

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

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CITY SECRETARY
DALLAS, TEXAS

MONDAY, FEBRUARY 6, 2017
CITY HALL
COUNCIL BRIEFING ROOM, 6ES
1500 MARILLA
DALLAS, TEXAS 75201
1:00 P.M. – 2:30 P.M.

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

Call to Order

1. Consideration of the minutes from the January 3, 2017 Budget, Finance, & Audit Committee Meeting.

2. Financial Forecast Report
(Information as of December 31, 2016) Jack Ireland, Director
Office of Financial Services
3. FY 2016-17 Community Development Block Grant
Extensions and Reprogramming Chan Williams, Assistant Director
Office of Financial Services
4. City of Dallas 457 Plan
(For Information Only)

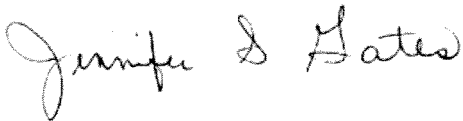
Upcoming Agenda Item(s)

February 8, 2017

- A. Agenda Item 3: Authorize a three-year service contract for cathodic protection system surveys and inspections for Water Utilities - Russell Corrosion Consultants, LLC, most advantageous proposer of five - Not to exceed \$162,650 - Financing: Water Utilities Current Funds (subject to annual appropriations)
- B. Agenda Item 4: Authorize a three-year service contract for scale repair, calibration, and maintenance services - Nicol Scales L.P. dba Nicol Scales & Measurement, single bid - Not to exceed \$371,205 - Financing: Current Funds (\$134,210), Water Utilities Current Funds (\$179,465), and Sanitation Current Funds (\$57,530) (subject to annual appropriations)
- C. Agenda Item 5: Authorize a three-year service contract to provide grounds maintenance and xeriscaping for Water Utilities facilities - Good Earth Corporation in the amount of \$789,390 and Texas Blooms Organic Landscape Company in the amount of \$213,335, most advantageous proposers of two - Total not to exceed \$1,002,725 - Financing: Water Utilities Current Funds (subject to annual appropriations)

- D. Agenda Item 6: Authorize a three-year master agreement for printer toner and cartridges - Barbarian USA, Inc. in the amount of \$939,682, The Office Pal, Inc. in the amount of \$206,824, Printer Components, Inc. in the amount of \$27,260, Encon Systems Ltd., Inc. in the amount of \$6,204, and Printing Supplies USA LLC in the amount of \$2,000, lowest responsible bidders of fourteen - Total not to exceed \$1,181,970 - Financing: Current Funds (\$940,024), Water Utilities Current Funds (\$173,887), Sanitation Current Funds (\$33,259), Aviation Current Funds (\$19,500), Stormwater Drainage Management Current Funds (\$7,700), and Convention and Event Services Current Funds (\$7,600)

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.

NOTICE: 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: Tuesday, January 3, 2017

Convened: 1:02 P.M. **Adjourned:** 1:52 P.M.

Committee Members Present:

Council Member Jennifer S. Gates, Chair
Deputy Mayor Pro Tem Erik Wilson
Council Member Scott Griggs
Council Member Lee M. Kleinman

Committee Members Absent:

Council Member Philip T. Kingston, Vice Chair
Council Member Rickey D. Callahan

Other Council Members Present:

Staff Present:

M. Elizabeth Reich, CFO
Jack Ireland, Director, OFS
Daisy Fast, Manager, OFS

Bill Finch, Director/CIO, CIS
Corrine Steeger, Treasurer, CCO

AGENDA:

Call to Order

1. Consideration of the December 5, 2016 Minutes

Presenter(s): Council Member Gates, Chair

Information Only:

Action Taken/Committee Recommendation(s):

A motion was made to approve the December 5, 2016 minutes.

Motion made by: Council Member Wilson

Item passed unanimously:

Item failed unanimously:

Motion Seconded by: Council Member Kleinman

Item passed on a divided vote:

Item failed on a divided vote:

2. Property Tax Overview

Presenter(s): Jack Ireland, Director and Daisy Fast, Manager, OFS

Information Only:

Action Taken/Committee Recommendation(s):

This briefing provided the committee with an overview on property tax. Council Member Kleinman would like to know if exemptions for City of Dallas employees to buy property in the City of Dallas is something we can do and/or consider. Staff will research this. He would also like to pursue a program of being one of the most competitive in our area regarding raising the over 65 limit, i.e., Houston’s range or better. In regards to the historical value of exemption Council Member Kleinman would like to see at some point a breakdown of the governmental vs. non-profit.

Council Member Wilson would like to see a breakdown of the commercial category, commercial property vs. multi family. He would also like to see an analysis related to projecting forward on the exemptions. Staff will provide the breakdown and research the projections.

Chair Gates made a motion to take the proposal/projection exemptions and possible exemptions for City of Dallas employees to full Council in May 2017.

Motion made by: Council Member Gates, Chair

Item passed unanimously:

Item failed unanimously:

Motion Seconded by: Council Member Wilson

Item passed on a divided vote:

Item failed on a divided vote:

3. Financial Forecast Report

Presenter(s): M. Elizabeth Reich, CFO

Information Only:

Action Taken/Committee Recommendation(s):

This report provided the committee with an update on the financial forecast based on information through November 2016.

Motion made by:

Item passed unanimously:

Item failed unanimously:

Motion Seconded by:

Item passed on a divided vote:

Item failed on a divided vote:

4. City of Dallas 401(k) Plan

Presenter(s): M. Elizabeth Reich, CFO

Information Only:

Action Taken/Committee Recommendation(s):

This briefing memo provided the committee with background information and a summary of changes to the City of Dallas 401(k) Plan which is on the January 11, 2017 Council Addendum for approval. A motion was made to move forward to full council for approval.

Motion made by: Council Member Kleinman

Item passed unanimously:

Item failed unanimously:

Motion Seconded by: Council Member Wilson

Item passed on a divided vote:

Item failed on a divided vote:

Upcoming Agenda Item(s)

Presenter(s): Council Member Gates, Chair

Information Only:

Action Taken/Committee Recommendation(s):

A motion was made to move forward to full council for approval.

Motion made by: Council Member Wilson

Item passed unanimously:

Item failed unanimously:

Motion Seconded by: Council Member Kleinman

Item passed on a divided vote:

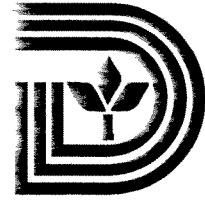
Item failed on a divided vote:

APPROVED BY:

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

DRAFT

Memorandum



DATE February 3, 2017
TO The Honorable Mayor and Members of the City Council
SUBJECT FY 2016-17 Financial Forecast Report

CITY OF DALLAS

Please find attached the monthly Financial Forecast Report based on information through December 2016.

In addition to the monthly report, we have prepared a document to discuss with the Budget, Finance, and Audit Committee at their meeting on Monday, February 6. The materials provide additional information on some budget items that Council expressed specific interest in during budget deliberations in August and September.

Although the Financial Forecast Report only covers three months of this fiscal year, at this time, we still forecast General Fund revenues will exceed expenses by \$1.5 million. Revenues will be \$2.7 million below budget and expenditures will be \$4.2 million below budget based on our current forecasts.

Details related to budget variances may be found at the end of the report. We will continue to closely monitor revenues and expenditures and keep you informed.

A handwritten signature in cursive script that reads "M. Elizabeth Reich".

M. Elizabeth Reich
Chief Financial Officer

Attachment

c: T.C. Broadnax, City Manager
Craig D. Kinton, City Auditor
Rosa A. Rios, City Secretary
Daniel F. Solis, Administrative Judge
Mark McDaniel, Acting First Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
Joey Zapata, Assistant City Manager
Eric D. Campbell, Assistant City Manager
Sana Syed, Public Information Officer
Elsa Cantu, Assistant to the City Manager
Kimberly Tolbert, Chief of Staff to the City Manager



Financial Forecast Report

(as of December 31, 2016)

Budget, Finance, and Audit Committee – February 6, 2017

Outline

- General Fund
- Enterprise Funds
- Appendix: December Financial Forecast Report



General Fund



General Fund as of December 31, 2016

(Dollars in Millions)

	Adopted Budget	Year-to-Date Actual	Year-End Forecast	Difference (between Year-End Forecast & Budget)	Difference as Percent of Budget
Revenues	\$1,229.3	\$322.8	\$1,226.6	(\$2.7)	(0.22%)
Expenses	\$1,229.3	\$267.6	\$1,225.2	(\$4.2)	(0.34%)
Difference	\$0	\$55.2	\$1.5	\$1.5	0.12%

- Overall, revenues exceed expenses by \$1.5m
- We are monitoring non-departmental account closely due to unbudgeted expenses related to Dallas Police and Fire Pension which we will need to offset as we execute budget this fiscal year

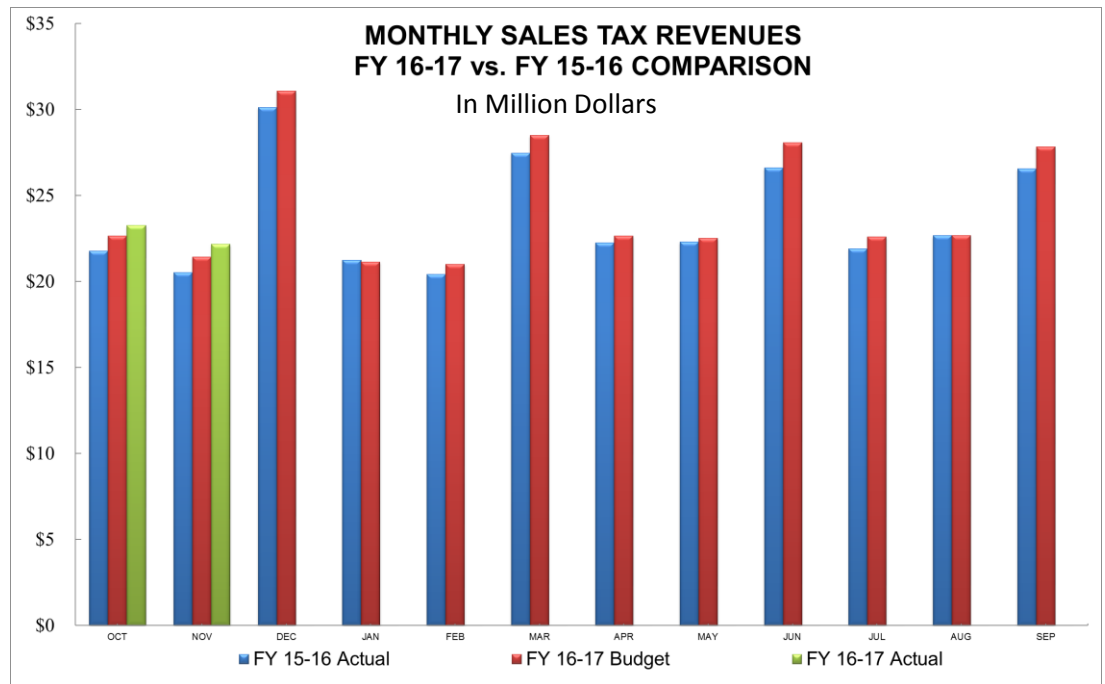
Property Tax

- Received about 37% of property tax budget during first quarter
- Current year taxes are due by Jan 31 of each year

Months of FY17	Historical Distribution of Collections	FY17 Budget	FY17 Actual Receipts
		Dollars in Millions	
October	3.1%	\$18.9	\$12.8
November	3.4%	\$20.7	\$29.1
December	30.3%	\$184.9	\$181.8
January	45.9%	\$280.1	
February	14.4%	\$87.9	
March	1.2%	\$7.3	
April	0.6%	\$3.7	
May	0.3%	\$1.8	
June	0.4%	\$2.4	
July	0.1%	\$0.6	
August	0.2%	\$1.2	
September	0.1%	\$0.6	
Total	100.0%	\$610.2	\$223.7

Sales Tax

- Revenues for FY17 are \$1.4m better than budget after 2 months
- Most recent 12 months are 4.5% more than previous 12 months



Other General Fund Revenues

- Municipal Court revenues
 - Forecast to be \$2.5m below budget
 - Due to decrease in volume of citations being issued by Police Department
- Fire Department revenues
 - Fire watch fees are forecast to be \$1.1m below budget due to termination of services at American Airlines Center
 - Mobile Community Healthcare Program fees are forecast to be \$0.5m below budget due to delays in contracts with hospitals

Highlighted Area: Police & Fire Pay – Complete

- 3-year Meet and Confer agreement approved by Council on Dec 14, 2016 totaling \$89.4m

City Manager Proposal - Final				
Proposal	Agreement Term			Obligated Cost
	FY16-17	FY17-18	FY18-19	FY19-20
FY16-17 Double Step & New 2% Top Step (1st Year Costs)	\$ 15,814,622			
FY16-17 Double Step & New 2% Top Step (2nd Year Costs)		\$ 15,814,622		
FY16-17 Cost to hire at higher pay rate (1st Year Costs)	\$ 499,165			
FY16-17 Cost to hire at higher pay rate (2nd Year Costs)		\$ 499,165		
FY17-18 Single Step & New 2% Top Step (1st Year Costs)		\$ 8,697,957		
FY17-18 Single Step & New 2% Top Step (2nd Year Costs)			\$ 8,697,957	
FY17-18 Cost to hire at higher pay rate (1st Year Costs)		\$ 527,373		
FY17-18 Cost to hire at higher pay rate (2nd Year Costs)			\$ 527,373	
FY17-18 Cost for Increased Certification Pay (1st Year Costs)		\$ 5,236,401		
FY17-18 Cost for Increased Certification Pay (2nd Year Costs)			\$ 1,745,467	
FY18-19 Double Step & New 2% Top Step (1st Year Costs)			\$ 15,134,074	
FY18-19 Double Step & New 2% Top Step (2nd Year Costs)				\$ 15,134,074
FY18-19 Cost to hire at higher pay rate (1st Year Costs)			\$ 514,736	
FY18-19 Cost to hire at higher pay rate (2nd Year Costs)				\$ 514,736
Budget Impact	\$16,313,787	\$ 30,775,519	\$ 26,619,607	\$ 15,648,810

Costs calculated using 27.5% for pension contribution; 1.45% for medicare contribution. Does not include the impact to overtime earnings.

Highlighted Area: Police Hiring – *Not on Track*

- Budget – Hire 451
- Current forecast – Hire 300
- DPD has forecast to be \$2.9m below budget:
 - Salary savings from reduced hiring
 - Pension savings due to DFPF members rejecting City and member contribution rate increases
 - Offset primarily by increased overtime expense and paying out accrued sick/vacation time for those leaving

Police Sworn Strength	FY17 Budget	Dec Forecast
Number of officers at 9/30/16	3,382	3,338
FY17 Attrition	(220)	(350)
Hiring for FY17 attrition	220	300
Hiring to replace prior year attrition	129	
Increase number of officers above attrition	100	
Council amendment (school resource officers)	2	
Total hiring	451	300
Forecast number of officers at 9/30/17	3,613	3,288

Highlighted Area: Street and Alley Condition – *At Risk*

- FY17 budget goal was to maintain overall street condition with zero degradation by improving over 550 lane miles
- Funding strategy relied on \$27.3m of 2017 bond funds to complete approximately 100 lane miles
- We are developing options to mitigate delayed access to 2017 bond funds

Street & Alley Funding in FY17	
General Fund O&M budget	\$36.0m
Street and Alley Improvement Fund	\$20.8m
CDBG funds	\$0.6m
2006 and 2012 bond projects (for streets & alleys)	\$44.0m
2017 bond projects (pending May 2017 election)	\$27.3m
FY17 Street & Alley Improvement Funding	\$128.7m
DWU pipeline replacement program	\$4.2m
Total Funding Available	\$132.9m

Highlighted Area: Dallas Animal Services – *On Track*

- FY17 budget includes \$2.7m additional funding to implement items related to BCG report
- Implemented on-duty overnight shifts 4 nights a week (August 2016)
- Filled 17 of 21 new positions (7 animal safety officers, 2 supervisors, 8 animal keepers)
- Contract in place for spay/neuter of animals at DAS
 - 296 surgeries completed to date
 - 1,600 surgeries estimated for remainder of fiscal year
- Planning stage for free spay/neuter surgeries for owned animals
- Pending Memorandum of Understanding with SPCA of Texas and Operation Kindness for a combined 3,000 animals pulled from shelter yearly
- Planning to purchase identified needs relating to BCG report and audit findings including:
 - Security camera system
 - Medical equipment for another surgery suite due to increase in spay/neuter of shelter animals due to increased intakes
 - Curriculum for Early Childhood Education
- Performance metrics
 - 70% live release rate (Oct-Dec. 2016)
 - 33% increase field intake of loose animals (Oct-Dec. 2016 compared to Oct-Dec 2015)
 - 193% increase of enforcement/citations (Oct-Dec. 2016 compared to Oct-Dec 2015)

Highlighted Area: Homeless Initiatives – *On Track*

- FY17 budget includes \$1m additional funding
- Agreement with Good Earth is being developed as part of \$100k Panhandling Initiative
- Cleaned and secured Haskell encampment site
- Negotiations with 3 properties are underway to expand affordable housing opportunities
- Working on partnership with Texas Department of Public Safety Driver License Division to assist with obtaining IDs
- 1 caseworker hired and is currently leveraging street outreach services and providing supportive services to formerly homeless with DHA vouchers (20 clients have been engaged)
- Serving on Continuum of Care's Faith-Based Collaborations Committee with goal of adding new homeless service providers to Homeless Management Information System, and educating faith-based entities on evidence-based practices to serve homeless

Highlighted Area: Fair Park Public-Private Partnership – *Not on Track*

- FY17 budget anticipated transferring operation to non-profit entity in Jan 2017
- City will now continue operation of park throughout FY17



Enterprise Funds



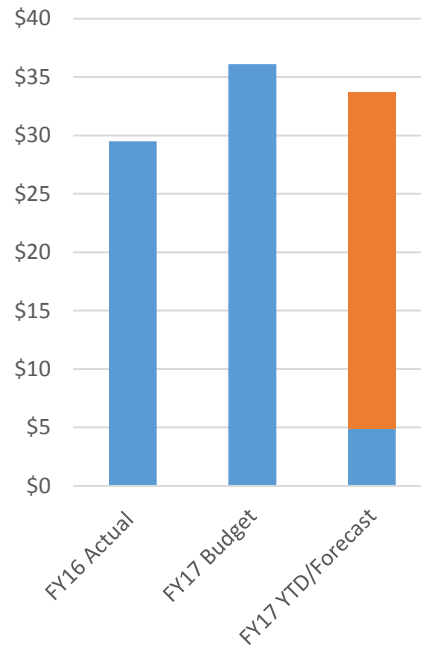
Enterprise Funds

Sanitation Services Expenditures
Dollars in Millions



Forecast to be \$229K over budget offset by \$2.9m increased revenue

Sustainable Development Expenditures
Dollars in Millions



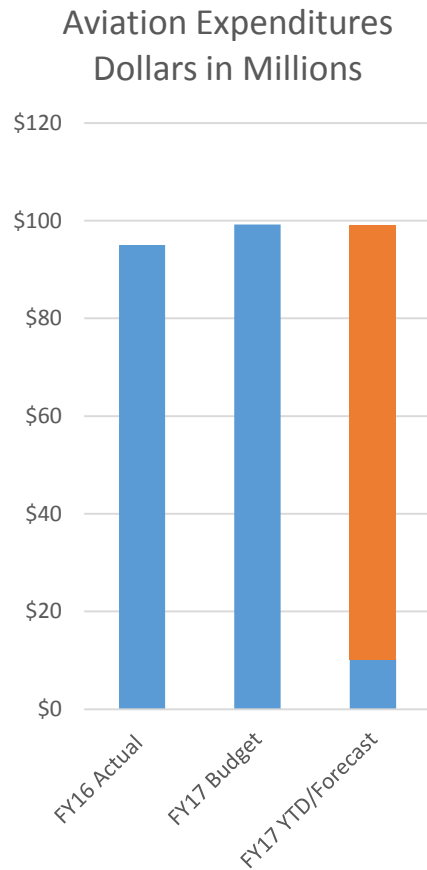
Forecast to be \$2.4m under budget

Water Utilities Expenditures
Dollars in Millions

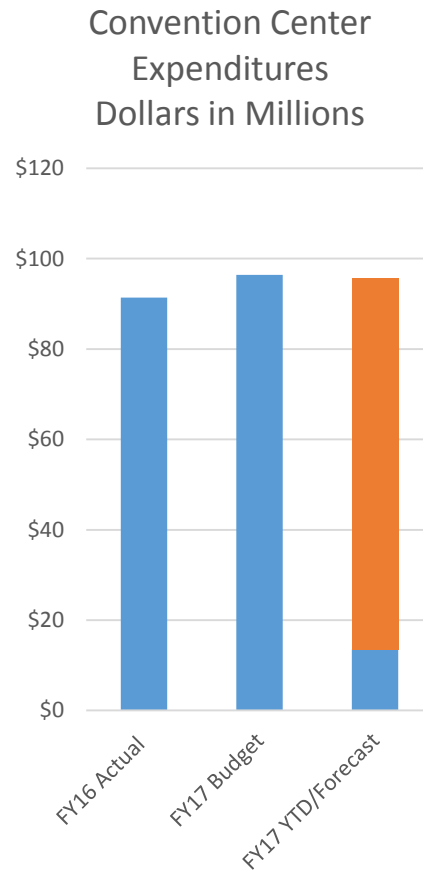


Forecast to be \$5.9m under budget

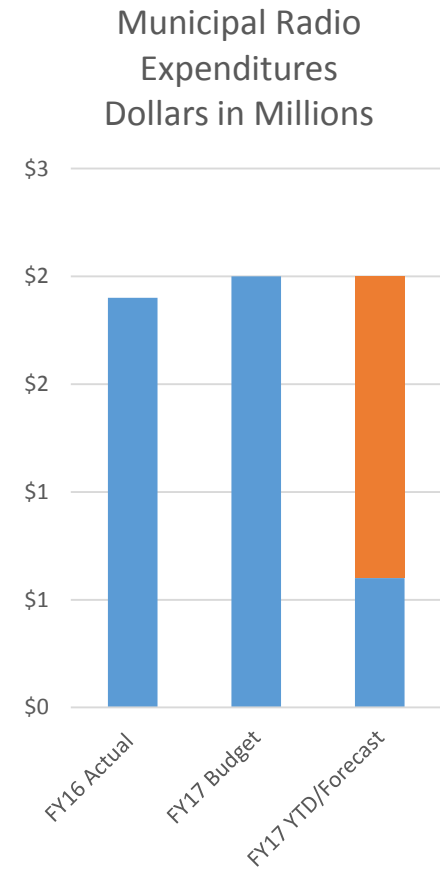
Enterprise Funds



Forecast to be \$76K under budget



Forecast to be \$657K under budget



Forecast to be \$1K under budget

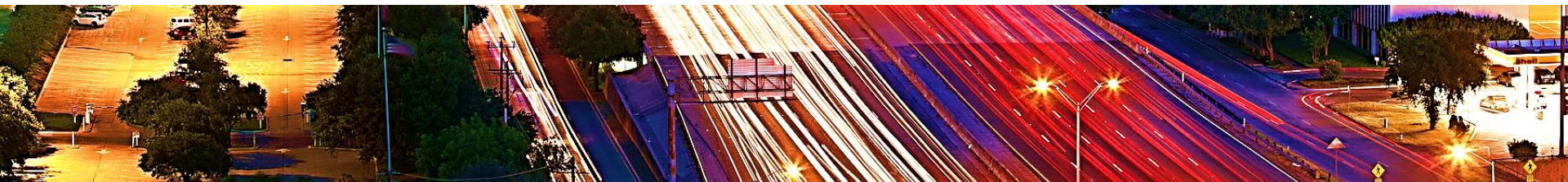


Questions and Comments





Appendix: December Financial Forecast Report





FY 2016-17

Financial Forecast Report

Information as of December 31, 2016



GENERAL FUND

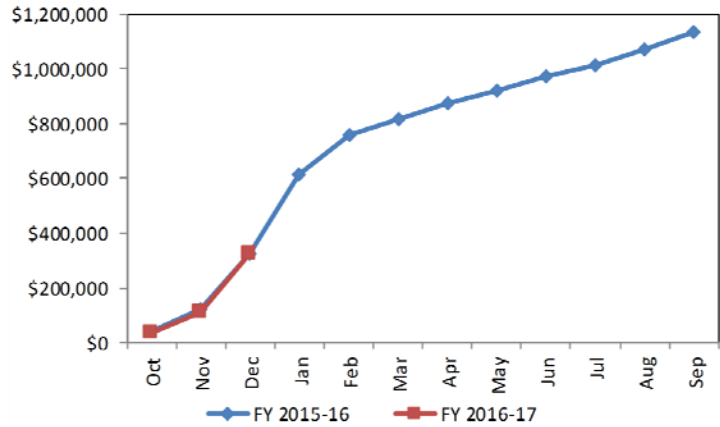
As of December 31, 2016
(000s)

ITEM	ADOPTED BUDGET	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
Revenues	\$1,229,339	\$322,753	\$1,226,637	(\$2,702)
Expenditures	1,229,339	267,565	1,225,176	(4,163)
Net Excess of Revenues Over Expenditures/Transfers	\$0	\$55,188	\$1,460	\$1,460

GENERAL FUND REVENUES

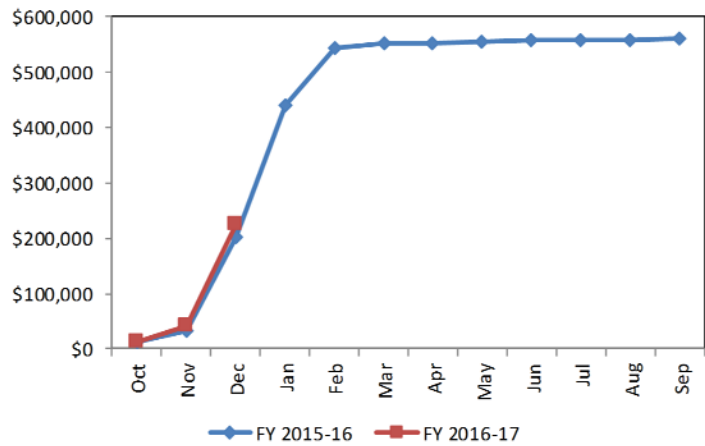
ALL SOURCES

	FY 2015-16	FY 2016-17	Variance
Oct	\$41,660	\$36,761	(\$4,898)
Nov	77,665	75,718	(1,947)
Dec	203,876	210,273	6,397
Jan	288,996		
Feb	147,975		
Mar	53,193		
Apr	58,776		
May	49,762		
Jun	47,660		
Jul	45,379		
Aug	56,960		
Sep	62,480		
Total	\$1,134,380	\$322,753	(\$448)



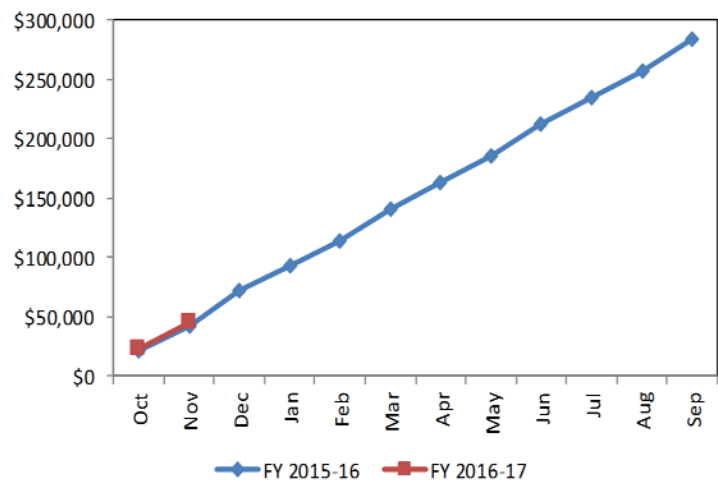
PROPERTY TAX

	FY 2015-16	FY 2016-17	Variance
Oct	\$11,487	\$12,787	\$1,300
Nov	20,589	29,060	8,471
Dec	169,848	181,782	11,934
Jan	237,273		
Feb	104,025		
Mar	7,675		
Apr	2,364		
May	1,593		
Jun	2,523		
Jul	858		
Aug	852		
Sep	891		
Total	\$559,978	\$223,629	\$21,705



SALES TAX

	FY 2015-16	FY 2016-17	Variance
Oct	\$21,769	\$23,256	\$1,487
Nov	20,524	22,167	\$1,643
Dec	30,137		
Jan	21,258		
Feb	20,418		
Mar	27,482		
Apr	22,265		
May	22,311		
Jun	26,609		
Jul	21,921		
Aug	22,670		
Sep	26,554		
Total	\$283,918	\$45,423	\$3,131



GENERAL FUND REVENUES

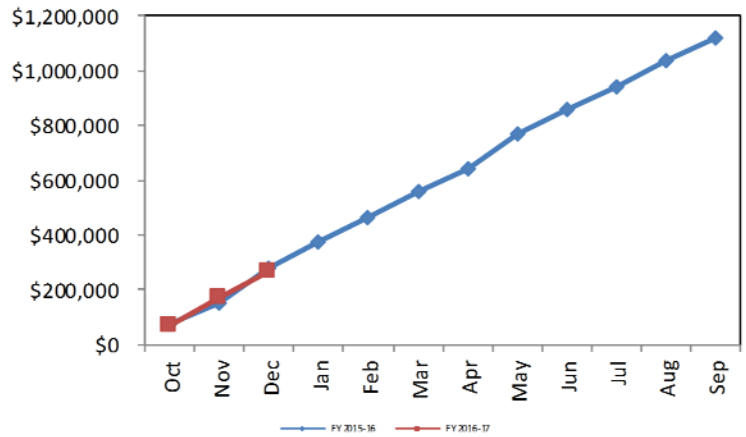
As of December 31, 2016
(000s)

	ADOPTED BUDGET	REVENUES YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
TAXES				
Ad Valorem Tax	\$610,219	\$223,629	\$610,219	\$0
Sales Tax ¹	292,189	45,423	293,539	1,350
TOTAL TAXES	902,408	269,052	903,758	1,350
FRANCHISE REVENUES				
Oncor Electric ²	51,078	16,218	52,108	1,030
AT&T	9,594	2,621	9,594	0
Atmos Energy ³	17,157	3,222	16,157	(1,000)
Time Warner Cable	6,210	1,668	6,210	0
Other	29,737	6,800	29,737	0
TOTAL FRANCHISE REVENUES	113,775	30,529	113,805	30
LICENSES AND PERMITS	4,891	1,357	4,897	7
INTEREST EARNED	1,316	414	1,316	0
INTERGOVERNMENTAL	8,501	280	8,631	130
FINES AND FORFEITURES				
Municipal Court ⁴	18,701	3,194	16,191	(2,510)
Vehicle Towing & Storage	7,146	1,865	7,146	0
Parking Fines	5,022	512	5,022	0
Red Light Camera Fines	7,460	0	7,460	0
Public Library	431	42	305	(126)
TOTAL FINES	38,760	5,614	36,124	(2,636)
CHARGES FOR SERVICE				
Parks	10,522	1,929	10,732	209
Emergency Ambulance	32,091	2,316	32,091	0
Security Alarm	4,380	1,032	4,378	(2)
Street Lighting	648	213	648	0
Vital Statistics	1,600	351	1,601	0
Other ⁵	28,311	5,752	26,728	(1,583)
TOTAL CHARGES	77,552	11,594	76,176	(1,375)
INTERFUND REVENUE	74,523	2,526	74,290	(232)
MISCELLANEOUS	7,616	1,387	7,639	23
TOTAL REVENUES	\$1,229,339	\$322,753	\$1,226,637	(\$2,702)

GENERAL FUND EXPENDITURES

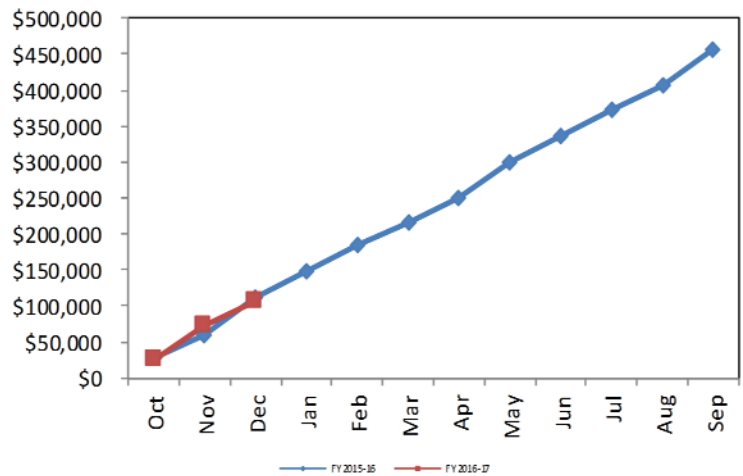
ALL EXPENSES

	FY 2015-16	FY 2016-17	Variance
Oct	\$75,601	\$71,583	(\$4,018)
Nov	78,065	97,700	19,635
Dec	124,594	98,282	(26,312)
Jan	97,321		
Feb	84,683		
Mar	95,576		
Apr	86,104		
May	126,118		
Jun	90,989		
Jul	82,900		
Aug	93,679		
Sep	85,148		
Total	\$1,120,778	\$267,565	(\$10,695)



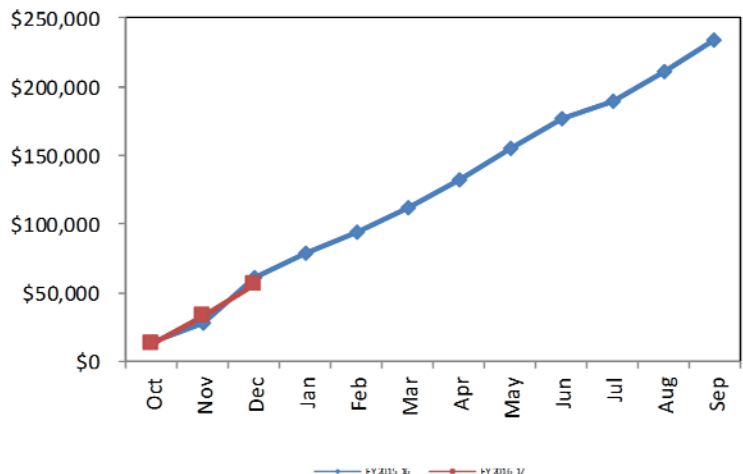
POLICE

	FY 2015-16	FY 2016-17	Variance
Oct	\$28,488	\$25,289	(\$3,199)
Nov	31,370	46,089	14,719
Dec	52,490	35,634	(16,856)
Jan	35,550		
Feb	37,126		
Mar	30,058		
Apr	34,931		
May	48,649		
Jun	37,058		
Jul	38,075		
Aug	32,689		
Sep	49,363		
Total	\$455,847	\$107,012	(\$5,336)



FIRE

	FY 2015-16	FY 2016-17	Variance
Oct	\$13,994	\$12,198	(\$1,796)
Nov	14,184	20,784	6,600
Dec	32,389	23,355	(9,034)
Jan	17,547		
Feb	16,128		
Mar	18,076		
Apr	19,295		
May	23,154		
Jun	21,372		
Jul	13,779		
Aug	21,006		
Sep	23,230		
Total	\$234,154	\$56,338	(\$4,229)



GENERAL FUND EXPENDITURES

As of December 31, 2016
(000s)

DEPARTMENT	ADOPTED BUDGET	EXPENDITURES YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
Building Services	\$25,312	\$7,426	\$25,312	\$0
Business Dev/Procurement Svcs	3,041	580	3,029	(12)
City Attorney's Office	16,298	3,433	16,298	0
City Auditor's Office	3,194	581	3,124	(70)
City Controller's Office	4,682	941	4,500	(182)
City Manager's Office	2,098	509	2,098	0
City Secretary's Office	2,029	337	2,021	(8)
Civil Service	2,887	463	2,887	0
Code Compliance	42,386	9,522	42,386	0
Court Services	11,976	2,516	11,967	(9)
Elections	1,401	21	1,401	0
Fire ⁶	254,603	56,338	253,793	(810)
Housing	14,403	1,694	14,403	0
Human Resources	5,220	1,214	5,193	(27)
Independent Audit	865	-	865	0
Jail Contract - Lew Sterret	7,813	1,302	7,813	0
Judiciary	3,296	715	3,296	0
Library	29,984	6,473	29,984	0
Management Services	10,235	2,964	10,235	0
Mayor and Council	4,465	913	4,428	(37)
Mobility and Street Services	84,577	20,042	84,548	(29)
Mobility and Street Services-Street Lighting	16,956	4,285	16,956	(0)
Non-Departmental ⁷	70,412	3,681	70,719	307
Office of Cultural Affairs	19,605	6,648	19,605	0
Office of Economic Development	2,575	860	2,575	0
Office of Financial Services	2,957	482	2,833	(123)
Park and Recreation	94,673	25,197	94,437	(236)
Planning & Urban Design	3,029	471	2,985	(43)
Police ⁸	478,004	107,012	475,151	(2,853)
Sustainable Dev/Construction	1,386	795	1,356	(29)
Trinity Watershed Management	1,318	146	1,318	0
RESERVES AND TRANSFERS				
Contingency Reserve	1,650	0	1,650	0
Liability/Claim Fund	4,283	0	4,283	0
Salary & Benefit Reserve ⁹	1,729	0	1,729	0
TOTAL EXPENDITURES	\$1,229,339	\$267,565	\$1,225,176	(\$4,163)

PROPRIETARY FUNDS

As of December 31, 2016
(000s)

DEPARTMENT	BUDGET	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
AVIATION				
BEGINNING FUND BALANCE	\$9,907	\$ -	\$9,907	\$ -
REVENUES:				
Parking	27,143	6,272	26,966	(177)
Terminal Concessions	25,416	5,302	25,418	2
Landing Fees	17,784	3,751	17,784	0
Rental on Airport - Terminal	14,789	3,340	14,789	0
Rental on Airport - Field	8,586	1,828	8,593	6
Fuel Flow Fees	1,225	245	1,211	(15)
All Remaining Revenues	3,230	1,061	3,414	183
TOTAL REVENUES	98,174	21,798	98,174	(0)
TOTAL EXPENDITURES	99,188	10,194	99,112	(76)
ENDING FUND BALANCE	\$8,893	\$ -	\$8,969	\$76
CONVENTION AND EVENT SERVICES				
BEGINNING FUND BALANCE	\$29,150	\$ -	\$29,150	\$ -
REVENUES:				
Hotel Occupancy Tax	58,856	9,832	58,856	0
Alcoholic Beverage Tax	12,445	0	12,528	82
Operating Revenues	25,002	3,868	24,256	(746)
Office of Special Events	100	20	106	6
TOTAL REVENUES	96,403	13,720	95,746	(657)
TOTAL EXPENDITURES	96,403	13,481	95,746	(657)
ENDING FUND BALANCE	\$29,150	\$ -	\$29,150	\$0

PROPRIETARY FUNDS

As of December 31, 2016
(000s)

DEPARTMENT	BUDGET	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
SUSTAINABLE DEVELOPMENT AND CONSTRUCTION				
BEGINNING FUND BALANCE	\$36,856	\$ -	\$36,856	\$ -
REVENUES:				
Building Permits	19,240	6,209	19,240	0
Certificate of Occupancy	1,412	278	1,412	0
Plan Review	3,749	1,134	3,749	0
Registration/License	1,028	247	1,028	0
Special Plats	887	244	887	0
Private Development	1,010	398	1,010	0
Zoning	1,184	237	1,184	0
Interest Earnings	117	117	117	0
All Remaining Revenues	1,477	487	1,477	0
TOTAL REVENUES	30,103	9,351	30,103	0
TOTAL EXPENDITURES¹⁰	36,090	4,883	33,688	(2,402)
ENDING FUND BALANCE	\$30,869	\$ -	\$33,271	\$2,402
MUNICIPAL RADIO				
BEGINNING FUND BALANCE	\$1,288	\$ -	\$1,288	\$ -
REVENUES:				
Local and National Sales	1,980	466	1,980	0
All Remaining Revenues	75	0	75	0
TOTAL REVENUES	2,055	466	2,055	0
TOTAL EXPENDITURES	2,032	550	2,032	(1)
ENDING FUND BALANCE	\$1,310	\$ -	\$1,311	\$1

PROPRIETARY FUNDS

As of December 31, 2016
(000s)

DEPARTMENT	BUDGET	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
WATER UTILITIES				
BEGINNING FUND BALANCE	\$87,038	\$ -	\$87,038	\$ -
REVENUES:				
Treated Water - Retail	294,427	71,604	294,784	357
Treated Water - Wholesale	84,700	20,827	82,863	(1,837)
Wastewater - Retail	236,075	56,246	233,043	(3,032)
Wastewater - Wholesale	10,554	2,358	10,222	(332)
All Remaining Revenues	31,708	7,764	30,639	(1,069)
TOTAL REVENUES	657,465	158,799	651,552	(5,913)
TOTAL EXPENDITURES	657,465	113,573	651,552	(5,913)
ENDING FUND BALANCE	\$87,038	\$ -	\$87,038	\$0
COMMUNICATION & INFORMATION SERVICES				
BEGINNING FUND BALANCE	\$11,178	\$ -	\$11,178	\$ -
REVENUES:				
Interdepartmental Charges	58,330	0	58,330	0
Telephones Leased	7,723	0	7,723	0
Circuits	1,449	0	1,449	0
Desktop Services	0	2	0	0
Interest	150	34	138	(5)
Equipment Rental	5,002	0	5,002	0
Miscellaneous	171	28	171	1
TOTAL REVENUES	72,825	64	72,814	(12)
TOTAL EXPENDITURES	74,838	13,118	74,294	(545)
ENDING FUND BALANCE	\$9,165	\$ -	\$9,697	\$533

PROPRIETARY FUNDS

As of December 31, 2016

(000s)

DEPARTMENT	BUDGET	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
EQUIPMENT SERVICES				
BEGINNING FUND BALANCE	\$4,450	\$ -	\$4,450	\$ -
REVENUES:				
Rental/Wreck	33,541	0	33,541	0
Fuel	16,482	0	16,482	0
Auto Auction/Non-Taxable	418	0	418	0
Miscellaneous Revenue	391	5	396	5
Interest and Other	5	0	5	0
TOTAL REVENUES	50,837	5	50,842	5
TOTAL EXPENDITURES	50,837	6,714	50,837	0
ENDING FUND BALANCE	\$4,450	\$ -	\$4,455	\$5
EXPRESS BUSINESS CENTER				
BEGINNING FUND BALANCE	\$1,631	\$ -	\$1,631	\$ -
REVENUES:				
Postage Sales	2,703	383	2,703	0
All Other Revenues	1,278	282	1,278	0
TOTAL REVENUES	3,981	665	3,981	0
TOTAL EXPENDITURES	3,780	665	3,780	0
ENDING FUND BALANCE	\$1,833	\$ -	\$1,833	\$0

PROPRIETARY FUNDS

As of December 31, 2016
(000s)

DEPARTMENT	BUDGET	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
SANITATION SERVICES				
BEGINNING FUND BALANCE	\$14,681	\$ -	\$14,681	\$ -
REVENUES:				
Residential Collection	72,502	19,157	72,929	427
Cost Plus Bulk/Brush	122	34	122	0
Sale of Recyclables	695	497	695	0
City Facility Collection	737	176	737	0
Landfill Revenue	21,890	9,003	24,400	2,510
TOTAL REVENUES¹¹	95,946	28,867	98,882	2,936
TOTAL EXPENDITURES¹¹	95,946	12,998	96,175	229
ENDING FUND BALANCE	\$14,681	\$ -	\$17,388	\$2,707

OTHER FUNDS

As of December 31, 2016
(000s)

DEPARTMENT	BUDGET	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
9-1-1 SYSTEM OPERATIONS				
BEGINNING FUND BALANCE	\$5,494	\$ -	\$5,494	\$ -
REVENUES:				
9-1-1 Service Receipts - Wireless	6,374	1,326	6,357	(17)
9-1-1 Service Receipts - Wireline	6,450	1,608	6,365	(86)
Interest and Other	48	19	79	31
TOTAL REVENUES	12,873	2,954	12,801	(72)
TOTAL EXPENDITURES	16,389	802	16,386	(3)
ENDING FUND BALANCE	\$1,978	\$ -	\$1,909	(\$69)
 STORM DRAINAGE MANAGEMENT				
BEGINNING FUND BALANCE	\$6,754	\$ -	\$6,754	\$ -
REVENUES:				
Storm Water Fees	50,856	12,163	50,856	-
Interest and Other	81	33	81	0
TOTAL REVENUES	50,937	12,196	50,937	0
TOTAL EXPENDITURES	53,008	5,437	53,008	0
ENDING FUND BALANCE	\$4,683	\$ -	\$4,683	\$0

OTHER FUNDS

As of December 31, 2016
(000s)

DEPARTMENT	BUDGET	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
EMPLOYEE BENEFITS				
BENEFITS ADMINISTRATION				
TOTAL EXPENDITURES	\$998	\$143	\$998	\$0
WELLNESS PROGRAM				
TOTAL EXPENDITURES	\$349	\$33	\$333	(\$16)
RISK MANAGEMENT				
TOTAL EXPENDITURES	\$2,630	\$616	\$2,621	(\$9)
LIABILITY/CLAIMS FUND				
Beginning Balance October 1, 2016				\$3,158
Budgeted Revenue				9,453
FY 2016-17 Available Funds				12,611
Paid October 2016				(596)
Paid November 2016				(315)
Paid December 2016				(353)
Balance as of December 31, 2016				11,347

DEBT SERVICE FUND

As of December 31, 2016
(000s)

DEPARTMENT	BUDGET	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
DEBT SERVICE FUND				
BEGINNING FUND BALANCE	\$10,235	\$ -	\$10,235	\$ -
REVENUES:				
Ad Valorem	242,487	88,862	242,487	0
Interest/Transfers/Other	19,799	414	19,799	0
TOTAL REVENUES	262,287	89,276	262,287	0
TOTAL EXPENDITURES	261,865	0	261,865	0
ENDING FUND BALANCE	\$10,657	\$ -	\$10,657	\$0

NOTES

(Dollars in 000s)

1. Sales tax revenues are forecast to be \$1,350 over budget based off most recent sales tax receipts. Sales tax receipts have increased by 4.5 percent over the most recent 12 months.
2. Oncor Electric revenues are forecast to be \$1,030 over budget based off most recent receipts.
3. Atmos Energy revenues are forecast to be \$1,000 below budget primarily due to a warm fall and winter, which led to decreased gas consumption by customers.
4. Municipal Court revenues are forecast to be \$2,510 below budget primarily as a result of a decrease in the volume of citations being issued.
5. Other Charges for Services is projected to be \$1,583 below budget primarily due to the termination of fire watch inspection services at the American Airlines Center and contract delays for the Mobile Community Health Program.
6. Fire Department expenditures are forecast to be \$810 below budget primarily due to salary and pension savings offset by increased use of overtime and increased vacation/sick termination payments. Pension savings are a result of the budget including funds to increase the City's contribution rate contingent upon members increasing their contribution rate via plan election, which did not pass.
7. Non-Departmental expenditures are forecast to be \$307 above budget due to Dallas Police and Fire Pension expenses.
8. Police Department expenditures are forecast to be \$2,853 below budget primarily as a result of salary and pension savings offset by increased use of overtime and increased vacation/sick termination payments. Pension savings are a result of the budget including funds to increase the City's contribution rate contingent upon members increasing their contribution rate via plan election, which did not pass. Additionally, we planned to hire 451 officers this year, but as it is now, that will be extremely difficult if not impossible so we will only be able to hire 300.
9. Salary and Benefit Reserve funds allocated to City Attorney's Office and City Manager's Office to offset vacation/sick termination payments.
10. Sustainable Development and Construction is projected to be \$2,402 below budget due to vacancies.
11. Sanitation Services revenues are projected to be \$2,936 above budget due to a 7.3 percent year over year increase in cash customers at the landfill. Expenses are projected to be \$229 above budget due to increase in landfill activity.

Memorandum



DATE February 3, 2017

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; and Lee M. Kleinman

SUBJECT **FY 2016-17 Community Development Block Grant Extensions and Reprogramming**

On Monday, February 6, 2017, the Office of Financial Services and Housing/Community Services will brief the Housing Committee and Budget, Finance, & Audit Committee on FY 2016-17 Community Development Block Grant Extensions and Reprogramming. We have attached the briefing for your review.

Please let me know if you have any questions.



M. Elizabeth Reich
Chief Financial Officer

Attachment

c: T.C. Broadnax, City Manager
Larry Casto, City Attorney
Craig D. Kinton, City Auditor
Rosa A. Rios, City Secretary
Daniel F. Solis, Administrative Judge
Mark McDaniel, Acting First Assistant City Manager

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

FY 2016-17 Community Development Block Grant Extensions and Reprogramming

Briefing to Housing Committee
And
Budget, Finance, & Audit Committee
February 6, 2017



Purpose of Briefing

- Review Community Development Block Grant (CDBG) timely expenditure requirements
- Recommend extension and reprogramming of prior year unspent funds
- Seek Committee's favorable recommendation to move forward with the February 22nd resolution authorizing
 - Extension of CDBG funds;
 - Preliminary adoption of Reprogramming Budget #1 for the FY 2016-17 Action Plan; and
 - Calling the public hearing
- Review next steps



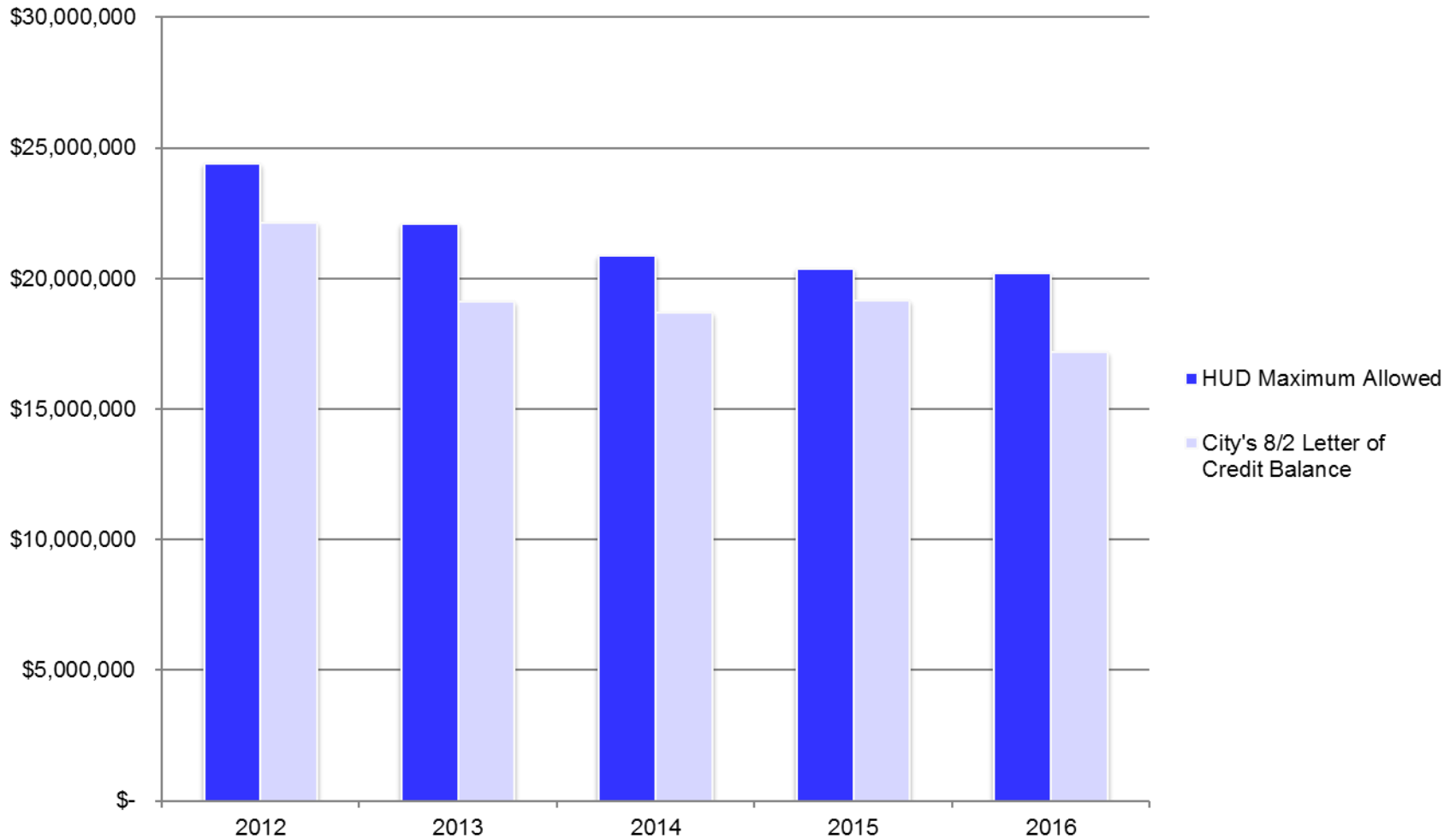
Timely Expenditure Requirements

- There are two tests to ensure that CDBG funds are spent in a timely manner
 1. U.S. Department of Housing and Urban Development (HUD) as required by federal regulations
 2. City as directed by Council policy

HUD Timely Expenditure Requirements

- HUD requires that CDBG funds be expended in a timely manner
 - Federal regulations limit amount of CDBG funds that may be unspent to no more than 1.5 times grantee's annual grant allocation
 - This requirement is tested annually for expenditures through August 1st
 - Failure to meet this requirement would result in a reduction of the next annual grant allocation by the amount grantee exceeds 1.5 requirement
- City continues to meet this requirement (last tested on August 2, 2016)

HUD Timeliness Test



City Timely Expenditure Requirements

- In August 1993, Council established an additional spending policy for all CDBG projects to further ensure timely expenditure of funds
 - The City policy requires funds to be obligated within 12 months and fully expended within 24 months
- In March 2007, Council added criteria and benchmarks to be used in determining conformity with City's timely expenditure policy (see Attachment A)
- Council has authority to approve extensions outside of policy and benchmark timeframes

City Timely Expenditure Requirements

- An annual review is conducted during the first quarter of each fiscal year to determine the status of each project as of September 30th
- Unspent project funding determined to not meet the City's policy is either reprogrammed or an extension is requested
- Based on review of CDBG projects and timely expenditure policies, City Manager's recommended action on December 13th included:
 - Unspent funds remaining in 17 projects recommended for extension – total \$2.9m
 - Unspent funds remaining in 11 projects recommended for reprogramming – total \$1.4m

Community Development Commission Review

- Community Development Commission's (CDC) Financial Monitoring Committee reviewed City Manager's recommendation on December 13th and made no amendments
- On January 5th, CDC reviewed and approved Financial Monitoring Committee's recommendation
- Detail information provided in Attachment B

Reprogramming

- Typically, reprogrammed prior year unspent funds are used as a “source of funds” to be included as part of next CDBG budget cycle
- This year, staff recommends moving forward with budgeting of unspent funds to ensure HUD’s expenditure requirements continue to be met on August 1, 2017
 - Approximately \$1.4m from 11 projects
- Housing/Community Services Department proposed use of funds for the Major Systems Repair Program
 - CDC gave favorable recommendation during their monthly meeting on February 2nd

Reprogramming

- Housing/Community Services Department has received overwhelming response for assistance in the Major Systems Repair Program
 - Over 300 applications in the first quarter of the fiscal year (Oct – Dec 2016)
 - Estimated amount of repairs is over \$6m
 - Approximately 70% of applicants are senior homeowners
- Outreach is underway to expand pool of available contractors to expedite repairs
 - All contractors are MWBE
- Reduce wait-time for citizens needing repairs
- Expenditures would be underway immediately



Recommendation

- Extension of \$2.9m and 17 projects allowing additional time to complete the projects
- Reprogramming of \$1.4m from 11 projects to the Major Systems Repair program with implementation to begin in April 2017

Next Steps

- February 6 – Committees’ consideration to move forward with extensions and reprogramming as recommended
- February 22 – City Council consideration
 - Extension Requests;
 - Preliminary adoption of Reprogramming Budget #1 for the FY 2016-17 Action Plan; and
 - Call public hearing
- March 22 – Hold public hearing
- April 12 – Final adoption of Reprogramming Budget #1 for the FY 2016-17 Action Plan



Attachment A

City Timely Expenditure Requirements

Timely Expenditure Requirements

1. On-Going Programs - On-going programs are continuing operating programs that are funded annually
 - Individual program budgets are an annual allocation and include these types of costs
 - Staffing, supplies and materials
 - Contracted services
 - Direct assistance to benefit low/mod clientele
 - Programs are designated in specific categories (Public Services, Housing, Economic Development, Planning & Program Oversight)
 - Following categories have spending caps which limit annual obligation and expenditure of funds
 - Public Services cap - 15% of allocation
 - Planning & Program Oversight cap - 20% of allocation
 - Extension of funds in these 2 categories may cause City to exceed caps and should be considered carefully

Timely Expenditure Requirements

1. On-Going Programs (continued)

Benchmarks:

- Reprogram unobligated funds for all categories of on-going programs at end of fiscal year
 - Exception: allow 2 year period to obligate funds in programs that provide direct assistance to low/mod clientele in non-capped Economic Development and Housing categories
 - These programs include: Home Repair Programs, Reconstruction, Relocation Assistance, Mortgage Assistance
- Extension of encumbered funds will be considered each year in accordance with current policy
- Reprogram unobligated staff and contract costs

Timely Expenditure Requirements

2. Unspecified Programs – Projects that are budgeted without specific details for implementation (examples include Business Development Program, and Residential Development Acquisition Loan Program)

Benchmarks:

- 1 year to identify project
- 1 year to secure additional financing and complete design
- 1 year to initiate implementation or construction
- Annually, extension of funds will be evaluated for project viability and potential for reimbursement of ineligible CDBG expenses to HUD from General Fund
 - Extension recommendation will be submitted to Council for approval, in accordance with current policy

Timely Expenditure Requirements

3. Public Improvement Projects - Capital improvements - Projects generally require more time to implement (examples include Public Improvements in NIP areas, Park Facilities Improvements, City Facilities Major Maintenance)

Benchmarks:

- Specific Public Improvement Projects (project location identified in budget)
 - 1 year for design
 - 1 year to initiate construction
- Non-specific Public Improvement projects (project location not identified in budget)
 - 2 years to identify project(s) and complete design
 - 1 year to initiate construction
- Annually, extension of funds will be evaluated for project viability and potential for reimbursement of CDBG expenses to HUD from the General Fund
 - Extension recommendation will be submitted to Council for approval, in accordance with current policy

Timely Expenditure Requirements

4. Non-profit Public Improvement Projects - Capital improvement projects located at non-profit facilities.

Benchmarks:

- Specific Public Improvement Projects (project location identified in budget)
 - 1 year for design
 - 1 year to initiate construction
- Non-specific Public Improvement projects (project location not identified in budget)
 - 2 years to identify project(s) and complete design
 - 1 year to initiate construction
- Annually, extension of funds will be evaluated for project viability and potential for reimbursement of CDBG expenses to HUD from the General Fund
 - Extension recommendation will be submitted to Council for approval, in accordance with current policy

Timely Expenditure Requirements

5. Davis Bacon Restitution

- Davis Bacon Act requires minimum wage rates for certain construction work classifications
- City staff evaluates contractor's compliance with Act
- To resolve violations, a restitution amount is determined and City or contractor has to contact affected employees
- Payments to contractor are suspended and funds are retained to pay restitution to affected employees
- Restitution funds must be held for 3 years, beginning from 1st documented notification to employee (escrow period)

Benchmarks:

- Unclaimed restitution funds will be reprogrammed at end of project's 3 year escrow period



Attachment B

Extensions & Reprogramming Project Listing By Department

FY 2016-17 COMMUNITY DEVELOPMENT BLOCK GRANT											
EXTENSION REQUEST AND REPROGRAMMING FUNDS											
as of September 30, 2016											
	Fiscal Year	Dept	Project Name	A Appropriations	B Expended	C Encumbrances	D Unobligated	Benchmark	E Extension Request	F Reprogramming Funds	G Explanation
HOUSING/COMMUNITY SERVICES											
1	10-11	HOU	BIP Façade Improvement	\$78,592	\$50,000	\$0	\$28,592	B-2		\$28,592	Projects completed; remaining balance to be reprogrammed.
2	15-16	HOU	City Child Care Services Program	\$299,697	\$262,505	\$29,694	\$7,498	B-1	\$29,694	\$7,498	Extension requested to continue subsidies to low-income working parents. Unobligated balance to be reprogrammed. Estimated completion: April 2017.
3	12-13	HOU	Community Based Development Organization - CWCDC	\$300,000	\$215,771	\$0	\$84,229	B-2		\$84,229	Project completed; remaining balance to be reprogrammed.
4	10-11	HOU	Community Based Development Organization - EDCO	\$200,000	\$98,492	\$101,508	\$0	B-2	\$101,508		Extension requested to complete senior housing project. Estimated completion: June 2017.
5	10-11	HOU	Community Based Development Organization - EDCO	\$500,000	\$485,896	\$14,105	\$0	B-2	\$14,105		Extension requested to complete senior housing project. Estimated completion: June 2017.
6	11-12	HOU	Community Based Development Organization - EDCO	\$300,000	\$15,583	\$284,417	\$0	B-2	\$284,417		Extension requested to complete senior housing project. Estimated completion: June 2017.
7	15-16	HOU	Housing Development Support	\$1,327,668	\$1,064,407	\$353	\$262,909	B-1		\$263,261	Payment of outstanding year-end expenses pending; remaining prior year balance to be reprogrammed.
8	14-15	HOU	Housing Development Support	\$709,778	\$642,825	\$0	\$66,953	B-1		\$66,953	Program funded in FY17; remaining prior year balance to be reprogrammed.
9	12-13	HOU	Mortgage Assistance Program	\$1,264,863	\$1,227,641	\$20,272	\$16,951	B-1		\$37,222	Payment of outstanding year-end expenses pending; remaining prior year balance to be reprogrammed.
10	14-15	HOU	Mortgage Assistance Program	\$1,165,856	\$768,069	\$24,168	\$373,619	B-1	\$397,787		Extension requested to provide mortgage assistance to homebuyers. The encumbered funds are for 4 homebuyers ready to close. Of the unobligated funds 38 homebuyers are pending closing and the remaining balance would assist 21 homebuyers with down payment and closing costs. Estimated completion: July 2017.
11	10-11	HOU	NIP-Neighborhood Investment Program-Infrastructure	\$1,500,000	\$479,541	\$0	\$1,020,459	B-3	\$1,020,459		Project cancelled. Extension requested for Neighborhood Plus projects. Estimated completion: September 2017.
12	13-14	HOU	NIP-SDFP/Mingo/Beall Streets Public Improvement	\$414,000	\$95,592	\$25,653	\$292,755	B-3	\$318,408		Extension requested to complete Beall and Mingo street improvements. Project in design phase. Estimated completion: May 2018.
13	12-13	HOU	NIP-South Dallas Ideal/Rochester Park Public Improvements	\$100,000	\$83,948	\$16,052	\$0	B-3	\$16,052		Extension requested to complete Bexar Street public art project. Estimated completion: March 2017.
14	13-14	HOU	NIP-South Dallas/Fair Park Public Improvements	\$343,318	\$156,812	\$186,506	\$0	B-3	\$186,506		Extension requested to complete Spring Avenue Redevelopment Project Phase 1. Estimated completion: May 2017.

FY 2016-17 COMMUNITY DEVELOPMENT BLOCK GRANT											
EXTENSION REQUEST AND REPROGRAMMING FUNDS											
as of September 30, 2016											
	Fiscal Year	Dept	Project Name	A Appropriations	B Expended	C Encumbrances	D Unobligated	Benchmark	E Extension Request	F Reprogramming Funds	G Explanation
15	10-11	HOU	NIP-Spring Avenue Infrastructure	\$1,500,000	\$1,353,364	\$146,636	\$0	B-3	\$146,636		Extension requested to complete Spring Avenue Redevelopment Project Phase 1. Estimated completion: May 2017.
16	11-12	HOU	NIP-Spring Avenue Infrastructure	\$334,216	\$118,740	\$215,476	\$0	B-3	\$215,476		Extension requested to complete Spring Avenue Redevelopment Project Phase 1. Estimated completion: May 2017.
17	10-11	HOU	NIP-Spring Avenue Infrastructure	\$162,355	\$127,368	\$2,849	\$32,138	B-3	\$34,987		Extension requested to complete Spring Avenue Redevelopment Project Phase 1. Estimated completion: May 2017.
18	13-14	HOU	Reconstruction Program	\$400,000	\$309,000	\$91,000	\$0	B-2	\$91,000		Extension requested to complete contract payments. Estimated completion: April 2017.
19	11-12	HOU	Residential Development Acquisition Loan Program	\$228,509	\$158,290	\$0	\$70,219	B-2		\$70,219	Project completed; remaining balance to be reprogrammed.
20	12-13	HOU	Residential Development Acquisition Loan Program	\$500,000	\$0	\$0	\$500,000	B-2		\$500,000	Project cancelled; funds to be reprogrammed.
TOTAL HOUSING/COMMUNITY SERVICES				\$11,628,851	\$7,713,842	\$1,158,688	\$2,756,321		\$2,857,035	\$1,057,974	
OFFICE OF ECONOMIC DEVELOPMENT											
21	14-15	ECO	BAC#2 Dallas Black Chamber of Commerce	\$40,000	\$23,660	\$16,340	\$0	B-1	\$16,340		Extension requested to complete contract payments. Estimated completion: April 2017.
22	14-15	ECO	BAC#3 Sammons Business & Community Lenders of Texas	\$40,000	\$5,231	\$34,769	\$0	B-1	\$34,769		Extension requested to complete contract payments. Estimated completion: April 2017.
23	14-15	ECO	BAC#4 Spring Av-Business & Community Lenders of Texas	\$80,000	\$45,119	\$34,881	\$0	B-1		\$34,881	Project completed; remaining prior year balance to be reprogrammed.
24	14-15	ECO	BAC#6 Hampton Regional Hispanic Contractors	\$40,000	\$23,705	\$16,295	\$0	B-1	\$16,295		Extension requested to complete contract payments. Estimated completion: April 2017.
25	14-15	ECO	BAC#7 Illinois Regional Hispanic Contractors	\$80,000	\$78,422	\$1,578	\$0	B-1	\$1,578		Extension requested to complete contract payments. Estimated completion: April 2017.
26	14-15	ECO	BAC#8 Record Crossing - BCL of Texas	\$80,000	\$70,362	\$9,638	\$0	B-1		\$9,638	Project completed; remaining prior year balance to be reprogrammed.
TOTAL OFFICE OF ECONOMIC DEVELOPMENT				\$360,000	\$246,500	\$113,501	\$0		\$68,982	\$44,519	
OFFICE OF FINANCIAL SERVICES											
27		BMS	Reprogrammed Funds	\$311,103	\$0	\$0	\$311,103			\$311,103	Unawarded and unspent funds from projects completed per HUD guidelines.
TOTAL OFFICE OF FINANCIAL SERVICES				\$311,103	\$0	\$0	\$311,103		\$0	\$311,103	
GRAND TOTAL				\$12,299,954	\$7,960,342	\$1,272,189	\$3,067,424		\$2,926,017	\$1,413,595	

Memorandum



CITY OF DALLAS

DATE: February 3, 2017

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: **City of Dallas 457 Plan**

The City Council Agenda for February 22, 2017 will include an item to authorize approval of the 457 Deferred Compensation Plan for City Employees of the City of Dallas, as amended and restated, effective February 22, 2017. This plan is governed by the provisions set forth in the plan document, and this memorandum provides a summary of the changes to the plan.

1. Amend the definition of an eligible employee to include employees who are employed on a permanent, part-time, or temporary basis; or elected to serve on the City Council.
2. Add a Roth in-plan conversion option to allow a participant to convert non-Roth balances to Roth balances.
3. Include non-substantive amendments for clarification and incorporate previously approved amendments to the core investments in the plan.
4. Update the plan with minor changes related to new regulations.

Please let me know if you have questions or need additional information.

A handwritten signature in cursive script that reads "M. Elizabeth Reich".

M. Elizabeth Reich
Chief Financial Officer

cc: Honorable Mayor and Members of the City Council
T.C. Broadnax, City Manager
Larry Casto, City Attorney
Craig D. Kinton, City Auditor
Rosa A. Rios, City Secretary
Daniel F. Solis, Administrative Judge
Mark McDaniel, Acting First Assistant City Manager

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

AGENDA ITEM # 3

KEY FOCUS AREA: E-Gov

AGENDA DATE: February 8, 2017

COUNCIL DISTRICT(S): All

DEPARTMENT: Business Development & Procurement Services
Water Utilities

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

MAPSCO: N/A

SUBJECT

Authorize a three-year service contract for cathodic protection system surveys and inspections for Water Utilities - Russell Corrosion Consultants, LLC, most advantageous proposer of five - Not to exceed \$162,650 - Financing: Water Utilities 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 allow Water Utilities (DWU) to provide National Association of Corrosion Engineers certified inspection and testing of corrosion protection systems currently operating within the City's potable pipeline system. This contract will include annual inspections as well as locate and determine repair needs. Cathodic protection systems protect a wide range of metallic pipelines in various environments. The corrosion protection system works to extend the life of the existing infrastructure by protecting the internal and external steel components of water mains from corrosion. Currently DWU has approximately 29 miles of large diameter water mains protected by cathodic protection systems.

In this solicitation Business Development and Procurement Services required bidders to submit a response using unit pricing. This bid resulted in a 2.83 percent increase over comparable unit prices for services for the bid awarded in 2013.

BACKGROUND (Continued)

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

- Trinity Watershed Management (1)
- Water Utilities (2)
- Business Development and Procurement Services (2)*

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

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

- Cost 40 points
- Experience 30 points
- Approach 15 points
- Business Inclusion and Development Plan 15 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 1,376 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 vendors meet the wage floor rate of \$10.37 (for applicable service component) approved by City Council on November 10, 2015, by Resolution No. 15-2141.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On May 22, 2013, City Council authorized a three-year service contract to conduct corrosion inspections of water mains by Resolution No. 13-0800.

Information about this item will be provided to the Budget, Finance, and Audit Committee on February 6, 2017.

FISCAL INFORMATION

\$162,650.00 - Water Utilities Currents Funds (subject to annual appropriations)

M/WBE INFORMATION

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

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

Russell Corrosion Consultants, LLC

White Male	15	White Female	3
Black Male	1	Black Female	0
Hispanic Male	2	Hispanic Female	0
Other Male	5	Other Female	0

PROPOSAL INFORMATION

Business Development and Procurement Services received the following proposals from solicitation number BMZ1610. We opened them on July 8, 2016. We recommend the City Council award this service contract in its entirety to the most advantageous proposer.

*Denotes successful proposer

<u>Proposers</u>	<u>Address</u>	<u>Score</u>	<u>Amount</u>
*Russell Corrosion Consultants, LLC	7130 Minstrel Way Suite 230 Columbia, MD 21045	93.67	\$162,650.00
Allied Corrosion, Inc.	1550 Cobb Industrial Dr. Marietta, GA 30066	70.68	\$178,960.00
Dreiym Engineering PLLC	12514 Colony Hill Ln. Houston, TX 77014	61.42	\$249,411.93
Corrpro Companies, Inc.	7000 B Hollister St. Houston, TX 77040	71.72	\$329,854.70

PROPOSAL INFORMATION (Continued)

<u>Proposers</u>	<u>Address</u>	<u>Score</u>	<u>Amount</u>
Kleinfelder, Inc.	7805 Mesquite Bend Dr. Suite 100 Irving, TX 75063	67.34	\$443,500.00

OWNER

Russell Corrosion Consultants, LLC

Thomas Ziegenfuss, President
Richard Grant, Vice President
Mitch Hulet, Secretary
Ed Czekaj, Treasurer

BUSINESS INCLUSION AND DEVELOPMENT PLAN SUMMARY

PROJECT: Authorize a three-year service contract for cathodic protection system surveys and inspections for Water Utilities - Russell Corrosion Consultants, LLC, most advantageous proposer of five - Not to exceed \$162,650 - Financing: Water Utilities Current Funds (subject to annual appropriations)

Russell Corrosion Consultants, LLC is a non-local, non-minority firm, has signed the "Business Inclusion & Development" documentation, and proposes to use the following sub-contractors.

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	\$162,650.00	100.00%
TOTAL CONTRACT	\$162,650.00	100.00%

LOCAL/NON-LOCAL M/WBE PARTICIPATION

Local Contractors / Sub-Contractors

None

Non-Local Contractors / Sub-Contractors

<u>Non-local</u>	<u>Certification</u>	<u>Amount</u>	<u>Percent</u>
Alliance Geotechnical Group	BMDB94986Y0117	\$14,036.00	8.63%
Texoma Corrosion Services	NMMB64282N0217	\$25,000.00	15.37%
Total Minority - Non-local		\$39,036.00	24.00%

TOTAL M/WBE CONTRACT PARTICIPATION

	<u>Local</u>	<u>Percent</u>	<u>Local & Non-Local</u>	<u>Percent</u>
African American	\$0.00	0.00%	\$14,036.00	8.63%
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%	\$25,000.00	15.37%
WBE	\$0.00	0.00%	\$0.00	0.00%
Total	\$0.00	0.00%	\$39,036.00	24.00%

February 8, 2017

WHEREAS, on May 22, 2013, City Council authorized a three-year service contract to conduct corrosion inspections of water mains by Resolution No. 13-0800;

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 Russell Corrosion Consultants, LLC (VS0000060612) for cathodic protection system surveys and inspections for Water Utilities, for a term of three years in an amount not to exceed \$162,650.00, 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 Russell Corrosion Consultants, LLC shall be based only on the amount of the services directed to be performed by the City and properly performed by Russell Corrosion Consultants, LLC under the contract.

Section 2. That the Chief Financial Officer is hereby authorized to disburse funds in an amount not to exceed \$162,650.00 (subject to annual appropriations) from Service Contract number BMZ1610.

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 # 4

KEY FOCUS AREA: E-Gov

AGENDA DATE: February 8, 2017

COUNCIL DISTRICT(S): All

DEPARTMENT: Business Development & Procurement Services
Code Compliance
Fire
Police
Sanitation Services
Water Utilities

CMO: Elizabeth Reich, 670-7804
Joey Zapata, 670-3009
Eric Campbell, 670-3255
Mark McDaniel, 670-3256

MAPSCO: N/A

SUBJECT

Authorize a three-year service contract for scale repair, calibration, and maintenance services - Nicol Scales L.P. dba Nicol Scales & Measurement, single bid - Not to exceed \$371,205 - Financing: Current Funds (\$134,210), Water Utilities Current Funds (\$179,465), and Sanitation Current Funds (\$57,530) (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 allow for scale repair, calibration, and maintenance services to be used by Water Utilities, Sanitation Services, Fire-Rescue, and other City departments.

Scales at Sanitation Services locations are used to weigh trash collected by City vehicles, dropped off by residents and other municipalities. Over 1,000 vehicles are weighed at the landfill and transfer stations daily. Performance and accuracy of these scales is critical to the daily flow of waste into the landfill. The scales used by Fire-Rescue are portable and used to weigh approximately 370 pieces of equipment such as fire engines, aerial ladder trucks, ambulances, trailers and auxiliary units stationed throughout the City. Weighing these vehicles ensures proper braking and loading.

BACKGROUND (Continued)

In this solicitation, Business Development and Procurement Services required bidders to submit a response using unit pricing. This bid resulted in no change in pricing compared to the bid awarded in 2012.

As part of the solicitation process and in an effort to increase competition, Business Development and Procurement Services (BDPS) used its procurement system to send out 499 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 11, 2012, City Council authorized a three-year service contract for truck scale repair and maintenance for Sanitation Services and Fire-Rescue by Resolution No. 12-1019.

On June 10, 2015, City Council authorized the rejection of bids received for scale repair and maintenance for various City weigh stations; and the re-advertisement for new bids by Resolution No. 15-1047.

Information about this item will be provided to the Budget, Finance, and Audit Committee on February 6, 2017.

FISCAL INFORMATION

\$134,210.00 - Current Funds (subject to annual appropriations)

\$179,465.00 - Water Utilities Current Funds (subject to annual appropriations)

\$ 57,530.00 - Sanitation Current Funds (subject to annual appropriations)

M/WBE INFORMATION

101 - Vendors contacted

101 - No response

0 - Response (Bid)

0 - Response (No Bid)

0 - Successful

M/WBE INFORMATION (Continued)

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

Nicol Scales, L.P. dba Nicol Scales & Measurement

White Male	27	White Female	1
Black Male	1	Black Female	1
Hispanic Male	3	Hispanic Female	2
Other Male	0	Other Female	0

BID INFORMATION

Business Development and Procurement Services received the following bid from solicitation number BN1631. We opened it on October 7, 2016. We recommend the City Council award this service contract in its entirety to the only bidder.

<u>Bidders</u>	<u>Address</u>	<u>Amount of Bid</u>
*Nicol Scales, L.P. dba Nicol Scales & Measurement	7239 Envoy Ct. Dallas, TX 75247	\$371,205.00

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

OWNER

Nicol Scales, L.P. dba Nicol Scales & Measurement

Theodore Tobolka, President
Steve Ford, Vice President

BUSINESS INCLUSION AND DEVELOPMENT PLAN SUMMARY

PROJECT: Authorize a three-year service contract for scale repair, calibration, and maintenance services - Nicol Scales L.P. dba Nicol Scales & Measurement, single bid - Not to exceed \$371,205 - Financing: Current Funds (\$134,210), Water Utilities Current Funds (\$179,465), and Sanitation Current Funds (\$57,530) (subject to annual appropriations)

Nicol Scales L.P dba Nicol Scales & Measurement is a 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	\$371,205.00	100.00%
Total non-local contracts	\$0.00	0.00%
TOTAL CONTRACT	\$371,205.00	100.00%

LOCAL/NON-LOCAL M/WBE PARTICIPATION

Local Contractors / Sub-Contractors

None

Non-Local Contractors / Sub-Contractors

None

TOTAL M/WBE CONTRACT PARTICIPATION

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

February 8, 2017

WHEREAS, on April 11, 2012, City Council authorized a three year service contract for truck scale repair and maintenance by Resolution No. 12-1019; and,

WHEREAS, on April 28, 2015, Administrative Action No. 15-5811 authorized an increase of funds and an extension to the service contract for six months from April 17, 2015 to October 17, 2015; and,

WHEREAS, on June 10, 2015, City Council authorized the rejection of bids received for scale repair and maintenance for various City weigh stations; and the re-advertisement for new bids by Resolution No. 15-1047; and,

WHEREAS, on October 15, 2015, Administrative Action No. 15-6893 authorized an extension to the service contract for six months from October 18, 2015 to April 17, 2016; and,

WHEREAS, on July 5, 2016, Administrative Action No. 16-6239 authorized an extension to the service contract for six months from April 18, 2016 to October 17, 2016; and,

WHEREAS, on October 31, 2016, Administrative Action No. 16-6830 authorized an extension to the service contract for six months from October 18, 2016 to April 17, 2017;

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 Nicol Scales, L.P. dba Nicol Scales & Measurement (005816) for scale repair, calibration, and maintenance services for a term of three years in an amount not to exceed \$371,205.00, 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 Nicol Scales, L.P. dba Nicol Scales & Measurement shall be based only on the amount of the services directed to be performed by the City and properly performed by Nicol Scales, L.P dba Nicol Scales & Measurement under the contract.

Section 2. That the Chief Financial Officer is hereby authorized to disburse funds in an amount not to exceed \$371,205.00 (subject to annual appropriations) from Service Contract number BN1631.

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

KEY FOCUS AREA: E-Gov
AGENDA DATE: February 8, 2017
COUNCIL DISTRICT(S): All
DEPARTMENT: Business Development & Procurement Services
Water Utilities
CMO: Elizabeth Reich, 670-7804
Mark McDaniel, 670-3256
MAPSCO: N/A

SUBJECT

Authorize a three-year service contract to provide grounds maintenance and xeriscaping for Water Utilities facilities - Good Earth Corporation in the amount of \$789,390 and Texas Blooms Organic Landscape Company in the amount of \$213,335, most advantageous proposers of two - Total not to exceed \$1,002,725 - Financing: Water Utilities 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 grounds maintenance and xeriscaping for Water Utilities facilities. This service contract will furnish all mowing, trimming, edging, flower beds, mulching, and xeriscaping services. Xeriscaping is landscaping and gardening that reduces or eliminates the need for supplemental water from irrigation. It is promoted in regions that do not have easily accessible, plentiful, or reliable supplies of fresh water.

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

- Water Utilities (3)
- Mobility & Street Services (1)
- Park & Recreation (1)
- Business Development and Procurement Services (2)*

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

BACKGROUND (Continued)

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

- Experience/qualifications 30%
- Cost 30%
- Staffing plan/approach 25%
- Business Development and Inclusion 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 718 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)

Information about this item will be provided to the Budget, Finance, and Audit Committee on February 6, 2017.

FISCAL INFORMATION

\$1,002,724.51 – Water Utilities Current Funds (subject to annual appropriations)

M/WBE INFORMATION

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

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

Good Earth Corporation

White Male	19	White Female	3
Black Male	36	Black Female	3
Hispanic Male	116	Hispanic Female	21
Other Male	0	Other Female	0

Texas Blooms Organic Landscape Company

White Male	0	White Female	6
Black Male	0	Black Female	0
Hispanic Male	2	Hispanic Female	0
Other Male	0	Other Female	0

PROPOSAL INFORMATION

Business Development and Procurement Services received the following proposals from solicitation number BCZ1602. We opened them on July 15, 2016. We recommend the City Council award this service contract by group to the most advantageous proposers. Information related to this solicitation is available upon request.

*Denotes successful proposers

<u>Proposers</u>	<u>Address</u>	<u>Amount</u>
*Good Earth Corporation	8020 Heinen Dr. Dallas, TX 75227	Multiple Groups
*Texas Blooms Organic Landscape Company	6490 Ridgemont Dr. Dallas, TX 75214	Multiple Groups

OWNERS

Good Earth Corporation

Ron Points, President

Texas Blooms Organic Landscape Company

Patti Lancaster, President

BUSINESS INCLUSION AND DEVELOPMENT PLAN SUMMARY

PROJECT: Authorize a three-year service contract to provide grounds maintenance and xeriscaping for Water Utilities facilities - Good Earth Corporation in the amount of \$789,390 and Texas Blooms Organic Landscape Company in the amount of \$213,335, most advantageous proposers of two - Total not to exceed \$1,002,725 - Financing: Water Utilities Current Funds (subject to annual appropriations)

Good Earth Corporation is a local, non-minority firm, has signed the "Business Inclusion & Development" documentation, and proposes to use the following sub-contractor. Texas Blooms Organic Landscape Company is a local, non-minority firm, has signed the "Business Inclusion & Development" documentation, and propose to use their own workforce.

PROJECT CATEGORY: Other Services

LOCAL/NON-LOCAL CONTRACT SUMMARY

	<u>Amount</u>	<u>Percent</u>
Total local contracts	\$814,724.51	81.25%
Total non-local contracts	\$188,000.00	18.75%
TOTAL CONTRACT	\$1,002,724.51	100.00%

LOCAL/NON-LOCAL M/WBE PARTICIPATION

Local Contractors / Sub-Contractors

None

Non-Local Contractors / Sub-Contractors

<u>Non-local</u>	<u>Certification</u>	<u>Amount</u>	<u>Percent</u>
Sun Coast Resources, Inc	WFWB63943N0117	\$188,000.00	100.00%
Total Minority - Non-local		\$188,000.00	100.00%

TOTAL M/WBE CONTRACT PARTICIPATION

	<u>Local</u>	<u>Percent</u>	<u>Local & Non-Local</u>	<u>Percent</u>
African American	\$0.00	0.00%	\$0.00	0.00%
Hispanic American	\$0.00	0.00%	\$0.00	0.00%
Asian American	\$0.00	0.00%	\$0.00	0.00%
Native American	\$0.00	0.00%	\$0.00	0.00%
WBE	\$0.00	0.00%	\$188,000.00	18.75%
Total	\$0.00	0.00%	\$188,000.00	18.75%

February 8, 2017

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 Good Earth Corporation (510006) in the amount of \$789,390.00 and Texas Blooms Organic Landscape Company (346030) in the amount of \$213,334.51 for grounds maintenance and xeriscaping for Water Utilities facilities for a term of three years in a total amount not to exceed \$1,002,724.51, 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 Good Earth Corporation and Texas Blooms Organic Landscape Company shall be based only on the amount of the services directed to be performed by the City and properly performed by Good Earth Corporation and Texas Blooms Organic Landscape Company under the contract.

Section 2. That the Chief Financial Officer is hereby authorized to disburse funds in an amount not to exceed \$1,002,724.51 (subject to annual appropriations) from Service Contract number BCZ1602.

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 # 6

KEY FOCUS AREA: E-Gov

AGENDA DATE: February 8, 2017

COUNCIL DISTRICT(S): All

DEPARTMENT: Business Development & Procurement Services
Aviation
Convention and Event Services
Fire
Police
Sanitation Services
Trinity Watershed Management
Water Utilities

CMO: Elizabeth Reich, 670-7804
Theresa O'Donnell, 671-9195
Joey Zapata, 670-3009
Eric Campbell, 670-3255
Mark McDaniel, 670-3256

MAPSCO: N/A

SUBJECT

Authorize a three-year master agreement for printer toner and cartridges - Barbarian USA, Inc. in the amount of \$939,682, The Office Pal, Inc. in the amount of \$206,824, Printer Components, Inc. in the amount of \$27,260, Encon Systems Ltd., Inc. in the amount of \$6,204, and Printing Supplies USA LLC in the amount of \$2,000, lowest responsible bidders of fourteen - Total not to exceed \$1,181,970 - Financing: Current Funds (\$940,024), Water Utilities Current Funds (\$173,887), Sanitation Current Funds (\$33,259), Aviation Current Funds (\$19,500), Stormwater Drainage Management Current Funds (\$7,700), and Convention and Event Services Current Funds (\$7,600)

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 printer toner and cartridges for various desktop printers located throughout the City. Desktop printers are essential to provide efficient customer service necessary to print documents such as payment receipts and other legal documents. Desktop printers are also used in secure and remote areas by departments such as Police and Fire-Rescue.

BACKGROUND (Continued)

Although the City has standardized its printing, fax and general scanning functions through its 626 Multi-Functional Devices (MFDs), it is still necessary to maintain a small number of desktop printers to effectively provide services in remote facilities and where staff delivers services to customers through face-to-face transactions. The current MFDs contract provides the City turn-key service to include technical and maintenance support in addition to toner supplies specific to the MFDs under contract.

The printers ensure privacy and most efficient delivery of services such as:

- Photos of suspects for identification and line ups
- Court evidence
- Search warrants
- Fire code inspection reports
- Accident investigation reports
- Logging of emergency response activities
- Notices at Water Utilities' facilities and plants
- Systems, Applications, Products (SAP) network printers
- Confidential memos and performance plans

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 1,298 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 September 12, 2012, City Council authorized a two-year master agreement for printer toners and cartridges by Resolution No. 12-2232.

On February 26, 2014, City Council authorized a three-year master agreement for printer toners and cartridges by Resolution No. 14-0367.

Information about this item will be provided to the Budget, Finance, and Audit Committee on February 6, 2017.

FISCAL INFORMATION

\$940,023.32 - Current Funds
\$173,887.00 - Water Utilities Current Funds
\$ 33,259.00 - Sanitation Current funds
\$ 19,500.00 - Aviation Current Funds
\$ 7,700.00 - Stormwater Drainage Management Current Funds
\$ 7,600.00 - Convention and Event Services Current Funds

M/WBE INFORMATION

175 - Vendors contacted
172 - No response
3 - Response (Bid)
0 - Response (No bid)
1 - Successful

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

Barbarian USA, Inc.

White Male	0	White Female	0
Black Male	0	Black Female	0
Hispanic Male	0	Hispanic Female	0
Other Male	5	Other Female	2

The Office Pal, Inc.

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

Printer Components, Inc.

White Male	6	White Female	2
Black Male	0	Black Female	0
Hispanic Male	0	Hispanic Female	0
Other Male	0	Other Female	0

ETHNIC COMPOSITION (Continued)

Encon Systems Ltd., Inc.

White Male	8	White Female	7
Black Male	0	Black Female	1
Hispanic Male	2	Hispanic Female	2
Other Male	1	Other Female	0

Printing Supplies USA LLC

White Male	0	White Female	0
Black Male	0	Black Female	0
Hispanic Male	0	Hispanic Female	0
Other Male	2	Other Female	1

BID INFORMATION

Business Development and Procurement Services received the following bids from solicitation number BX1609. We opened them on July 8, 2016. We recommend the City Council award this master agreement to the lowest responsive and responsible bidders by group. Information related to this solicitation is available upon request.

*Denotes successful bidders

<u>Bidders</u>	<u>Address</u>	<u>Amount of Bid</u>
*Barbarian USA, Inc.	16422 Stuebner Airline Rd. Spring, TX 77379	Multiple Groups
*The Office Pal, Inc.	1000 Airport Rd. Lakewood, NJ 08701	Multiple Groups
*Printer Components, Inc.	100 Photikon Dr. Suite #2 Fairport, NY 14450	Multiple Groups
*Encon Systems Ltd., Inc.	420 N. Town East Blvd. Sunnyvale, TX 75182	Multiple Groups
*Printing Supplies USA LLC	666 Plainsboro Rd. Suite #1237 Plainsboro, NJ 08536	Multiple Groups

BID INFORMATION (Continued)

<u>Bidders</u>	<u>Address</u>	<u>Amount of Bid</u>
ELP Enterprises, Inc. dba MC Business Products	9346 Rosstown Way Houston, TX 77080	Multiple Groups
Enhanced Laser Products	9075 Katy Frwy. Houston, TX 77024	Multiple Groups
LD Products, Inc.	3700 Cover St. Long Beach, CA 90808	Multiple Groups
Limitless Products LLC dba Limitless Office Products	1106 Commerce Dr. Richardson, TX 75081	Multiple Groups
Netsync Network Solutions	1920 Hutton Ct. Suite #400 Farmers Branch, TX 75234	Multiple Groups
Smart Group Systems	1801 Gateway Blvd. Suite #203 Richardson, TX 75080	Multiple Groups
Ames Holding Corporation dba Hill Country Computer	791 N. Highway 77 #132 Suite 501C Waxahachie, TX 75165	Non-responsive**
The Printer Depot	10990 Petal Suite #300 Dallas, TX 75238	Non-responsive**
Tex Toners	1825 W. Walnut Hill Ln. Suite #120 Irving, TX 75038	Non-responsive**

** Ames Holding Corporation dba Hill Country Computer, The Printer Depot, and Tex Toners were deemed non-responsive due to not meeting bid specifications.

OWNERS

Barbarian USA, Inc.

Neena Chainani, President

The Office Pal, Inc.

Moses Schwartz, President

Printer Components, Inc.

Richard Fritz, President

Encon Systems Ltd., Inc.

Deborah Hovitz, President

Printing Supplies USA LLC

Luke Xu, President

BUSINESS INCLUSION AND DEVELOPMENT PLAN SUMMARY

PROJECT: Authorize a three-year master agreement for printer toner and cartridges - Barbarian USA, Inc. in the amount of \$939,682, The Office Pal, Inc. in the amount of \$206,824, Printer Components, Inc. in the amount of \$27,260, Encon Systems Ltd., Inc. in the amount of \$6,204, and Printing Supplies USA LLC in the amount of \$2,000, lowest responsible bidders of fourteen - Total not to exceed \$1,181,970 - Financing: Current Funds (\$940,024), Water Utilities Current Funds (\$173,887), Sanitation Current Funds (\$33,259), Aviation Current Funds (\$19,500), Stormwater Drainage Management Current Funds (\$7,700), and Convention and Event Services Current Funds (\$7,600)

Barbarian USA, Inc. is a non-local, minority firm, has signed the "Business Inclusion & Development" documentation, and proposes to use their own workforce. The Office Pal, Inc., Printer Components, Inc., Encon Systems Ltd., Inc. and Printing Supplies USA LLC, are non-local, non-minority firms, have signed the "Business Inclusion & Development" documentation, and propose to use their own workforces.

PROJECT CATEGORY: Goods

LOCAL/NON-LOCAL CONTRACT SUMMARY

	<u>Amount</u>	<u>Percent</u>
Total local contracts	\$0.00	0.00%
Total non-local contracts	\$1,181,969.32	100.00%
TOTAL CONTRACT	\$1,181,969.32	100.00%

LOCAL/NON-LOCAL M/WBE PARTICIPATION

Local Contractors / Sub-Contractors

None

Non-Local Contractors / Sub-Contractors

<u>Non-local</u>	<u>Certification</u>	<u>Amount</u>	<u>Percent</u>
Barbarian USA Inc	PMMB45437N1118	\$939,681.81	79.50%
Total Minority - Non-local		\$939,681.81	79.50%

TOTAL M/WBE CONTRACT PARTICIPATION

	<u>Local</u>	<u>Percent</u>	<u>Local & Non-Local</u>	<u>Percent</u>
African American	\$0.00	0.00%	\$0.00	0.00%
Hispanic American	\$0.00	0.00%	\$0.00	0.00%
Asian American	\$0.00	0.00%	\$939,681.81	79.50%
Native American	\$0.00	0.00%	\$0.00	0.00%
WBE	\$0.00	0.00%	\$0.00	0.00%
Total	<u>\$0.00</u>	<u>0.00%</u>	<u>\$939,681.81</u>	<u>79.50%</u>

February 8, 2017

WHEREAS, on September 12, 2012, City Council authorized a two-year master agreement for printer toners and cartridges by Resolution No. 12-2232; and,

WHEREAS, on February 26, 2014, City Council authorized a three-year master agreement for printer toners and cartridges by Resolution No. 14-0367;

NOW, THEREFORE,

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

Section 1. That a master agreement for the purchase of printer toner and cartridges is authorized with Barbarian USA, Inc. (VS0000082791) in the amount of \$939,681.81, The Office Pal, Inc. (VS0000049259) in the amount of \$206,824.00, Printer Components, Inc. (VS0000082231) in the amount of \$27,259.51, Encon Systems Ltd., Inc. (VS0000056987) in the amount of \$6,204.00, and Printing Supplies USA LLC (VS0000060337) in the amount of \$2,000.00 for a term of three years in a total amount not to exceed \$1,181,969.32.

Section 2. That the Purchasing Agent is authorized, upon appropriate request and documented need by a user department, to issue a purchase order for printer toner and cartridges. If a written contract is required or requested for any or all purchases of printer toner and cartridges 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 \$1,181.969.32 from Master Agreement number BX1609.

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.