



March 24, 2022

Questions and Answers Report



Mayor Steve Adler

Council Member Natasha Harper-Madison, District 1

Council Member Vanessa Fuentes, District 2

Council Member Sabino "Pio" Renteria, District 3

Council Member Gregorio Casar, District 4

Council Member Ann Kitchen, District 5

Council Member Mackenzie Kelly, District 6

Council Member Leslie Pool, District 7

Council Member Paige Ellis, District 8

Council Member Kathie Tovo, District 9

Council Member Alison Alter, District 10

The City Council Questions and Answers Report was derived from a need to provide City Council Members an opportunity to solicit clarifying information from City Departments as it relates to requests for council action. After a City Council Regular Meeting agenda has been published, Council Members will have the opportunity to ask questions of departments via the City Manager's Agenda Office. This process continues until 5:00 p.m. the Tuesday before the Council meeting. The final report is distributed at noon to City Council the Wednesday before the council meeting.

QUESTIONS FROM COUNCIL

Item #13, 14, 34:

13. Approve an ordinance amending the Fiscal Year 2021-2022 Building Services Department Capital Budget (Ordinance No. 20210811-001) to increase appropriations by \$27,000,000 for the Municipal Building renovations.

14. Approve a resolution declaring the City of Austin's official intent to reimburse itself from proceeds of Certificates of Obligations to be issued for expenditures in the total amount of \$27,000,000.

34. Approve a resolution finding the use of the design-build method of contracting, as authorized by Subchapter G, Chapter 2269 of the Texas Government Code, as the project delivery method that provides the best value to the City for the Community Court 8th Street Municipal Building Renovation.

COUNCIL MEMBER TOVO'S OFFICE

1) *Please provide an outline of the cost estimates for the Municipal Building renovation and please provide information as to how much of the renovation costs are related to the DACC use and how much is related for remediations, accessibility, and other improvements that would need to occur with any City use. Please share any available information about the proposed cultural uses in the Municipal Building.*

The project summary cost below is forwarded to you per your request. We have broken out the cost that are applicable exclusively for DACC. In addition, the following information is provided:

- Municipal Building will be renovated in accordance with applicable building codes, rules, and ordinances regardless of building occupant use. This building will require an in-depth infrastructure upgrade to insure a safe and functional building.
- Renovation will involve all floors including roof and ready for occupant use.
- The 3rd floor has been proposed for cultural use, however, no specific organization has been identified to occupy the area at this time. It is an open area and will be "white box" until an organization is identified, which allows a plethora of opportunities in that space.

PROJECT SUMMARY:

Renovation to Municipal Building which includes DACC

Estimated Total Project Cost:

A/E and professional Services	\$4,325,600
Building Abatement	290,000
AIPP	446,700
Construction Cost	15,800,000
Contingency	2,482,700
Escalation	1,905,000
Freight Elevator	1,250,000
Furniture	500,000

TOTAL ESTIMATED PROJECT COST: \$27,000,000

Estimated Cost Exclusive for DACC Useable Space:

17,745 nsf Occupant Space	\$2,129,400
Courtroom Construction, Judges bench, courtroom, seating, Security, Bullet Proof glass, Laundry Equipment, Lockers	\$2,700,000
Furniture Allowance	\$500,000

DACC Estimated Project Cost: \$5,329,400

Estimated Cost 'White Box' Useable Space:

14,055 nsf Occupant Space	\$702,750
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White Box Estimated Project Cost: \$702,750

Item #19: Authorize negotiation and execution of an amendment to the professional services agreement with CDM Smith, Inc., for engineering services for the Ullrich Water Treatment Plant Conversion in the amount of \$4,051,654.63, for a total contract amount not to exceed \$6,112,654.63.

COUNCIL MEMBER FUENTES' OFFICE

1) *When was the Preliminary Engineering report completed that recommended the improvements to the Ullrich WTP disinfection system?*

The Ullrich Water Treatment Plant's conventional chlorine disinfection process has been safely operating since the plant was first commissioned. This project involves converting the existing chlorine system to an inherently safer system utilizing an OnSite Generation of Sodium Hypochlorite (OSGSH) process and to also convert the existing ammonia system to Liquid Ammonia Sulfate (LAS).

CDM Smith completed their Basis of Design Report (BoDR) on June 28, 2021, concluding the preliminary phase engineering services needed. Between the end of June, and the middle of November when Austin Water submitted the RCA for review by CCO, we performed the following tasks:

- Austin Water reviewed the BoDR and its technically complicated findings, and its large opinion of probable cost.
- Austin Water negotiated Design Phase Engineering Services' scope and fee. This resulted in a more targeted engineering contract that lowered costs and sped up the timeline for project delivery.
- Lastly, this process was hampered by COVID related issues within the project team.

Moving forward,-the requested amendment to the CDM-Smith engineering contract is necessary to complete engineering design work for this project to then seek bids for the construction that will be needed. No work on this project can be conducted until these additional engineering services are completed through the requested contract amendment.

Item #44: Authorize negotiation and execution of a contract with Worksource Greater Austin Area Workforce Board d/b/a Workforce Solutions Capital Area Workforce Board to provide early childhood and family support services funded through the federal American Rescue Plan Act, for a term of three years in an amount not to exceed \$3,264,881. (Note: This procurement was reviewed for subcontracting opportunities in accordance with City Code Chapter 2-9C, Minority Owned and Women Owned Business Enterprise Procurement Program. For the services required for this procurement, there were no subcontracting opportunities; therefore, no subcontracting goals were established).

COUNCIL MEMBER ALTER’S OFFICE

1) *Please clarify which ARPA bucket this will be coming from (childcare or workforce)?*

The ARPA funds will come from A351 Childcare Service Provider Assistance Workforce.

2) *Additionally, please provide a spending breakdown as to what portion of this total amount will be spent on each of the several actions described in the RCA.*

A spending breakdown, as to what portion of this total amount will be spent on each of the several actions described in the RCA, shall allocate to Workforce Solutions Capital Area (WFS) the following:

- The contract provides **\$163,244 (over a 3-year period)** for the **staffing support** necessary to meet demand and efficiently connect low-income families with childcare providers and childcare service openings in the City of Austin, with the goal of reducing the number of families and children on the childcare subsidy waitlist.
- The contract provides **\$3,101,637 (over a 3-year period)** for Premium Pay **wage stipends for essential childcare workers**, to help stem the loss of high-quality, licensed childcare workers and combat worker retention challenges in the low-wage childcare services industry. Wage stipends will be focused on childcare workers who work in high quality childcare programs that serve children receiving childcare scholarships (i.e., subsidies) and who have been working in-person in a childcare program during the pandemic. In addition to capacity and system support this contract also provides funds for the expansion of Austin Public Health’s **Continuity of Care program**, which ensures continuity in the provision of childcare services for low-income families in Austin whose childcare may have otherwise been terminated due to federal Childcare Development Fund (CCDF) funding rules. The program prioritizes funding for infants and toddlers on the childcare subsidy waitlist, with additional priority populations including those in training programs and those ineligible for CDBG-CV funding due to residing outside of City of Austin full purpose boundaries.

\$163,244.00	Staffing Support
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\$3,101,637.00	Child Care Essential Worker Premium Pay stipends, Continuity of Care program expansion, Family and Community Engagement Navigator
\$3,264,881.00	Total Contract

Item #45: Authorize negotiation and execution of a multi-term cooperative contract with ProForce Marketing, Inc. d/b/a ProForce Law Enforcement for firearms and accessories, for a term of up to four years in an amount not to exceed \$2,000,000. (Note: This procurement was reviewed for subcontracting opportunities in accordance with City Code Chapter 2-9D Minority Owned and Women Owned Business Enterprise Procurement Program. For the goods required for this procurement, there were no subcontracting opportunities; therefore, no subcontracting goals were established).

COUNCIL MEMBER ALTER’S OFFICE

1) *Please provide a copy of this contract.*

A copy of the proposed contract is attached.

2) *Additionally, please confirm that the provisions of this contract are consistent with the direction adopted in RESOLUTION NO. 20180510-047.*

The provisions of the contract are consistent with the direction adopted in Resolution No. 20180510-047.

Item #45: Authorize negotiation and execution of a multi-term cooperative contract with ProForce Marketing, Inc. d/b/a ProForce Law Enforcement for firearms and accessories, for a term of up to four years in an amount not to exceed \$2,000,000. (Note: This procurement was reviewed for subcontracting opportunities in accordance with City Code Chapter 2-9D Minority Owned and Women Owned Business Enterprise Procurement Program. For the goods required for this procurement, there were no subcontracting opportunities; therefore, no subcontracting goals were established).

COUNCIL MEMBER ELLIS’S OFFICE

1) *Regarding the APD sidearm replacement contract: Are you able to estimate how many firearms we are looking to purchase during the term of the contract?*

Approximately 355 weapons will be purchased in Fiscal Year 2022. The Austin Police Department estimates purchasing an average of 460 firearms per year for the subsequent contract years.

2) *Also, what will happen to the service weapons that will be retired as a result of this change? A resolution a few years ago required most retired weapons to destroyed and not sold. Is this resolution still enforced?*

The Austin Police Department plans to destroy all retired service weapons in accordance with direction adopted in Resolution No. 20180510-047.

Item #50 and 51:

50. Authorize negotiation and execution of an amendment to the existing agreement with Central Texas Community Health Center to provide HIV-related prevention services, to add funding in an amount not to exceed \$187,534, for a revised total agreement amount not to exceed \$485,994.

51. Approve an ordinance amending the Fiscal Year 2021-2022 Austin Public Health Department Operating Budget Special Revenue Fund (Ordinance No. 20210811-001) to accept and appropriate \$177,507 in grant funds from the Texas Department of Health Services and the Centers for Disease Control and Prevention for the Integrated HIV Programs for Health Departments to Support Ending the HIV Epidemic in the United States.

COUNCIL MEMBER ALTER'S OFFICE

1) *Please provide additional detail on the relationship (if any) between these two items and the difference in the amounts between the two.*

Item 51 is to accept an increase in grant dollars for the End the Epidemic Grant from the Centers for Disease Control and Prevention, which are pass-through funds awarded from DSHS this fiscal year.

Item 50 is to increase an existing subcontract from the End the Epidemic Grant from item 51 and additional savings from the same grant to the subcontractor (Central Texas Community Health Center). This subcontract provides an increase in HIV preventative services and meets the purpose of the increased grant dollars.

Item #52: Authorize negotiation and execution of agreements with 17 social service agencies listed in the Recommendation for Action for community-based social services and capacity building to area youth in an amount not to exceed \$6,727,158 for a 15-month term beginning July 1, 2022, with four 12-month extension options each in an amount not to exceed \$5,577,331, for a total agreement amount not to exceed \$29,036,482 divided among the agencies.

COUNCIL MEMBER ALTER'S OFFICE

1) *Please provide a breakdown of the deliverables required of each of these organizations in their contract.*

The new agreements are still under negotiation and final output numbers and outcomes have not been finalized.

2) *Please also detail whether this funding will be in addition to any other public health contracts, or whether these contracts will replace any existing contracts these organizations receive.*

The agreements listed in the attached spreadsheet will replace any current agreements funds as part of the Youth Issue Area.

In the attached spreadsheet,

- Columns C and D indicates whether the organization and/or program were previously funded or if there were any changes to the programs that will be funded
- Column E indicates whether this is a newly funded program
- Column N indicates whether the organization has other public health agreements.

3) *If any of these organizations had a social service contract in the last three years with Austin Public Health, please detail the amount of that contract and identify and explain and reduction or increase in their contract(s).*

Please see the attached spreadsheet for requested information.

Columns G indicates previous contract amount (where applicable) and Column F proposed new contract amount.

For all contracts awarded a decrease or an increase, award amounts were determined based on Program Budget proposed by the agency

Application evaluation scores

Ability to fully expended previously awarded funds

Agencies receiving an increase from previous awards, proposed to serve more clients with the additional dollars, often expanding to additional service sites, providing a more equitable range of services throughout the community.

4) *Please provide the performance metrics that will be used for each of the contracts with each of these organizations.*

As these agreements are still under negotiation, the information provided is subject to change.

Please see:

Column H for the estimated number of individuals to be served per 12- month period.

Column I for the outcome measures and targets.

Item #55: Approve a resolution directing the City Manager to conduct a fact-finding study on the adoption, use, and holding of Bitcoin or other cryptocurrencies by the City of Austin.

COUNCIL MEMBER POOL'S OFFICE

1) *Have any financial experts, such as Moody's or Standard and Poor's, weighed in on the use of cryptocurrency products for municipal governments?*

Standard and Poor's issued the attached report advising public finance issuers to exercise caution in consideration of cryptocurrency applications.

The Government Finance Officers Association (GFOA) recently adopted an advisory recommending that governments abstain from using and investing in cryptocurrencies, which can be read here: [Abstain from Using and Investing in Cryptocurrency for Government Operations \(gfoa.org\)](https://www.gfoa.org/abstain-from-using-and-investing-in-cryptocurrency-for-government-operations)

Items #55 and #57: Approve a resolution directing the City Manager to conduct a fact-finding study on the adoption, use, and holding of Bitcoin or other cryptocurrencies by the City of Austin.

Approve a resolution directing the City Manager to foster an environment in Austin that supports the creation and development of new innovations, such as blockchain and other Web3 related technologies, protocols, and applications.

QUESTIONS FROM WORK SESSION

1) *How long do we anticipate this work taking?* (Mayor Pro Tem Alter)

The Innovation Office is considering the amount of time it would take to respond to both resolutions, since much of the material may come from the same sources. We estimate a three month turn-around time for the initial responses. This would involve 2-3 Innovation Office staff spending approximately a combined 100 hours on coordinating with other departments for their contributions, researching, writing, reviewing, and completing our internal process to return the responses to Council.

2) *What are the tradeoffs?* (Mayor Pro Tem Alter)

The Innovation Office has several other work items that we will rebalance in order to complete work related to these IFCs. These include building data-informed decision support tools for neighborhood prosperity, conducting qualitative research for the Office of Violence Prevention, building and supporting capacity-building programs for homelessness services providers, ongoing management of the UT ILA research partnership and Open Data program, and additional development for the Austin Civilian Conservation Corps program. Though some work items related to our current projects may be pushed back by several days to one week, we do not anticipate significant impacts to their overall timelines. This analysis only pertains to the Innovation Office; other departments and offices will be involved in the responses to these Council items and may have additional tradeoff considerations.

3) *What is the status of the City's previous project that involved blockchain?* (Council Member Kitchen)

The Innovation Office's Bloomberg 2017 i-team project identified several potential solution areas related to the experience of homelessness in Austin, one of which was the ability to secure, store, and transact ID documents needed to access vital services. The Innovation Office submitted the idea of creating a blockchain-based system that could accomplish this for the 2018 Bloomberg Mayor's Challenge grant, which we were not awarded.

We then submitted a similar idea for the Robert Wood Johnson Foundation's Pioneering Ideas in Technology grant, and were awarded \$400K for the project. We used this to hire a team for one year (2019-2020) to explore the applications of blockchain in this use case, build a prototype platform, and create all the resources necessary for other organizations to expand and develop their own work based on our research and code. (This project was originally called MyPass, but we changed it to LifeFiles to avoid a trademark dispute.)

Results

The results of the project are compiled on [this website](https://rwjflandingpage.webflow.io/) (<https://rwjflandingpage.webflow.io/>). The top menu bar has the main sections of interest. Some highlights relevant to these items:

- The [Verification Site](#) is a blockchain-based application that combines digital notarization and the immutability of blockchains to make digital documents legally executable. You can find a demo of the app [here](#), and code [here](#). This is the part of the LifeFiles platform that uses blockchain. It represents a good example of how blockchain technology can be used specifically and appropriately in civic contexts. The other applications that make up the LifeFiles platform, which are the document handling system and the authentication app, are not blockchain based.
- The [Report on Blockchain](#) chronicles our exploration of blockchain in the project. It provides a description of how we can start with a big idea (blockchain can solve everything), and narrow it down to a specific use-case (blockchain can only help us with this one thing, but it does it really well).
- We created all the necessary pieces for others to advance this work, including extensive open-source code, design assets, user testing results, and system architecture. These are all freely available on the website and Github.
- The platform is private by design, i.e. there are no security backdoors or centrally administrated databases. This places control fully in the hands of the users who own the documents. It is also designed so it is very inexpensive to run.
- The platform is currently inactive; in the future, an organization could host/maintain the platform or continue to develop it. If that were to happen, Austin (and any other city) could have a LifeFiles application, and data would be interoperable between cities because they share the same platform and the documents are not city-specific.



Council Question and Answer

Related To

Item #13, 14, 34

Meeting Date

Xx x, 2022

Additional Answer Information

13. Approve an ordinance amending the Fiscal Year 2021-2022 Building Services Department Capital Budget (Ordinance No. 20210811-001) to increase appropriations by \$27,000,000 for the Municipal Building renovations. Related to Items #14 and #34.

14. Approve a resolution declaring the City of Austin's official intent to reimburse itself from proceeds of Certificates of Obligations to be issued for expenditures in the total amount of \$27,000,000. Related to Items #13 and #34.

34. Approve a resolution finding the use of the design-build method of contracting, as authorized by Subchapter G, Chapter 2269 of the Texas Government Code, as the project delivery method that provides the best value to the City for the Community Court 8th Street Municipal Building Renovation. Related to Items #13 and #14. (Note: MBE/WBE goals will be established prior to issuance of this solicitation.)

QUESTION/ANSWER: Council Member Tovo's Office

- Please provide an outline of the cost estimates for the Municipal Building renovation and please provide information as to how much of the renovation costs are related to the DACC use and how much is related for remediations, accessibility, and other improvements that would need to occur with any City use. Please share any available information about the proposed cultural uses in the Municipal Building.*

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Renovation to Municipal Building which includes DACC

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Freight Elevator	1,250,000
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TOTAL ESTIMATED PROJECT COST: \$27,000,000	

Estimated Cost Exclusive for DACC Useable Space:

17,745 nsf Occupant Space	\$2,129,400
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Furniture Allowance	<u>\$500,000</u>
DACC Estimated Project Cost:	\$5,329,400

Estimated Cost 'White Box' Useable Space:

14,055 nsf Occupant Space	<u>\$702,750</u>
White Box Estimated Project Cost:	\$702,750



Council Question and Answer

Related To

Item #19

Meeting Date

Xx x, 2022

Additional Answer Information

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QUESTION/ANSWER: Council Member Fuentes' Office

1) *When was the Preliminary Engineering report completed that recommended the improvements to the Ullrich WTP disinfection system?*

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- Lastly, this process was hampered by COVID related issues within the project team.

Moving forward, the requested amendment to the CDM-Smith engineering contract is necessary to complete engineering design work for this project to then seek bids for the construction that will be needed. No work on this project can be conducted until these additional engineering services are completed through the requested contract amendment.



Council Question and Answer

Related To

Item #40

Meeting Date

March 24, 2022

Additional Answer Information

Authorize negotiation and execution of an amendment to the lease for approximately 2,930 square feet of secure office space occupied by the Information Security Office, extending the term for 18 months with one 18-month renewal option, in an amount not to exceed \$330,137.28.

QUESTION/ANSWER: Council Member Alter's Office

- What is the plan to transition the Information Security Office into owned rather than leased space?*
Staff will provide a response directly to Council.



Council Question and Answer

Related To

Item #44

Meeting Date

March 24, 2022

Additional Answer Information

Authorize negotiation and execution of a contract with Worksource Greater Austin Area Workforce Board d/b/a Workforce Solutions Capital Area Workforce Board to provide early childhood and family support services funded through the federal American Rescue Plan Act, for a term of three years in an amount not to exceed \$3,264,881. (Note: This procurement was reviewed for subcontracting opportunities in accordance with City Code Chapter 2-9C, Minority Owned and Women Owned Business Enterprise Procurement Program. For the services required for this procurement, there were no subcontracting opportunities; therefore, no subcontracting goals were established).

QUESTION/ANSWER: Council Member Alter's Office

1. Please clarify which ARPA bucket this will be coming from (childcare or workforce)?

The ARPA funds will come from A351 Childcare Service Provider Assistance Workforce.

2. Additionally, please provide a spending breakdown as to what portion of this total amount will be spent on each of the several actions described in the RCA.

A spending breakdown, as to what portion of this total amount will be spent on each of the several actions described in the RCA, shall allocate to Workforce Solutions Capital Area (WFS) the following:

- The contract provides **\$163,244 (over a 3-year period)** for the **staffing support** necessary to meet demand and efficiently connect low-income families with childcare providers and childcare service openings in the City of Austin, with the goal of reducing the number of families and children on the childcare subsidy waitlist.
- The contract provides **\$3,101,637 (over a 3-year period)** for Premium Pay **wage stipends for essential childcare workers**, to help stem the loss of high-quality, licensed childcare workers and combat worker retention challenges in the low-wage childcare services industry. Wage stipends will be focused on childcare workers who work in high quality childcare programs that serve children receiving childcare scholarships (i.e., subsidies) and who have been working in-person in a childcare program during the pandemic. In addition to capacity and system support this contract also provides funds for the expansion of Austin Public Health's **Continuity of Care program**, which ensures continuity in the provision of childcare services for low-income families in Austin whose childcare may have otherwise been terminated due to federal Childcare Development Fund (CCDF) funding rules. The program prioritizes funding for infants and toddlers on the childcare subsidy waitlist, with additional priority populations including those in training programs and those ineligible for CDBG-CV funding due to residing outside of City of Austin full purpose boundaries.

\$163,244.00

Staffing Support

\$3,101,637.00	Child Care Essential Worker Premium Pay stipends, Continuity of Care program expansion, Family and Community Engagement Navigator
\$3,264,881.00	Total Contract



Council Question and Answer

Related To

Item #45

Meeting Date

March 24, 2022

Additional Answer Information

Authorize negotiation and execution of a multi-term cooperative contract with ProForce Marketing, Inc. d/b/a ProForce Law Enforcement for firearms and accessories, for a term of up to four years in an amount not to exceed \$2,000,000. (Note: This procurement was reviewed for subcontracting opportunities in accordance with City Code Chapter 2-9D Minority Owned and Women Owned Business Enterprise Procurement Program. For the goods required for this procurement, there were no subcontracting opportunities; therefore, no subcontracting goals were established).

QUESTION/ANSWER: Council Member Ellis's Office

1. *Regarding the APD sidearm replacement contract: Are you able to estimate how many firearms we are looking to purchase during the term of the contract?*

Approximately 355 weapons will be purchased in Fiscal Year 2022. The Austin Police Department estimates purchasing an average of 460 firearms per year for the subsequent contract years.

2. *Also, what will happen to the service weapons that will be retired as a result of this change? A resolution a few years ago required most retired weapons to be destroyed and not sold. Is this resolution still enforced?*

The Austin Police Department plans to destroy all retired service weapons in accordance with direction adopted in Resolution No. 20180510-047.



Council Question and Answer

Related To

Item #45

Meeting Date

March 24, 2022

Additional Answer Information

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QUESTION/ANSWER: Council Member Alter's Office

1. *Please provide a copy of this contract.*

A copy of the proposed contract is attached.

2. *Additionally, please confirm that the provisions of this contract are consistent with the direction adopted in RESOLUTION NO. 20180510-047.*

The provisions of the contract are consistent with the direction adopted in Resolution No. 20180510-047.



**CONTRACT BETWEEN THE CITY OF AUSTIN (“City”)
and
PROFORCE MARKETING, INC D/B/A PROFORCE LAW ENFORCEMENT (“Contractor”)
for
FIREARMS AND ACCESSORIES**

Contract Number: MA 8700 GC220000005

The City accepts the Contractor’s Offer for the above requirement and enters into the following Contract. This Contract is between ProForce Marketing, Inc dba ProForce Law Enforcement having offices at 2625 Stearman Rd, Suite A, Prescott, AZ 86301 and the City, a home-rule municipality incorporated by the State of Texas.

1.1 This Contract is composed of the following documents in order of precedence:

- 1.1.1 This Document
- 1.1.2 Supplemental Terms, incorporated herein and attached as Exhibit A hereto.
- 1.1.3 The Local Government Purchasing Cooperative, administered by Texas Association of School Boards, Inc. (BuyBoard) Contract No. 603-20, incorporated herein by reference.
- 1.1.4 Contractor’s Offer for initial order, dated March 1, 2022, incorporated herein and attached as Exhibit B hereto.

1.2 Compensation.

Contract pricing for initial order is attached as Exhibit B to the Contract, as referenced in item 1.1.4. Contract pricing for purchases after initial order will be consistent with pricing offered through the cooperative contract referenced in item 1.1.3.

1.3 Term of Contract.

This Contract shall become effective as of the date executed by both parties and remain in effect through March 31, 2023, or the City terminates the Contract.

The Contract may be transferred via an amendment to a subsequent cooperative contract should the terms be deemed favorable to the City, thereby potentially adding additional time to the Contract term.

1.4 Delivery. Delivery is to be made within a mutually agreed upon timeframe after the order is placed (either verbally or in writing). Delivery shall be made to the following location unless otherwise specified by the City in the order:

Location/Facility Name:	Austin Police Department Training Academy
Address:	4800 Shaw Lane, Austin, TX 78744

1.5 Designation of Key Personnel. The City and the Contractor resolve to keep the same key personnel assigned to this engagement throughout its term. In the event that it becomes necessary for the Contractor to replace any key personnel, the replacement will be an individual having equivalent experience and competence in executing projects such as the one described herein. Additionally, the Contractor shall promptly notify the City and obtain approval for

the replacement. Such approval shall not be unreasonably withheld. The Contractor's and City's key personnel are identified as follows:

	<u>Name/Title</u>	<u>Phone Number</u>	<u>Email Address</u>
Contractor Contract Manager	<u>Amanda Cronkhite</u>	<u>928-714-7027</u>	Amanda.Cronkhite@proforceonline.com
City Contract Manager	<u>Enjole Armstrong</u>	<u>512-974-6689</u>	Enjole.Armstrong@austintexas.gov
City Contract Administrator, Procurement Specialist	<u>Richard Whipple</u>	<u>512-974-3349</u>	Richard.Whipple@austintexas.gov

- 1.6 Invoices.** The City's preference is to have invoices emailed to APDAccountsPayable@austintexas.gov or mailed to the below address:

	City of Austin
Department	Austin Police Department
Attention	Accounts Payable
Address	P.O. Box 1629
City, State, Zip Code	Austin, TX 78767-1629

For questions regarding your invoice/payment please contact the City Contract Manager.

This Contract (including any Exhibits and referenced Documents) constitutes the entire agreement of the parties regarding the subject matter of this Contract and supersedes all prior agreements and understandings, whether written or oral, relating to such subject matter. This Contract may be altered, amended, or modified only by a written instrument signed by the duly authorized representatives of both parties.

By signing below, Contractor hereby certifies the following are true and will ensure the following will remain true throughout the term of this Contract:

1. That its firm and its principals are not currently suspended or debarred from bidding on any Federal, State, or City of Austin Contracts.
2. That it has not in any way directly or indirectly:
 - a. Colluded, conspired, or agreed with any other person, firm, or corporation, as to the amount of this contract or the terms or conditions of this contract.
 - b. paid or agreed to pay any other person, firm, or corporation any money or anything of value in return for assistance in procuring or attempting to procure a contract or in return for establishing the prices in the contract.
3. That it has not received any compensation or a promise of compensation for participating in the preparation or development of the underlying Contract documents.
4. In accordance with Chapter 176 of the Texas Local Government Code, that the Offeror:
 - a. does not have an employment or other business relationship with any local government officer of the City or a family member of that officer that results in the officer or family member receiving taxable income;
 - b. has not given a local government officer of the City one or more gifts, other than gifts of food, lodging, transportation, or entertainment accepted as a guest, that have an aggregate value of more than \$100 in the twelve month period preceding the date the officer becomes aware of the execution of the Contract or that City is considering doing business with the Offeror; and
 - c. does not have a family relationship with a local government officer of the City in the third degree of consanguinity or the second degree of affinity.

5. Pursuant to City Council Resolution No. 20191114-056, that its firm and its principals are not currently and will not during the term of the Contract engage in practicing LGBTQ+ conversion therapy; referring persons to a healthcare provider or other person or organization for LGBTQ+ conversion therapy; or Contracting with another entity to conduct LGBTQ+ conversion therapy. If the City determines in its sole discretion that Contractor has during the term of this Contract engaged in any such practices, the City may terminate this Contract without penalty to the City.
6. Pursuant to Texas Government Code §2271.002, the Contractor verifies that it does not boycott Israel and will not boycott Israel during the term of this contract.
7. Pursuant to Texas Government Code Chapter 2274, the Contractor verifies that if it will have remote or direct access to communication infrastructure systems, cybersecurity systems, the electric grid, hazardous waste treatment systems, or water treatment facilities as a result of this contract, that it is not owned by or the majority of stock or other ownership interest of the Contractor is not held or controlled by:
- a. individuals who are citizens of China, Iran, North Korea, Russia, or a Governor-designated country; or
 - b. a company or other entity, including a governmental entity, that is owned or controlled by citizens of or is directly controlled by the government of China, Iran, North Korea, Russia, or a Governor-designated country; or
 - c. headquartered in China, Iran, North Korea, Russia, or a Governor-designated country.
8. Pursuant to Texas Government Code Chapter 2274, the Contractor verifies that if it has 10 or more full-time employees, unless the contract contains a written verification from the company that it: (1) does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association; and (2) will not discriminate during the term of the contract against a firearm entity or firearm trade association.
9. Pursuant to Texas Government Code Chapter 2274, the Contractor certifies that, if they have 10 or more full-time employees: (1) they do not boycott energy companies; and (2) will not boycott energy companies during the term of the contract.

In witness whereof, the City has caused a duly authorized representative to execute this Contract on the date set forth below.

PROFORCE MARKETING, INC D/B/A
PROFORCE LAW ENFORCEMENT

CITY OF AUSTIN

Printed Name of Authorized Person

Printed Name of Authorized Person

Signature

Signature

Title:

Title:

Date:

Date:

EXHIBIT A
SUPPLEMENTAL TERMS - COOPERATIVE

The Contractor agrees that the Contract shall be governed by the following terms and conditions.

1. GENERAL

1.1 INDEFINITE QUANTITY:

The quantities and/or services listed herein are estimates of the goods and services needed by the City for the period of the Contract. The City reserves the right to purchase more or less of these quantities and/or services as may be required during the Contract term. Quantities and/or services will be as needed and specified by the City for each order. Unless specified in the Contract, there are no minimum order quantities.

1.2 INVOICES:

- A. The Contractor shall submit separate Invoices for each Order after each delivery or on the schedule provided in the Contract. If partial shipments or deliveries are authorized by the City, a separate Invoice must be sent for each shipment or delivery made.
- B. Invoices shall be sent to the address on the Purchase Order or Delivery Order in the section entitled, "BILL TO". Proper Invoices must include a unique Invoice number, the purchase Order or delivery Order number, the master agreement number (if applicable), the Department's Name, and the name of the point of contact for the Department. Invoices shall be itemized according to pricing structure in the Contract. A copy of the bill of lading and the freight waybill, when applicable, shall be attached to the Invoice. The Contractor's name and, if applicable, the tax identification number on the Invoice must exactly match the information in the Vendor's registration with the City. Unless otherwise instructed in writing, the City may rely on the remittance address specified on the Contractor's Invoice. Invoices received without all required information cannot be processed and will be returned to the vendor.
- C. Invoices for labor shall include a tabulation of work-hours at the appropriate rates and grouped by work Order number. Time billed for labor shall be limited to hours actually worked.
- D. Unless otherwise expressly authorized in the Contract, the Contractor shall pass through all Subcontracting and other authorized expenses at actual cost without markup.
- E. Federal excise taxes, State taxes, or City sales taxes must not be included in the Invoiced amount. The City will furnish a tax exemption certificate upon request.

1.3 PAYMENT:

- A. All proper Invoices received by the City will be paid within 30 calendar days of the City's receipt of the Deliverables or of the Invoice, whichever is later.
- B. If payment is not timely made, (per Paragraph A), interest shall accrue on the unpaid balance at the lesser of the rate specified in Texas Government Code §2251.025 or the maximum lawful rate; except, if payment is not timely made for a reason for which the City may withhold payment hereunder, interest shall not accrue until 10 calendar days after the grounds for withholding payment have been resolved.
- C. If partial shipments or deliveries are authorized by the City, the Contractor will be paid for the partial shipment or delivery, as stated above, provided that the Invoice matches the shipment or delivery.
- D. The City may withhold or set off the entire payment or part of any payment otherwise due the Contractor to such extent as may be necessary on account of:
 - i. Delivery of defective or non-conforming Deliverables by the Contractor;

- ii. Third party claims, which are not covered by the insurance which the Contractor is required to provide under the terms of this Contract, are filed or there is reasonable evidence indicating probable filing of such claims;
 - iii. Failure of the Contractor to pay Subcontractors, or for labor, materials or equipment;
 - iv. Damage to the property of the City or the City's agents, employees or Contractors, which is not covered by insurance required to be provided by the Contractor;
 - v. Reasonable evidence demonstrates that the Contractor's obligations will not be completed within the time specified in the Contract, and that the unpaid balance would not be adequate to cover actual or liquidated damages for the anticipated delay;
 - vi. Failure of the Contractor to submit proper Invoices with all required attachments and supporting documentation; or
 - vii. Failure of the Contractor to comply with any material provision of the Contract Documents.
- E. Notice is hereby given of Article VIII, §1 of the Austin City Charter which prohibits the payment of any money to any person, firm or corporation who is in arrears to the City for taxes, and of §2-8-3 of the Austin City Code concerning the right of the City to offset indebtedness owed the City.
- F. The Contractor agrees to accept payment by either credit card, check or Electronic Funds Transfer for all goods and/or services provided under the Contract. The Contractor shall factor the cost of processing credit card payments into the Offer. There shall be no additional charges, surcharges, or penalties to the City for payments made by credit card.
- G. The awarding or continuation of this Contract is dependent upon the availability of funding. The City's payment obligations are payable only and solely from funds appropriated and available for this Contract. The absence of appropriated or other lawfully available funds shall render the Contract null and void to the extent funds are not appropriated or available and any Deliverables delivered but unpaid shall be returned to the Contractor. The City shall provide the Contractor written notice of the failure of the City to make an adequate appropriation for any fiscal year to pay the amounts due under the Contract, or the reduction of any appropriation to an amount insufficient to permit the City to pay its obligations under the Contract. In the event of inadequate appropriation of funds, there will be no penalty nor removal fees charged to the City. The City shall pay the Contractor, to the extent of funds appropriated or otherwise legally available for such purposes, for all goods delivered and services performed, and obligations incurred prior to the date of notice of non-appropriation.

1.4 AUDITS AND RECORDS:

- A. The Contractor agrees that the representatives of the Office of the City Auditor or other authorized representatives of the City shall have access to, and the right to audit, examine, or reproduce, any and all records of the Contractor related to the performance under this Contract, at the City's expense. The Contractor agrees to refund to the City any overpayments disclosed by any such audit. The City agrees to protect from disclosure Contractor's confidential and proprietary information disclosed during an audit to the same extent it protects its own confidential and proprietary information, subject to the requirements of the Texas Public Information Act, Chapter 2251, Texas Government Code.
- B. Records Retention:
- i. Contractor is subject to City Code Chapter 2-11 (Records Management), and as it may subsequently be amended.

- ii. The Contractor shall retain all records for a period of three years after final payment on this Contract or until all audit and litigation matters that the City has brought to the attention of the Contractor are resolved, whichever is longer.

1.5 TEXAS PUBLIC INFORMATION ACT:

- A. All material submitted by the Contractor to the City related to the Contract may become subject to public disclosure upon receipt by the City. Any portions of such material claimed by the Contractor to be proprietary must be clearly marked as such. Determination of the public nature of the material is subject to the Texas Public Information Act, Chapter 552, Texas Government Code.
- B. In accordance with Texas Government Code §552.372, if this Contract has a stated expenditure of at least \$1 million in public funds for the purchase of goods or services by the City or results in the expenditure of at least \$1 million in public funds for the purchase of goods or services by the City in a fiscal year, Contractor agrees to:
 - i. Preserve all Contracting information related to the Contract as provided by the records retention requirements in the AUDITS AND RECORDS Section of the Contract;
 - ii. Promptly provide to the City any Contracting information related to the Contract that is in the custody or possession of Contractor on request of the City; and
 - iii. On completion of the Contract, either:
 - (1) Provide at no cost to the City all Contracting information related to the Contract that is in the custody or possession of Contractor; or
 - (2) Preserve the Contracting information related to the Contract as provided by the records retention requirements in the AUDITS AND RECORDS Section of the Contract.
- C. The requirements of Subchapter J, Chapter 552, Texas Government Code, may apply to this Contract, and the Contractor agrees that the Contract can be terminated if the Contractor knowingly or intentionally fails to comply with a requirement of that Subchapter.

1.6 ADVERTISING:

The Contractor shall not advertise or publish, without the City's prior written consent, the fact that the City has entered into the Contract, except to the extent required by law.

1.7 ASSIGNMENT DELEGATION:

The Contract shall be binding upon and ensure to the benefit of the City and the Contractor and their respective successors and assigns, provided however, that no right or interest in the Contract shall be assigned and no obligation shall be delegated by the Contractor without the prior written consent of the City. Any attempted assignment or delegation by the Contractor shall be void unless made in conformity with this Paragraph. The Contract is not intended to confer rights or benefits on any person, firm or entity not a party hereto; it being the intention of the parties that there be no third-party beneficiaries to the Contract.

1.8 EQUAL OPPORTUNITY:

- A. **Equal Employment Opportunity:** No Contractor, or Contractor's agent, shall engage in any discriminatory employment practice as defined in Chapter 5-4 of the City Code. No Offer submitted to the City shall be considered, nor any Purchase Order issued, or any Contract awarded by the City unless the Offeror has executed and filed with the City Purchasing Office a current Non-Discrimination Certification. Non-compliance with Chapter 5-4 of the City Code may result in sanctions, including termination of the Contract and the Contractor's suspension or debarment from participation on future City Contracts until deemed compliant with Chapter 5-4.

- B. **Non-Retaliation:** The Contractor agrees to prohibit retaliation, discharge or otherwise discrimination against any employee or applicant for employment who has inquired about, discussed or disclosed their compensation.
- C. **Americans with Disabilities Act (ADA) Compliance:** No Contractor, or Contractor's agent, shall engage in any discriminatory practice against individuals with disabilities as defined in the ADA, including but not limited to: employment, accessibility to goods and services, reasonable accommodations, and effective communications.

1.9 NON-SPECIFIED ITEMS:

The City may purchase additional related items that are available from the Contractor. Pricing for these non-specified items will be based on a percentage markup over Contractor's cost, percentage discount of list price or as otherwise identified in the Cooperative contract. The City may request additional information from the Contractor to substantiate the percentage markup or discount prior to placing an order.

1.10 INSURANCE:

A GENERAL INSURANCE REQUIREMENTS:

- i. The Contractor shall provide a Certificate of Insurance as verification of coverages and endorsements required in Section B., Specific Insurance Requirements, to the City prior to Contract execution and within 14 calendar days after written request from the City. Failure to provide the required Certificate of Insurance may subject the Offer to disqualification from consideration for award. The Contractor must also forward a Certificate of Insurance to the City whenever a previously identified policy period has expired, or an extension option or hold over period is exercised, as verification of continuing coverage.
- ii. All endorsements naming the City as additional insured, waivers, and notices of cancellation shall indicate, and the Certificate of Insurance shall be mailed to the following address:

City of Austin Purchasing Office
P.O. Box 1088
Austin, Texas 78767
OR
PURInsuranceCompliance@austinTexas.gov
- iii. The Contractor shall not commence work until the required insurance is obtained and until such insurance has been reviewed by the City. Approval of insurance by the City shall not relieve or decrease the liability of the Contractor hereunder and shall not be construed to be a limitation of liability on the part of the Contractor.
- iv. The City may request that the Contractor submit certificates of insurance to the City for all Subcontractors prior to the Subcontractors commencing work on the project.
- v. The Contractor's and all Subcontractors' insurance coverage shall be written by companies authorized to do business in the State of Texas and have an A.M. Best rating of B+VII or better.
- vi. The "other" insurance clause shall not apply to the City where the City is an additional insured shown on any policy. It is intended that policies required in the Contract, covering both the City and the Contractor, shall be considered primary coverage as applicable.
- vii. If insurance policies are not written for amounts specified in Section B., Specific Insurance Requirements, the Contractor shall carry Umbrella or Excess Liability Insurance for any differences in amounts specified. If Excess Liability Insurance is provided, it shall follow the form of the primary coverage.

- viii. The City shall be entitled, upon request, at an agreed upon location, and without expense, to review certified copies of policies and endorsements thereto and may make any reasonable requests for deletion or revision or modification of particular policy terms, conditions, limitations, or exclusions except where policy provisions are established by law or regulations binding upon either of the parties hereto or the underwriter on any such policies.
- ix. The City reserves the right to review the insurance requirements set forth during the effective period of the Contract and to make reasonable adjustments to insurance coverage, limits, and exclusions when deemed necessary and prudent by the City based upon changes in exposure, statutory law, court decisions, the claims history of the industry or financial condition of the insurance company as well as the Contractor.
- x. The Contractor shall not cause any insurance to be canceled nor permit any insurance to lapse during the term of the Contract or as required in the Contract.
- xi. The Contractor shall be responsible for premiums, deductibles and self-insured retentions, if any, stated in policies. Self-insured retentions greater than \$499,999 shall be disclosed on the Certificate of Insurance.
- xii. If any required insurance is written on a claims-made basis, the Certificate of Insurance shall state that the coverage is claims-made and the retroactive date shall be prior to or coincident with the date of the Contract and the coverage continuous and shall be provided for 24 months following the completion of the Contract.
- xiii. The insurance coverages specified in Section B., Specific Insurance Requirements, are required minimums and are not intended to limit the responsibility or liability of the Contractor.

B. **Specific Insurance Coverage Requirements:** The Contractor, consistent with its status as an independent Contractor shall carry and will cause its Subcontractors to carry, at a minimum insurance in the types and amounts indicated below for the duration of the Contract, including extension options and hold over periods, and during any warranty period.

- i. **Worker's Compensation and Employers' Liability Insurance:** Coverage shall be consistent with statutory benefits outlined in the Texas Worker's Compensation Act (Section 401). The minimum policy limits for Employer's Liability are \$100,000 bodily injury each accident, \$500,000 bodily injury by disease policy limit and \$100,000 bodily injury by disease each employee.
 - (1) The Contractor's policy shall apply to the State of Texas and include these endorsements in favor of the City of Austin:
 - a. Waiver of Subrogation, Form WC420304, or equivalent coverage;
 - b. 30 Days' Notice of Cancellation, Form WC420601, or equivalent coverage.
- ii. **Commercial General Liability Insurance:** Coverage with minimum bodily injury and property damage per occurrence limits of \$500,000 for coverages A (Bodily Injury and Property Damage) and B (Personal and Advertising Injury).
 - (1) The policy shall contain the following provisions:
 - a. Contractual liability coverage for liability assumed under the Contract and all other Contracts related to the project;
 - b. Independent Contractors coverage (Contractor/Subcontracted work);
 - c. Products/Completed Operations Liability for the duration of the warranty period;
 - d. If the project involves digging or drilling, provide Explosion, Collapse, and Underground (X, C, & U) Coverage.

(2) The policy shall also include these endorsements in favor of the City of Austin:

- a. Waiver of Subrogation, Endorsement CG 2404, or equivalent coverage;
 - b. 30 Day's Notice of Cancellation, Endorsement CG 0205, or equivalent coverage;
 - c. The City of Austin listed as an additional insured, Endorsement CG 2010, or equivalent coverage.
- iii. **Business Automobile Liability Insurance:** Coverage for all owned, non-owned and hired vehicles with a minimum combined single limit of \$500,000 per occurrence for bodily injury and property damage. Alternate acceptable limits are \$250,000 bodily injury per person, \$500,000 bodily injury per occurrence and at least \$100,000 property damage liability per accident.

(1) The policy shall include these endorsements in favor of the City of Austin:

- a. Waiver of Subrogation, Endorsement CA0444, or equivalent coverage;
- b. 30 Days' Notice of Cancellation, Endorsement CA0244, or equivalent coverage;
- c. The City of Austin listed as an additional insured, Endorsement CA2048, or equivalent coverage.

Note: If shipment is made by common carrier, then the requirements for Workers Compensation Employee Liability and Business Automobile Liability Insurance are not required. The Contractor must provide a written statement if a common carrier will be used to deliver parts.

Policy shall be endorsed to name City of Austin, its Affiliates, and their respective directors, officers, employees, and agents, as additional insureds.

C. Endorsements: The specific insurance coverage endorsements specified above, or their equivalents must be provided. If endorsements, which are the equivalent of the required coverage, are proposed to be substituted for the required coverage, copies of the equivalent endorsements must be provided for the City's review and approval.

2 GOODS

2.1 DELIVERY AND PACKAGING TERMS:

- A. **DELIVERY AND TRANSPORTATION CHARGES:** Deliverables shall be shipped F.O.B. destination, prepaid and allowed unless otherwise specified. Unless otherwise stated in this Contract, the Contractor's price shall be deemed to include all delivery and transportation charges of required mode of transportation. The City shall have the right to designate what method of transportation shall be used to ship the Deliverables. The place of delivery shall be set forth in the block of the Purchase Order or Delivery Order entitled "SHIP TO" and/or Offer Sheet. Unless requested by the City, deliveries shall not be made on City-recognized legal holidays. The City expressly reserves all rights under law, to inspect the Deliverables at delivery before accepting them, and to reject defective or non-conforming Deliverables.
- B. **NO REPLACEMENT OF DEFECTIVE TENDER:** Every tender or delivery of Deliverables must fully comply with all provisions of the Contract as to time of delivery, quality, and quantity. Any non-complying tender shall constitute a breach. However, the Contractor shall have the right to substitute a conforming tender; provided if the time for performance has not yet expired. The Contractor shall notify the City of the intention to cure and may then make a conforming tender within the time allotted in the Contract.
- C. **ACCEPTANCE OF INCOMPLETE OR NON-CONFORMING DELIVERABLES:** All Deliverables must be shipped complete unless arrangements for partial shipments are made in advance. If, instead of requiring immediate correction or removal and replacement of defective or non-conforming Deliverables, the City prefers to accept it, the City may do so. The Contractor shall pay all claims, costs, losses and damages attributable to the City's evaluation of and determination to accept such defective or non-conforming Deliverables or Services. If any such acceptance occurs

prior to final payment, the City may deduct such amounts as are necessary to compensate the City for the diminished value of the defective or non-conforming Deliverables or Services. If the acceptance occurs after final payment, such amount will be refunded to the City by the Contractor within 30 calendar days of notification provided by the City.

- D. **RIGHT OF INSPECTION AND REJECTION:** The City expressly reserves all rights under law to inspect the Deliverables at delivery before accepting them, and to reject defective or non-conforming Deliverables
- E. **CONTRACTOR PACKAGING DELIVERABLES:** The Contractor will package Deliverables in accordance with good commercial practice and shall include a packing list showing the description of each item, the quantity and unit price. Unless otherwise provided in the Specifications, each shipping container shall be clearly and permanently marked as follows: (a) The Contractor's name and address, (b) the City's name, address and Purchase Order or Delivery Order number and the price agreement number if applicable, (c) container number and total number of containers, e.g. box 1 of 4 boxes, and (d) the number of the container bearing the packing list. The Contractor shall bear the cost of packaging. Deliverables shall be suitably packed to secure lowest transportation costs and to conform with requirements of common carriers and any applicable Specifications. The City's count or weight shall be final and conclusive on shipments not accompanied by packing lists.

Exhibit B - ProForce Law Enforcement Offer for Initial Order dated March 1, 2022

RFQ - BuyBoard Contract 603-20

Special Instructions: The quantities noted below are estimates and not a guarantee of actual volume. The City does not guarantee the purchase of the quantities listed, actual purchases may be more or less. Quantities are provided as a guide based on historical or anticipated usage. Order quantities will be as-needed and specified by the City for each order.

Prices offered on the price sheet shall be all inclusive of fees not expressly allowed in the scope of work. The Offeror shall not charge separately for administrative, overhead, per diem, and shipping or transportation costs (travel time, fuel surcharges, mileage, stop-fee, etc.) to deliver services or items to the Austin, Texas area. The Offeror shall provide all tools, labor, travel, and equipment necessary to perform the services required under this contract.

Item No.	Item Description	Unit of Measure	Quantity	Unit Price	Extended Total
1	Pistol, M&P 9mm 2.0 C.O.R.E. (Aimpoint Acro P-2 Custom Cut) SKU #13353 per attached specification NO SUBSTITUTIONS	EACH	125	\$417.90	\$52,237.50
2	Holster, Safariland Duty Holster (STX TAC) L-III 636ORDS-2222-131 SKU 1319548 Right Holster NO SUBSTITUTIONS	EACH	115	\$116.50	\$13,397.50
3	Holster, Safariland Duty Holster (STX TAC) L-III 636ORDS-2222-132 SKU 1319549 Left Holster NO SUBSTITUTIONS	EACH	10	\$116.50	\$1,165.00
4	Sight, Aimpoint Acro P-2 SKU 200691, NO SUBSTITUTIONS	EACH	125	\$442.87	\$55,358.75
5	Weaponlight, SureFire X300U-A SKU 084871319065 NO SUBSTITUTIONS	EACH	125	\$217.90	\$27,237.50
Total					\$149,396.25



Council Question and Answer

Related To

Item #50 and 51

Meeting Date

March 24, 2022

Additional Answer Information

50. Authorize negotiation and execution of an amendment to the existing agreement with Central Texas Community Health Center to provide HIV-related prevention services, to add funding in an amount not to exceed \$187,534, for a revised total agreement amount not to exceed \$485,994.

51. Approve an ordinance amending the Fiscal Year 2021-2022 Austin Public Health Department Operating Budget Special Revenue Fund (Ordinance No. 20210811-001) to accept and appropriate \$177,507 in grant funds from the Texas Department of Health Services and the Centers for Disease Control and Prevention for the Integrated HIV Programs for Health Departments to Support Ending the HIV Epidemic in the United States.

QUESTION/ANSWER: Council Member Alter's Office

1. *Please provide additional detail on the relationship (if any) between these two items and the difference in the amounts between the two.*

Item 51 is to accept an increase in grant dollars for the End the Epidemic Grant from the Centers for Disease Control and Prevention, which are pass-through funds awarded from DSHS this fiscal year.

Item 50 is to increase an existing subcontract from the End the Epidemic Grant from item 51 and additional savings from the same grant to the subcontractor (Central Texas Community Health Center). This subcontract provides an increase in HIV preventative services and meets the purpose of the increased grant dollars.



Council Question and Answer

Related To

Item #52

Meeting Date

March 24, 2022

Additional Answer Information

Authorize negotiation and execution of agreements with 17 social service agencies listed in the Recommendation for Action for community-based social services and capacity building to area youth in an amount not to exceed \$6,727,158 for a 15-month term beginning July 1, 2022, with four 12-month extension options each in an amount not to exceed \$5,577,331, for a total agreement amount not to exceed \$29,036,482 divided among the agencies.

QUESTION/ANSWER: Council Member Alter's Office

1) *Please provide a breakdown of the deliverables required of each of these organizations in their contract.*

The new agreements are still under negotiation and final output numbers and outcomes have not been finalized.

2) *Please also detail whether this funding will be in addition to any other public health contracts, or whether these contracts will replace any existing contracts these organizations receive.*

The agreements listed in the attached spreadsheet will replace any current agreements funds as part of the Youth Issue Area.

In the attached spreadsheet,

- Columns C and D indicates whether the organization and/or program were previously funded or if there were any changes to the programs that will be funded
- Column E indicates whether this is a newly funded program
- Column N indicates whether the organization has other public health agreements.

3) *If any of these organizations had a social service contract in the last three years with Austin Public Health, please detail the amount of that contract and identify and explain and reduction or increase in their contract(s).*

Please see the attached spreadsheet for requested information.

Columns G indicates previous contract amount (where applicable) and Column F proposed new contract amount.

For all contracts awarded a decrease or an increase, award amounts were determined based on Program Budget proposed by the agency

Application evaluation scores

Ability to fully expended previously awarded funds

Agencies receiving an increase from previous awards, proposed to serve more clients with the additional dollars, often expanding to additional service sites, providing a more equitable range of services throughout the community.

4) *Please provide the performance metrics that will be used for each of the contracts with each of these organizations.*

As these agreements are still under negotiation, the information provided is subject to change.

Please see:

Column H for the estimated number of individuals to be served per 12- month period.
Column I for the outcome measures and targets.

Agency	Program Name	Organization Previously Funded	If yes, Same Program?	Newly Funded	Funding Amount 10/1/22-9/30/23	Previous 12-Month Funding Amount	Est. Clients Served (12 months)	Est. CBP Outcome Percent	Previous Clients Served (12 months)	Previous CBP Outcome Percent (12 months)	Outcome Definitions	Other Current APH Contracts
African American Youth Harvest Foundation	Cradle to Contributor	X	Yes - combines two previous programs into one (Conferences and Resource Centers)		\$ 490,756.00	\$264,281 (two programs combined)	1050	85% Outcome 5A; 85% Outcome 5B	1282	85% Outcome 5A; 97% Outcome 5B	5A: Percent of individuals who complete an educational program and demonstrate improved knowledge	Mental Health Crisis Support CDC Vaccine Outreach
Austin Independent School District	Prime Time Afterschool +	X	Yes		\$ 1,000,000.00	\$ 1,162,032.00	3352	90% Outcome 4B	5174	95% Outcome 4B	4B: Percent of youth who progress to the next academic level	Parent Support Program Victory Tutorial Family Resource Centers MBK Success Mentor Software Project ILA
Austin Independent School District	Parent Support Program	X	Yes		\$ 1,290,000.00	\$ 1,290,000.00	1850	65% Outcome 5A	14278	99% Outcome 5A	5A: Percent of individuals who complete an educational program and demonstrate improved knowledge	Primetime After School Victory Tutorial Family Resource Centers MBK Success Mentor Software Project ILA
Austin Independent School District	VICTORY Tutorial +	X	Yes		\$ 200,855.00	\$ 228,078.00	375	90% Outcome 4B	245	90% Outcome 4B	4B: Percent of youth who progress to the next academic level	Primetime After School Parent Support Program Family Resource Centers MBK Success Mentor Software Project ILA
Austin Theatre Alliance (The)	Literacy to Life +	X	Yes		\$ 157,547.00	\$ 55,328.00	5600	85% Outcome 5A	1194	96% Outcome 5A	5A: Percent of individuals who complete an educational program and demonstrate improved knowledge	None
Austin Youth & Community Farm, Inc.	YPC: Growing Leaders	X	Yes, plus expands to three additional programs		\$ 120,000.00	\$ 82,727.00	80	75% Outcome 5B	8	83% Outcome 5B	5B: Percent of individuals who demonstrate improved life skills	None
Boys & Girls Clubs of Austin and Travis County, Inc.	Great Futures Program			X	\$ 388,753.00	n/a	8600	98% Outcome 4B	n/a	n/a	4B: Percent of youth who progress to the next academic level	None
Breakthrough	Student Success Initiative	X	Yes, with expanded geographic service area (previously only Dove Springs)		\$ 162,000.00	\$ 55,714.00	1228	95% Outcome 4B	122	96% Outcome 4B	4B: Percent of youth who progress to the next academic level	None
Common Threads	Hands-On Cooking & Nutrition Education			X	\$ 87,347.00	n/a	839	66% Outcome 5A	n/a	n/a	5A: Percent of individuals who complete an educational program and demonstrate improved knowledge	None
Communities in Schools of Central Texas	Case Management and Pebble Project +	X	Yes		\$ 525,000.00	\$ 528,872.00	16,552	90% Outcome 4B	10548	98% Outcome 4B; 90% Outcome 5B	4B: Percent of youth who progress to the next academic level	None
Con MI MADRE	Advancing Latinas to Higher Education	X	Yes		\$ 56,000.00	\$ 60,000.00	39	80% Outcome 4B	40	84% Outcome 3B	4B: Percent of youth who progress to the next academic level	None
Court Appointed Special Advocates of Travis County, Inc.	Teen Advocacy	X	Yes		\$ 73,152.00	\$ 44,459.00	280	65% Outcome 5B	299	68% Outcome 5B		None
GENaustin	Girl Connect	X	Yes, with expanded geographic service area (previously only Dove Springs)		\$ 198,853.00	\$ 51,870.00	1250	80% Outcome 4B	267	100% Outcome 4B		None
Girl Scouts of Central Texas	School-Based Community Programs			X	\$ 102,000.00	n/a	625	85% Outcome 5B	n/a	n/a		None
Seedling Foundation	Children Who Have a Parent Incarcerated			X	\$ 122,757.00	n/a	420	95% Outcome 4B	n/a	n/a		None
The SAFE Alliance	ER - Prevention and Support	X	Yes, with addition of groups in SAFE's charter school		\$ 209,316.00	\$ 183,307.00	838	90% Outcome 5A	400	95% Outcome 5B		Children's Emergency Shelter Bridge to Safety Victim's Services
Youth and Family Alliance	Youth Education and Development	X	Yes, combining two CICs into one (Education and Youth Development)		\$ 392,995.00	\$ 276,888.00	125	76% Outcome 5A	214	83% Outcome 5A		Youth Rapid Rehousing HHSSP Homeless Youth Housing - CIC Counseling - CIC TDHCA Ending Homelessness



Council Question and Answer

Related To

Items #55 and #57

Meeting Date

March 24, 2022

Additional Answer Information

Approve a resolution directing the City Manager to conduct a fact-finding study on the adoption, use, and holding of Bitcoin or other cryptocurrencies by the City of Austin.

Approve a resolution directing the City Manager to foster an environment in Austin that supports the creation and development of new innovations, such as blockchain and other Web3 related technologies, protocols, and applications.

QUESTION/ANSWER: Questions from Work Session

1) How long do we anticipate this work taking? (Mayor Pro Tem Alter)

The Innovation Office is considering the amount of time it would take to respond to both resolutions, since much of the material may come from the same sources. We estimate a three month turn-around time for the initial responses. This would involve 2-3 Innovation Office staff spending approximately a combined 100 hours on coordinating with other departments for their contributions, researching, writing, reviewing, and completing our internal process to return the responses to Council.

2) What are the tradeoffs? (Mayor Pro Tem Alter)

The Innovation Office has several other work items that we will rebalance in order to complete work related to these IFCs. These include building data-informed decision support tools for neighborhood prosperity, conducting qualitative research for the Office of Violence Prevention, building and supporting capacity-building programs for homelessness services providers, ongoing management of the UT ILA research partnership and Open Data program, and additional development for the Austin Civilian Conservation Corps program. Though some work items related to our current projects may be pushed back by several days to one week, we do not anticipate significant impacts to their overall timelines. This analysis only pertains to the Innovation Office; other departments and offices will be involved in the responses to these Council items and may have additional tradeoff considerations.

3) What is the status of the City's previous project that involved blockchain? (Council Member Kitchen)

The Innovation Office's Bloomberg 2017 i-team project identified several potential solution areas related to the experience of homelessness in Austin, one of which was the ability to secure, store, and transact ID documents needed to access vital services. The Innovation Office submitted the idea of creating a blockchain-based system that could accomplish this for the 2018 Bloomberg Mayor's Challenge grant, which we were not awarded.

We then submitted a similar idea for the Robert Wood Johnson Foundation's Pioneering Ideas in Technology grant, and were awarded \$400K for the project. We used this to hire a team for one year (2019-2020) to explore the applications of blockchain in this use case, build a prototype platform, and create all the resources necessary for other organizations to expand and develop their own work based on our research and code. (This project was originally called MyPass, but we changed it to LifeFiles to avoid a trademark dispute.)

Results

The results of the project are compiled on [this website](https://rwjflandingpage.webflow.io/) (<https://rwjflandingpage.webflow.io/>). The top menu bar has the main sections of interest. Some highlights relevant to these items:

- The [Verification Site](#) is a blockchain-based application that combines digital notarization and the immutability of blockchains to make digital documents legally executable. You can find a demo of the app [here](#), and code [here](#). This is the part of the LifeFiles platform that uses blockchain. It represents a good example of how blockchain technology can be used specifically and appropriately in civic contexts. The other applications that make up the LifeFiles platform, which are the document handling system and the authentication app, are not blockchain based.
- The [Report on Blockchain](#) chronicles our exploration of blockchain in the project. It provides a description of how we can start with a big idea (blockchain can solve everything), and narrow it down to a specific use-case (blockchain can only help us with this one thing, but it does it really well).
- We created all the necessary pieces for others to advance this work, including extensive open-source code, design assets, user testing results, and system architecture. These are all freely available on the website and Github.
- The platform is private by design, i.e. there are no security backdoors or centrally administrated databases. This places control fully in the hands of the users who own the documents. It is also designed so it is very inexpensive to run.
- The platform is currently inactive; in the future, an organization could host/maintain the platform or continue to develop it. If that were to happen, Austin (and any other city) could have a LifeFiles application, and data would be interoperable between cities because they share the same platform and the documents are not city-specific.



Council Question and Answer

Related To

Item #55

Meeting Date

March 24, 2022

Additional Answer Information

Approve a resolution directing the City Manager to conduct a fact-finding study on the adoption, use, and holding of Bitcoin or other cryptocurrencies by the City of Austin.

QUESTION/ANSWER: Council Member Ellis's Office

- 1. Have any financial experts, such as Moody's or Standard and Poor's, weighed in on the use of cryptocurrency products for municipal governments?*

Standard and Poor's issued the attached report advising public finance issuers to exercise caution in consideration of cryptocurrency applications.

The Government Finance Officers Association (GFOA) recently adopted an advisory recommending that governments abstain from using and investing in cryptocurrencies, which can be read here: [Abstain from Using and Investing in Cryptocurrency for Government Operations \(gfoa.org\)](https://www.gfoa.org/abstain-from-using-and-investing-in-cryptocurrency-for-government-operations)

Cryptocurrency: U.S. Public Finance Issuers Cautiously Consider Its Applications

September 15, 2021

Key Takeaways

- U.S. public finance issuers are showing an increasing interest in blockchain and cryptocurrency (crypto) as a new investment tool to enhance portfolio diversification, earn higher returns, and provide more efficient operations to control costs.
- Analogous to a retail consumer using a debit card for ease of electronic transfer, this technology and related innovations could aid some U.S. government entities but also introduces cybersecurity risks.
- A portfolio that includes cryptocurrency contains liquidity risk due to the high volatility of cash-out value and could affect creditworthiness because of reduced budgetary stability.
- ESG considerations include the environmental impact of high energy costs associated with blockchain operations, regulation, potential government interference, the escalated impact of possible cyber attacks, transparency, and whether companies involved in blockchain and crypto are promoting social welfare or merely seeking pecuniary benefit.

Municipal governments and other U.S. public finance (USPF) issuers are showing recent interest in investing more in alternative asset classes as traditional fixed-income investments realize low returns because of historically low interest rates. These investment classes, which are higher risk but also offer higher potential reward, have long included private equity, among other unconventional investments, but now may include cryptocurrency (crypto) and other blockchain-related activities. In addition to holding the crypto token itself, USPF issuers have considered investing a small but increasing allocation to blockchain technology companies active in the creation and promotion of cryptocurrencies that have had volatile performance but, in some cases, positive market return. In S&P Global Ratings' view, favorable investment performance in 2020 (and continuing into the current year) has helped ease pension and investment strain for municipal issuers that have included crypto in their portfolios as they recover from the COVID-19 pandemic. Over the 12 months ended Sept. 8, 2021, cryptocurrencies such as Bitcoin and Ethereum have had returns of 367% and 918%, respectively, making them an investment option that USPF issuers might find hard to ignore despite the high volatility.

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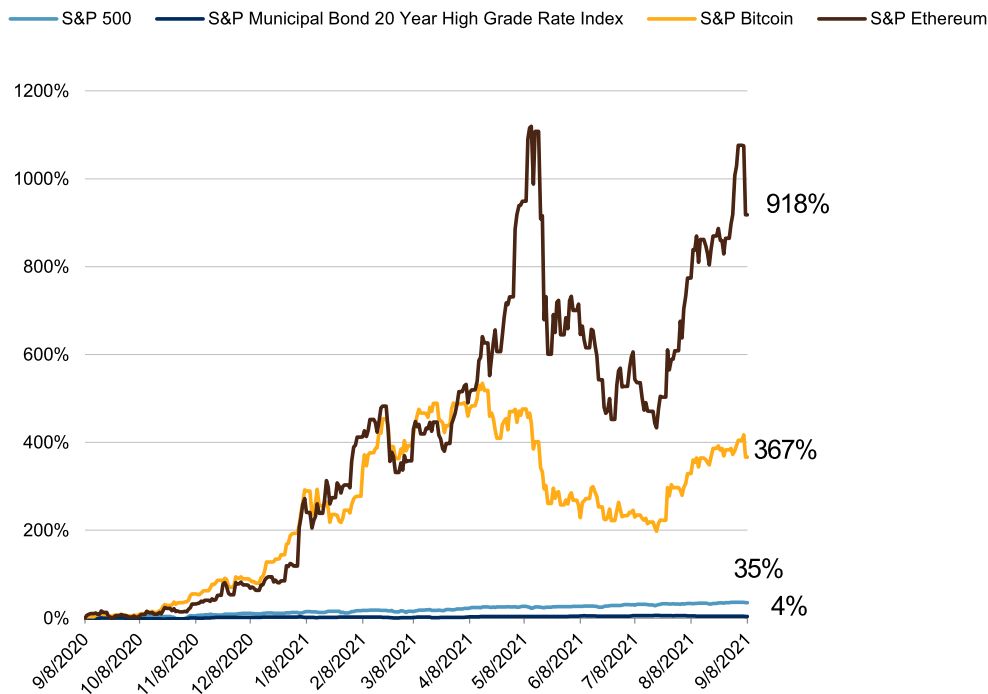
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One-Year U.S.-Dollar Price Movement As Of Sept. 8, 2021



Source: S&P Global Ratings..

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With these hyper-returns comes extreme volatility risk, as evidenced in 2018 when Bitcoin and Ethereum returned negative 75% and negative 83%, respectively, for the calendar year, and a more recent pullback from all-time highs. For those issuers with higher risk tolerances, investing in blockchain technology and crypto can have clear credit risk implications, but crypto adds more to the credit story than just being simply an investment.

Early Credit Considerations Include, But Are Not Limited To:



Risks

- Legal and regulatory
- Cyber and ESG
- Volatility
- Familiarity and accounting



Rewards

- Efficiency
- Cost savings
- Revenue generation
- Investment diversification

Source: S&P Global Ratings.

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Crypto Has The Potential To Be More Than An Investment Strategy: It Could Offer Operating Cost Savings

Governments and other public finance issuers are showing increased interest in using cryptocurrencies as part of a continued digitalization of markets, but widespread use is likely many years away, at best. Crypto's benefits include not just use as an investment tool but also for payments due to the ease of electronic transfer (direct digital exchange) and possibly lower fees compared with current intermediaries.

Federal

Developments at the U.S. federal level have direct impact within states, local governments, and public enterprises. On June 15, 2021, the U.S. House of Committee on Financial Services held a hearing entitled "Digitizing the Dollar: Investigating the Technological Infrastructure, Privacy and Financial Inclusion Implications of Central Bank Digital Currencies." In 2020, the Federal Reserve System announced its Project Hamilton--a multiyear collaboration between the Federal Reserve Bank of Boston and the Massachusetts Institute of Technology (MIT) to code and test new technologies that could support the speed, security, privacy, and resilience required of a hypothetical central bank digital currency. Similarly, on July 27, 2021, the U.S. Senate Committee on Banking, Housing, and Urban Affairs held a hearing on "Cryptocurrencies: What are they good for?"

State

Many states, including New York, Texas, Ohio, and Wyoming, have begun to create a legal framework that defines cryptocurrencies and how businesses within a state can use them; some states have even passed legislation. Ohio residents may now pay taxes with Bitcoin. Not surprisingly, legislative and operational acceptance varies given the relative novelty of the field and in some ways mirrors how states initially approached the taxation of internet sales. As the industry further develops, creating a more competitive landscape, states could compete for crypto-mining operations, financial services, and even depository institutions, resulting in the need for legislation and/or regulation. While not yet a typically significant credit factor due to limited digital asset adoption, economic growth from crypto operations could provide additional property tax value while unstable cryptocurrency prices could add volatility to the local economy and potentially to tax revenues.

Local government

Income for local governments comes predominantly from property taxes and sales taxes. If collection delays and operational transfer and payment risks can be reduced through a crypto payment structure, or if a stressed tax base can save some money, we might view implementation of crypto payments positively. However, with ESG factors in mind, if the structure lacks cyber protections and is untested, we could view the risks as outweighing the benefits in the near term. Typically, Bitcoin is converted to a dollar amount during a transaction, with a third-party intermediary handling the risks of coin transfer and exchange for a fee. It's not clear, at present, if third-party intermediaries will be needed in the long term. The following municipalities are small sample of those involved with crypto:

- Williston, N.D.: The city accepts crypto payments for utility bills and anticipates accepting crypto for other governmental license fees soon. Williston is expected to adopt more uses over time, due to the ease of electronic transfer, convenience, and potential cost savings.
- Jackson, Tenn.: The city's mayor has assigned a blockchain task force to study Bitcoin property tax payments as well as for payment of employee salaries.
- Miami and Miami-Dade County, Fla.: As part of a push to portray the area as "crypto-friendly," the city and county are studying crypto payments for taxes and fees, which could provide fee savings to constituents, as well for payment of employee salaries.
- New York State: Various local governments in New York State are banning Bitcoin mining because of environmental and utility demand concerns, and state senators proposed a state ban on mining from carbon-based fuel sources earlier this year.

Colleges and universities

Several well-known colleges and universities, including MIT, Stanford University, and the University of Notre Dame, have been involved in active research and also offer courses pertaining to blockchain and crypto currency development bringing together resources from their computer science, engineering, economics and finance, and law faculties to collaborate. We understand some online colleges and universities are accepting crypto for tuition payments, eliminating the typical 2%-3% discount fees such institutions have to absorb when tuition is paid by credit card. Another area where crypto has recently surfaced in higher education is in fundraising. Several

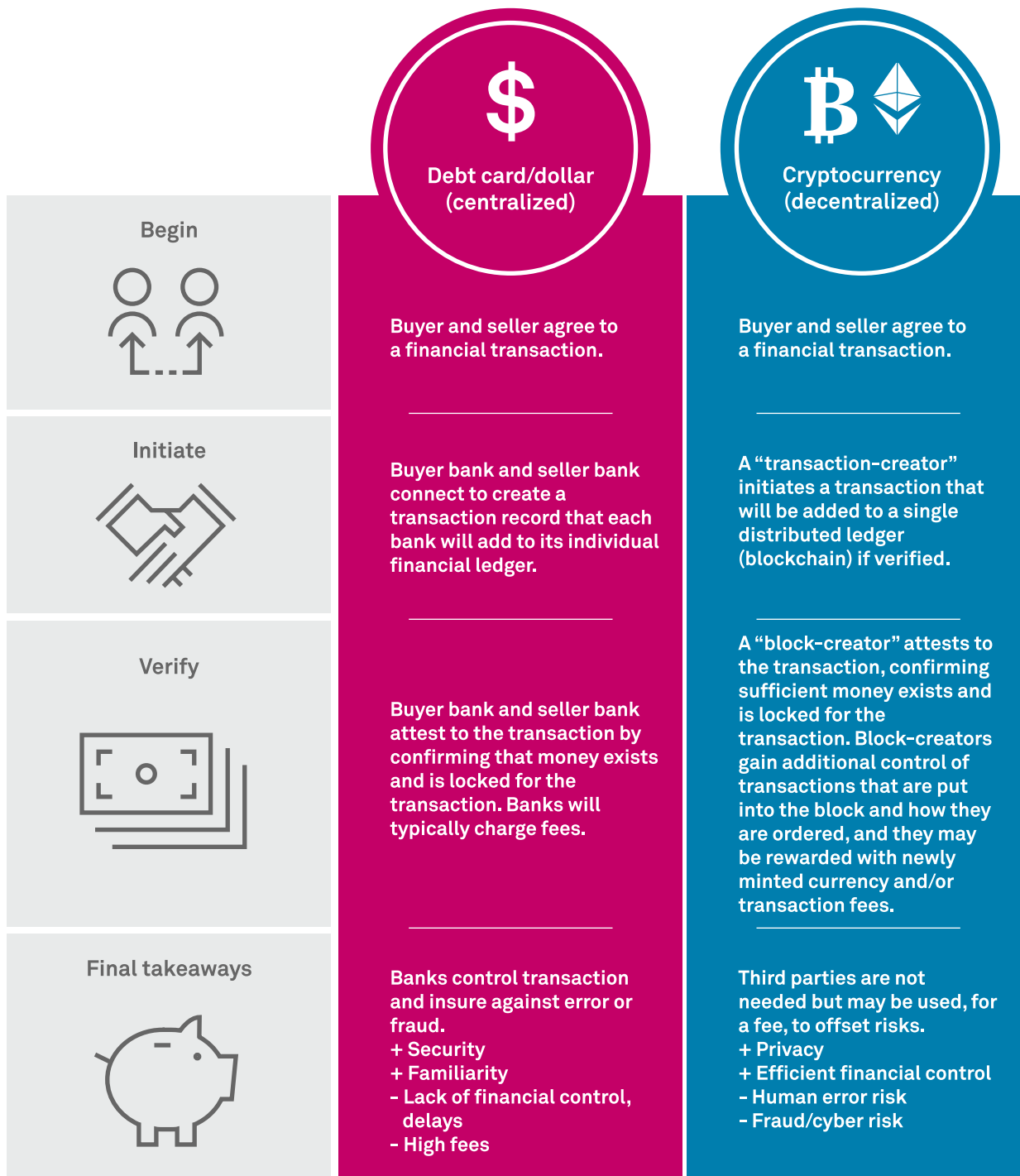
donors have approached higher ed institutions with gifts of Bitcoin, Ethereum, and other cryptocurrencies. Colleges and universities have moved quickly to build infrastructure necessary to accept virtual currency or to contract with companies that can process the donations for them. Two universities involved with cryptocurrency at present are:

- California Intercontinental University: A 100% online university that accepts tuition payments made with crypto.
- The University of Pennsylvania: The university received an anonymous gift of \$5 million in the form of Bitcoin--reportedly the largest cryptocurrency gift the university has ever received. A third-party intermediary helped the university process the donation through liquidation and transferring the cash back to the university.

Dispelling The Crypto Mystique

To understand crypto, it's important to look at how these digital currencies compare to the U.S. dollar regarding financial transactions. For transactions using the U.S. dollar, a bank is a central transaction authority (intermediary) and performs multiple services including preventing fraud and fending off other malicious attacks. The bank assures that the promise of payment is fulfilled and provides insurance, if needed, to maintain consumer confidence. Decentralized crypto transactions run autonomously through a codified blockchain. For more on what a blockchain is and how it might be viewed by public finance, see, "Blockchain Is Coming To Muniland, And The Changes Could Be Significant," published July 30, 2018, on RatingsDirect. While this concept seems odd at first, a simplified look at crypto transactions from the user's point of view might not appear much different than debit card transactions.

Steps To Using Money In A Transaction



Source: S&P Global Ratings.

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Crypto as a concept exchanges the security and familiarity provided by banks, or other intermediaries, for added privacy, control, and potential capital efficiency, but requires inventive new consensus methods (such as the initiate and affirm steps in the above graphic) to guard against cyber risks. Credit effects of crypto ownership are tied to multiple layers of cyber defense: for example, operational controls, financial security, and reputational risk. Risks can, however, be mitigated through policies and intermediaries. There are many methods coming into existence in this new technological space, but the ones most broadly used and discussed are Proof of Work and Proof of Stake.

The credit effects of crypto ownership are tied to cyber defense.

A High-Level Look At Consensus Methods For Transaction Verification

Proof of Work

- Concept: Block-creators, called miners, use very high processing power and energy to solve time-consuming calculations. Authenticators, called nodes, check the calculation.
- Attack: Requires 51% of the network's mining processing power for a successful attack.
- Risk: Increasingly limited as networks grow larger.
- Use case: Bitcoin is the largest crypto using this method.
- ESG: A lot of energy is required, and this might have a negative environmental impact.

Proof of Stake

- Concept: People lock up (stake) crypto funds in the network and are selected by an algorithm in the code to be either block-creator (profitable) or authenticator (not profitable), with the likelihood of profit increasing in parallel with the amount of funds staked.
- Attack: Requires 51% of the staked currency supply for a successful attack.
- Risk: Limited, given that attackers are unlikely to profit because staked funds deteriorate in value. Also, punishment for attempted attacks of forfeited funds could be built into the code.
- Use case: Ethereum is the largest cryptocurrency discussing utilization of this method, although it has not yet implemented it.
- ESG: Minimal environmental impact compared with Proof of Work, or even compared with the current financial industry.

Methods Municipal Issuers Use To Invest In Cryptocurrency

For USPF issuers looking to invest in cryptocurrencies there are several ways, each with its own associated risk profile and cost. To help monitor price movements within the sector, there are a growing number of tools to help investors, including the new S&P crypto indices (S&P Bitcoin Index, S&P Ethereum Index, and an index that combines the two). However, a key drawback in crypto investing at present relates to the paucity of accounting standards and the treatment of crypto, in many cases, as an indefinite-lived intangible asset with impairment charges necessary when valuations fall below cost, but gains are not recognized until there is an asset sale. Below are various investment methods S&P Global Ratings is observing.

Direct custody

Owning cryptocurrency equates to holding custody of a confidential account number, or "private key," that has complete control over these funds. Returns are achieved through comparative growth against the dollar, along with additional rewards depending on the currency and the associated underlying fundamentals. Exposure to operational and cyber risks are extremely high because any lapse in security could lead to funds being stolen with no recourse. If the private key is lost, so is the money, and there is no intermediary to help absorb the loss. From a credit perspective, increased exposure to direct crypto ownership might be viewed negatively if cyber protections are viewed as lagging behind the industry standard. Investment managers act as custodians who will directly own cryptocurrencies and use them to back their own managed funds.

Staking

A directly purchased Proof of Stake currency provides a yield in exchange for locking up funds in the network. Liquidity risk could be present as staked funds might not be easily "un-staked" depending on the network and currency. There are additional cyber risks, beyond theft, of costly penalties being incurred during disruption as staked funds might be slashed and/or rewards reduced if the verifying block-creator associated with the staked funds is not operating correctly. This is a very new concept but eventually could be viewed, from a risk perspective, as similar to bonds.

Managed funds

Custodians offer an alternative investment option that provides security against operational and cyber risks in exchange for a fee and acceptance of a central point of trust. In this new and volatile space, there is little to no consensus on future crypto price expectation, much less volatility, which complicates risk analysis within an entity's target asset portfolio.

Managed funds can include the following:

- State pensions: For the first time in the state, New Jersey's Common Pension Fund D, supporting the large statewide pension plans, invested a small percentage of its portfolio in blockchain and digital holdings companies, indicating a not-uncommon expectation of market growth for the sector.
- Local governments: In late 2018, two pension funds in the city of Fairfax, Va., began investing in blockchain technology and Bitcoin and continue to increase their allocations. These are generally considered the first investments in the crypto asset from a U.S. pension fund. Investments are made through private equity-type funds, considered similar to venture capital funds due to volatility and lack of liquidity. There is no plan in place at present for direct cryptocurrency ownership.
- Higher ed: A few colleges and universities and not-for-profit foundations with large endowment funds may have added cryptocurrency to their portfolios although not in any significant amount. Chief investment officers at most colleges and universities guard investment strategies closely and generally don't publicize any specific investment of a portfolio. We understand some endowment funds may have added blockchain-related technology companies or digital assets to their portfolios by buying Bitcoin through cryptocurrency exchanges.

Lack of consensus on future crypto price expectation complicates risk analysis.

Cryptocurrency: U.S. Public Finance Issuers Cautiously Consider Its Applications

- Insurance: Massachusetts Mutual Life Insurance Co. has sought exposure, buying \$100 million worth of Bitcoin in December 2020.

The Crypto Industry Could Be An Attractive Job Market

Not that long ago, cryptocurrencies were widely believed to be a bubble lacking any intrinsic value, commonly thought comparable to a pyramid scheme or the Dutch tulip bulb market bubble of 1637. Now some public finance issuers are angling to be known as "crypto-friendly" to attract jobs in this newly developing sector, while others see it as an investment opportunity. Still others have taken the opposite approach and view the crypto industry as a risk, banning or restricting mining activities. Plattsburg, N.Y., has noted that one of the largest bitcoin operators in the world is located within the city, yet the operations have generated only a handful of jobs. As use cases for crypto increase, not only for crypto's use a currency, but in expanding new fields such as decentralized finance (DeFi), non-fungible tokens (NFTs), and internet of things (IoT) connectivity, it's becoming increasingly apparent that crypto, and the digitalization of markets, is a burgeoning new industry that has the potential to help expand state and local operations as well as economies.

Related Research

- Digitalization Of Markets: Framing The Emerging Ecosystem, Sept. 16, 2021
- ESG Brief: Cyber Risk Management In U.S. Public Finance, June 28, 2021
- How Artificial Intelligence Technologies Are Changing U.S. Public Finance, June 11, 2020
- Blockchain Is Coming To Muniland, And The Changes Could Be Significant, July 30, 2018

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