



AUDIT & FINANCE COMMITTEE MEETING - MINUTES

Workforce Solutions Alamo
100 N. Santa Rosa, Suite 120
San Antonio, TX 78207

April 7, 2023

11AM

BOARD OF DIRECTORS: Mary Batch, Esmeralda Perez (Interim Committee Chair), Yousef Kassim, Mitchell Shane Denn

WSA STAFF: Adrian Lopez, Adrian Perez, Katherine Pipoly, Giovanna Escalante-Vela, Penny Benavidez, Jeremy Taub, Randy Davidson, Chuck Agwuegbo, Caroline Goddard, Linda Martinez, Vanessa McHaney, Rebecca Espino Balencia, Brenda Garcia, Roberto Corral, Angela Bush, Ramsey Olivarez, Belinda Gomez, Dr. Federico Ghirimoldi, Manuel Ugues, Dr. Ricardo Ramirez, Sylvia Perez, Trema Cote, Terry Trevino

LEGAL COUNSEL: None

GUEST: Alfred Turner, The Syndicate Wave

AGENDA

Agenda items may not be considered in the order they appear.

Citizens may appear before the Committee to speak for or against any item on the Agenda in accordance with procedural rules governing meetings. Speakers are limited to three (3) minutes on each topic (6 minutes if translation is needed) if they register at the beginning of meeting. Questions relating to these rules may be directed to Linda Martinez at (210) 272-3250.

The Chair of the Committee will be at the Host Location. The Host location is specified above. Meetings will be visible and audible to the public at the Host location, and there will be a visual or audio recording of the meeting. There will be two-way audio and video of the meeting between each Board member sufficient that Board members and public can hear and see them. WSA will comply with all Videoconferencing Guidelines.

For those members of the public that would like to participate and cannot attend in person at the host location, please call toll-free 1-877-858-6860, which will provide two-way communications through a speaker phone. For additional information, please call Linda G. Martinez, (210) 272-3250.

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**During the Public Comments portion of the meeting (Agenda Item 3),
the Public may type their name into the chat box or unmute themselves and state
their name.**

**The meeting host will call each member of the public for comments,
in the order their names were submitted.**

- I. CALL TO ORDER AND QUORUM DETERMINATION
Presenter: Mary Batch, Committee Chair
Presented by Interim Committee Chair Esmeralda Perez
**At 11:30 am, Interim Committee Chair Esmeralda Perez called the meeting to
order. The roll was called, and a quorum was declared present.**
- II. DECLARATIONS OF CONFLICT OF INTEREST
Presenter: Mary Batch, Committee Chair
Presented by Interim Committee Chair Esmeralda Perez
None.
- III. PUBLIC COMMENT
Presenter: Mary Batch, Committee Chair
Presented by Interim Committee Chair Esmeralda Perez
None.
- IV. DISCUSSION AND POSSIBLE ACTION REGARDING PREVIOUS MEETING
MINUTES for February 3, 2023
Presenter: Mary Batch, Committee Chair
Presented by Interim Committee Chair Esmeralda Perez
**Upon motion by Mitchell Shane Denn and second by Mary Batch, the
Committee unanimously approved the meeting minutes for February 3, 2023.**
- V. PROCUREMENT (DISCUSSION AND POSSIBLE ACTION)
Presenter: Jeremy Taub, Director of Procurement and Contracts
Jeremy Taub introduced Randy Davidson as the new Assistant Director of
Procurement and Contracts.
 - a. Timeline and Update for Adult RFP
 - To date, WSA is awaiting to receive proposals. Deadline to submit is April 11, 2023. The evaluation period will be held on April 13 through May 3, 2023. Final recommendations are on May 15, 2023. Committee and Board of Directors approvals will be held in May and June 2023. Contract negotiations will be held in July and August 2023. FY23 contract start date is on October 1, 2023.
 - b. Contract Summary and RFP Updates
 - The RFP for the Mobile Workforce Unit had to be resolicited due to contract negotiations failing. The anticipated award date is April 2023.
 - c. Update on Procurement Processes

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Presented by Angela Bush, Collective Strategies, and Alfred Turner, The Syndicate Wave

- TWC identified an area of concern for FY21. The monitoring results identify potential administrative concerns around the Board needing to follow federal and state guidelines for procurement consistently. As a proactive measure, the Board contracted Alfred Turner with The Syndicate Wave to evaluate current policies and procedures, make recommendations to strengthen the current system, and implement best practices and controls around procurement.
- For the FY22 TWC financial monitoring, there were no disallowed or questioned costs, but the Board must strengthen controls around the procurement of leases and expiring contracts. The Board must comply with procurement requirements for six workforce center lease renewals.
- Regarding contract related findings, the Board should strengthen controls around expiring contracts. The first issue was the real estate broker provided services with an expired contract. The second issue was the monitoring contract was extended 90 days beyond the available renewals provided in the initial procurement. The 90 day extension was due to the procurement not being completed with adequate time before the contract expired.
- Board staff requested technical assistance from TWC's Audit Resolution division and developed two outcomes. The Board should procure the Real Estate Broker Services before any additional services are requested. The Board should provide documentation on needs analysis, cost reasonableness, and full fair and open competition for all future leases.
- Board staff performed a competitive procurement for Real Estate Services. The selected vendor is PCR Brokerage San Antonio, LLC DBA Partners. The contract term is from March 13, 2023 to March 13, 2024 with four one-year renewal options.
- Contract Management Database has been developed that tracks contract expiration dates, all contract actions, all follow up with end users for continuous collaboration, training, and development with program managers, contractors, and vendors. Upgraded Contract Manager to Assistant Director of Procurement, manages all contracts and the database. Bonfire (e-procurement system) sends automated reminders to end users.
- Regarding Lease Corrective Action, TWC recommends completing a 100% review of each lease with the required documentation to address the finding, perform a complete and transparent procurement for each lease before exercising any renewal options, perform an after-the-fact market analysis before exercising any renewal options, and original lease procurements must include all renewal options.
- Board staff has developed tools to ensure all recommendations are implemented, and adequate controls are in place for the proper and transparent lease procurement and future procurement and lease renewal options which include a needs determination market analysis, lease procurement checklist, procurement lease schedule of activities, internal quality review before recommendation is presented to committees for approval, and lease addendum provisions to standard leases.
- The Syndicate Wave has done a full comprehensive assessment of the WSA Procurement Department. Their assessment results include gaps in procedures and functional roles and responsibilities, gaps in current policies

and procedures leading to non-documented SOPs, gaps in appropriate procurement documentation, and standard best practices and procedures. Their implemented recommendations are revised Procurement Policy Manual, developed Standard Operating Procedures, operationalize procurement checklists and other tool kits to standardize efficiency and effectiveness of procurement practices, and improve documentation on all procurement lifecycle actions.

- Yousef Kassim asked who in the organization will take ownership of each of the items on the flow chart. Angela Bush and Alfred Turner responded that these are all outlined in the SOP. Yousef Kassim asked for it to be more clear as to who is responsible for what on the flow chart. He also asked if there is any software for the contract management database. Angela Bush responded that there is not currently a software but they are looking into some additional tools to help strengthen the process.

VI. FISCAL (DISCUSSION AND POSSIBLE ACTION)

Presenter: Giovanna Escalante-Vela, CFO

a. Financial Reports

- Corporate expenditures are 25.05% expensed with a YTD variance of 8.28%. Total expenditures are 26.11% expensed with a YTD variance of 7.22%. The Reserve is at 33.33% variance due to the expenditures for this category being reported later in the year.
- There are 10,363 Discretionary – Homeless & Low Income children in care in the Alamo Region. 80% is in urban and 20% is in rural areas.
- TANF Grant is currently at 17%. This year's allocation is \$2M more than the average allocation. The recently approved TWC special initiative geared towards a STEM summer youth program is in process with the contractor for implementation.
- SNAP is currently overspent. The contractor conducted 100% of case load review. Board staff are working with the contractor to monitor expenditures.
- Child Care CSL's end date was extended from March 31, 2023 to December 31, 2023. WSA has \$450,000 obligated as of January 31, 2023.
- The Skills Development Fund with Lone Star National Bank's grant has been given a no-cost extension through March 31, 2023. As of February 28, 2023, expenditures were at 93.79%. WSA is receiving the final invoices for reimbursement and the Board expects to expend 100% of this grant.
- For Child Care Quality, \$2.8M were invested in Child Care Programs. In January 2022, the Board began to process provider incentive payments on a quarterly basis. Providers have received materials, books, and supplies. As of March 7, 2023, WSA has provided approximately \$1.96M in incentives and approximately \$800,000 on materials, books, and supplies.
- For the San Antonio Area Foundation – Capacity Building, 50% of expenditures will be recognized in February 2023.
- Work-Based Learning Pilot Program – This is a program where Toyotetsu offers specialized training in manufacturing to help local residents gain access and knowledge, leading to high paying job opportunities. There is a list of applicants that is being processed.

b. Update on Ready to Work Matters

- The Ready to Work summary as of January 31, 2023 includes fiscal agent fees earned at \$120,623.82, program support fees earned at \$203,084.17, which is a total fees earned of \$323,707.99. Total WSA expenses are \$248,187.62 leaving a surplus/reserve of \$75,520.37.
- Board staff continue to provide technical support to partners. Partners' expenditures are underspent approximately 40-50%.
- c. Update on TWC Monitoring Report
 - Board staff is currently working with C2GPS to finalize the FY21 and FY22 monitoring reports.
- d. Update on Annual Audit Report
 - The field work is currently being completed and a meeting will be held to learn of the report.
 - CEO Adrian Lopez reminded the Board about a letter they have received regarding the annual audit to disclose any conflicts of interest. The Board members need to submit their responses as this is apart of the annual audit.

VII. CEO REPORT

Presenter: Adrian Lopez, CEO

- a. Applications for Funding
 - Culturingua has received \$75,000 in funding for their application to Islamic Relief USA for the 2023 Domestic Grant Application. It will serve 150 trainees from the immigrant and refugee community who will obtain a Food Handling Certification in their native language, and 6 culinary apprenticeships with classroom training and on the job experience.
 - Culturingua has also received \$150,000 for the RISE Grant. This will focus on the economic advancement of immigrants, refugees, and migrant workers while building a network of education and training providers working to break down barriers to education, training, and employment in rural areas.
 - Goodwill Industries has sent in an application to the U.S. Department of Justice Second Chance Act Improving Reentry Education and Employment Outcomes Grant. The funding request is \$900,000 and it will serve 140 individuals in the reentry population.
- b. Alamo Area Community Network Awards
 - The Ready to Work program won \$21,000 by entering a contest in December with AACN Signify Platform.
- c. Aspen Institute
 - COO Katherine Pipoly and her team have completed the opening retreat for the Aspen Institute Workforce Leadership Academy.

VIII. CHAIR REPORT

Presenter: Mary Batch, Committee Chair

IX. **Executive Session: Pursuant to Chapter 551 of the Texas Open Meetings Act, the Committee may recess into Executive Session for discussion on any issue for which there is an exception to the Act as set out in section 551.071 et. seq. including, but not limited to, the following:**

- a. Government Code §551.072 – Discussions Regarding Purchase, Exchange, Lease, or Value of Real Property if Deliberation in an Open Meeting**

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Would Have a Detrimental Effect on the Position of Workforce Solutions Alamo in Negotiations with a Third Party;

- b. Government Code §551.071 - All Matters Where Workforce Solutions Alamo Seeks the Advice of its Attorney as Privileged Communications under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas:**
- c. Pending or Contemplated Litigation; and**
- d. Government Code §551.074- Personnel Matters involving Senior Executive Staff and Employees of Workforce Solutions Alamo.**

X. ADJOURNMENT

Presenter: Mary Batch, Committee Chair

Presented by Interim Committee Chair Esmeralda Perez

Upon motion by Mary Batch, the Committee unanimously approved to adjourn the meeting at 12:19 pm.