



City of San Antonio

Agenda Memorandum

File Number:13-559

Agenda Item Number: 5.

Agenda Date: 10/17/2013

In Control: City Council A Session

DEPARTMENT: Finance

DEPARTMENT HEAD: Troy Elliott

COUNCIL DISTRICTS IMPACTED: All

SUBJECT:

Annual Contracts

SUMMARY:

An ordinance awarding three contracts to provide the City with commodities and services on an annual basis for the terms of the contracts, for an estimated annual cost of \$4,435,000.00. This ordinance provides the procurement of the following items, as needed, and dependent on the Department's available budget, for the terms of the contracts:

- A. Vulcan Materials, Co. for Asphalt and Paving Materials, \$4,305,000.00 annually (1 contract, Department of Public Works)
- B. Voss Electric Supply d/b/a Voss Lighting for Electrical and Lighting Parts and Supplies, \$100,000.00 annually (1 contract, Citywide)
- C. Lutron Services Co., Inc. for Lutron Lighting System for Convention and Sports Facilities, \$30,000.00 annually; \$150,000.00 contract term (1 contract, Convention and Sports Facilities)

BACKGROUND INFORMATION:

The City of San Antonio utilizes annual contracts for procuring high volume repetitive purchases. Annual contracts are an efficient method of securing the best prices through volume purchasing and reducing large amounts of work related to the bid process. Utilization of annual contracts allows the City to procure numerous

different commodities in support of the normal daily operations.

Contract procured on the basis of low bid:

Asphalt and Paving Materials, \$4,305,000.00 annually, upon award through December 31, 2015 - will provide the Department of Public Works, Streets Maintenance Division, a contract in order to provide asphalt construction materials for pothole patching and street paving rehabilitation projects and repairs. The Department of Public Works, Streets Maintenance Division ensures street rehabilitation projects are completed on a timely basis and within budget. Throughout the City, there are more than 4,000 miles of streets and over 100 miles of service alleys that the Streets Maintenance Division is responsible for maintaining. Materials procured from this contract will also support over 100 street rehabilitation projects currently included in the Streets Maintenance component of the Infrastructure Management Program as well as pothole and other street repairs as reported through the 311 system by residents and staff.

Contract procured on the basis of low qualifying bid:

Electrical and Lighting Parts and Supplies, \$100,000.00 annually, upon award through May 30, 2015 with two, one year renewal options - will provide the purchase and delivery of various energy saving lamps and ballasts for Citywide departments. These lamps and ballasts are utilized to support maintenance and repair of existing lighting in various City facilities.

Bidders responding to this Invitation for Bid provided catalog percentage discounts / upcharges as well as unit pricing for most commonly utilized lamps and ballasts. Pricing was evaluated using historical usages to determine the low and responsible bidder. The pricing submitted for the evaluated items by the recommended vendor for Category B1 -Lamps and Category B6 - Ballasts, was deemed to be low and responsive.

Contract procured on the basis of sole source:

Lutron Lighting System for Convention and Sports Facilities, \$30,000.00 annually; \$150,000.00 contract term - will provide the Convention and Sports Facilities with a contract with Lutron Service Co., Inc. for Platinum Level Technology Support Plan for preventative maintenance and support services for the Lutron Lighting Control System currently installed at the Henry B. Gonzalez Convention Center. The lighting control system controls and interfaces to operate the lighting systems in the meeting rooms and ballrooms and allows dimming to be programmed to the event clients needs. Lutron Services Co., Inc. is the sole source provider of the Lutron Lighting Control System 21996 - Grafik 7000 and System 15357 - Grafik 6000 operating at the convention center.

Lutron Service Co., Inc. will provide a Platinum Level Technology Support Plan which will include, but not be limited to, on-site service to troubleshoot and diagnose the lighting control system, remote diagnostics, 100% coverage for parts and travel costs, 24-hour response time, unlimited technical phone support 24-hours per day and an annual preventive maintenance site visit by a Lutron service representative.

These items are being purchased under the Sole Source exemption to the provision of Texas Statutes Local Government Code 252.022.07. No other source can supply the items listed nor can any comparable item fulfill the same requirements. Vendor acknowledges that all items offered are considered proprietary and therefore qualifies as a Sole Source.

ISSUE:

This contract represents a portion of approximately 250 annual contracts that will be brought before City Council throughout the fiscal year. These products and services are used by city departments in their daily operations.

Asphalt and Pothole Paving Materials - This contract will be awarded in compliance with the Small Business Economic Development Advocacy (SBEDA) Program, which requires contracts be reviewed by a Goal Setting Committee to establish a requirement and/or incentive unique to the particular contract in an effort to maximize the amount of small, minority, and women-owned business participation on the contract. The Goal Setting Committee applied the Minority/Woman Business Enterprise (M/WBE) Joint Venture Incentive Program to this solicitation, in which a respondent who is a joint venture with a SBEDA eligible M/WBE shall receive one year renewal option if awarded this contract. None of the respondents took advantage of this incentive, therefore no renewal option was applied to the base term.

The recommended award is the lowest responsive bidder, who is also a local business. Therefore application of the Local Preference Program (LPP) was not applied.

Electrical and Lighting Parts and Supplies - This contract is within the scope of the Small Business Economic Development Advocacy (SBEDA) Program. However, due to the type of commodities/services being procured and value of the contract, no SBEDA tool is available.

The LPP does not apply to this contract since it was solicited prior to May 1, 2013, the effective date of the program.

Lutron Lighting System for Convention and Sports Facilities - This contract is exempt from competitive bidding and is excluded from the scope of the SBEDA program.

The recommended award is an exception to the LPP.

ALTERNATIVES:

Asphalt and Pothole Paving Materials - Should this contract not be approved, the Department of Public Works would be required to procure material on an as needed basis. The City could lose the pricing advantage afforded through a competitively bid contract. Furthermore, the department's budget could be negatively impacted through continuous price variations.

Electrical and Lighting Parts and Supplies - Should this contract not be approved, requirements for lamps and ballasts would be purchased by each City department as their individual needs arise. However, establishing a requirements supply contract will allow City departments to maximize their savings potential by aggregating City wide demands while reducing administrative costs associated with soliciting requirements for small, frequent, and repetitive purchases.

Lutron Lighting System for Convention and Sports Facilities - Should this contract not be approved, the department may process individual procurements as equipment problems arise. However, processing purchases as equipment malfunctions will force the department to pay non-contract rates as well as compromise the integrity and functionality of the building's lighting control system.

FISCAL IMPACT:

Funds are not encumbered by this ordinance. All expenditures will be in accordance with the Department's adopted budget approved by City Council. The combined estimated cost for the contracts listed on this ordinance is approximately \$4,435,000.00. Purchases made by the Departments are as needed and dependent upon available funds within their adopted budgets.

RECOMMENDATION:

Staff recommends the acceptance of three contracts submitted through this ordinance to provide the City with specified services on an annual contract basis. These annual contracts are critical to the City's daily operations. These contracts were procured on the basis of low bid, low qualifying and sole source and Discretionary Contract Disclosure Forms are not required.