

Memorandum

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CITY SECRETARY
DALLAS, TEXAS



DATE August 1, 2014

TO Members of the Budget, Finance & Audit Committee:
Jennifer S. Gates (Vice Chair), Tennell Atkins, Sheffie Kadane, Philip T. Kingston

SUBJECT Budget, Finance & Audit Committee Meeting

Monday, August 4, 2014, 1:00 p.m.
Dallas City Hall - 6ES, 1500 Marilla St., Dallas, TX 75201

The agenda for the meeting is as follows:

1. Consideration of minutes from the June 16, 2014 Budget, Finance & Audit Committee meeting
2. Nomination and Appointment of the City Auditor
Craig D. Kinton
City Auditor
3. Ethics and Diversity Officer Introduction
and Status Update
Cheryl Orr, Ethics and Diversity Officer
City Manager's Office

FYI

4. Upcoming Agenda Item: Supplemental Agreement No. 2 to the Professional Services Contract with MuniServices, LLC for Sales/Use Tax Compliance Review and Recovery Services
5. Upcoming Agenda Item: Auto Body Collision Repair Services for City Vehicles
6. Upcoming Agenda Item: Global Positioning System Master Agreement
7. Upcoming Agenda Item: Renewal of Contract with ComVerge Inc. to Administer the City's Participation in the Emergency Response Service (ERS) and Commercial Load Management (CLM) Programs

Jerry R. Allen, Chair
Budget, Finance & Audit Committee

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

Forest E. Turner, Assistant City Manager
Joey Zapata, Assistant City Manager
Charles M. Gato, Interim Assistant City Manager
Theresa O'Donnell, Interim Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Shawn Williams, Interim Public Information Officer
Elsa Cantu, Assistant to the City Manager

A quorum of the Dallas City Council may attend this Council Committee meeting.

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.

Budget, Finance & Audit Committee

Meeting Record- DRAFT

Meeting Date: 6.16.2014

Convened: 1:04pm

Adjourned: 2:43pm

Committee Members Present:

Jerry R. Allen, Chair
Sheffie Kadane

Jennifer S. Gates, Vice-Chair
Tennell Atkins

Philip T. Kingston

Committee Members Absent:

N/A

Other Council Members Present:

N/A

Staff Present:

Jeanne Chipperfield
Jack Ireland
Molly Carroll
William Finch

Craig Kinton
Michael Frosch
Renee Hayden
Juanita Delgado-Cruz

Mark Duebner
Donna Lowe
Jeffrey Brill

Chief David Brown
Donzell Gipson
Zarin Gracey

Others Present:

N/A

AGENDA:

1. Approval of the June 2, 2014 Minutes

Presenter(s):

Information Only: —

Action Taken/Committee Recommendation(s):

A motion was made to approve the June 2, 2014 minutes. Motion passed unanimously.

Motion made by: Sheffie Kadane

Motion seconded by: Tennell Atkins

2. Financial Capability: Knowledge + Access + Action

Presenter(s): Alfreda B. Norman, Vice President, Federal Reserve Bank of Dallas

Information Only: X

Action Taken/Committee Recommendation(s):

N/A

3. Amendments to Dallas City Code Section 34-35:Non-Discrimination in City Employment Practices

Presenter(s):

Information Only: ___

Action Taken/Committee Recommendation(s):

Committee Chair moved this item be briefed at a later date.

Budget, Finance & Audit Committee

Meeting Record- DRAFT

4. **Management Responses to the City Auditor's Follow-up Audit of Prior Audit Recommendations**

Presenter(s): Jeanne Chipperfield, Chief Financial Officer

Information Only: X

Action Taken/Committee Recommendation(s):

Councilmember Kingston requested written explanations as to why certain recommendations were not implemented within the agreed upon time frame.

5. **Management Responses to the City Auditor's Follow-up Audit of Prior Audit Recommendations (Closed Session- Sec. 551.076 T.O.M.A.)**

Presenter(s): Jeanne Chipperfield, Chief Financial Officer

Information Only: X

Action Taken/Committee Recommendation(s):

N/A

FYI

6. **Upcoming Agenda Item: Interlocal Cooperative Contract for Property Tax Collection and Assessment with Dallas County**

Presenter(s):

Information Only: X

Action Taken/Committee Recommendation(s):

A motion was made to forward to the City Council for consideration on Wednesday, June 25, 2014. Motion passed unanimously.

Motion made by: Sheffie Kadane

Motion seconded by: Tennell Atkins

7. **Upcoming Agenda Item: Supplemental Agreement to the AT&T Managed Services Contract**

Presenter(s):

Information Only: X

Action Taken/Committee Recommendation(s):

A motion was made to forward to the City Council for consideration on Wednesday, June 25, 2014. Motion passed unanimously.

Motion made by: Sheffie Kadane

Motion seconded by: Jennifer S. Gates

Jerry R. Allen, Chair
Budget, Finance & Audit Committee

Memorandum



DATE: July 31, 2014

TO: Honorable Members of the Budget, Finance & Audit Committee –
Jerry R. Allen (Chair); Jennifer S. Gates (Vice Chair);
Tennell Atkins, Mayor Pro Tem; Sheffie Kadane; Philip T. Kingston

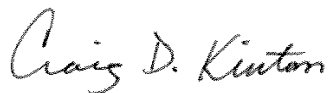
SUBJECT: Presentation to the Budget, Finance & Audit Committee:
Nomination and Appointment of the City Auditor

I will provide a briefing to the members of the Budget, Finance & Audit Committee on Monday, August 4, 2014 regarding:

- Nomination and Appointment of the City Auditor

My current term as the City Auditor expires on September 5, 2014. Section 2-17.2 of the Dallas City Code allows the Budget, Finance & Audit Committee to nominate, for consideration of the full City Council, the incumbent City Auditor for an additional two year term. If the Committee motions to act as the nominating committee for the re-appointment of the City Auditor, the Council Agenda item (scheduled for August 27, 2014) will allow for full City Council approval.

Sincerely,



Craig D. Kinton
City Auditor

Attachment

**Presentation to
Budget, Finance & Audit Committee –
Nomination and Appointment
of the City Auditor**

**City of Dallas
Office of the City Auditor
August 4, 2014**





Nomination and Appointment of the City Auditor

The current term of the City Auditor, Craig D. Kinton, CPA will expire on September 5, 2014.

The purpose of this presentation is to brief the Budget, Finance & Audit Committee on the process for reappointment of Mr. Kinton or the requirements for nomination of a new City Auditor.



City Charter

Chapter IX. City Auditor

Chapter IX of the City Charter creates the Office of City Auditor.

The chapter includes four sections:


- Section 1 – Selection of City Auditor
- Section 2 – Assistants and Employees
- Section 3 – Duties of the City Auditor
- Section 4 – Special Audit

CITY CHARTER – CHAPTER IX. CITY AUDITOR

SEC.1 – SELECTION OF CITY AUDITOR

Section 1:

- Creates Office of City Auditor
- Establishes Two-Year Term
(and until a successor is chosen and qualifies)
- Defines Qualifications:
 - Knowledgeable in public administration, public financial and fiscal theory, municipal accounting, and auditing
 - Licensed CPA
 - Resident of City of Dallas
(or move into the city within time period required by the City Council)
- Stipulates Appointment by City Council
(after being nominated in accordance with a nominating procedure established by ordinance)




City Code

Chapter 2 – Administration

Sec. 2-17.2 Selection of City Auditor; Nominating Commission

The nominating procedure established by ordinance is codified in the City Code in Chapter 2, Section 2-17.2




City Code

Chapter 2 – Administration

Sec. 2-17.2 Selection of City Auditor; Nominating Commission

Section 2-17.2 stipulates that:

- City Council shall appoint a nominating commission before the end of each term of the City Auditor
- **The finance and audit committee may act as a nominating commission to nominate incumbent City Auditor for reappointment by full City Council (requires majority vote)**
- If majority of finance and audit committee does not vote to nominate the incumbent City Auditor (or a majority of the Council does not vote to reappoint) the Council must follow the process outlined in Sec. 2-17.2 subsections (a) through (e)




City Code

Chapter 2 – Administration

Sec. 2-17.2 Selection of City Auditor; Nominating Commission

Section (a) requires the city council to appoint a five member nominating commission meeting the following qualifications:

- One member selected by Dallas Chapter / TXCPA board of directors
- One member who is the regional director of USGAO (or highest ranking member of Dallas division)
- Three members meeting one of following qualifications:
 - Managing partner in multi-national public accounting firm with office in Dallas
 - CEO/CFO/CAE - publicly-traded company headquartered in Dallas County (\$1 billion annual revenue)
 - Former Dallas Mayor or Council Member
 - Current or former Dallas City Auditor




City Code

Chapter 2 – Administration

Sec. 2-17.2 Selection of City Auditor; Nominating Commission

Additional requirements pertaining to the nominating committee include:

- Meet within 15 days of appointment
- Nominate one or more candidates to City Council within 180 days of first meeting
- Serve until the City Council accepts a candidate



City Code

Chapter 2 – Administration

Sec. 2-17.2 Selection of City Auditor; Nominating Commission

Additional requirements pertaining to the city council include:

- Accept one candidate or reject all within 30 days of receipt of nomination
- Immediately notify commission if candidates are rejected

QUESTIONS?



City of Dallas
Office of the City Auditor
August 4, 2014



Memorandum



CITY OF DALLAS

DATE August 1, 2014

TO Members of the Budget, Finance & Audit Committee: Jerry R. Allen (Chair),
Jennifer S. Gates (Vice Chair), Tennell Atkins, Sheffie Kadane, Philip T. Kingston

SUBJECT Ethics and Diversity Officer Introduction and Status

The Monday, August 4th Budget, Finance and Audit Committee agenda will include an Ethics and Diversity Officer Introduction and Status. The briefing will be presented by Cheryl Orr, Ethics and Diversity Officer in the City Manager's Office.

Please let me know if you need additional information.

A handwritten signature in blue ink that reads "Jeanne Chipperfield".

Jeanne Chipperfield
Chief Financial Officer

Attachment

c: Honorable Mayor and Members of City Council
A.C. Gonzalez, City Manager
Warren M.S. Ernst, City Attorney
Craig D. Kinton, City Auditor
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Jeanne Chipperfield, Chief Financial Officer
Shawn Williams, Interim Public Information Officer
Elsa Cantu, Assistant to the City Manager

Ethics and Diversity Officer Introduction and Status Update

Budget, Finance and Audit Committee
August 4, 2014

Cheryl D. Orr, Ethics and Diversity Officer

Purpose

- To provide an update on the citywide employee Ethics and Diversity initiatives including:
 - Background information
 - Ethics cycle
 - Ethics and Diversity research and collaboration
 - Ethics action plan
 - Diversity action plan
 - Next steps and continued efforts

Background

- On October 17, 2011, the Budget, Finance and Audit Committee was briefed by the Greater Dallas Business Ethics Award Steering Committee
- On August 6, 2012 the Budget, Finance and Audit Committee was briefed on the vendor recommendation for ethics evaluation and training and on August 22, 2012 the Dallas City Council approved the resolution authorizing a three-year consultant contract with Navigant Consulting, Inc.
- On November 4, 2013, the Budget, Finance and Audit Committee was briefed on an Ethics update, including the hiring of an Ethics and Diversity Officer

Ethics Cycle



Research and Collaboration

- Met with staff from various City offices and department directors to discuss perspectives on ethics and diversity
- Thoroughly reviewed City's Code of Ethics, Personnel Regulations, Civil Service Rules and Administrative Directives
- Reviewed the Audit of City's Ethics Program (2012) from the City Auditor's Office to determine action plan
- Visited with Dr. Abraham Benavides at UNT and Ethics Officers in public and private jurisdictions (City of Austin, CPS Energy) to discuss ethics planning

Ethics to Date

- Assumed responsibility for the continuation of the training initiative started in 2013 by Human Resources
 - Over 30 Classes have been set up to accommodate over 2,000 employees between July and September
- Met Ethics Advisory Commission (EAC) Chair and will attend quarterly meeting in August
- Conducted first Ethics and Diversity presentation to Equipment and Building Services (EBS) leadership team - July 2014

Ethics Action Plan

- Establishing Ethics and Diversity Office webpages for the intranet and internet (in collaboration with CIS)
- Developing a work plan for the Ethics and Diversity Office
 - Address the City Auditor's recommendations (2012)
 - Develop metrics for the Office
 - Create email blasts and video clips for dissemination to employees on a regular basis
 - Develop brochure and cards for dissemination to employees
 - Use sections of the Code of Ethics for branding purposes
 - Move to a confidential location



CHOOSING THE ETHICAL PATH

Website Draft

CODE OF ETHICS 12.A	TRAINING	RESOURCES	STANDARDS OF CONDUCT	CITY PARTNERS	FAQ	CONTACT US
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Office of Ethics & Diversity

Mission

To promote a culture of ethics and sensitivity within the City of Dallas in order to ensure the public trust. At the City of Dallas, we believe it is not enough to do things right, but that we must also do the right thing.

Goal

It is our goal to provide employees the resources and support they need in order to work effectively in an ethical and diverse workplace. This is done by assuring that ~~our~~ employees have access to training, ~~ethical advice~~, consultation and hotlines.

Ethics & Diversity Officer's Welcome:

I would like to introduce the City of Dallas' "Ethics and Diversity Initiative." The City is committed to assuring that employees make good ethical choices and act ethically. The public's trust and confidence is very important in maintaining a positive reputation. The citizens of Dallas expect employees to perform their duties in a principled manner, thus the City will do all it can to assure that employees understand ethical expectations. This includes comprehensive training and identifying resources for employees to report unethical behavior.

The City's Code of Ethics, found in the City Code, is a roadmap for how employees uphold the City's commitment to the highest standards of professionalism, customer service and integrity. The standards guide employees in their work and shape their thinking when it comes to addressing ethical dilemmas.

The City also values a vibrant, progressive and diverse workforce. The workforce is reflective of the residents of the City of Dallas. Diverse employees have been hired to provide the best service to the citizens of Dallas.

We will work to maintain an ethical, diverse and ~~capable~~ professional workforce, in order to assure that the citizens of Dallas are receiving world class customer services.

Sincerely,

Cheryl D. Orr
Ethics and Diversity Officer
214-671-9812

Cheryl.Orr@DallasCityHall.com

Ethics Action Plan Continued

- Scheduling regular Ethics and Diversity presentations with City staff members
- Using the City's Employee Advisory Committees (EAC) to assess City culture and ethical climate through the use of surveys and focus groups for program planning
- Identifying Codes of Ethics, Code of Conduct from various occupations (HR, CPA, ICMA, etc.) for posting on Ethics and Diversity website
- Establishing an Ethics email box for employee input
- Analyzing results of investigations to determine need for additional training/corrective action

Diversity to Date

- Met with the LGBT Task Force members to hear issues
 - Article featured in the Dallas Voice
- Meet with Public Safety Chiefs and staff
 - Each have asked for a review of their EEO presentations at their Academies
 - Asked to develop Diversity and Ethics Training for Police leadership in collaboration with Caruth Institute staff

Diversity Action Plan

- Developing a citywide Diversity Plan
 - Work with Department Directors and EACs for input and feedback
 - Develop a Diversity training program for use throughout the City
 - Develop a citywide definition of diversity
- Collaborating with LGBT Task Force members to gather recommended revisions to City Code Ch. 34 (Personnel Rules) and Ch. 46 (Unlawful Discriminatory Practices Relating to Sexual Orientation)

Questions?

Cheryl D. Orr
Ethics and Diversity Officer
(214) 671-9812

Memorandum



CITY OF DALLAS

DATE: July 31, 2014

TO: Honorable Members of the Budget, Finance & Audit Committee:
Jerry R. Allen (Chair); Jennifer S. Gates (Vice Chair);
Tennell Atkins, Mayor Pro-Tem; Sheffie Kadane; Philip T. Kingston

SUBJECT: Upcoming Agenda Item:
Supplemental Agreement No. 2 to the Professional Services Contract with
MuniServices, LLC for Sales/Use Tax Compliance Review and Recovery Services

The August 13, 2014 Council Agenda includes an item for your consideration to authorize Supplemental Agreement No. 2, the second of three one-year renewal options of the professional services contract with MuniServices, LLC for sales/use tax compliance review and recovery services. This supplemental agreement would extend the contract term through September 7, 2015 with associated estimated net annual revenue of \$1,400,000.

The second renewal option to the professional services contract will allow for the continuation of sales/use tax compliance review and recovery services. The consultant, through various methods, identifies businesses operating in the City of Dallas (City) that are not properly collecting and/or reporting sales/use tax. Since contract inception in September 2010, the consultant has identified and successfully recovered \$3,156,711 (\$2,363,212 net of fees) in sales/use tax receipts owed to the City and estimates they will identify an additional \$2,000,000 in fiscal year 2015.

The City will continue to pay the consultant a 30 percent contingency fee based on the sales/use tax revenue received from the correction of detected and documented taxpayer reporting errors. The contingency fee applies to all sales/use tax revenues corrected for the City for any periods prior to the date of correction and to revenues received for the first eight consecutive reporting quarters following the date of correction; however, the City will not pay any fee to the consultant until monies recovered for the City have been received from the State Comptroller of Public Accounts.

Please let me know if you need additional information.

Craig D. Kinton
City Auditor

C: Honorable Mayor and Members of the City Council
A.C. Gonzalez, City Manager
Rosa A. Rios, City Secretary
Warren M.S. Ernst, City Attorney
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Elsa Cantu, Assistant to the City Manager

Memorandum



CITY OF DALLAS

DATE August 1, 2014

TO Members of the Budget, Finance & Audit Committee: Jerry R. Allen (Chair),
Jennifer S. Gates (Vice Chair), Tennell Atkins, Sheffie Kadane, Philip T. Kingston

SUBJECT **Upcoming Agenda Item: Auto Body Collision Repair Services for City Vehicles**

The August 27, 2014, City Council Agenda will include an item to authorize two contracts for vehicle auto body collision repair services for three years totaling \$4,960,095. This action will allow for body collision repairs on City owned fleet involved in accidents and/or incidents.

As part of the solicitation process, a Request For Competitively Sealed Proposals was advertised January 2014. Eleven (11) proposers participated in this process. The successful proposers were selected by a committee on the basis of demonstrated competence and qualifications using the following criteria:

- Cost 40 points
- Vendor Experience/Qualifications 30 points
- Vendor Facilities 15 points
- Business and Inclusion Development Plan 15 points

The recommended awardees are:

- First Class Auto, Inc. - for vehicles under 1 ton
- Graff Chevrolet Company - for vehicles/equipment over 1 ton

These vendors have demonstrated the ability to handle the City's projected volume of 2,850 body shop repairs and, if there should be a spike in volume, the vendors can subcontract as necessary.

Please let me know if you need additional information.

Forest E. Turner
Assistant City Manager

cc: Honorable Mayor and Members of City Council
A.C. Gonzalez, City Manager
Warren M.S. Ernst, City Attorney
Craig D. Kinton, City Auditor
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Memorandum



CITY OF DALLAS

DATE: August 1, 2014

TO: Members of the Budget, Finance & Audit Committee: Jerry R. Allen (Chair), Jennifer S. Gates (Vice Chair), Tennell Atkins, Sheffie Kadane, Philip T. Kingston

SUBJECT: **Upcoming Agenda Item: Global Positioning System Master Agreement**

The August 13, 2014 Council Agenda includes an item for your consideration authorizing a five-year Master Agreement with three one-year renewal options with Radio Satellite Integrators, Inc. (RSI), for the lease, purchase, installation, maintenance and hosting of a citywide global positioning system (GPS) in an amount not to exceed \$5,869,200 - Financing: Current Funds, Aviation Current Funds \$140,242, Sustainable Development and Construction Current Funds \$144,306, Trinity Watershed Management Current Funds \$352,236 (subject to annual appropriations). This agreement does not encumber funds and does not obligate the City to spend the total amount associated with the contract. This proposed master agreement will replace an expiring GPS service contract currently used by Sanitation Services.

The new agreement will continue to provide GPS services for the Sanitation Department and also make the GPS technology and its associated benefits (see attachment) available to other operation-oriented City departments. A single citywide master agreement increases buying power and reduces overall costs for the City. Pending Council approval, the following departments intend to implement GPS services within the first year of the agreement: Aviation, Dallas Fire-Rescue, Equipment and Building Services, Office of Environmental Quality, Park and Recreation, Street Services, Sustainable Development and Construction, and Trinity Watershed Management.

Staff estimates expenditures of \$255,000 in FY13-14, to purchase approximately 600 new GPS devices and to fund monthly data subscription costs. In FY14-15, staff expects to spend \$571,000 to continue to support and expand GPS technology throughout the City. The remaining years of the contract provide funding to continue maintenance and support of the GPS system and to expand services where justified.

Please let me know if you need additional information.

A handwritten signature in black ink, appearing to read 'Forest E. Turner'.

Forest E. Turner
Assistant City Manager

Attachment

cc: A.C Gonzalez, City Manager
Warren M.S. Ernst, City Attorney
Craig D. Kinton, City Auditor
Rosa A. Rios, City Secretary
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Jeanne Chipperfield, Chief Financial Officer
Shawn Williams, Interim Public Information Officer
Elsa Cantu, Assistant to the City Manager – Mayor and Council

Global Positioning System Operational and Safety Benefits and Efficiencies

Sanitation Services was the first Department within the City to implement GPS technology, beginning with a pilot program in 2006. A full scale implementation followed in 2008, with 389 vehicles equipped with GPS devices. In the first year of operation, Sanitation Services saved approximately \$293,000 in overtime and fuel costs as a direct result of the GPS implementation. The functionality utilized to provide these savings include:

- **Real-Time Dispatching**: Enables staff to immediately dispatch the closest available vehicle to a service location in the case of an emergency, missed collection or service request. Reduces fuel consumption, decreases response times and improves overall customer service.
- **Engine Idle Time Reporting**: Allows staff to monitor engine idle times and identify excessive idling. Idle reductions decreases fuel consumption and engine emissions.
- **Collection Route Analysis**: Provides the ability to generate reports for traveled routes and compare it against planned routes, through analysis outside of the GPS application. Assists with identifying and correcting improper routes, resulting in decreased fuel consumption and quicker response times.

The proposed GPS Master Agreement included on the August 13th Council Agenda will continue to provide the aforementioned functionality to Sanitation Services, as well as enhanced technologies that will offer new operational and safety benefits and additional opportunities for cost savings. The proposed agreement will be available to all other City departments, with eight intending to implement GPS services in year 1. New departments will leverage GPS technology to realize the benefits, efficiencies and cost savings opportunities available under the original contract, as well as those under the new agreement. Benefits and efficiencies associated with the proposed Master Agreement include:

- **Location Button**: Device installed within a vehicle which allows drivers to save the address of a location in need, such as blocked service access or an obscured alleyway. This technology enables Departments to identify and resolve issues before they are reported.
- **Driver Safety Reporting**: The GPS system enables Departments to generate reports which can assist with identifying, rewarding and encouraging safe drivers and safe driving behavior. Reports include: Excessive speed, hard braking, and work area breaches.
- **Real-Time Route Auditing**: The new GPS software application allows Departments to identify if planned routes are being adhered to in real time, enabling them to make adjustments or corrections immediately rather than after the fact.
- **Panic Button**: Device installed in a vehicle which allows a driver to report an emergency to management in real time with the push of a button.

Memorandum



CITY OF DALLAS

Date August 1, 2014

To Members of the Budget, Finance & Audit Committee: Jerry R. Allen (Chair), Jennifer Staubach Gates (Vice Chair), Tennell Atkins, Sheffie Kadane, Philip T. Kingston

Subject Upcoming Agenda Item: Renewal of Contract with Comverge, Inc. to Administer the City's Participation in the Emergency Response Service (ERS) and Commercial Load Management (CLM) Programs

The Electric Reliability Council of Texas (ERCOT) offers the ERS program and ONCOR offers the CLM program. Both programs provide revenue to the City for reducing facility electricity usage upon notification of a potential grid overload event. In such an event, the City is required to reduce electricity usage on demand, for periods not to exceed eight hours. The City manages the electricity reduction through an assortment of ways, including the use of an emergency generator already in place and by reducing the use of some non-essential equipment at some City facilities. The typical duration per incident over the last three years has been from one to two hours.

The August 13, 2014 Council Agenda includes an agenda item for your consideration to renew the contract with Comverge, Inc. to oversee and administer the ERS and the CLM programs through July 31, 2017. The consultant facilitates the enrollment into the ERS and CLM programs with ERCOT and ONCOR on the City's behalf and receives the earnings. Comverge, Inc. retains 15% of the money earned for its services and provides 85% to the City. In addition, the consultant helps the city staff to evaluate which facilities and the amount of load a facility can curtail. The consultant then submits that amount to the demand reduction program. The consultant installs any necessary equipment to ensure compliance and trains staff on how to respond to an electrical curtailment event.

Please feel free to contact me if you have any questions or need additional information.

A handwritten signature in black ink, appearing to read 'Jill Jordan'.

Jill A. Jordan, PE
Assistant City Manager

c: A. C. Gonzalez, City Manager
Warren M.S. Ernst, City Attorney
Craig D. Kinton, City Auditor
Rosa A. Rios, City Secretary
Daniel F. Solis, Administrative Judge
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Forest E. Turner, Assistant City Manager

Joey Zapata, Assistant City Manager
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Jeanne Chipperfield, Chief Financial Officer
Shawn Williams, (I) Public Information Officer
Elsa Cantu, Assistant to the City Manager – Mayor & Council