

GOVERNMENT PERFORMANCE & FINANCIAL MANAGEMENT  
DALLAS CITY COUNCIL COMMITTEE AGENDA

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CITY SECRETARY  
DALLAS, TEXAS

MONDAY, DECEMBER 4, 2017  
CITY HALL  
COUNCIL BRIEFING ROOM, 6ES  
1500 MARILLA STREET  
DALLAS, TEXAS 75201  
1:00 P.M. – 2:30 P.M.

**Chair**, Councilmember Jennifer S. Gates  
**Vice-Chair**, Councilmember Scott Griggs  
Councilmember Sandy Greyson  
Councilmember Lee M. Kleinman  
Councilmember Philip T. Kingston  
Councilmember Tennell Atkins  
Councilmember Kevin Felder

Call to Order

1. Special Recognition
2. Consideration of Minutes from the November 6, 2017 Government Performance & Financial Management Committee meeting
3. Consideration of Upcoming Agenda Items for December 13, 2017 City Council Meeting

**BRIEFINGS**

4. Atmos Rate Case  
Nick Fehrenbach, Manager of Regulatory Affairs  
*Office of Budget*
5. Office of Business Diversity  
M/WBE Performance Report  
Zarin D. Gracey, Interim Managing Director  
*Office of Business Diversity*

**FYI**

6. 2018 Health Plan Changes

Adjourn



Jennifer S. Gates, Chair  
Government Performance & Financial Management Committee

A closed executive session may be held if the discussion of any of the above agenda items concerns one of the following:

1. seeking the advice of its attorney about pending or contemplated litigation, settlement offers, or any matter in which the duty of the attorney to the City Council under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Texas Open Meetings Act. [Tex. Govt. Code §551.071]
2. deliberating the purchase, exchange, lease, or value of real property if deliberation in an open meeting would have a detrimental effect on the position of the city in negotiations with a third person. [Tex. Govt. Code §551.072]
3. deliberating a negotiated contract for a prospective gift or donation to the city if deliberation in an open meeting would have a detrimental effect on the position of the city in negotiations with a third person. [Tex. Govt. Code §551.073]
4. deliberating the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee, or to hear a complaint or charge against an officer or employee unless the officer or employee who is the subject of the deliberation or hearing requests a public hearing. [Tex. Govt. Code §551.074]
5. deliberating the deployment, or specific occasions for implementation, of security personnel or devices. [Tex. Govt. Code §551.076]
6. discussing or deliberating commercial or financial information that the city has received from a business prospect that the city seeks to have locate, stay or expand in or near the city and with which the city is conducting economic development negotiations; or deliberating the offer of a financial or other incentive to a business prospect. [Tex Govt. Code §551.087]
7. deliberating security assessments or deployments relating to information resources technology, network security information, or the deployment or specific occasions for implementations of security personnel, critical infrastructure, or security devices. [Tex. Govt. Code §551.089]

#### **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."***

# GOVERNMENT PERFORMANCE & FINANCIAL MANAGEMENT

## Meeting Record

**Meeting Date:** November 6, 2017

**Convened:** 1:02 pm

**Adjourned:** 2:42 pm

**Committee Members Present:**

Jennifer S. Gates, Chair  
Scott Griggs, Vice Chair  
Sandy Greyson

Philip Kingston  
Tennell Atkins  
Lee Kleinman

Kevin Felder

**Committee Members Absent:**

**Other Council Members Present:**

**Staff Present:**

Elizabeth Reich  
Akilah McLaughlin  
Jack Ireland  
Janette Weedon  
Edward Scott  
Lance Sehorn

Mike Frosch  
Stephanie Cooper  
Corinne Steeger  
Rowena Zhang  
Craig Kinton  
Monica Anderson

Rick Galceron  
Connie Tankersley  
Robert Sims  
Donzell Gipson  
Kris Sweckard  
Sue Hounzel

Robert Rubel  
Sarah Standifer  
Terry Lowery  
Thandee Kywe  
Carol Ann Smith  
Rory Galter

Doug O'rourke  
Anatoli Douditski  
Gloria L. Carter  
Daisy Torres Fast  
Ryan Rogers  
Cliff Gillespie

Renee Hayden  
Barbara McAninch  
Toney Aguilar  
William Finch

**Others Present:**

N/A

**AGENDA:**

**Call to Order**

1. **Consideration of the October 16, 2017 Minutes**

Presenter(s): N/A

Information Only: \_

Action Taken/Committee Recommendation(s): *Approved*

Motion was made to approve the October 16, 2017 minutes. Motion passed unanimously.

Motion made by: Scott Griggs

Motion seconded by: Tennell Atkins

2. **Consideration of Upcoming Agenda Items for November 8, 2017 City Council Meeting**

Presenter(s): N/A

Information Only: \_

Action Taken/Committee Recommendation(s): *Approved*

Motion was made to move forward to the City Council on November 8, 2017 items. Motion passed unanimously.

Motion made by: Sandy Greyson

Motion seconded by: Lee Kleinman

# GOVERNMENT PERFORMANCE & FINANCIAL MANAGEMENT

## Meeting Record

### Briefings

3. Office of the City Auditor – Fiscal Year 2018 First Quarter Update

Presenter(s): Craig Kinton, City Auditor

Information Only:

Action Taken/Committee Recommendation(s):

Motion made by: N/A

Motion seconded by: N/A

4. Cost Consideration of Agenda Items

Presenter(s): Jack Ireland, Director, Office of Budget

Information Only:

Action Taken/Committee Recommendation(s):

Motion made by: N/A

Motion seconded by: N/A

5. Financial Management Performance Criteria (two suggested criteria from Council Member Kleinman)

Presenter(s): Elizabeth Reich, Chief Financial Officer and Jack Ireland, Director, Office of Budget

Action Taken/Committee Recommendation(s): *Approved*

- 1) Council Member Kleinman made a motion "to add an effective tax rate criteria," and Council Member Greyson made a friendly amendment to require "above and below the line" information. The motion, as amended, passed unanimously.

Motion made by: Lee Kleinman

Motion seconded by: Scott Griggs

- 2) Committee discussed, but did not make a motion to establish, a criteria that would limit public safety spending.

- 3) Council Member Griggs made a motion for "all staff FMPC criteria to move forward except for the TIF criteria," with the approval of the Committee. The motion was approved with CM Atkins voting in opposition.

Motion made by: Scott Griggs

Motion seconded by: Lee Kleinman

### FYI

6. Dallas Water Utilities Commercial Paper Program

Presenter(s):

Information Only:

Action Taken/Committee Recommendation(s):

Motion made by: N/A

Motion seconded by: N/A

# GOVERNMENT PERFORMANCE & FINANCIAL MANAGEMENT

## Meeting Record

7. Quarterly Investment Report

Presenter(s):

Information Only:

Action Taken/Committee Recommendation(s):

Motion made by: N/A

Motion seconded by: N/A

Adjourn

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

DRAFT

## AGENDA ITEM # 5

<b>STRATEGIC PRIORITY:</b>	Government Performance and Financial Management
<b>AGENDA DATE:</b>	December 13, 2017
<b>COUNCIL DISTRICT(S):</b>	N/A
<b>DEPARTMENT:</b>	City Controller's Office Water Utilities Department
<b>CMO:</b>	Elizabeth Reich, 670-7804 Majed Al-Ghafry, 670-3302
<b>MAPSCO:</b>	N/A

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### SUBJECT

A resolution authorizing the **(1)** execution of the First Amendment to Revolving Credit Agreement with Bank of America, N.A.; **(2)** execution of the First Amendment to Fee Letter Agreement with Bank of America, N.A.; **(3)** execution of the First Amendment to Revolving Credit Agreement with State Street Bank and Trust Company; **(4)** execution of the First Amendment to Fee Letter Agreement with State Street Bank and Trust Company, all in support of the City of Dallas, Texas Waterworks and Sewer System Commercial Paper Notes, Series D; and **(5)** execution of agreements pertaining thereto and resolving other matters related thereto – Not to exceed \$2,283,761 - Financing: Water Utilities Current Funds (\$103,125 upfront closing costs plus estimated annual costs of \$1,090,318 for a total two-year cost of \$2,283,761) (subject to annual appropriations)

### BACKGROUND

Established in 1987 at \$100 million, Dallas Water Utilities' (DWU) Commercial Paper Program currently consists of Series D and E with each series authorized at \$300 million. DWU uses its commercial paper program to provide interim financing for capital projects. Contracts are awarded using commercial paper as a funding source. Notes are issued to pay project costs as invoices are received. Notes are typically sold at lower interest rates than longer term bonds. Outstanding commercial paper is periodically reduced by refinancing with long-term bonds.

Commercial paper issuance is backed by lines of credit from highly rated banks. These lines of credit assure investors that the commercial paper notes will be paid in the event that a note cannot be sold to another investor at maturity.

The rating agencies rate commercial paper programs based on the rating of the banks providing the credit lines. In addition, the credit rating and outlook of the commercial paper issuer also affects the marketability of the notes.

## **BACKGROUND** (continued)

State Street Bank and Trust Company (“State Street”) and Bank of America, N.A. (“Bank of America”) have offered to provide the credit facility supporting DWU’s \$300 million Series D Commercial Paper Program with no material changes in terms and conditions for an additional two-year period. State Street will continue to provide \$225 million of the total credit facility while Bank of America provides \$75 million. The annual fee for the line of credit facility backing the existing program is 35 basis points, or 0.35 percent, which would remain the same. DWU’s co-financial advisors, Hilltop Securities and Estrada Hinojosa, recommend acceptance of the banks’ offer.

Current quotes for comparable facilities from other banks are in the range of 0.40 - 0.45 percent. In addition, the co-financial advisors recommend continuation of State Street and Bank of America as credit providers due to strong market acceptance of commercial paper notes supported by their credit lines.

This item provides authorization to extend the credit agreements with no material changes in terms and conditions for an additional two-year period.

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

On December 12, 2001, City Council authorized amending and restating Ordinance No. 23290 to authorize the issuance of City of Dallas, Texas Waterworks and Sewer System short term obligations in an aggregate principal amount at any one time outstanding not to exceed \$150,000,000; to authorize such short term obligations to be issued, sold and delivered in various forms, including commercial paper notes and a bank note; to extend the Maximum Maturity Date to January 15, 2012; to make certain covenants and agreements in connection therewith; to resolve other matters related to the issuance, sale, security and delivery of such short term obligations including authorizing the execution of a Credit Agreement with JPMorgan Chase Bank, a Dealer Agreement with Bear, Stearns & Co., Inc. and Siebert Brandford Shank & Co., LLC and an Issuing and Paying Agent Agreement with U.S. Bank Trust National Association; to approve the payment of issuance costs in connection with the issuance of the short term obligations; to approve the use of an Offering Memorandum in connection with the sale of the short term obligations; and to provide an effective date by Ordinance No. 24794.

On September 30, 2002, City Council authorized the issuance of City of Dallas, Texas Waterworks and Sewer System short term obligations in an aggregate principal amount not to exceed \$50,000,000; authorizing such short term obligations to be issued, sold and delivered in various forms, including commercial paper notes and a bank note; making certain covenants and agreements in connection therewith; resolving other matters related to the issuance, sale, security and delivery of such short term obligations, including the appointment of U.S. Bank Trust National Association as the Issuing and Paying Agent and authorizing the execution of an Issuing and Paying

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

Agent Agreement, authorizing the execution of a Credit Agreement with JPMorgan Chase Bank, and authorizing the execution of a Dealer Agreement with Bear Stearns & Co., Inc. and Siebert Brandford Shank & Co., LLC; approving the payment of issuance costs in connection with the issuance of the short term obligations; approving the use of an Offering Memorandum in connection with the sale of the short term obligations; and providing an effective date by Ordinance No. 25050.

On April 28, 2004, City Council authorized the preparation of plans to increase the maximum principal amount at any one-time outstanding of the City of Dallas Waterworks and Sewer System Commercial Paper Notes from \$200,000,000 to \$300,000,000 and to resolve other matters related to the issuance, sale, security and delivery of such short-term obligations by Resolution No. 04-1473.

On August 25, 2004, City Council authorized the issuance of City of Dallas, Texas Waterworks and Sewer System Series B short term obligations in an aggregate principal amount not to exceed \$200,000,000; an ordinance authorizing the issuance of City of Dallas, Texas Waterworks and Sewer System Series C short term obligations in an aggregate principal amount not to exceed \$100,000,000; authorizing such short term obligations to be issued, sold and delivered in various forms, including commercial paper notes and a bank note; making certain covenants and agreements in connection therewith; re-establishing the 10-year tenor of the program by extending the maturity date to September 30, 2014; resolving other matters related to the issuance, sale, security and delivery of such short term obligations, including the re-appointment of U.S. Bank Trust National Association as the Issuing and Paying Agent and authorizing the execution of an Issuing and Paying Agent Agreement, authorizing a Credit Agreement with Bank of America, N.A., and the reappointment of Bear Stearns & Co., Inc. and Siebert Brandford Shank & Co., L.L.C. as the co-dealers and authorizing the execution of a Dealer Agreement; approving the payment of issuance costs in connection with the issuance of the short term obligations; approving the use of an Offering Memorandum in connection with the sale of the short term obligations; and providing an effective date by Ordinance Nos 25714 and 25715.

On August 27, 2008, City Council authorized an amendment to Ordinance No. 25714, previously approved on August 25, 2004 to amend the Credit Agreement with Bank of America, N.A. to extend the term of the contract for a three-year period from September 28, 2008 through September 30, 2011 for the City of Dallas, Texas Waterworks and Sewer System Series B short term obligations; and an amendment to Ordinance No. 25715, previously approved on August 25, 2004 to amend the Credit Agreement with Bank of America, N.A. to extend the term of the contract for a three-year period from September 28, 2008 through September 30, 2011 for the City of Dallas, Texas Waterworks and Sewer System Series C short term obligations by Resolution No. 08-2261.



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

On August 24, 2011, City Council authorized an amendment to Dallas Water Utilities' Ordinance No. 25714, approved on August 25, 2004 and previously amended on August 27, 2008, to amend the Credit Agreement with Bank of America, N.A. to extend the term of the agreement for an additional three-year period from September 28, 2011 through September 30, 2014 and add JPMorgan Chase Bank, N.A. to the Credit Agreement for the City of Dallas, Texas Waterworks and Sewer System Series B short-term obligations; and an amendment to Dallas Water Utilities' Ordinance No. 25715, approved on August 25, 2004 and previously amended on August 27, 2008, to amend the Credit Agreement with Bank of America, N.A. to extend the term of the agreement for an additional three-year period from September 28, 2011 through September 30, 2014 and add JPMorgan Chase Bank, N.A. to the Credit Agreement for the City of Dallas, Texas Waterworks and Sewer System Series C short-term obligations by Resolution No. 11-2252.

On December 10, 2014, City Council authorized an ordinance amending and restating Ordinance No. 27486, approving and authorizing the issuance by the City of Dallas of its Waterworks and Sewer System Commercial Paper Notes, Series D, in an aggregate principal amount at any one time outstanding not to exceed \$300,000,000, to permit the issuance of such Commercial Paper Notes in sub-series; resolving other matters incident and related to the issuance, sale, security and delivery of such Commercial Paper Notes, including the approval of and authorizing the execution of separate revolving credit agreements with State Street Bank and Trust Company and Bank of America, N.A.; a restated Dealer Agreement with Merrill Lynch, Pierce, Fenner & Smith Incorporated and a related Issuing and Paying Agent Agreement with U.S. Bank National Association; and providing an effective date; and approving the payment of issuance costs in connection with the issuance of the short term obligations and approving the use of an Offering Memorandum in connection with the sale of the short term obligations by Ordinance No. 29549.

On November 8, 2017, the Government Performance and Financial Management Committee was briefed.

## **FISCAL INFORMATION**

Water Utilities Current Funds - \$2,283,761 (subject to annual appropriations)

Costs for the \$300,000,000 program are estimated at \$2,283,761 (fees will be paid quarterly throughout the two-year contract period), as described in Attachment I.

## **OWNERS**

**Bank of America, N.A.** is a wholly owned subsidiary of Bank of America Corporation

Brian Moynihan, Chairman of the Board

**State Street Bank and Trust Company**

Joseph L. Hooley, Chairman of the Board

**AGENDA ITEM # 10**

**STRATEGIC PRIORITY:** Government Performance and Financial Management

**AGENDA DATE:** December 13, 2017

**COUNCIL DISTRICT(S):** N/A

**DEPARTMENT:** Department of Human Resources

**CMO:** T.C. Broadnax, 670-3297

**MAPSCO:** N/A

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**SUBJECT**

Authorize **(1)** approval of the proposed plan design changes effective January 1, 2018; **(2)** approval of the proposed health coverage contribution and premium rates; **(3)** a Master Plan Document that includes all of the separate health benefit plans for City employees and their families including the cafeteria plan, health plans, dental and vision plans; and **(4)** a Master Plan Document that includes all of the separate health benefit plans for retirees and their families including the self-insured health plans, insured Medicare Supplement Plans, Medicare Advantage Plans, Prescription Drug Plans, dental and vision - Total cost based on the number of employee/retiree participants in the plan - Financing: Employee Benefits Current Funds (subject to appropriations)

**BACKGROUND**

The City of Dallas Health Benefits Plan provides both self-funded and fully-insured medical plans to its plan members (active employees, retirees and their eligible dependents). The Plan provides health coverage to approximately 26,000 employees, retirees and their dependents. The employee and retiree Master Plans govern the administration of both the self-insured and fully-insured medical plans for the plan members (employees and retirees).

In 2018, the City will offer two in-network plans. The plans include the Exclusive Provider Organization (EPO) 75/25 Plan with a Health Reimbursement Account (HRA) and the 70/30 High EPO Plan with a \$3,000 medical deductible and a separate pharmacy deductible of \$750. Members enrolled in the HRA Plan with “member only” coverage will receive a \$700 allocation, while members who cover one or more dependents will receive a \$1,700 allocation. Health Reimbursement Account participants have an opportunity to earn an additional \$300 towards their HRA allocation by accumulating 200 Points. The Points are awarded for wellness activities that employees participated in throughout the year.

## **BACKGROUND** (continued)

Any unused HRA allocation balances can be rolled over from year-to-year up to a maximum of \$6,000.

The Benefits Reward Program will continue to reward participants with points for things such as taking an annual physical, completing a health assessment, exercising in a fitness center, attending educational seminars or completing an online coaching program.

Employees and Retirees enrolled in the self-funded medical plans who are tobacco users will continue to experience an addition to the monthly premium of \$20 per month. Participants will be asked to attest whether they are a tobacco user. Participants who attest to being a tobacco user will be eligible to participate in \$240 worth of nicotine replacement therapy at no cost.

The 2018 Master Plan for employees defines the City's health coverage for the self-insured Exclusive Provider Organization (EPO), third-party administered employee/benefits plans. The EPO plans are provided to active employees and their eligible dependents. Because the City's health plan is a Section 125 Plan, employees payroll deductions for their medical care, vision coverage, and dental coverage are made on a pre-tax basis.

The 2018 Master Plan for retirees defines the City's health coverage for the self-insured pre-65 health plans which are administered by a third party and for fully-insured Medicare Supplement, Medicare Advantage and Medicare Part D Prescription plans. The fully-insured Medicare Supplement, Medicare Health Maintenance Organization (HMO) and Medicare Part D plans are provided to certain Medicare eligible retirees and their eligible dependents.

An Enhanced Benefit Tier will continue to provide improved benefits to employees by paying 90% coinsurance for facility charges for procedures performed at Baylor and Methodist facilities, including Acute Care Hospitals, Surgery Centers, Free Standing Emergency rooms, Rehabilitation Hospitals, and Freestanding Imaging centers, affiliated with the Baylor and Methodist systems. No physician or professional contracts are included.

A new clinic provider will be engaged in early 2018 and will provide clinic services to plan members and their dependents.

Concentra's on-site medical clinic will continue to provide care to all employees and their dependents and to pre-65 retirees enrolled in the City's health plan and their dependents. The City is currently reviewing Request For Proposal's for a clinic provider who will be engaged in early 2018 and will provide clinic services to plan members and their dependents.

## **BACKGROUND** (continued)

Services are free to all plan members and a minimum fee or co-pay will be charged to employees who are non-plan members and choose to utilize. Concentra's city clinic medical clinic. Employees and retirees, who are enrolled in the City's self-insured plan, have the option of utilizing Concentra's additional 15 Dallas/Fort Worth (DFW). There is a small copayment of \$25 or \$35 depending on plan, for people who utilize offsite facilities.

### **2018 Plan Changes**

The following plans are being recommended to City Council for implementation for the 2018 Plan Year:

**The health plan, flexible spending, and COBRA will continue to be administered by Cigna. The health plan changes are as follows:**

- A revised wellness program will be effective January 1, 2018
- Diabetes management program
- Telemedicine service is available with a \$40 copay
- Airrosti pain management treatment program

**CVS/Caremark will continue to administer the pharmacy program.**

- Diabetes and hypertension drugs in certain classes will have a \$0 copay.
- Generic medication incentive program.
  1. Before meeting the deductible, employees will pay no more than \$25 for generic medication on the approved list that are priced at \$100 or less.
  2. Employees will pay \$40 for generic medications on the approved list that are priced at \$100.01 or more.

**Davis Vision will continue to administer the vision plan**

- No premium changes

**MetLife will continue to administer the dental plans.**

- No premium changes

**Premium Changes:**

- \$50 monthly premium decrease for 75/25 HRA family coverage
- \$25 monthly premium increase for Retiree Only and Retiree + Child(ren) plans
- \$50 monthly premium increase for Retiree + Spouse and Retiree + Family plans

## **BACKGROUND** (continued)

### **Plan Costs**

See attached Enrollment Guides for 2018 contribution rates for employees and retirees.

### **Voluntary Benefits Administration**

In 2018, Voluntary Benefits Administrator is currently out for Request For Proposal.

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

On September 19, 2012, City Council authorized approval of the proposed plan design changes effective January 1, 2013; and approval of the proposed health coverage contribution and premium rates by Resolution No. 12-2331.

On September 18, 2013, City Council authorized approval of the proposed plan design changes effective January 1, 2014; and approval of the proposed health coverage contribution and premium rates by Resolution No. 13-1650.

On December 10, 2014, City Council authorized a Master Plan document that includes all of the separate health benefit plans for City employees and their families including the cafeteria plan, health plans, prescription drug plans, dental and vision plans; and a Master Plan Document that includes all of the separate health benefit plans for retirees and their families including the self-insured health plans, dental and vision plans by Resolution No. 14-2195.

On June 17, 2015, City Council authorized the approval of the proposed plan design changes effective January 1, 2016; approval of the proposed health coverage contribution and premium rates; a Master Plan Document that includes all of the separate health benefit plans, dental and vision plans; and a Master Plan Document that includes all of the separate health benefit plans for retirees and their families including the self-insured health plans, insured Medicare Supplement Plans, Medicare Advantage Plans, Prescription Drug Plans, dental and vision by Resolution No. 15-1238.

On December 14, 2016, City Council authorized the approval of the proposed plan design changes effective January 1, 2017; approval of the proposed health coverage contribution and premium rates; a Master Plan Document that includes all of the separate health benefit plans for City employees and their families including the cafeteria plan, health plans, dental and vision plans; and a Master Plan Document that includes all of the separate health benefit plans for retirees and their families including the self-insured health plans, insured Medicare Supplement Plans, Medicare Advantage Plans, Prescription Drug Plans, dental and vision by Resolution No. 16-1991.

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

On September 5, 2017, staff briefed the Government Performance and Financial Management Committee.

**FISCAL INFORMATION**

Total cost based on the number of employee/retiree participants in the plan.

Employee Benefits Current Funds (subject to appropriations)

**AGENDA ITEM # 34**

**STRATEGIC PRIORITY:**

Government Performance and Financial Management

**AGENDA DATE:**

December 13, 2017

**COUNCIL DISTRICT(S):**

6

**DEPARTMENT:**

Office of Procurement Services  
Department of Trinity Watershed Management

**CMO:**

Elizabeth Reich, 670-7804  
Jody Puckett, 670-3390

**MAPSCO:**

44-B

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**SUBJECT**

Authorize a service contract for the purchase and installation of one custom tensioned fabric structure for the Department of Trinity Watershed Management – Guard-All Building Solutions Manufacturing, LLC, lowest responsible bidder of two - Not to exceed \$86,250 - Financing: Stormwater Drainage Management Current Funds (subject to appropriations)

**BACKGROUND**

This service contract will allow for the purchase and installation of one custom tensioned fabric structure for the Department of Trinity Watershed Management over aggregate storage at Flood Control's facility at 2645 Irving Boulevard. The structure will cover aggregate material to include a sand/salt mixture that is used during snow and ice events. Having the cover will protect the aggregate materials from rain, snow and ice, and reduce leeching of the aggregate into storm water run-off.

As part of the solicitation process and in an effort to increase competition, the Office of Procurement Services used its procurement system to send out 1,195 email bid notifications to vendors registered under respective commodities. To further increase competition, the Office of Procurement Services 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, the Office of Business Diversity's ResourceLINK Team sent notifications to 25 chambers of commerce and advocacy groups to ensure maximum vendor outreach.

On November 10, 2015, City Council authorized the wage floor rate of \$10.37, by Resolution No. 15-2141; the selected vendor meets this requirement.



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

The Government Performance & Financial Management Committee will receive this item for consideration on December 4, 2017.

**FISCAL INFORMATION**

Stormwater Drainage Management Current Funds - \$86,250 (subject to appropriations)

**M/WBE INFORMATION**

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

The awardee has fulfilled the good faith effort requirements set forth in the Business Inclusion and Development (BID) Plan adopted on October 22, 2008, by Resolution No. 08-2826, as amended.

**BID INFORMATION**

The Office of Procurement Services received the following bids from solicitation number BR1712. We opened them on September 15, 2017. We recommend the City Council award this service contract in its entirety to the lowest responsive and responsible bidder.

\*Denotes successful bidder

<b><u>Bidders</u></b>	<b><u>Address</u></b>	<b><u>Amount</u></b>
*Guard-All Building Solutions Manufacturing, LLC	1011 Regal Row Dallas, TX 75247	\$86,250
Structures Unlimited, LLC	C4640 State Hwy. 97 Stratford, WI 54484	\$91,280

**OWNER**

**Guard-All Building Solutions Manufacturing, LLC**

Peter Bielefeld, President  
Jeffrey D. Sarembock, Secretary

**AGENDA ITEM # 35**

**STRATEGIC PRIORITY:** Government Performance and Financial Management

**AGENDA DATE:** December 13, 2017

**COUNCIL DISTRICT(S):** All

**DEPARTMENT:** Office of Procurement Services  
Department of Aviation  
Department of Convention and Event Services  
Department of Equipment and Building Services  
Department of Trinity Watershed Management  
Water Utilities Department

**CMO:** Elizabeth Reich, 670-7804  
Jody Puckett, 670-3390  
Majed Al-Ghafry, 670-3302  
Joey Zapata, 670-3009

**MAPSCO:** N/A

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**SUBJECT**

Authorize a three-year service contract for plumbing services at City facilities - Astar Heat & Air, Inc. dba A Star Heat & Air, most advantageous proposer of two - Not to exceed \$1,237,260 - Financing: General Funds (\$684,298), Water Utilities Current Funds (\$362,838), Aviation Current Funds (\$86,480), Convention and Event Services Current Funds (\$63,010) and Stormwater Drainage Management Current Funds (\$40,634) (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 continued plumbing services at City facilities to supplement City staff for projects that require specialized services, additional labor, and after hour services. This service contract ensures plumbing services are available 24 hours, 7 days a week to the City. In addition the contractor will utilize specialized equipment such as plumbing inspection cameras, hydro-jet power water washing machines, and pipeline cleaning vacuum trucks to service this contract.

**BACKGROUND** (continued)

Some services available through this contract are as follows:

- Cleaning pipe lines
- Repairing or replacing failed sewer/water pipe lines
- Clearing clogged drains
- Replace toilets, sinks, and tubs
- Installing water heaters
- Inspecting, testing, and replacing gas lines

The Department of Equipment & Building Services processed approximately 3,800 plumbing service requests during FY 2016-17. Services will be performed at City facilities such as:

- Fire stations
- Police stations
- City Hall
- Kay Bailey Hutchison Convention Center Dallas
- Libraries
- Fair Park
- Recreation centers

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

- Water Utilities Department (1)
- Park and Recreation Department (1)
- Department of Equipment and Building Services (2)
- Office of Procurement Services (1)\*
- Office of Business Diversity (1)\*

\*The Office of Procurement Services only evaluated cost and the Office of Business Diversity only evaluated 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 30 points
- Experience 25 points
- Approach 15 points
- Functional 15 Points
- Business Inclusion and Development Plan 15 points

**BACKGROUND** (continued)

In this solicitation, the Office of Procurement Services required bidders to submit a response using unit pricing. This bid resulted in a 0.11 percent decrease over comparable prices for the bid awarded in 2015.

As part of the solicitation process and in an effort to increase competition, the Office of Procurement Services used its procurement system to send out 875 email bid notifications to vendors registered under respective commodities. To further increase competition, the Office of Procurement Services 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, the Office of Business Diversity's ResourceLINK Team sent notifications to 25 chambers of commerce and advocacy groups to ensure maximum vendor outreach.

On November 10, 2015, City Council authorized the wage floor rate of \$10.37, by Resolution No. 15-2141; the selected vendor meets this requirement.

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

On June 13, 2012, City Council authorized a three-year service contract for plumbing services at City facilities with A Star Heat & Air Inc. by Resolution No. 12-1515.

On October 14, 2015, City Council authorized a three-year service contract for plumbing services at City facilities with A Star Heat & Air Inc. by Resolution No. 15-1858.

The Government Performance & Financial Management Committee will receive this item for consideration on December 4, 2017.

**FISCAL INFORMATION**

General Funds - \$684,298.00 (subject to annual appropriations)

Water Utilities Current Funds - \$362,837.50 (subject to annual appropriations)

Aviation Current Funds - \$86,480.00 (subject to annual appropriations)

Convention and Event Services Current Funds - \$63,010.00 (subject to annual appropriations)

Stormwater Drainage Management Current Funds - \$40,634.00 (subject to annual appropriations)

**M/WBE INFORMATION**

241 - Vendors contacted

240 - No response

1 - Response (Bid)

0 - Response (No Bid)

0 - Successful

**M/WBE INFORMATION** (continued)

The recommended awardee has fulfilled the good faith requirements set forth in the Business Inclusion and Development (BID) Plan adopted by Council Resolution No. 08-2826 as amended.

**PROPOSAL INFORMATION**

The Office of Procurement Services received the following bids from solicitation number BMZ1709. We opened them on August 4, 2017. We recommend the City Council award this service contract to the most advantageous proposer.

\*Denotes successful proposer

<b><u>Proposers</u></b>	<b><u>Address</u></b>	<b><u>Score</u></b>	<b><u>Amount</u></b>
*Astar Heat & Air, Inc. dba A Star Heat & Air.	418 Forest Gate Dr. Garland, TX 75042	86.75%	\$1,237,259.50
Concept Facility Services, LLC	646 E. Hwy. 67 Duncanville, TX 75137	70.35%	\$2,559,715.00

**OWNER**

**Astar Heat & Air, Inc. dba A Star Heat & Air**

Eliseo Esparza, President

**STRATEGIC PRIORITY:** Government Performance and Financial Management

**AGENDA DATE:** December 13, 2017

**COUNCIL DISTRICT(S):** All

**DEPARTMENT:** Office of Procurement Services  
Department of Equipment and Building Services  
Fire-Rescue Department

**CMO:** Elizabeth Reich, 670-7804  
Jody Puckett, 670-3390  
Jon Fortune, 670-1204

**MAPSCO:** N/A

**SUBJECT**

Authorize a three-year service contract for vehicle and equipment body collision repair services – First Class Auto, Inc., most advantageous proposer of four - Not to exceed \$11,479,159 - Financing: General 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 contract will provide vehicle and equipment body collision repair services for the City's vehicle and heavy equipment fleet. Approximately 1,300 City vehicles are damaged per year during the course of delivering services and the City must have a method of repairing these vehicles to ensure timely continuation of service.

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

- Department of Equipment and Building Services (2)
- Fire-Rescue Department (1)
- Police Department (1)
- Office of Business Diversity (1)\*
- Office of Procurement Services (1)\*

\*The Office of Procurement Services only evaluated cost and the Office of Business Diversity only evaluated 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:

- Vendor facilities 30%
- Experience/qualifications 25%
- Cost 30%
- Business Inclusion and Development Plan 15%

In this solicitation, the Office of Procurement Services required proposers to submit a percentage discount from standard insurance industry rates for Dallas/Fort Worth based on an estimated expenditure amount. This proposal resulted in a discount of 30.33 percent for Group 1 and 20.33 percent for Group 2 compared to a discount of 30.00 percent for Group 1 and 27.00 percent for Group 2 received in 2014.

As part of the solicitation process and in an effort to increase competition, the Office of Procurement Services used its procurement system to send out 8,777 email bid notifications to vendors registered under respective commodities. To further increase competition, the Office of Procurement Services 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, the Office of Business Diversity's ResourceLINK Team sent notifications to 25 chambers of commerce and advocacy groups to ensure maximum vendor outreach.

On November 10, 2015, City Council authorized the wage floor rate of \$10.37, by Resolution No. 15-2141; the selected vendor meets this requirement.

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

On August 27, 2014, City Council authorized a three-year service contract for vehicle auto body collision repair services with First Class Auto, Inc. by Resolution No. 14-1347.

The Government Performance & Financial Management Committee will receive this item for consideration on December 4, 2017.

**FISCAL INFORMATION**

General Funds - \$11,479,158.60 (subject to annual appropriations)

## **M/WBE INFORMATION**

103 - Vendors contacted  
100 - No response  
    3 - Response (Bid)  
    0 - Response (No Bid)  
    1 - Successful

The awardee has fulfilled the good faith effort requirements set forth in the Business Inclusion and Development (BID) Plan adopted on October 22, 2008, by Resolution No. 08-2826, as amended.

## **PROPOSAL INFORMATION**

The Office of Procurement Services received the following proposals from solicitation number BNZ1710. We opened them on August 11, 2017. We recommend the City Council award this service contract to the most advantageous proposer by group.

\*Denotes successful proposer

<b><u>Proposers</u></b>	<b><u>Address</u></b>	<b><u>Score</u></b>	<b><u>Amount</u></b>
*First Class Auto, Inc.	3150 Hansboro Ave. Dallas, TX 75233	Group 1 - 89.75% Group 2 - 85.86%	\$7,812,650.30 \$3,666,508.30
Six Construct, Inc. dba Budget Auto Body Shop	3530 N. Buckner Blvd. Dallas, TX 75228	Group 1 - 76.75% Group 2 - 71.50%	\$7,780,500.00 \$3,514,675.00
Martin's Paint and Body Shop, Inc.	805 S. Buckner Blvd. Dallas, TX 75217	Group 1 - 67.93% Group 2 - No Bid	\$7,780,500.00
Southwest International Trucks, Inc.	3722 Irving Blvd. Dallas, TX 75247	Group 1 - No Bid Group 2 - 55.61%	\$3,666,175.00

## **OWNER**

**First Class Auto, Inc.**

Javier V. Rodriguez, President



**AGENDA ITEM # 37**

**STRATEGIC  
PRIORITY:**

Government Performance and Financial Management

**AGENDA DATE:**

December 13, 2017

**COUNCIL DISTRICT(S):**

Outside City Limits

**DEPARTMENT:**

Office of Procurement Services  
Water Utilities Department

**CMO:**

Elizabeth Reich, 670-7804  
Majed Al-Ghafry, 670-3302

**MAPSCO:**

54A N

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**SUBJECT**

Authorize an acquisition contract for the purchase and installation of online total organic carbon analyzers – O I Corporation, lowest responsible bidder of four – Not to exceed \$76,330 - Financing: Water Utilities Current Funds

**BACKGROUND**

This acquisition contract will provide for the purchase and installation of the online total organic carbon (TOC) analyzers at the Eastside Water Treatment Plant (ESWTP). The ESWTP is currently preparing for conversion to biologically active filtration. Monitoring TOC analyzers through the treatment process is necessary for the evaluation and confirmation of performance. The purchase and installation of the TOC analyzers will provide staff with a proactive means of verifying performance and implementing corrective action, as needed, to ensure a continuous supply of high-quality drinking water to our customers.

As part of the solicitation process and in an effort to increase competition, the Office of Procurement Services used its procurement system to send out 349 email bid notifications to vendors registered under respective commodities. To further increase competition, the Office of Procurement Services 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, the Office of Business Diversity's Resource LINK Team sent notifications to 25 chambers of commerce and advocacy groups to ensure maximum vendor outreach.

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

The Government Performance & Financial Management Committee will receive this item for consideration on December 4, 2017.

**FISCAL INFORMATION**

Water Utilities Current Funds - \$76,329.60

**M/WBE INFORMATION**

- 50 - Vendors contacted
- 49 - No response
  - 1 - Response (Bid)
  - 0 - Response (No Bid)
  - 0 - Successful

The awardee has fulfilled the good faith effort requirements set forth in the Business Inclusion and Development (BID) Plan adopted on October 22, 2008, by Resolution No. 08-2826, as amended.

**BID INFORMATION**

The Office of Procurement Services received the following bids from solicitation number BP1707. We opened them on July 27, 2017. We recommend the City Council award this acquisition contract in its entirety to the lowest responsive and responsible bidder.

\*Denotes successful bidder

<b><u>Bidders</u></b>	<b><u>Address</u></b>	<b><u>Amount</u></b>
*O I Corporation	9010 College Station TX College Station, TX 77842	\$76,329.60
Taylor Distribution LLC	15950 N. Dallas Pkwy. Dallas, TX 75248	\$88,295.88
Taylor Distribution LLC (Alternate)	15950 N. Dallas Pkwy. Dallas, TX 75248	\$90,482.55

**BID INFORMATION** (continued)

<b><u>Bidders</u></b>	<b><u>Address</u></b>	<b><u>Amount</u></b>
Murray Energy, Inc.	9730 Skillman St. Dallas, TX 75243	\$96,133.50

**OWNER**

**O I Corporation**

Robert Lee, General Manager  
Mike Duffy, Vice President

**AGENDA ITEM # 38**

**STRATEGIC PRIORITY:**

Mobility Solutions, Infrastructure, and Sustainability

**AGENDA DATE:**

December 13, 2017

**COUNCIL DISTRICT(S):**

All

**DEPARTMENT:**

Office of Procurement Services  
Department of Aviation  
Department of Equipment and Building Services  
Department of Sanitation Services  
Department of Transportation  
Department of Trinity Watershed Management  
Library  
Park & Recreation Department

**CMO:**

Elizabeth Reich, 670-7804  
Jody Puckett, 670-3390  
Majed Al-Ghafry, 670-3302  
Joey Zapata, 670-1204  
Willis Winters, 670-4071

**MAPSCO:**

N/A

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**SUBJECT**

Authorize a three-year service contract, with two one-year renewal options, for removal and installation of reflective lane striping and raised pavement markers for streets and parking lots - Stripe-A-Zone, Inc., lowest responsible bidder of three - Not to exceed \$18,143,337 - Financing: General Funds (\$17,569,368), Aviation Current Funds (\$522,294), Sanitation Current Funds (\$49,722), and Stormwater Drainage Management Current Funds (\$1,953) (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 removal and installation of reflective lane striping and raised pavement markers for streets and parking lots throughout the City and departments.

This service contract will be managed by the Department of Transportation (TRN) to employ a contractor for removal and installation of reflective lane striping and raised pavement markers citywide on an as needed basis. TRN will determine thoroughfares for re-striping and new applications of rights-of-way.

**BACKGROUND** (continued)

Lane markings are an important aspect of traffic control as they provide a guidance system for motorists, cyclists, and pedestrians on city streets and contribute to the safety thereof. TRN will identify and select streets requiring new lane markings and those to be re-established due to weather and wear deterioration, and will be contingent upon annual appropriations.

In this solicitation, the Office of Procurement Services required bidders to submit a response using unit pricing. This bid resulted in a 14.95 percent increase over comparable prices for the bids awarded in 2013.

As part of the solicitation process and in an effort to increase competition, the Office of Procurement Services used its procurement system to send out 208 email bid notifications to vendors registered under respective commodities. To further increase competition, the Office of Procurement Services 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, the Office of Business Diversity's ResourceLINK Team sent notifications to 25 chambers of commerce and advocacy groups to ensure maximum vendor outreach.

On November 10, 2015, City Council authorized the wage floor rate of \$10.37, by Resolution No. 15-2141; the selected vendor meets this requirement.

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

On March 27, 2013, City Council authorized a three-year service contract to remove and install reflective pavement markers and reflective lane striping with Striping Technology, LP by Resolution No. 13-0487.

The Government Performance & Financial Management Committee will receive this item for consideration on December 4, 2017.

**M/WBE INFORMATION**

- 26 - Vendors contacted
- 25 - No response
- 1 - Response (Bid)
- 0 - Response (No Bid)
- 0 - Successful

The awardee has fulfilled the good faith effort requirements set forth in the Business Inclusion and Development (BID) Plan adopted on October 22, 2008, by Resolution No. 08-2826, as amended.

## **FISCAL INFORMATION**

General Funds - \$17,569,367.36 (subject to annual appropriations)  
Aviation Current Funds - \$522,294.00 (subject to annual appropriations)  
Sanitation Current Funds - \$49,722.30 (subject to annual appropriations)  
Stormwater Drainage Management Current Funds - \$1,953.00 (subject to annual appropriations)

## **BID INFORMATION**

The Office of Procurement Services received the following bids from solicitation number BY1701. We opened them on July 28, 2017. We recommend the City Council award this service contract to the lowest responsive and responsible bidder by group.

\*Denotes successful bidder

<b><u>Bidders</u></b>	<b><u>Address</u></b>	<b><u>Amount</u></b>
*Stripe-A-Zone, Inc.	2714 Sherman St. Grand Prairie, TX 75051	Group 1 - \$ 5,393,774.86 Group 2 - \$ 7,534,789.80 Group 3 - \$ 5,214,772.00
Road Master Striping, LLC	1301 S. E. McKinney St. Rice, TX 75155	Group 1 - \$ 7,600,151.23 Group 2 - \$10,194,722.49 Group 3 - \$ 5,793,583.23
Total Highway Maintenance, LLC	930 KCK Way Cedar Hill, TX 75104	Group 1 - \$ 6,545,311.50 Group 2 - \$10,562,383.50 Group 3 - \$ 7,307,125.00

## **OWNER**

### **Stripe-A-Zone, Inc.**

David Q. Sargent, President  
David K. Sargent, Vice President  
Susie Sargent, Secretary

**AGENDA ITEM # 40**

**STRATEGIC PRIORITY:** Government Performance and Financial Management

**AGENDA DATE:** December 13, 2017

**COUNCIL DISTRICT(S):** All

**DEPARTMENT:** Office of Procurement Services  
Department of Communication and Information Services

**CMO:** Elizabeth Reich, 670-7804  
Jody Puckett, 670-3390

**MAPSCO:** N/A

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**SUBJECT**

Authorize a five-year acquisition and subscription contract for the implementation and configuration of a citywide agenda management preparation system - Granicus, Inc. through the Department of Information Resources - Not to exceed \$247,587 - Financing: General Funds (subject to annual appropriations)

**BACKGROUND**

This contract will allow for the purchase, implementation and subscription of a comprehensive agenda system that will be utilized for the preparation of City Council agendas and the posting of meeting minutes.

The system will automate the process to compile and publish the official agenda documents with relevant attachments to the web for public review. This new solution will provide new functionality while giving more flexibility in managing the preparation of the agendas. The system will also integrate with other City systems to validate certain content and store electronic documents once documents are finalized in the future.

Some key benefits to the new system include:

- Ability to customize forms and reports
- Greater automation in the creation, review and approval of documents
- Access to documents via the web or mobile device

This solution will replace the existing legacy Council Agenda Preparation System that was implemented in 1995 and is no longer supported by the manufacturer.

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

The Government Performance & Financial Management Committee will receive this item for consideration on December 4, 2017.

**FISCAL INFORMATION**

General Funds - \$247,586.73 (subject to annual appropriations)

**OWNER**

**Granicus, Inc.**

Patrick M Severson, President  
Ryan Atlas, Vice President



**AGENDA ITEM # 42**

**STRATEGIC PRIORITY:** Government Performance and Financial Management

**AGENDA DATE:** December 13, 2017

**COUNCIL DISTRICT(S):** All

**DEPARTMENT:** Office of Procurement Services  
Office of Homeless Solutions

**CMO:** Elizabeth Reich, 670-7804  
Nadia Chandler Hardy, 670-1611

**MAPSCO:** N/A

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**SUBJECT**

Authorize **(1)** the rejection of the proposals received for FY 2017-18 Emergency Solutions Grant Program; and **(2)** the re-advertisement for new proposals - Financing: No cost consideration to the City

**BACKGROUND**

This action will authorize the rejection of the proposals received for solicitation BTZ1726 for a one-year service contract for FY 2017-18 Emergency Solutions Grant Program. Office of Homeless Solutions will modify the specifications. The Office of Procurement Services further determined it would be more advantageous to the City to reject the proposals and re-advertise for a new solicitation.

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

The Government Performance & Financial Management Committee will receive this item for consideration on December 4, 2017.

**FISCAL INFORMATION**

No cost consideration to the City.

**STRATEGIC PRIORITY:** Public Safety

**AGENDA DATE:** December 13, 2017

**COUNCIL DISTRICT(S):** All

**DEPARTMENT:** Office of Procurement Services  
Fire-Rescue Department  
Police Department  
Water Utilities Department

**CMO:** Elizabeth Reich, 670-7804  
Jon Fortune, 670-1204  
Majed Al-Ghafry, 670-3302

**MAPSCO:** N/A

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**SUBJECT**

Authorize a three-year master agreement for emergency road flares for the Police Department, Fire-Rescue Department, and Water Utilities Department - Standard Fusee Corporation dba Orion Safety Products, lowest responsible bidder of two - Not to exceed \$490,956 - Financing: General Funds (\$489,528) and Water Utilities Current Funds (\$1,428)

**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 be used to purchase emergency road flares. Road flares are traditionally used by the Police Department and Fire-Rescue Department during emergency situations when motor or pedestrian traffic is required to be diverted for public safety due to accidents or weather related incidents. Flares are used to mark restricted traffic areas to ensure accident victims, emergency personnel, and the general public remain safe during a situation where emergency responders are on the scene. The low profile and high visibility factor makes these devices ideal for outdoor temporary use when standard barricades are not available and an area is required to be marked. Additionally, the general public is familiar with these devices and associates the devices to “caution” or “dangerous conditions” which benefit the safety of both the public and emergency responders.

**BACKGROUND** (continued)

As part of the solicitation process and in an effort to increase competition, the Office of Procurement Services used its procurement system to send out 374 email bid notifications to vendors registered under respective commodities. To further increase competition, the Office of Procurement Services 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, the Office of Business Diversity's ResourceLINK Team sent notifications to 25 chambers of commerce and advocacy groups to ensure maximum vendor outreach.

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

On August 26, 2015, City Council authorized a three-year master agreement for emergency road flares with Standard Fusee Corp. dba Orion Safety Products by Resolution No. 15-1525.

The Government Performance & Financial Management Committee will receive this item for consideration on December 4, 2017.

**FISCAL INFORMATION**

General Funds - \$489,528.00  
Water Utilities Current Funds - \$1,427.79

**M/WBE INFORMATION**

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

The awardee has fulfilled the good faith effort requirements set forth in the Business Inclusion and Development (BID) Plan adopted on October 22, 2008, by Resolution No. 08-2826, as amended.

**BID INFORMATION**

The Office of Procurement Services received the following bids from solicitation number BY1709. We opened them on August 4, 2017. We recommend the City Council award this master agreement in its entirety to the lowest responsive and responsible bidder.

**BID INFORMATION** (continued)

\*Denotes successful bidder

<b><u>Bidders</u></b>	<b><u>Address</u></b>	<b><u>Amount</u></b>
*Standard Fusee Corporation dba Orion Safety Products	28320 St. Michaels Rd. Easton, MD 21601	\$490,955.79
GW Safety Signal, LLC dba Gateway Safety Flare	591 Glendale Ave. Greenville, AL 36037	\$548,976.00

**OWNER**

**Standard Fusee Corp. dba Orion Safety Products**

C. Jay McLaughlin, President  
David Stiffler, Treasurer

**AGENDA ITEM # 45**

**STRATEGIC PRIORITY:** Government Performance and Financial Management

**AGENDA DATE:** December 13, 2017

**COUNCIL DISTRICT(S):** All

**DEPARTMENT:** Office of Procurement Services  
Water Utilities Department

**CMO:** Elizabeth Reich, 670-7804  
Majed Al-Ghafry, 670-3302

**MAPSCO:** N/A

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**SUBJECT**

Authorize a three-year master agreement for anhydrous ammonia for Water Utilities Department – Shrieve Chemical Company, lowest responsible bidder of three - Not to exceed \$1,717,200 - Financing: Water Utilities Current Funds

**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 provides anhydrous ammonia to all three City of Dallas water purification plants. Certified in accordance with NSF/ANSI 60 (National Sanitation Foundation/American National Standards Institute) for Drinking Water Treatment Chemicals, anhydrous ammonia is used in the disinfection process to meet regulatory compliance as required by the Environmental Protection Agency (EPA) and Texas Commission on Environmental Quality (TCEQ). Proper disinfection is necessary to ensure the safety and quality of drinking water in the distribution system. Water Utilities provides service to an estimated 2.4 million people in Dallas and surrounding communities.

As part of the solicitation process and in an effort to increase competition, the Office of Procurement Services used its procurement system to send out 244 email bid notifications to vendors registered under respective commodities. To further increase competition, the Office of Procurement Services 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, the Office of Business Diversity's ResourceLINK Team sent notifications to 25 chambers of commerce and advocacy groups to ensure maximum vendor outreach.

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

On February 13, 2013, City Council authorized a one-year master agreement for anhydrous ammonia with Tanner Industries, Inc. by Resolution No. 13-0292.

On March 26, 2014, City Council authorized a three-year master agreement for anhydrous ammonia with DPC Industries, Inc. by Resolution No. 14-0501.

The Government Performance & Financial Management Committee will receive this item for consideration on December 4, 2017.

**FISCAL INFORMATION**

Water Utilities Current Funds - \$1,717,200

**M/WBE INFORMATION**

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

The awardee has fulfilled the good faith effort requirements set forth in the Business Inclusion and Development (BID) Plan adopted on October 22, 2008, by Resolution No. 08-2826, as amended.

**BID INFORMATION**

The Office of Procurement Services received the following bids from solicitation number BW1713. We opened them on October 06, 2017. We recommend the City Council award this master agreement to the lowest responsive and responsible bidder by group.

\*Denotes successful bidder

<b><u>Bidders</u></b>	<b><u>Address</u></b>	<b><u>Amount</u></b>
*Shrieve Chemical Company	1755 Woodstead Ct. Montgomery, TX 77380	\$1,717,200
DPC Industries, Inc.	701 W Industrial Blvd. Cleburne, TX 76033	\$2,066,364
Tanner Industries, Inc.	735 Davisville Rd. Southampton, PA 18966	\$2,814,300

**OWNER**

**Shrieve Chemical Company**

Ted Threadgill, President

Craig Utterson, Vice President

**AGENDA ITEM # 46**

**STRATEGIC PRIORITY:** Mobility Solutions, Infrastructure, and Sustainability

**AGENDA DATE:** December 13, 2017

**COUNCIL DISTRICT(S):** All

**DEPARTMENT:** Office of Procurement Services  
Department of Aviation  
Department of Transportation

**CMO:** Elizabeth Reich, 670-7804  
Jody Puckett, 670-3390  
Majed Al-Ghafry, 670-3302

**MAPSCO:** N/A

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**SUBJECT**

Authorize a three-year master agreement for thermoplastic, glass traffic beads, pavement markers, and adhesives - Ozark Materials, LLC in the amount of \$2,013,375, Striping Service and Supply, Inc. dba Striping Supply, Inc. in the amount of \$890,854, and Centerline Supply, Ltd. in the amount of \$203,282, lowest responsible bidders of eleven - Total not to exceed \$3,107,511 - Financing: General Funds (\$2,111,228) and Aviation Current Funds (\$996,283)

**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 be used to purchase thermoplastic, glass traffic beads, pavement markers, and adhesives for striping traffic lane lines, crosswalks, stop bars, and miscellaneous pavement legends throughout the City.

The thermoplastic is heated until liquefied and applied to the street surfaces. Glass beads are applied to the surface of the thermoplastic material to make it more reflective and visible to motorists and pedestrians. Reflective traffic buttons are used to highlight lane separations and mark specific traffic lanes.

Channelizer posts, crosswalk materials, and speed bumps will be applied by City staff for pedestrian and non-major thoroughfare surfaces.



**BACKGROUND** (continued)

Department of Aviation is required to maintain airport markings for pedestrian and traffic surfaces within Dallas Love Field, Executive Airport and the Vertiport. These markings are inspected on a daily basis by airport personnel and are repainted when they have become faded or the reflectivity has deteriorated.

As part of the solicitation process and in an effort to increase competition, the Office of Procurement Services used its procurement system to send out 219 email bid notifications to vendors registered under respective commodities. To further increase competition, the Office of Procurement Services 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, the Office of Business Diversity's ResourceLINK Team sent notifications to 25 chambers of commerce and advocacy groups to ensure maximum vendor outreach.

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

On September 23, 2009, City Council authorized a three-year master agreement for thermoplastic, glass traffic beads, pavement markers, and adhesive with Ennis Paint, Inc., 3M Company, and Pathmark Traffic Products of TX, Inc. by Resolution No. 09-2278.

The Government Performance & Financial Management Committee will receive this item for consideration on December 4, 2017.

**FISCAL INFORMATION**

General Funds - \$2,111,227.66  
Aviation Current Funds - \$996,282.98

**M/WBE INFORMATION**

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

The awardees have fulfilled the good faith effort requirements set forth in the Business Inclusion and Development (BID) Plan adopted on October 22, 2008, by Resolution No. 08-2826, as amended.

## **BID INFORMATION**

The Office of Procurement Services received the following bids from solicitation number BY1710. We opened them on August 4, 2017. We recommend the City Council award this master agreement to the lowest responsive and responsible bidders by group.

\*Denotes successful bidders

<b><u>Bidders</u></b>	<b><u>Address</u></b>	<b><u>Amount</u></b>
*Ozark Materials, LLC	591 Glendale Ave. Greenville, AL 36037	Multiple Groups
*Striping Service and Supply, Inc. dba Striping Supply, Inc.	1911 S. Great Southwest Pkwy. Grand Prairie, TX 75051	Multiple Groups
*Centerline Supply, Ltd.	530 Jesse St. Grand Prairie, TX 75051	Multiple Groups
Ennis Paint, Inc.	115 Todd Ct. Thomasville, NC 27360	Multiple Groups
Flint Trading, Inc.	115 Todd Ct. Thomasville, NC 27360	Multiple Groups
Swarco Industries, LLC	270 Rutherford Ln. Columbia, TN 38401	Multiple Groups
The Sherwin-Williams Company	101 Prospect Ave., 720 GH Cleveland, OH 44115	Multiple Groups
PathMark Traffic Products of Texas, Inc.	4435 Hunter Rd. San Marcos, TX 78666	Multiple Groups
Pioneer Manufacturing Company	4529 Industrial Pkwy. Cleveland, OH 44135	Multiple Groups
LBS Enterprises, LLC dba Allstates Coatings Co.	100 N. Lee Dr. Gladewater, TX 75647	Non-responsive**
Potters Industries, LLC	300 Lindenwood Dr. Malvern, PA 19355	Non-responsive**

\*\*LBS Enterprises, LLC dba Allstates Coatings Co. and Potters Industries, LLC were deemed non-responsive due not meeting specifications.

## **OWNERS**

### **Ozark Materials, LLC**

Mike Dean, Vice President

### **Striping Service and Supply, Inc. dba Striping Supply, Inc.**

Jeff Low, Managing Partner

### **Centerline Supply, Ltd.**

Steve Nelson, President

Brian Nelson, Vice President

**AGENDA ITEM # 47**

**STRATEGIC  
PRIORITY:**

Government Performance and Financial Management

**AGENDA DATE:**

December 13, 2017

**COUNCIL DISTRICT(S):**

All

**DEPARTMENT:**

Office of Procurement Services  
Department of Aviation  
Department of Code Compliance  
Department of Equipment and Building Services  
Department of Sanitation Services  
Department of Trinity Watershed Management  
Fire-Rescue Department  
Park & Recreation Department  
Police Department  
Water Utilities Department

**CMO:**

Elizabeth Reich, 670-7804  
Jody Puckett, 670-3390  
Raquel Favela, 670-3309  
Jon Fortune, 670-1204  
Willis Winters, 670-4071  
Majed Al-Ghafry, 670-3302

**MAPSCO:**

N/A

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**SUBJECT**

Authorize a three-year master agreement for tires, tubes, and flaps - Tire Centers, LLC in the amount of \$3,710,311, Blagg Tire and Service, Inc. in the amount of \$2,738,226, The Goodyear Tire and Rubber Company in the amount of \$803,043, and Southern Tire Mart in the amount of \$288,885, lowest responsible bidders of five - Total not to exceed \$7,540,465 - Financing: General Funds (\$6,545,943), Sanitation Current Funds (\$590,342), Water Utilities Current Funds (\$308,972), Aviation Current Funds (\$25,361), Stormwater Drainage Management Current Funds (\$12,347), and Confiscated Monies Funds (\$57,500)

**BACKGROUND**

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

**BACKGROUND** (continued)

This master agreement will provide for the purchase of tires, tubes, and flaps for approximately 8,200 City service, public safety vehicles, tractors, and heavy equipment which will consist of 170 different tire sizes currently used by City departments.

As part of the solicitation process and in an effort to increase competition, the Office of Procurement Services used its procurement system to send out 174 email bid notifications to vendors registered under respective commodities. To further increase competition, the Office of Procurement Services 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, the Office of Business Diversity's ResourceLINK Team sent notifications to 25 chambers of commerce and advocacy groups to ensure maximum vendor outreach.

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

On October 8, 2014, City Council executed the casting of lots to identify the recommended vendor resulting from tie bids on lines 234, 255, 256 and 258, by Resolution No. 14-1702.

On November 12, 2014, City Council authorized a three-year master agreement for tires and tubes by Resolution No. 14-1880.

The Government Performance & Financial Management Committee will receive this item for consideration on December 4, 2017.

**FISCAL INFORMATION**

General Funds - \$6,545,942.93  
Sanitation Current Funds - \$590,341.37  
Water Utilities Current Funds - \$308,971.99  
Aviation Current Funds - \$25,360.36  
Stormwater Drainage Management Current Funds - \$12,347.42  
Confiscated Monies Funds - \$57,500.00

**M/WBE INFORMATION**

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

**M/WBE INFORMATION** (continued)

The awardees have fulfilled the good faith effort requirements set forth in the Business Inclusion and Development (BID) Plan adopted on October 22, 2008, by Resolution No. 08-2826, as amended.

**BID INFORMATION**

The Office of Procurement Services received the following bids from solicitation number BN1716. We opened them on September 1, 2017. We recommend the City Council award this master agreement to the lowest responsive and responsible bidders by line. Information related to this solicitation is available upon request.

\*Denotes successful bidders

<b><u>Bidders</u></b>	<b><u>Address</u></b>	<b><u>Amount</u></b>
*Tire Centers, LLC	3101 N. Houston School Rd. Lancaster, TX 75134	Multiple Lines
*Blagg Tire and Service, Inc.	604 S. Main St. Grapevine, TX 76051	Multiple Lines
*The Goodyear Tire and Rubber Company	200 Innovation Way Akron, OH 44316	Multiple Lines
*Southern Tire Mart	800 Highway 98 Columbia, MS 39429	Multiple Lines
Bridgestone Americas Tire Operations, LLC	535 Marriott Dr. Nashville, TN 37214	Multiple Lines

**OWNERS**

**Tire Centers, LLC**

Kane Russell, Owner/Partner  
Steve Theissen, Owner/Partner  
Jon Theissen, Owner/Partner

**Blagg Tire and Service, Inc.**

Perry Leonard, President

**OWNERS** (continued)

**The Goodyear Tire and Rubber Company**

Richard J. Kramer, President  
Laura K. Thompson, Vice President

**Southern Tire Mart, LLC**

Thomas Duff, President

**AGENDA ITEM # 77**

**STRATEGIC PRIORITY:**

Government Performance and Financial Management

**AGENDA DATE:**

December 13, 2017

**COUNCIL DISTRICT(S):**

N/A

**DEPARTMENT:**

Office of Budget

**CMO:**

Elizabeth Reich, 670-7804

**MAPSCO:**

N/A

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**SUBJECT**

Authorize the following revisions to the Financial Management Performance Criteria to: **(1)** eliminate the 30-day operating reserve requirement for Internal Service Funds; **(2)** designate a specific amount of unassigned fund balance to the Emergency Reserve; **(3)** increase the minimum unassigned fund balance of the General Fund from 30 to 40 days; **(4)** allow use of the general liability fund for affirmative litigation; **(5)** add language regarding subsidy of user fees or charges; **(6)** identify the source for the per capita general obligation debt calculation; **(7)** increase the reinvestment zone cap from 10 to 15 percent; **(8)** establish accounting practices that conform to Generally Accepted Accounting Principles (GAAP) as set forth by the Governmental Accounting Standards Board (GASB); **(9)** add language regarding the Comprehensive Annual Financial Report (CAFR); **(10)** extend the revenue and expenditure forecast requirement from three to five years; **(11)** establish a two-year biennial budget requirement; **(12)** establish a cash reserve requirement for the Employee Benefits Fund; **(13)** establish a criteria to review and compare the 65 and older or disabled property tax exemptions to the consumer price index; **(14)** establish a reserve in the General Obligation Debt Service Fund; **(15)** delete certain criteria regarding certificate of obligation, accounting systems, and the City's investment policy; and **(16)** make certain conforming, semantic, grammatical and structural changes - Financing: No cost consideration to the City

**BACKGROUND**

On March 15, 1978, City Council originally adopted the Financial Management Performance Criteria (FMPC) to provide standards and guidelines for the City's financial and managerial decision making and to provide for a periodic review of the criteria to maintain standards and guidelines consistent with current economic conditions by Resolution No. 78-2737. Specific FMPC for the Water Utilities Department were adopted by the City Council on July 8, 1981. The status of each criterion is updated annually and presented with the annual budget, at year-end, and with each bond sale.



## **BACKGROUND** (continued)

The FMPC contains 52 criteria in six categories: (1) operating programs; (2) capital and debt management; (3) accounting, auditing, and financial planning; (4) budget; (5) cash management; and (6) grants and trust. Proposed revisions include changes to language, new criteria, and the elimination of obsolete criteria. The proposed revisions are based on Government Finance Officers Association (GFOA) best practices, recommendations from PFM Financial Advisors and feedback from departments.

FMPC #6 currently states, “each Enterprise and Internal Service Fund should maintain at least 30 days of budgeted operations and maintenance expense in net working capital, and avoid cash deficits”. It is recommended that Internal Service Funds be removed from this criterion. Internal Service Funds provide services to other funds/departments within the City on a cost-reimbursement basis therefore a reserve is not required.

FMPC #7 currently states, “the Emergency Reserve is a component of unassigned fund balance”. The criteria does not specify a specific amount. It is recommended that the City shall designate up to 20 percent of the General Fund’s projected unassigned fund balance but not less than \$25 million to the Emergency Reserve. Additionally, the use of Emergency Reserve shall require a super-majority of City Council.

FMPC #9 currently states, “the unassigned fund balance of the General Fund shall be maintained at a level not less than 30 days of the general fund operating expenditures less debt service”. It is recommended that this minimum requirement be changed from 30 days to 40 days.

FMPC #11 currently states, “a general fund liability fund shall be budgeted annually to provide for outstanding and anticipated claims expense and resulting liabilities during the budget year”. It is recommended that the liability fund include language and funding that allows for use of the liability fund for affirmative litigation.

FMPC #15 currently states, “an annual review of selected fees and charges will be conducted to determine the extent to which the full cost of associated services is being recovered by revenues”. It is recommended to expand the language to state, “the city may subsidize the services funded by fees or charges based on other City objectives”.

FMPC #22 currently states, “per capita general obligation debt including Certificates of Obligation, Equipment Acquisition Notes and General Obligation Bonds will be managed to not exceed 10% of the latest authoritative computation of Dallas’ per capita annual personal income. It is recommended that the criteria identify the source (US Department of Commerce Bureau of Economic Analysis) used in the calculation.

FMPC #27 currently states, “Certificates of Obligation will be limited to projects consistent with Financial Management Criteria for debt issuance”. This criteria is redundant to criteria #25 and it is recommended for deletion.

## **BACKGROUND** (continued)

FMPC #33 currently states, “no Reinvestment Zone (RZ) can be created if the total property tax base of certain TIF RZs plus the total real property and business personal property tax base (if there is business personal property tax being abated) of TA RZs exceeds 10% of the total tax base of the City”. It is recommended to increase the total tax base cap from 10 percent to 15 percent.

FMPC #41 currently states, “accounting practices will conform to generally accepted accounting principles (GAAP) as set forth by the authoritative standard setting body for units of local government”. It is recommended that the criteria identify the Governmental Accounting Standards Board (GASB) as the authoritative standard setting body.

FMPC #42 currently states, “an annual audit will be performed by an independent public accounting firm, with the subsequent issue of an official Comprehensive Annual Financial Report (CAFR) within 120 days of the City’s fiscal year end”. It is recommended that management will issue an official Comprehensive Annual Financial Report (CAFR) in conformity with GAAP.

FMPC #44 currently states, “revenues and expenditures will be projected annually for at least three years beyond the current budget projections”. It is recommended to extend the forecast period from three to five years and to expand the criteria to apply to each Enterprise Fund of the City.

FMPC #48 currently states, “Investments will be made in conformance with the City’s investment policy, with the primary objectives of preservation of capital, maintenance of sufficient liquidity, and maximization of return on portfolio”. It is recommended to delete this criteria. As required by State law, the City invests all funds under its control according to a City Council approved Investment Policy, which must be reviewed and reapproved annually by City Council.

FMPC #49 currently states, “the accounting system and cash forecasting system will provide regular information concerning cash position and investment”. It is recommended to delete this criteria. Obtaining information concerning cash position and investment is included in departmental procedures.

It is recommended to add the following new criteria to FMPC:

Biennial Budget, “each year, the City Manager shall develop and present to the City Council a two-year balanced budget. City Council will adopt a one-year budget and set the property tax rate in accordance with State law annually. Expenditures shall be budgeted and controlled so as not to exceed current revenue in each year or City Council approved use of fund balance”.

## **BACKGROUND** (continued)

Employee Benefits Fund, “the Employee Benefits Fund will maintain a cash reserve of at least the anticipated end-of-year claims incurred but not paid, and other current liabilities”. This does not include incurred but not reported (IBNR) claims. The Employee Benefits Fund will maintain a positive cash balance. This criteria will be effective beginning in FY 2018-19.

Property Tax Exemption – Disabled and over 65, “the City will compare the current disabled and over 65 exemption to the most recent annual Consumer Price Index (CPI) every two years, and provide the analysis to the City Council for consideration prior to June 30 for possible modification (increase) of this property tax exemption”. Changes to property tax exemptions must be provided to the appraisal districts no later than June 30<sup>th</sup>”.

Debt Service Fund Reserve, “the City shall maintain a reserve in the General Obligation Debt Service Fund equal to 5% of the following year’s annual principal and interest debt service expense. The debt service fund tax rate and/or future debt will be structured to maintain this debt service reserve”.

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

On October 8, 2014, City Council authorized changes to FMPC #9, by Resolution No. 14-1679.

The Government Performance and Financial Management Committee was briefed on September 5, 2017, October 16, 2017, and November 6, 2017.

On October 25, 2017, City Council considered and remanded this item to Government Performance and Financial Management Committee.

City Council was briefed on Financial Management Performance Criteria #33 – Reinvestment Zones on November 1, 2017.

On November 6, 2017, the Government Performance and Financial Management Committee voted to move the proposed revision to City Council for consideration on December 13, 2017, except criteria #33. FMPC #33 was not supported by the Committee.

On November 6, 2017, the Government Performance and Financial Management Committee voted to move forward one criteria suggested by Council Member Kleinman to City Council for consideration on December 13, 2017 regarding an effective tax rate. Staff does not support this criteria.

**FISCAL INFORMATION**

No cost consideration to the City.

# Memorandum



CITY OF DALLAS

DATE November 29, 2017

Honorable Members of the Government Performance & Financial Management  
Committee: Jennifer S. Gates (Chair), Scott Griggs (Vice Chair), Sandy Greyson,  
TO Lee M. Kleinman, Philip T. Kingston, Tennell Atkins, Kevin Felder

SUBJECT **Atmos Rate Case**

On Monday, December 4, 2017, the Office of Budget will brief the Government Performance & Financial Management Committee on the Atmos Rate Case. I will provide the briefing for your review later this week once ongoing negotiations are finalized.

Please let me know if you need additional information.

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

M. Elizabeth Reich  
Chief Financial Officer

Honorable Mayor and Members of City Council  
T.C. Broadnax, City Manager  
Larry Casto, City Attorney  
Craig D. Kinton, City Auditor  
Billerae Johnson, City Secretary (Interim)  
Daniel F. Solis, Administrative Judge  
Kimberly Bizer Tolbert, Chief of Staff to the City Manager

Jon Fortune, Assistant City Manager  
Joey Zapata, Assistant City Manager  
Jo M. (Jody) Puckett, Assistant City Manager (Interim)  
Nadia Chandler Hardy, Chief of Community Services  
Raquel Favela, Chief of Economic Development & Neighborhood Services  
Theresa O'Donnell, Chief of Resilience  
Directors and Assistant Directors

# Atmos Rate Case

**Government Performance and Financial  
Management Committee  
December 4, 2017**

**Nick Fehrenbach  
Manager of Regulatory Affairs  
Office of Budget  
City of Dallas**



# Presentation Overview

- Purpose
- Background
- Prior rate case
- Current filing
- Next steps



# Purpose

- Update committee on Atmos Energy Corporation's (Atmos) Statement of Intent to Increase Gas Utility Rates



# Background

- Current franchise approved on 1/13/2010 (ordinance #27793) and authorizes Atmos to provide natural gas utility service in city
  - Initial term of 15 years
- Original franchise granted to The Dallas Gas Company in 1905
  - Purchased by Lone Star Gas in 1927
  - Acquired by TXU Gas in 1996
  - Merged with Atmos in 2004



# Background (continued)

- Texas Utilities Code indicates jurisdictional responsibility for regulation of natural gas in State
  - City has original jurisdiction to set local distribution rates within City's boundaries
  - Railroad Commission of Texas (RCT) has appellate jurisdiction over local distribution rates and original jurisdiction over pipeline rates

# Background (continued)

- Customer's gas utility bill has two primary components
  1. Local distribution rates
    - Approved by City (RCT has appellate jurisdiction)
    - Charges for distribution from City limits to customers' premises
    - Includes costs for meter reading, billing, and customer service
    - Distribution charges split between monthly customer charge and consumption charge
  2. Pipeline rates (appears on bill as Rider GCR-Gas Cost Recovery)
    - Approved by Railroad Commission of Texas (RCT)
    - Costs from producer and pipeline company to city limits
    - Includes pass through of actual cost of gas
    - Pipeline costs typically comprises 60% of residential charges and 70% of commercial charges

# Background (continued)

- Gas utility customers are divided into four billing classes
  1. Residential
  2. Commercial
    - Businesses and apartments with gas for common use
  3. Industrial
    - Contract for a minimum of 125 Mcf per month
    - Service may be interrupted in extreme conditions
  4. Transport
    - Fee charged to transport gas between two other parties

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# Prior Rate Case

- Atmos filed 6<sup>th</sup> DARR rate request on 1/13/17 with proposed effective date of 6/1/17
  - Atmos requested an increase in base rates of \$10.7m annually
  - 10.9% overall increase in base rates (without gas costs)
  - Monthly bill for average residential consumer would increase by \$3.25

# Prior Rate Case (continued)

- City staff negotiated a settlement with Atmos
  - Base rates would increase by \$7.8m as compared to \$10.7m originally requested by Atmos
  - Overall increase would have been 8.5%
  - Average residential bill would have increased by \$2.46 per month plus revenue related fees/taxes
  - Atmos would have negotiated modifications to DARR tariff to be brought back to committee in Oct 2017
  - Atmos would have worked with staff to modify rates if major revisions are made to federal income tax rates

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# Prior Rate Case (continued)

- 5/24/17, City Council adopted Ordinance #30466, setting rates to be charged by Atmos
  - Authorized base rates increase of \$5m as compared to \$10.7m originally requested by Atmos and \$7.8m proposed settlement
- 5/26/17, Atmos appealed City's rate ordinance to RCT
- 6/1/17, Atmos began charging customers rates as requested in the appeal, an increase of \$10.4m over existing rates
  - Rates are subject to refund if full amount of increase is not authorized by RCT
- 10/30/17, hearing examiner issued Proposal For Decision in appeal
  - Recommends annual revenue increase of \$9.9m
  - RCT will issue final order 12/5/17

# Current Filing

- About the same time as Atmos' appeal on 5/26/17, City Council approved resolution #17-0933 on 6/14/17 which requires:
  - Atmos to “Show Cause” why its rates should not be reduced
  - Atmos to file no later than 8/18/17 (Minimum notice allowed under Gas Utilities Regulatory Act)



# Current Filing (continued)

- Atmos filed a Statement of Intent to increase rates on 8/18/17
  - Requested an annual increase in rates of \$16.2m (\$5.8m over interim rates of \$10.4m that went into effect on 6/1/17)
  - 20.88% overall increase in base rates (without gas costs)
  - Monthly bill for average residential consumer would increase by \$6.13 (22.69%)
  - City Council action required by 12/12/17 (deadline has been extended as discussed later)

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# Current Filing (continued)

- City retained Garrett Group LLC (Garrett) to assist in reviewing current filing
  - Expertise in gas rate regulation
  - Assisted City with Atmos Pipeline case before RCT
  - Assisted City with 2017 DARR filing
  - Garrett contract approved by resolution #17-1662 on 10/25/17

# Current Filing (continued)

- Garrett reviewed filing and requested additional supporting information from Atmos
- After full investigation, Garrett recommends several adjustments to filing
- Staff shared Garrett's preliminary findings with Atmos and attempted to negotiate settlement - negotiations with Atmos are still in progress
- Atmos has identified some potential issues with preliminary findings which are being reviewed by consultant
- Both staff and Atmos believe that settlement can be reached

# Current Filing (continued)

- On 11/23/17 Atmos extended effective date by 56 days which provides additional time for negotiations
  - Additional time permits settlement discussions to continue
  - RCT appeal of prior case will be complete prior to proposed settlement
  - City must take final action by 2/15/18

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# Next Steps

- Continue current negotiations with Atmos
- Brief City Council on 1/3/18
- Agenda item to set rates to be scheduled for 1/10/18
- Statutory deadline to take action is 2/15/18

# Atmos Rate Case

**Government Performance and Financial  
Management Committee  
December 4, 2017**

**Nick Fehrenbach  
Manager of Regulatory Affairs  
Office of Budget  
City of Dallas**



# Memorandum



DATE November 29, 2017

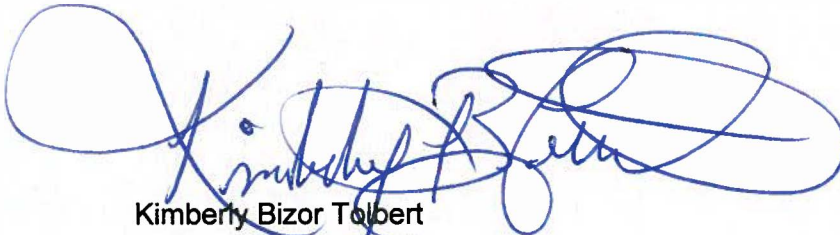
CITY OF DALLAS

TO Honorable Members of the Government Performance & Financial Management Committee: Jennifer S. Gates (Chair), Scott Griggs (Vice Chair), Sandy Greyson, Lee M. Kleinman, Philip T. Kingston, Tennell Atkins, Kevin Felder

SUBJECT **Office of Business Diversity M/WBE Performance Report**

On Monday, December 4, 2017, the Office of Business Diversity will brief the Government Performance & Financial Management Committee on the 2017 Diversity Accomplishments & Performance Report. I have attached the briefing for your review.

Please let me know if you need additional information.



Kimberly Bizer Tolbert  
Chief of Staff to the City Manager

## Attachment

c: T.C. Broadnax, City Manger  
Lamy Casto, City Attorney  
Craig D. Kinton, City Auditor  
Biliera Johnson, City Secretary (Interim)  
Daniel F. Solis, Administrative Judge  
Majed A. Al-Ghafry, Assistant City Manager  
Jo M. (Jody) Puckett, Assistant City Manager (Interim)

Jon Fortune, Assistant City Manager  
Joey Zapata, Assistant City Manager  
M. Elizabeth Reich, Chief Financial Officer  
Nadia Chandler Hardy, Chief of Community Services  
Raquel Favela, Chief of Economic Development & Neighborhood Services  
Theresa O'Donnell, Chief of Resilience  
Directors and Assistant Directors

# Office of Business Diversity M/WBE Performance Report

Government Performance and  
Financial Management  
Committee Briefing

December 4, 2017

Zarin D. Gracey  
Interim Managing Director  
Office of Business Diversity



**City of Dallas**



# Outline

- Background
- New Program Mission and Objectives
- Meet the Team
  - Outreach Event Highlights
  - 2017 Recognitions
- Diversity & Compliance Process
- 2017 Diversity Accomplishments & Performance Report
- Historical M/WBE Performance
- Next Steps
- Questions

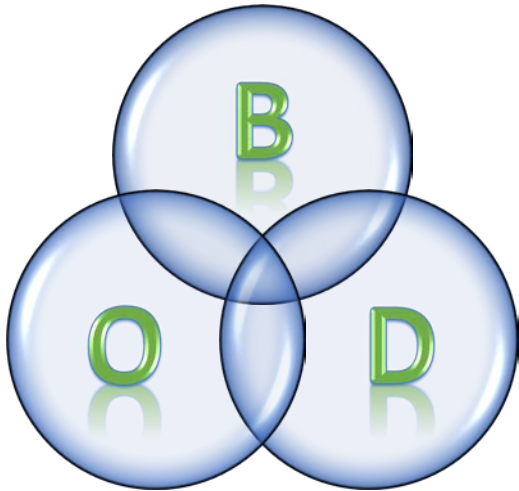
# Background

- Briefed Government Performance and Financial Management Committee on October 2, 2017 on the New Business Diversity Strategic Plan
- Council Action on November 8, 2017 for the following:
  - Sunset the current M/WBE goals by September 30, 2020
  - Change references to Business Development and Procurement Services to Office of Business Diversity

# New Program Mission and Objectives

## Mission Statement

*To ensure non-discriminatory practices and eliminate barriers while resourcing businesses to the next step in their business life cycle.*



### **O**PPORTUNITY CREATION

Provide conditions for growth and development through training, communication, and resource connections.

### **B**UILDING CAPACITY

Develop strategic partnerships through intentional, coordinated, and mission-driven efforts aimed at strengthening the management and operations of S/M/WBE businesses to improve their performance and economic impact.

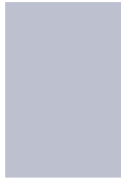
### **D**IVERSITY COMPLIANCE

Advocate for the importance of diversity and inclusion in the awarding of City contracts.

# Meet the Team



Zarin D. Gracey  
Interim Managing  
Director



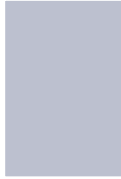
Manager  
Vacant (filled by Jan  
15th)



Regina Williams  
2017 Bond Program



Lisa Alonzo  
Construction /Integrated  
Pipeline



Vacant (filled by Feb 1<sup>st</sup>)  
Architecture &  
Engineering



Laura Hurtado  
Professional Services



Erica Turner  
Others Services



James Harris  
Goods



Denicio Villalon  
TIF/Housing Projects

# Outreach Events Highlights



# 2017 Recognitions

## Awards

- 2017 Asian American Contractors Association of Texas Most Outstanding Public Diversity Program of the Year
- 2017 U.S. Small Business Administration minority Small Business Champion of the Year
- 2017 Regional Black Contractors Association Diversity Champion of the Year
- 2017 Great Southwest Black Chamber of Commerce Business Diversity Coordinator of the Year

## Nominations

- Regional Hispanic Contractors Association Luna Awards
  - Outstanding Administrative Professional
  - Business Advocate

# Diversity and Compliance Process



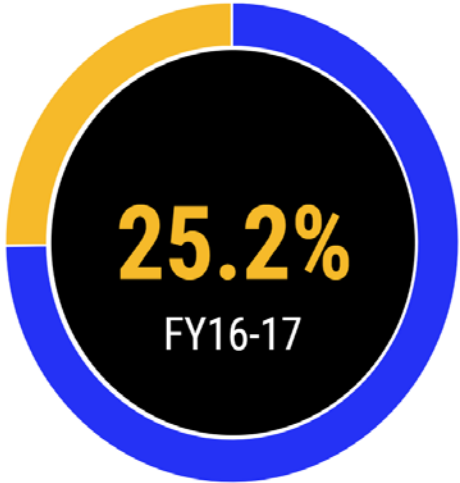
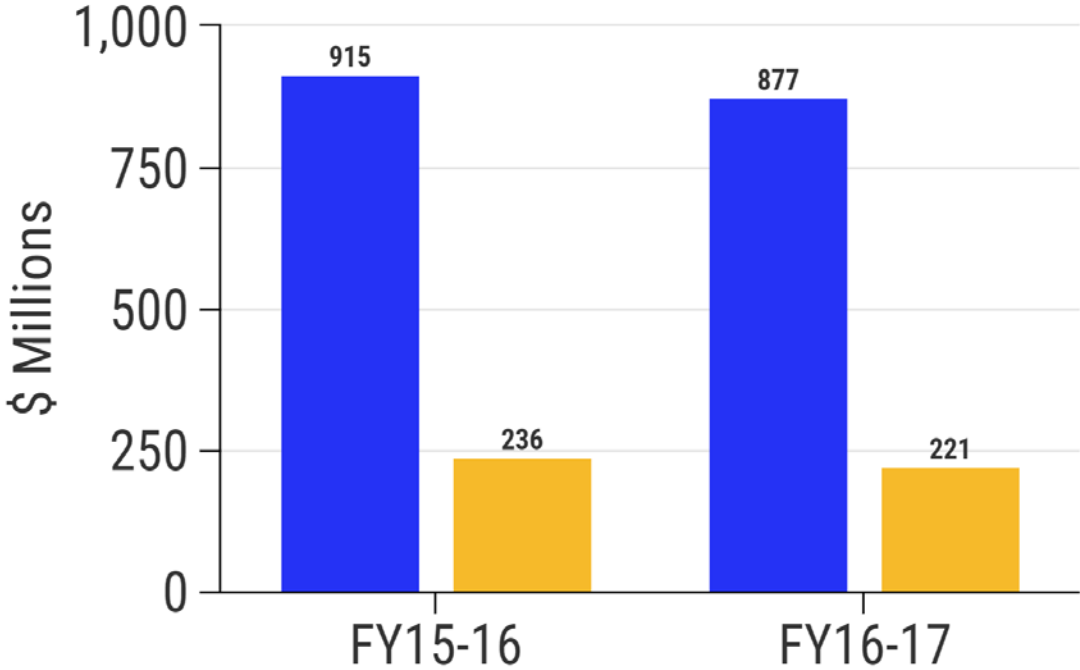
# 2017 Diversity Accomplishments & Performance Report

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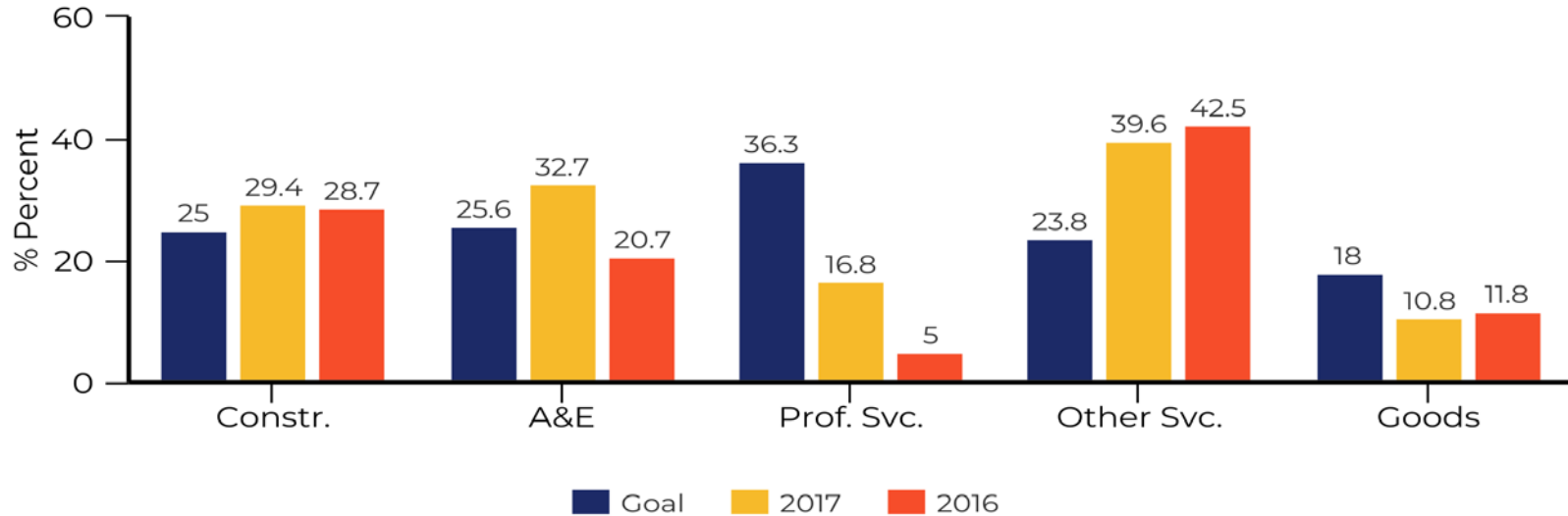


# 2017 Diversity M/WBE Performance Report



■ Total City Spend   ■ M/WBE Total Spend

# 2017 Diversity Accomplishments & Performance Report By Procurement Category



	Constr.	A&E	Prof. Svc.	Other Svc.	Goods
FY15-16 Total Spend	\$354.8M	\$72.0M	\$54.2M	\$215.2M	\$218.7M
FY16-17 Total Spend	\$301.7M	\$46.9M	\$49.3M	\$196.2M	\$282.7M

# 2017 Diversity Accomplishments & Performance Report

Inclusion	FY15-16		FY16-17		Variance	
African American	\$18.6M	2.0%	\$42.8M	4.9%	+2.9	▲
Hispanic	\$57.1M	6.2%	\$69.5M	7.9%	+1.7	▲
Asian American	\$31.22M	3.4%	\$26.2M	3.0%	-0.4	▼
Native American	\$2.9M	0.3%	\$12.8M	1.5%	+1.2	▲
Women	\$69.2M	7.9%	\$126.7M	13.9%	-6.0	▼
Total M/WBE	\$220.6M	25.2%	\$236.5M	25.8%	-0.6	▼
Non-Certified	\$656.3M	74.8%	\$678.4M	74.2%	+0.6	▲
Total	\$876.9M	100.0%	\$914.9M	100.0%		

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# 2017 Diversity Accomplishments & Performance Report By the Numbers

\$876.9M



**Total Spend**

53.3%



**Overall Local Spend**

688



**Total # of Contractors**

\$220.6M



**\$55.5M M/WBE Prime Contractors**

54.1%



**\$119.3M Local M/WBE Spend**

**213 M/WBE Contractors**



**55 Prime M/WBEs**

50



**Total Training Sessions**

124



**Total Outreach Events**

572



**Total One-on-One**

# Dallas 365



## Strategic Priorities

- Government Performance and Financial Management**

Office of Business Diversity	Percent of dollars spent with local businesses	50%
FY16-17	Overall local spend	53.3%
	Local M/WBE spend	54.1%

# Next Steps

- Preparing specifications to identify a firm to perform an Availability and Disparity Study
  - RFP Advertised Winter 2017
  - Study Performed Summer 2018 – Summer 2019
  - Estimated completion date is Summer 2019
  - Council Approval Fall 2019
- Business Diversity Taskforce
  - 2017 Bond Program Subcommittee
    - Identified 9 program initiatives that can create opportunity and build capacity for new businesses that never done business with the City as well as small, minority, and women owned businesses
    - Currently reviewing the initiatives with the departments to ensure they are feasible to implement as well determine what it will take to implement
- Implement Diversity University

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# QUESTIONS

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# Office of Business Diversity M/WBE Performance Report

Government Performance and  
Financial Management  
Committee Briefing

December 4, 2017

Zarin D. Gracey  
Interim Managing Director  
Office of Business Diversity



**City of Dallas**

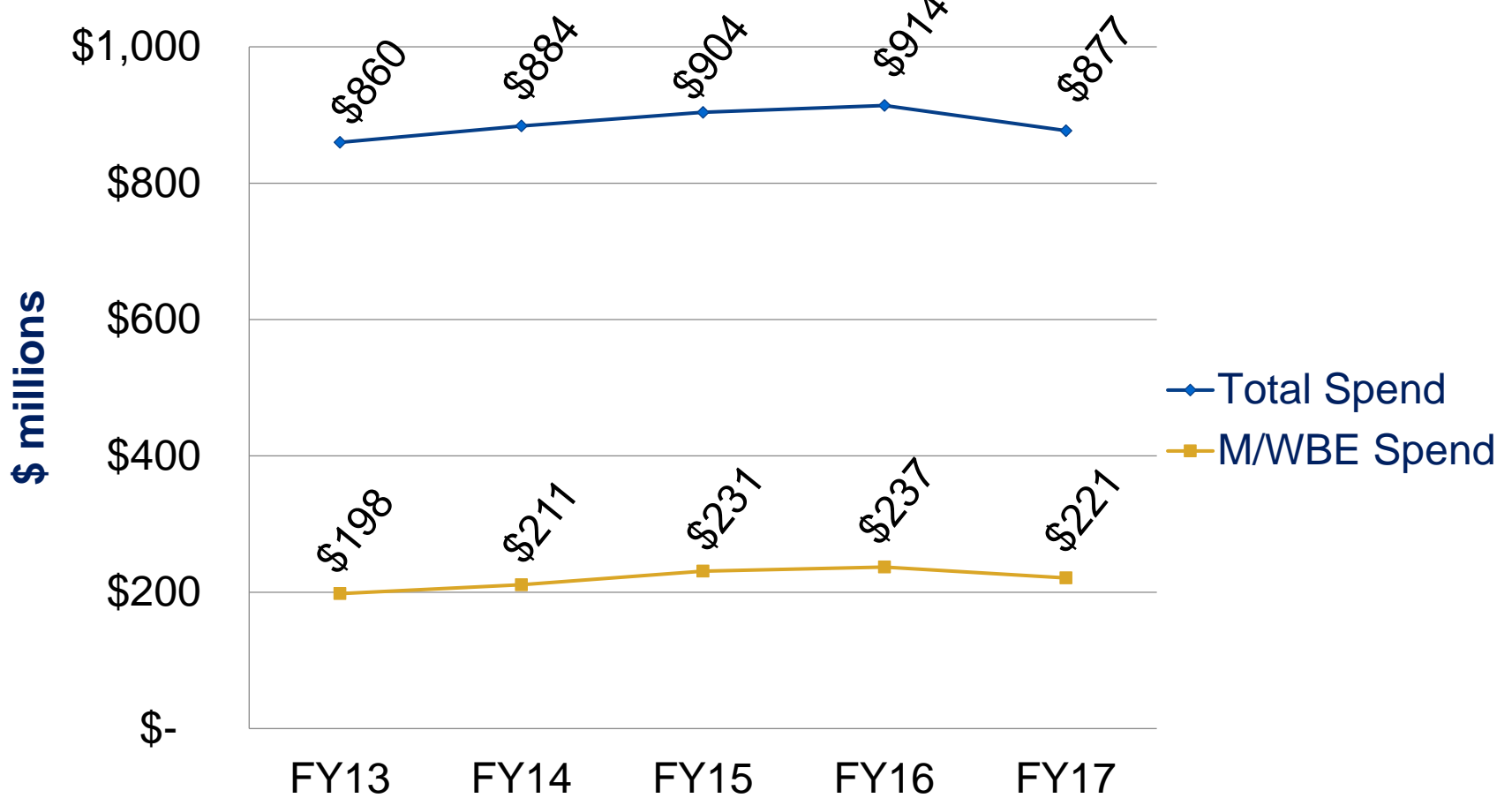


# Office of Business Diversity Performance Measures

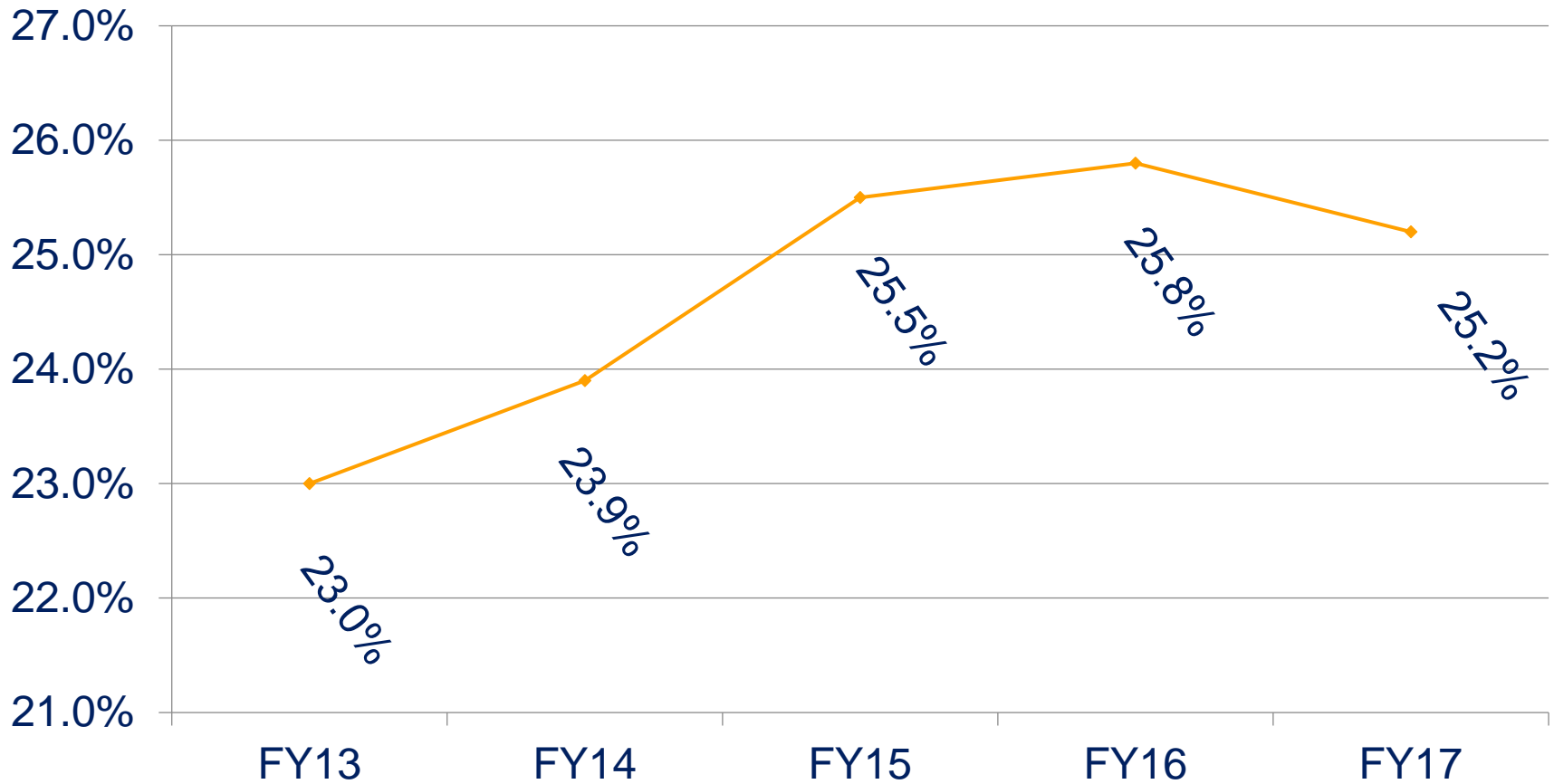
Description	FY 2014-15 Actual	FY 2015-16 Actual	FY 2016-17 Budget	FY 2016-17 Estimate	FY 2017-18 Proposed	FY 2018-19 Planned
# of awareness events	375	344	120	125	130	175
Change in registered vendors over prior year	198	253	200	200	205	150
% spent with local businesses	52.87%	39.42%	45.00%	48.00%	50.00%	50.00%
% of agenda items reviewed within 10 days	99.00%	99.00%	98.00%	98.00%	98.00%	98.00%
% of contracts reviewed by BID compliance	100%	100%	95.00%	95.00%	95.00%	95.00%
Overall M/WBE participation	25.50%	25.80%	21.00%	23.00%	23.00%	24.00%
Increase in revenue for S/M/WBE firms doing business with the City	N/A	N/A	N/A	N/A	\$250,000	\$300,000
# of new vendors competing on City contracts	N/A	N/A	N/A	N/A	50	38

# M/WBE Historical Performance Report

# Total Performance by Fiscal Year



## M/WBE Performance by Fiscal Year








# City of Dallas Cumulative 5yr M/WBE Participation

Inclusion	2013	2014	2015	2016	2017	Cumulative	
Af. Am.	\$34.9M	\$36.8M	\$26.5M	\$18.6M	\$42.8M	<b>\$164.1M</b>	<b>3.7%</b>
Hisp.	\$59.2M	\$68.2M	\$96.9M	\$57.1M	\$69.5M	<b>\$350.9M</b>	<b>8.0%</b>
As. Am.	\$13.8M	\$24.5M	\$15.4M	\$31.2M	\$26.2M	<b>\$111.1M</b>	<b>2.5%</b>
Nat.	\$4.2M	\$7.8M	\$6.4M	\$2.9M	\$12.8M	<b>\$34.1M</b>	<b>0.8%</b>
WF	\$81.1M	\$74.1M	\$85.7M	\$126.7M	\$69.2M	<b>\$437.0M</b>	<b>9.9%</b>
Tot. M/WBE	\$197.7M	\$211.4M	\$230.9M	\$236.5M	\$220.6M	<b>\$1.1BB</b>	<b>25.0%</b>
Non-Certified	\$662.1M	\$672.7M	\$673.6M	\$678.4M	\$656.3M	<b>\$4.4B</b>	<b>75.0%</b>
<b>Total</b>	<b>\$859.8M</b>	<b>\$884.1M</b>	<b>\$904.5M</b>	<b>\$914.9M</b>	<b>\$876.9M</b>	<b>\$5.5B</b>	<b>100.0%</b>

# M/WBE Participation by Procurement Category

## 5 Year Cumulative

Construction			A&E			Prof. Service			Other Svc.			Goods		
														
Af. Am.	\$64.6	3.4%	Af. Am.	\$23.0	6.9%	Af. Am.	\$4.0	2.1%	Af. Am.	\$57.8	6.5%	Af. Am.	\$14.7	1.3%
Hisp.	\$231.6	12.3%	Hisp.	\$41.0	12.3%	Hisp.	\$3.3	1.7%	Hisp.	\$64.2	7.3%	Hisp.	\$10.7	1.0%
Asian	\$4.0	0.2%	Asian	\$20.2	6.1%	Asian	\$2.1	1.1%	Asian	\$71.6	8.1%	Asian	\$13.1	1.2%
Native	\$20.2	1.1%	Native	\$1.5	0.5%	Native	\$1.1	0.6%	Native	\$10.5	1.2%	Native	\$784	0.1%
Women	\$243.7	13.0%	Women	\$26.9	8.1%	Women	\$12.0	6.2%	Women	\$110.6	12.5%	Women	43.7	4.1%
Total MWBE	\$564.2	30.1%	Total MWBE	\$112.6	33.7%	Total MWBE	\$22.5	11.7%	Total MWBE	\$314.7	35.6%	Total MWBE	\$83.0	7.5%
Total Spend	\$1.9B	100.0%	Total Spend	\$333.8	100.0%	Total Spend	\$193.4	100.0%	Total Spend	\$884.6	100.0%	Total Spend	\$1.1B	100.0%

# Memorandum



CITY OF DALLAS

DATE November 29, 2017

Honorable Members of the Government Performance & Financial Management  
TO Committee: Jennifer S. Gates (Chair), Scott Griggs (Vice Chair), Sandy Greyson,  
Lee M. Kleinman, Philip T. Kingston, Tennell Atkins, Kevin Felder

SUBJECT **2018 Health Plan Changes**

On September 5, 2017, the Committee was briefed on the City's health plan and the plan design changes proposed for 2018. The December 13, 2017 Council Agenda includes an item to approve the Health Benefit Master Plan and Plan changes that were outlined during the briefing. This item requests that City Council approve the following:

1. The Master Plan Documents for the Employee and Retiree Health Benefit Plans.
2. Health coverage changes and premium rate changes.

## **Master Plan Document Agenda Item**

The Master Plan Document governs the administration of the health plan. The document is comprised of eligibility requirements, summary plan descriptions, and the individual policies for the fully-insured plans.

**The health plan, flexible spending, and COBRA will continue to be managed by Cigna. The health plan changes are as follows:**

- A revised wellness program will be effective January 1, 2018
- Free diabetes management program
- Addition of a telemedicine service for a \$40 copay
- Addition of Airrosti pain management treatment program

**CVS/Caremark will continue to administer the pharmacy program. Pharmacy plan changes are as follows:**

- Diabetes and hypertension drugs in certain classes will have a \$0 copay
- Generic medication incentive program.
  - ❖ Before meeting the deductible, employees will pay no more than \$25 for generic medication on the approved list that are priced at \$100 or less.
  - ❖ Employees will pay \$40 for generic medications on the approved list that are priced at \$100.01 or more.

## Health Plan Premium Changes

- \$50 bi-monthly premium decrease for 75/25 HRA family coverage
- \$25 monthly premium increase for Retiree Only and Retiree + Child(ren) plans
- \$50 monthly premium increase for Retiree + Spouse and Retiree + Family plans

## Davis Vision will continue to administer the vision plan.

- No premium changes

## MetLife will continue to administer the dental plans.

- No premium changes

If you have any questions, please feel free to contact me.

*Molly Carroll*

Molly Carroll  
Human Resources Director

c: Honorable Mayor and Members of the City Council  
T.C. Broadnax, City Manager  
Larry Casto, City Attorney  
Craig D. Kinton, City Auditor  
Billerae Johnson, City Secretary (Interim)  
Daniel F. Solis, Administrative Judge  
Kimberly Bizer Tolbert, Chief of Staff to the City Manager  
Majed A. Al-Ghafry, Assistant City Manager

Jon Fortune, Assistant City Manager  
Joey Zapata, Assistant City Manager  
Jo M. (Jody) Puckett, Assistant City Manager (Interim)  
M. Elizabeth Reich, Chief Financial Officer  
Nadia Chandler Hardy, Chief of Community Services  
Raquel Favela, Chief of Economic Development & Neighborhood Services  
Theresa O'Donnell, Chief of Resilience  
Directors and Assistant Directors