



# City of San Antonio

## Agenda Memorandum

**File Number:** 17-2227

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**Agenda Item Number:** 6.

**Agenda Date:** 4/20/2017

**In Control:** City Council A Session

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**DEPARTMENT:** Finance

**DEPARTMENT HEAD:** Troy Elliott

**COUNCIL DISTRICTS IMPACTED:** Citywide

### **SUBJECT:**

4/20/2017 Annual Contracts

### **SUMMARY:**

An ordinance awarding four contracts to provide the City with commodities and services on an annual basis for the terms of the contract, for an estimated annual cost of \$380,000.00. This ordinance provides the procurement of the following items, as needed, and dependent on the Department's available budget, for the terms of the contract:

A. Ergon Asphalt & Emulsions, Inc. for Onyx Mastic Surface Sealer, \$185,000.00 annually (1 contract, Transportation and Capital Improvements)

B. Liberty Tire Recycling, LLC for Processing Waste Tires, \$153,000.00 annually (1 contract, Aviation, Building and Equipment Services, and Solid Waste Management)

C. Nagels North America, LLC for Thermal Magnetic Strip Tickets, \$18,000.00 annually; \$90,000.00 contract period (1 contract, Center City Development and Operations)

D. Dun & Bradstreet for renewal of Annual Contract for Supplier Risk Manager Reporting Services, \$24,000.00 annually; \$72,000.00 contract period (1 contract, Citywide)

### **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:**

A. Ergon Asphalt & Emulsions, Inc. for Onyx Mastic Surface Sealer, \$185,000.00 annually, upon award through June 30, 2019, with a one-year renewal option - will provide the Transportation and Capital Improvements Department, Streets Maintenance Division with a vendor to furnish asphalt pavement sealant materials. Onyx is a cleaner asphalt technology that does not contain coal tar. This specialty sealant offers a fast and economical maintenance solution by returning traffic to projects within hours of the initial application. Additionally, the sealant offers a very dark surface, providing great contrast to pavement marking. These paving materials are used for the construction and repair of streets for the Pavement Preservation Program throughout the City.

B. Liberty Tire Recycling, LLC for Processing Waste Tires, \$153,000.00 annually, upon award through March 31, 2020 with two, one-year renewal options - will provide the collection, processing, transporting, recycling and disposal of used, whole or scrap tires. The City generates approximately 500 tons of waste tires per year. This contract will be utilized by Aviation, Building and Equipment Services and Solid Waste Management Departments on an as needed basis.

C. Nagels North America, LLC for Thermal Magnetic Strip Tickets, \$18,000.00 annually; \$90,000.00 contract period, upon award through June 30, 2020, with two, one-year renewal options - will provide Center City Development and Operations Department (CCDO) with thermal magnetic strip tickets that are required to conform to the operation of the CCDO's parking garage ticket dispensers. The contract will provide the thermal magnetic strip tickets, including printing services and delivery.

**Sole Source:**

D. Dun & Bradstreet for renewal of Annual Contract for Supplier Risk Manager Reporting Services, \$24,000.00 annually; \$72,000.00 contract period, upon award through April 23, 2018 with two, one-year renewal options - This contract renewal will provide continued access to the proprietary financial reporting including supply chain analytics, supplier evaluation, rationalization, and monitoring prospective and established vendors doing business with the City. This contract has been in place since April 24, 2009.

This item is being purchased as Sole Source according to the provisions 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, with his/her signature, that all items offered are considered Sole Source.

**ISSUE:**

These contracts represent 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.

A. Onyx Mastic Surface Sealer - The Small Business Economic Development Advocacy (SBEDA) Ordinance requirements were waived due to the lack of small, minority, and/or women businesses available to provide these goods and services.

There were no bids submitted from local bidders for this contract; therefore the local Preference Program was

not applied.

The Veteran-Owned Small Business Preference Program does not apply to goods/supplies contracts, so no preference was applied to this contract.

B. Processing Waste Tires - The Small Business Economic Development Advocacy (SBEDA) Ordinance requirements were waived due to the lack of small, minority, and/or women businesses available to provide these goods and services.

The recommended award is to the lowest responsive bidder, who is also a local business. Therefore, application of the Local Preference Program was not required.

The Veteran-Owned Small Business Preference Program does not apply to non-professional service contracts, so no preference was applied to this contract.

C. Thermal Magnetic Strip Tickets - The Small Business Economic Development Advocacy (SBEDA) Ordinance requirements were waived due to the lack of small, minority, and/or women businesses available to provide these goods and services.

There were no bids submitted from local bidders for this contract; therefore, the Local Preference Program was not applied.

The Veteran-Owned Small Business Preference Program does not apply to goods/supplies contracts, so no preference was applied to this contract.

D. Supplier Risk Manager Reporting Services - This contract is exempt from competitive bidding and is excluded from the scope of the SBEDA program.

The Local Preference Program does not apply to this renewal since it was solicited prior to May 1, 2013, the effective date of the program.

The VOSBPP does not apply to this renewal since it was solicited prior to January 15, 2014, the effective date of this program.

#### **ALTERNATIVES:**

A. Onyx Mastic Surface Sealer - Should this contract not be approved, the Transportation and Capital Improvements Department will be required to procure materials on an as needed basis where increased costs and delivery times would occur and result in delays in the completion of city projects.

B. Processing Waste Tires - Should this contract not be approved, the Library Department is not staffed to perform custodial duties at each branch location. A new solicitation would have to be prepared and re-issued which may result in a lapse of custodial service, impacting the public and staff.

C. Thermal Magnetic Strip Tickets - Should this contract not be approved, the department will be required to

process individual procurements as needs arise. As a result, processing requirements as spot purchases would delay the timely receipt of thermal magnetic strip tickets and the department will not realize the cost savings customarily associated with long-term agreements.

D. Supplier Risk Manager Reporting Services - Should this contract renewal not be approved, the City will have limited ability to determine vendor risk of default.

**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. Purchases made by the Department are as needed and dependent upon available funds within their adopted budget.

**RECOMMENDATION:**

Staff recommends the acceptance of four 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 and sole source, and Contract Disclosure Forms are not required.