



# Taxation, Revenue, and Utilization of Expenditures (TRUE) Commission

Dr. Keshan Hargrove, Chair

## TRUE COMMISSION PRELIMINARY MINUTES

*(Note – these minutes are unofficial until reviewed and approved  
by the TRUE Commission at a future meeting)*

**April 4, 2024**

**4:00 p.m.**

**Don Davis Room, 1<sup>st</sup> floor, City Hall**

**Attendance:** Commissioners Velma Rounsville (Secretary), Ramon Day, Tony Zebouni, Bruce Tyson, Kim Pryor, Andrea Letizia, Daniel Henry (arr. 4:08), Keshan Hargrove (Chair - arr. 4:52)

**Excused:** Commissioner Charles Barr

**Absent:** None

**Also:** Jeff Clements – City Council Research; Tommy Carter – Council Auditor’s Office; see sign-in sheet for additional attendees

Commission Secretary Velma Rounsville convened the meeting at 4:00 p.m. and the attendees introduced themselves for the record.

### Approval of minutes

The minutes of the March 7, 2024 commission meeting were **approved unanimously as distributed**.

### Public Comment

None

### Dustin Freeman, Chief of Procurement – Procurement Manual Re-write

Mr. Freeman answered questions from the commissioners about the on-going re-write of the Procurement Manual. Commissioner Zebouni questioned the use of the term “major” rather than “material” irregularity in the context of protests, saying that “material” is a term that has been litigated and has case law interpreting its use. Mr. Zebouni asked for clarification of the use of the term “similar experience” and how it applies to the procurement process of a very large and complex city government such as Jacksonville’s. Mr. Freeman said the bid specifications set by the using agency will determine what type of experience is relevant. The 48-hour bid protest time clock starts from the time a proposed notice of award is posted on the City’s website. Mr. Zebouni inquired about the use of the term “procurement strategies”; Mr. Freeman said it gives the Chief of Procurement the ability to determine what type of procurement mechanism is used depending on the particular circumstances of what the using agency is intending to procure.

Mr. Zebouni questioned the procedure to be used if a bid is determined to be non-responsible or non-responsive but is not immediately disqualified. Mr. Freeman said the using agency is involved in the

decision about determining what is responsive and what is disqualifying, and cautioned that some degree of discretion is sometimes useful from the City's perspective. Mr. Zebouni cautioned that any exercise of discretion (the City "may" declare a bid unresponsive) opens up the possibility for legal challenges by other bidders. Mr. Zebouni asked about the qualifications of the members of the using agency evaluation committee, their ability to talk confidentially to non-committee member co-workers about the procurement to obtain relevant information, and whether that opens up the possibility for improper influence. Mr. Freeman said he envisions that such consultation would be managed by the Procurement Division but recognizes the potential problem that Mr. Zebouni raised and will take it under consideration and raise it with the other agencies that will review the document (Council Auditor, Office of Inspector General, City administration).

Mr. Zebouni said he had shared the re-write of the Procurement Code with the local chapter of Associated Builders and Contractors and representatives of that organization will be at the TRUE Commission's meeting in June for discussion.

Commissioner Henry asked how procurement mechanisms will be chosen from among the available options, many of which are brand new to Jacksonville. Mr. Freeman said it will depend on a number of factors including timing, price, a using agency's particular needs, a "best value" determination, etc. All aspects of the procurement process will be done electronically, but there are some limitations in the 1Cloud financial management system as to how much it can be customized for different methods. Mr. Zebouni asked about training for procurement committee members; Mr. Freeman said his division has a plan in mind but it has not been implemented yet. He said that as the division chief, he has the power to question any findings or rankings by committee members. In response to a question from Mr. Zebouni, Mr. Freeman said the identity of the evaluation committee will be a public record and those members must sign a conflict-of-interest disclosure form. Mr. Henry said it did not appear that the "invitation to negotiate" (ITN) method was defined as were all the other procurement methods. Mr. Freeman said that was an oversight and he will include a definition. Mr. Henry said he is curious about how the ITN method will be used as part of an overall procurement strategy. Mr. Zebouni said the JEA privatization controversy showed the need for good training on the proper use of the ITN methodology.

Commissioner Henry asked if an electronic signature company has been chosen; Mr. Freeman said the DocuSign system is being tested with several departments. The Office of General Counsel is also looking at Oracle's Fusion enterprise contracting module as the financial system of record for all contracts, which will include DocuSign for electronic signatures. Mr. Henry asked about the intent of the language regarding change orders. Mr. Freeman said that term reflects the language of the 1Cloud financial management system ("system change orders"), not necessarily the same as the term has been used in the procurement context. The OGC would have to make changes if there is contract involved. Mr. Henry asked about contract management responsibilities. Mr. Freeman said he is asking for 2 new positions in his division to handle procurement training and contract manager certification functions. A training packet has been developed and will be given to the new employees when hired to fine tune and implement. He said a definition still needs to be developed for a "high risk" contract and how managers of those contracts are trained. He envisions a 2-year recertification requirement for contract managers. Mr. Henry suggested the State of Florida's contract management system as a good model for emulation. Mr. Freeman said an automated system is being developed in Oracle to send a survey to user agencies and contract managers when a contract ends to evaluate their impression of the contractor. Mr. Henry suggested that surveying the managers throughout the course of the contract rather than just at the end may be more informative.

Commissioner Day asked for an overview of the broad picture of procurement reform – what was changed, why it was changed, how the system has been improved, what else needs to be done – at a future meeting. Mr. Freeman agreed to come back to a future meeting for further discussion.

Commissioner Pryor asked for clarification of an earlier comment by Mr. Freeman about correction of potential errors in a procurement process; Mr. Freeman said he was referring to actions of the procurement evaluation committee, not the competing companies. Ms. Pryor asked how the contract management function will be handled before the requested new staff are hired, whether there are any inspection provisions included to be sure that work is being done up to standard, and whether there is any avenue for citizen input about the quality of work. Mr. Freeman said he has the power to issue surveys about satisfaction. He doesn't know if he will get the new staff or not. He will train people on a case-by-case basis as he has capacity, but it won't be a full-certification-level training. Ms. Pryor cited the example of a sidewalk project in Springfield where concrete was stamped with a paver look-alike pattern that shoddily done but nobody in the City seems to be doing anything about it. Mr. Freeman said the Procurement Division is not responsible for inspection of work procured for another user department such as Public Works. The using agency is responsible for inspecting and signing off on the quality of the work.

Commissioner Zebouni suggested that "fast-track" projects with incomplete specifications are candidates for getting a high-risk designation. Commissioner Henry said high dollar value is also a good trigger. Mr. Henry recommended that Mr. Freeman emphasize to City Council the importance of hiring the two new employees when he presents the revised Procurement Manual to the Council or its committees.

#### Council Auditor's Report

Tommy Carter of the Auditor's Office reported that no new reports or audits have been issued since the last commission meeting.

#### Legislative Tracking Committee

None

#### Audit Committee

None

#### ASM Global Contract Committee

None. The Inspector General's Office will be present at the next commission meeting.

#### Chair's Comments

None

#### Old Business

Commissioner Pryor explained that a City surplus property located at 1140 Ionia Street in the Springfield area that had previously been conveyed at no cost to Grace and Truth Community Development Corporation (CDC) for the purpose of providing affordable housing development. The CDC had then sold the property for \$300,000, even though this sale broke the terms of Grace and Truth CDC's agreement with the City regarding the use of the property. She noted that there had been legal action regarding this development but had not been able to locate the relevant records. She stated that there were three potential outcomes when a property owner broke the conditions of an agreement from the City to sell it property: 1) the City could begin the legal process to take back control of the property; 2) the organization could willingly return control of the property to the City; or 3) the organization could purchase the property from the City for its assessed value. She opined that the last option would be untenable and reward bad behavior on the part of the organization.

Commissioner Henry asked whether the property's reversion to City control would be a sufficient outcome; Ms. Pryor answered that it would be, but the option for an organization to purchase the property

after failing to meet its commitment to produce affordable housing should not exist and would reward bad behavior. Commissioner Day said the Commission could move to provide a recommendation to the City. Commissioner Zebouni stated that the Commission should hear from the Inspector General on this matter before making an official recommendation, and said the Inspector General was already on the agenda for the next meeting and could discuss this matter as well. The Commission instructed that this topic be put on the agenda for the next meeting.

#### New Business

Commissioner Henry asked whether there was any interest in adopting an official recommendation in support of the Procurement Division's addition of two full-time employees. Commissioner Zebouni stated that the Commission may want to make this recommendation to the mayoral administration instead of the City Council, and Mr. Henry clarified that this recommendation would be to the administration.

**Motion (Henry):** the Commission express its support of the addition of two full-time positions in the Procurement Division. This motion was seconded and **approved unanimously**.

Commissioner Day explained that he believes the role of the TRUE Commission to be making policy recommendations to local government. He stated that he believed the purpose of calling Dustin Freeman before the Commission was to better understand the policy changes to the Procurement Code rather than a summary of the entire Procurement Code; he suggested that the Commission be more specific in its requests to guest speakers in the future. Commissioner Zebouni said that the questions asked to Mr. Freeman were worthwhile because the Procurement Chief will have enormous discretion and power under the new Procurement Code. Commissioner Henry explained that local government is often burned by an assumption that various departments are working together and that his questions reflected a desire that the departments whose participation would be necessary to ensure the success of the new Procurement Code be collaborating effectively.

#### Commissioner Comments

None

#### Next meetings

Audit Committee – at the call of the Chair as needed when new audits/reports are released

Legislative Tracking Committee – at the call of the Chair as needed

Full commission – May 9, 2024 (NOT the first Thursday of the month): Robert Linsner, Inspector General's Office, addressing the ASM Global venue management contract and Grace and Truth CDC's conveyance of affordable housing property on Ionia Street

The meeting was adjourned at 5:32 p.m.

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