAS**, on November 20, 2012, Administrative Action No. 12-2862 authorized Supplemental Agreement No. 5, to the contract with Xerox State and Local Solutions, Inc., to provide for the purchase of 10 multi-space meters and related items; and,

**WHEREAS**, on June 10, 2014, Administrative Action No. 14-6037 authorized Supplemental Agreement No. 6, with Xerox State and Local Solutions, Inc., to provide for meter operations and parking system management of the Dallas Parking Technology Pilot; and,

**WHEREAS**, on March 25, 2015, City Council authorized Supplemental Agreement No. 7 to exercise the option of a one-year renewal to the contract with Xerox State and Local Solutions, Inc. (formerly ACS State and Local Solutions, Inc.) for services related to meter operations and a parking management information system for the period May 2, 2015 through May 1, 2016, by Resolution No. 15-0549; and,

**WHEREAS**, on April 27, 2016, City Council authorized Supplemental Agreement No. 8 to the contract with Xerox State and Local Solutions, Inc. (formerly ACS State and Local Solutions, Inc.) to extend the contract term from May 2, 2016 through August 2, 2016 for services related to meter operations and a parking management information system by Resolution No. 16-0689; and,

November 9, 2016

**WHEREAS**, on June 15, 2016, City Council authorized a service contract with SP Plus Corporation, Xerox State and Local Solutions, Inc., Ace Parking III, LLC and ParkMe, Inc. for parking services for a term of five years, with a one-year renewal option by Resolution No. 16-1007; and,

**WHEREAS**, on June 22, 2016, City Council authorized Supplemental Agreement No. 9 to the contract with Xerox State and Local Solutions, Inc. (formerly ACS State and Local Solutions, Inc.) to extend the contract term from August 3, 2016 through September 14, 2016 for services related to meter operations and a parking management information system by Resolution No. 16-1130;

**NOW, THEREFORE,**

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

**Section 1.** That the City Manager is authorized to execute Supplemental Agreement No. 10 to the contract with Xerox State and Local Solutions, Inc. to extend the contract term from September 15, 2016 through December 15, 2016 for services related to citation payments and delinquent collections, estimated revenue amount of \$618,555.00, 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 Xerox State and Local Solutions, Inc. shall be based only on the amount of the services directed to be performed by the City and properly performed by Xerox State and Local Solutions, Inc. under the contract.

**Section 2.** That the Chief Financial Officer is hereby authorized to pay Xerox State and Local Solutions, Inc. \$3 per transaction for credit card payments, \$1 per transaction for non-credit card payments, and \$1.50 per transaction for payment plans in an amount not to exceed \$150,000 from gross revenues collected for program expenses related to collection related services.

**Section 3.** That the Chief Financial Officer is hereby authorized to deposit revenues into Fund 0001, Dept. DPD, Unit 2109, Revenue Sources 8007 and 8530.

**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.