



City of San Marcos

Meeting Minutes City Council

Tuesday, March 2, 2021

3:00 PM

Virtual Meeting

This meeting was held using conferencing software due to COVID-19 rules.

I. Call To Order

With a quorum present, the work session of the San Marcos City Council was called to order by Mayor Hughson at 3:02 p.m. Tuesday, March 2, 2021. The meeting was held online.

II. Roll Call

Present: 7 - Mayor Pro Tem Melissa Derrick, Mayor Jane Hughson, Council Member Maxfield Baker, Council Member Saul Gonzales, Deputy Mayor Pro Tem Shane Scott, Council Member Alyssa Garza and Council Member Mark Gleason

PRESENTATIONS

1. Receive a presentation from Staff regarding the City's Large Contracts and annual renewals; and provide direction to Staff.

Bert Lumbreras, City Manager provided an introduction into the presentation regarding the large contracts and renewals of the City. He stated there are many procurement guidelines and practices in place to ensure goods and services are purchased in a cost-effective and transparent manner.

He introduced Lynda Williams, Purchasing Manager to provide the presentation.

Ms. Williams explained the objective today is to review the City Contracts/Agreements and discuss the importance of extended terms, to discuss contracts which allow the City to provide our citizens with essential services and which support the City's enterprise and operational needs and to provide recommendations for contract terms to ensure competitive pricing and best value to the City.

Staff will seek direction from Council regarding contract extensions to maintain continuity of operations.

The City currently has over 800 contracts, of these 800 contracts approximately 300 include optional renewal terms, 135 exceed \$50,000, and 40 contracts are \$750,000 and higher. The focus will be primarily on those contracts that are considered high impact/high risk contracts.

Ms. Williams provided information on the benefits to extended term/optional renewal terms, these include:

- Incentive to vendor to lower bid/proposal / competition. We an spread General and Administrative operating costs, overhead, or setup costs over the term of the agreement (for example, set up cost for printing tee shirts or cost for special equipment and implementation of a solid waste disposal contract.)
- Certainty of cost for contract duration (Protection from price increases and volatility)
- Continuity of services
- Builds positive vendor relationships
- Higher discounts for longer terms - Vendors (especially technology) will offer escalating discounts reducing cost over the life of the contract
- Budgets are easier to plan/project each year
- Opportunity to evaluate vendor quality and performance annually
- Mitigates workload capacity of P&C staff to achieve more sustainable levels.

Ms. Williams explained Cooperative Contracts and explained Cooperative Groups can be formed by school districts, state, or federal governments. These cooperative groups form to buy/contract for goods and services in aggregate to obtain lower prices thru open market Bidding/Proposal Processes.

Authorization to use cooperatives is per state and local government code and in our City, the City Council approves each cooperative agreement in advance.

Ms. Williams provided the benefits of Cooperative Agreements, including:

- Buying power of cooperative which is especially important for technology hardware and software
- Better price due to economies of scale (statewide)
- Unique items which are not readily available in smaller quantity
- Multi-term contracts and secure pricing (especially for hardware/software)
- Expediency in obtaining goods/service
- Cost savings in Purchasing and Contract staff resources when comparing shopping cooperatives vs. developing bid documents, issuing/advertising solicitation, evaluating bids, council award/execution.

Ms. Williams stated the various types of contracts, including the following: Interlocal/Cooperative Agreements, Professional Engineering Agreements,

Construction Contracts, Advanced Funding Agreement, Property Acquisitions Agreements, Fund/Grant Reimbursement Agreements, Professional Services Agreements, Standard Services Agreements, Capital Outlay (equipment) Contracts, Finance Agreements (for equipment/capital outlay), Goods / Commodities Contracts, Software Licenses/Subscription Renewals

The primary focus is on High Impact/High Risk Contracts which are for the Public Services/Public Safety and Operational administrative and financial services departments.

Public Services/Public Safety contracts

- **Basic public services (water/electric/sanitation/garbage...)**
- **Public safety services (equipment/software for fire/police...)**
- **Standard maximum terms - no more than 15-years (20 in special circumstances, i.e., water treatment plant operations)**
- **Dependent upon risk assessment, issue new solicitation prior to the end of maximum term for continuity of operations (for example water treatment plant operator)**
- **Or, issue contract through cooperatives, if better value**

Operational administrative and financial services contracts

- **Operational services such as bank depository, phone service, internal audit services.**
- **Enterprise resource planning (ERP) such as financial system, software/hardware, etc.**
- **Standard maximum terms for operational contracts - no more than 10-years**
- **Dependent upon risk assessment, issue new solicitation prior to the end of maximum term for continuity of operations (for example enterprise financial / hr system)**
- **Or, issue contract through cooperatives if better value**

Ms. Williams explained other services contracts which are not Professional Engineering Services or Construction Services, and include: lawn service, irrigation system service, minor improvements, uniform cleaning services, advertisement services, maintenance agreements, pest control, tree trimming, staffing services, etc.

- **Standard contract term is a maximum three (3) to five (5) years**
- **Contracts are assessed annually before renewing term**
- **Issuance of new solicitation will occur at the end of the maximum term, OR sooner if optional renewal is not exercised**
 - **3 months for traditional Invitation for Bid (IFB)**

- Up to 6 months for Request for Proposal (RFP)
- 2-3 months for cooperative contracting

Ms. Williams briefly explained how contract extensions/renewals are handled administratively.

Purchasing and Contract Staff to update the financial system with 6-month contract renewal alerts for contracts \$50,000 and higher

- **P&C to maintain and manage manual tickler system**
- **Department Contract Administrator to maintain method of monitoring contracts**
- **P&C (based on confirmation from Department) will initiate and execute contract extension or terminate contract, if needed**
- **Agenda Request to include extended terms to maintain operations and provide core services**
- **Report to Council quarterly or bi-annually status of contract renewals exceeding \$50k (proposed based on Council Direction)**

The purpose is to continue providing our citizens with core services and maintain municipal operations, many services agreements require extended terms or durations. Authorization for Council approval is requested for extended terms is common and provides staff with ability to monitor and administer optional renewal terms to continue business operations and services. Also noted is that extended durations or optional renewal terms provide the City with continuity of costs and services, builds vendor relationships, and provides a better value to the City.

Deputy Mayor Pro Tem Scott thanked Council for putting this information together. Mr. Lumbreras stated this discussion stemmed from the City's long-standing contracts and helped with the review of the City's process.

Council Member Baker expressed interest in getting notification more than a year in advance on large contracts. Mr. Baker inquired about cooperative agreements and asked if local vendors receiver preference or is always the lowest price point? He would like to ensure local vendors are included and considered in the process. Ms. Williams stated any cooperative agreement can be put out for bid and price is the main factor. If the City goes out for a Request For Proposal (RFP) and it is a weighted criteria system, then proximity council be included if that is the desire of the Council. Ms. Williams stated this is currently not considered in these agreements.

Council discussed the differences in Request for Proposal and Bidding, the

desire to give preference for local vendors/contractors with local employees. City Attorney, Michael Cosentino, and Purchasing Manager, Lynda Williams, clarified state law restrictions and city policy on this topic.

Council provided consensus on the following:

- Not to exceed 15-years before seeking open competition for Public Services/Public Safety Contracts. This could be 20-years in rare instances.
- Not to exceed 10-years before seeking open competition for Enterprise/Finance/HR operational contracts
- Staff will submit approvals of contracts, including optional contract terms to be managed administratively, to Council.
- Staff will submit notification to Council on the last 18-24 months of a 15-20 year contract or notification by way of quarterly reporting
- Staff will provide quarterly reports, to council, of renewal actions
- Council requests staff to do what we can for local vendor preference. Reach out to local vendors and work with local organizations in an effort to create more local vendors.

Notifications will be sent to council and will be placed on a new Forum section.

- Council would like links on the city website next to the application to be a city vendor to cooperative groups so that all potential vendors have the opportunity to be included on the lists of cooperative groups. We will ask our Chamber of Commerce and the Greater San Marcos Partnership to inform local businesses of this opportunity.

2. Receive a Staff Presentation regarding Coronavirus Relief Fund (CRF)/General Fund Criteria and Process, and provide direction to Staff.

Mr. Lumbreras provided an introduction regarding the potential use of General funds made available by the Coronavirus Relief Funds. In February, Council gave direction to allocate 20% for capacity building for local organizations and 80% for crisis funding. Discussion was also held on the process that should be used to select agencies to receive funding. The main goal will be to look at the process and to be ready to move quickly once approval is received for CARES Act funding from the Texas Department of Emergency Management (TDEM) so money can be distributed within the community right away.

Mr. Lumbreras introduced Carol Griffith, Housing and Community Development Manager, to lead the presentation.

Ms. Griffith stated the goal is quick and effective implementation of funds based on previous discussion by Council at their February 2 Work Session

Meeting. The general categories for the estimated \$2M funding include:

- **Comprehensive Homeless Needs Assessment**
- **Capacity Building**
- **Rent/Mortgage/Utilities**
- **Business Support**
- **Crisis Funding**

Staff recommends the 20% (\$400,000) funding for Capacity Building be completed in step. The first step would be up to \$30,000 to include the:

- 1) Comprehensive Assessment of gaps in services and coordination for homeless and others (\$15,000-\$25,000) (Staff would like to explore a partnership with Texas State University)**
- 2) Set aside funding for Homeless Management Information System (HMIS) licenses to assist with the coordination of services. The estimate is \$5,000**

The second step, would occur after comprehensive study is complete, in the \$370,000 would include allocation of funding to close gaps. This could include training, consultants, equipment, etc.

Council Member Baker expressed concerns with setting such a large amount aside for the Comprehensive Needs Assessment. Mr. Baker asked about the license fee for HMIS and how agencies would utilize. Ms. Griffith stated the City would pay for the first year then each agency would be responsible to pay for their own license through HUD.

Mayor Pro Tem Member Derrick would like us to use the Abilene Homeless Needs Study that was completed in an effort to assist our non profits and those that are experiencing homelessness in our community. Ms. Derrick shares the same concerns as Council Member Baker regarding the large expense of the study.

Mayor Hughson asked if the intent is to hold off on providing services until the needs assessment is complete? Ms. Griffith stated the 80% funding is proposed to be spent on immediate needs and we would not have to wait until the assessment is complete to allocate funds.

Council Member Gleason found the Abilene Study informative, but would like to see a needs assessment be completed because our numbers are not exactly the same as Abilene and we have unique situations such as flooding. We need to build up the capacity to handle this for years to come.

Mr. Lumbreras understands the concerns of council regarding the allocation of funds and getting these to individuals in need. The assessment will be helpful in identifying where funds are most needed. A holistic approach will be identified in this assessment and believes it is necessary. Mr. Lumbreras agrees that funding that can be allocated immediately should not be withheld and should be distributed.

Council Member Garza stated that it is critical that a needs assessment be done. San Marcos and Abilene are very different cities with differences in the needs of the community. In terms of long term stability in the community, a long term needs assessment will help organizations like Southside, Home Center, and the Salvation Army obtain grants. She expressed her concern with the high cost of the study and would like to partner with Texas State University.

Council Member Gonzales is okay with the assessment but concerned with high cost.

Council Member Baker stated he reached out to Home Center in advance of this meeting and he agrees with Council Member Garza on the ability of these organizations to obtain grants once a needs assessment is completed.

Deputy Mayor Pro Tem Scott expressed concern with another study and only wants one if it is necessary. He addressed interest in staff identifying needs by talking with organizations involved in the community before we pay for a study. Ms. Griffith stated an assessment would take on this responsibility and provide an outside perspective.

Mayor Pro Tem Derrick asked if the scope of the assessment could be limited to where they talk only to non-profits, the school district, Police and code compliance and not use focus groups because it won't change until we can actually help people. If limited could some staff handle compiling this information and get it to Texas State and then they could work on an assessment.

Council provided consensus to move forward with completing an assessment quickly, control the parameters of the study, use only local information, and focus on actually helping people.

Council would like the HMIS Licensing be funded for two years.

Council provided consensus to move forward with spending the remaining amount (\$370,000) of the capacity building funding as necessary to fill in gaps, this can occur prior to or after the needs assessment is completed.

Ms. Griffith continued the presentation and addressed the criteria for sub-recipients, programs, and beneficiaries. Staff recommends the remaining 80% (\$1,600,000) of funding be utilized for crisis funding.

Ms. Griffith explained Sub-recipients are the agencies that will spend the money. Criteria needs to be in placed for these agencies and this includes the following:

- Track record of producing results**
- Experience evaluating applicant documentation**
- Capability of quick implementation**
- Open to all non-profits, governmental, and faith based programs**
- Scoring is based on experience and program description**
- Additional points for case management**

After brief discussion by Council, consensus is to move forward with the recommended criteria. There was interest in giving some consideration to newer and older non-profits to receive this funding and to accept letters of recommendation to be included. with a limit of three per agency.

Ms. Griffith outlined the recommended program criteria, this includes the following:

- Must have public benefit**
- Low overhead expenses**
- Rent/mortgage payments go only to the landlord/mortgage holder**
- Additional points for specific programs:
child care, internet support, car payments, job training, homelessness prevention**

Mayor Pro Tem Derrick wanted to confirm that the definition of public benefit would include keeping people from experiencing homelessness.

Council Member Baker expressed his interest in supporting programs that fight food insecurity, such as helping people sign up for SNAP benefits.

After discussion by Council, consensus is to move forward with the recommended criteria and to include assistance with food insecurity. Staff will also look at the nuisances of people's living situations.

Ms. Griffith outlined the recommended criteria for recipients, this includes the following:

- **San Marcos resident, including non-citizens**
- **Difficulty must be related to the pandemic**
- **Need based (not first come first served)**
- **People with $\leq 80\%$ of area median income**
- **Businesses - with < 50 employees, a cash infusion would be given and they must be in compliance with Center for Disease Control (CDC) and local health requirements**

Council Member Baker expressed his concern with the area median income and would like to see a smaller number, such as 50%. Mr. Baker also expressed his concern with giving this money to businesses, because many businesses have been provided financial opportunities.

After discussion by Council, consensus was to look at a lower area median income % that utilizes the San Marcos area median income. Staff will look at an income range and bring more firm numbers at the next presentation.

Mayor Pro Tem Derrick suggested we utilize the San Marcos area median income for all San Marcos administered programs moving forward.

Mayor Hughson inquired about residency status within the City Limits. Ms. Griffith stated this must be for city limit, city residents.

Council provided consensus to include businesses as a recipient but only those with 30 or fewer employees. All other recommended criteria presented by Staff was approved by Council.

Ms. Griffith provided the next steps, including:

- **Mid-March: Receive notice of approved amount**
- **April 6 - City Council meeting: Adopt City program and policies and Allocate some funding to sub-recipients**
- **April 30 - Deadline for agency applications for remainder**
- **May 8 - Finalize application review**
- **May 18 - City Council meeting: Allocate to agencies**

EXECUTIVE SESSION

3. Executive Session in accordance with:
 - A. §Sec. 551.071 of the Texas Government Code: Consultation with attorney - to receive

advice of legal counsel regarding the acquisition of property, through eminent domain proceedings if necessary, for the Blanco Riverine Construction Project

B. §Sec. 551.072 of the Texas Government Code: Real Property - to discuss acquisition of property for the Blanco Riverine Construction Project.

C. §Sec. 551.071 of the Texas Government Code: Consultation with attorney - To Seek Advice of Legal Counsel Regarding Pending Litigation to wit: Top of the Hill Partners, LLC. v. City of San Marcos; Cause No. 21-0408; In The 453rd District Court of Hays County, Texas.

A motion was made by Deputy Mayor Pro Tem Scott, seconded by Council Member Baker, to enter into Executive Session at 5:06 p.m. The motion carried by the following vote:

For: 7 - Mayor Pro Tem Derrick, Mayor Hughson, Council Member Baker, Council Member Gonzales, Deputy Mayor Pro Tem Scott, Council Member Garza and Council Member Gleason

Against: 0

III. Adjournment.

A motion was made by Deputy Mayor Pro Tem Scott, seconded by Mayor Pro Tem Derrick, to adjourn the work session of the City Council at 5:22 p.m. The motion carried by the following vote:

For: 6 - Mayor Pro Tem Derrick, Mayor Hughson, Council Member Baker, Deputy Mayor Pro Tem Scott, Council Member Garza and Council Member Gleason

Against: 1 - Council Member Gonzales

Tammy K. Cook, Interim City Clerk

Jane Hughson, Mayor