



City of San Antonio

Agenda Memorandum

File Number: 13-1159

Agenda Item Number: 6.

Agenda Date: 12/19/2013

In Control: City Council A Session

DEPARTMENT: Finance

DEPARTMENT HEAD: Troy Elliott

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT: 12/19/13 Annual Contracts

SUMMARY:

An ordinance awarding thirteen 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 \$1,345,000.00. 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. Sunbelt Mill Supply and Supply Innovations Co., Inc. for Electrolyte Replacement Drink, \$66,000.00 annually (2 contracts, Citywide)
- B. Trauma & Hazmat Scene Sanitation for Cleaning & Sanitation of Emergency Vehicle Interior, \$41,000.00 annually, \$205,000.00 contract period (1 contract, Police)
- C. Air Jireh Services for Full Coverage Service for HVAC Systems at Branch Libraries, \$150,000.00 annually (1 contract, Library)
- D. Hunter Kneppshield of Texas, Inc. for Wood Fiber Playground Chips, \$75,000.00 annually (1 contract, Parks & Recreation)
- E. John Deere Landscapes for Treegator Bags, \$35,000.00 annually; \$173,000.00 contract period (1 contract, Parks & Recreation)
- F. Orkin, Inc. for Commercial Pest Control Services, \$180,000.00 annually (1 contract, Convention Sports Facilities)

G. Cox Subscriptions, Inc. d/b/a WT Cox Information Services for Periodical Subscription Services, \$146,000.00 annually (1 contract, Library)

H. Bayer Health Care LLC, Butler Animal Health Supply, LLC d/b/a Henry Schein Animal Health, MWI Veterinary Supply and Zoetis, Inc. for Veterinarian Vaccines and Pharmaceuticals for Animal Care Services, \$570,000.00 annually (4 contracts, Animal Care Services)

I. Deloitte Financial Advisory Services, LLP for Street Cut Permitting System Maintenance & Support, \$82,000.00 year one; \$167,000.00 contract period (1 contract, Department of Public Works)

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.

Contracts procured on the basis of low bid:

A. Sunbelt Mill Supply and Supply Innovations Co., Inc. for Electrolyte Replacement Drink, \$66,000.00 annually, upon award through September 30, 2015 with a one year renewal option - will provide various City departments with the purchase and delivery of electrolyte replacement drink in both ready-to-drink and powder varieties. This drink will be utilized by City employees to help maintain correct electrolyte balance while working in hot and/or humid conditions or when manual labor produces loss of electrolytes.

The powder mix (electrolyte replacement drink) is utilized by the Public Works, Solid Waste and BES Departments. The bottled electrolyte replacement drink is utilized by the Fire Department and approved by the Tool & Equipment committee for both the SAFD firefighters and EMS Paramedics.

B. Trauma & Hazmat Scene Sanitation for Cleaning & Sanitation of Emergency Vehicle Interior, \$41,000.00 annually, \$205,000.00 contract period, upon award through September 30, 2016 with two, one year renewal options - will provide the San Antonio Police Department (SAPD) with a contractor to provide cleaning and sanitation services of emergency vehicle interiors. These services include decontaminating, disinfecting, removal of hazardous bodily fluids and thermo fogging spray to kill airborne diseases in indicated vehicles within the SAPD's fleet. Disposal of all waste collected will be picked up and incinerated by a licensed medical waste carrier.

C. Air Jireh Services for Full Coverage Service for HVAC Systems at Branch Libraries, \$150,000.00 annually, upon award through September 30, 2015 with two, one year renewal options - will provide the San Antonio Public Library (SAPL) Department with full coverage regularly scheduled preventive maintenance service, and repairs as needed of heating, ventilation, and air conditioning (HVAC) systems at Branch Library locations throughout the City. These regularly scheduled preventive maintenance and repair services are required to maintain peak operational efficiencies while extending the life duty cycle of the HVAC equipment.

Authorization of this contract will provide the City with a contractor licensed by the Texas Department of Licensing and Regulation (TDLR) to provide full coverage preventive maintenance and repair services for the Branch Libraries' HVAC systems. Services to be provided in this contract include preventive maintenance and repair services on HVAC package units and split systems ranging from 1 ½ to 20 tons and HVAC unit chilled water systems from 25-50 tons.

D. Hunter Kneppshield of Texas, Inc. for Wood Fiber Playground Chips, \$75,000.00 annually, upon award through December 31, 2016 with two, one year renewal options - will provide the Parks & Recreation Department with a contractor to furnish and deliver engineered wood fiber chips. The engineered wood fiber chips are certified by the International Playground Equipment Manufacturer's Association and will provide for safety surfacing on public playgrounds throughout the City.

E. John Deere Landscapes for Tregator Bags, \$35,000.00 annually; \$173,000.00 contract period, upon award through September 30, 2016 with two, one year renewal options - will provide the Parks & Recreation Department with a contractor to provide approximately 2,500 irrigation tree bags annually. These bags are attached to the tree trunk to irrigate newly planted trees on City-owned properties. They contribute to water conservation while maintaining moisture and improve survival rates by promoting root development in transplanted trees.

F. Orkin, Inc. for Commercial Pest Control Services, \$180,000.00 annually, upon award through December 31, 2016 with two, one year renewal options - will provide various City departments with a contractor to perform commercial pest control services at 220 buildings located throughout the San Antonio area. This pest control program will be utilized by the Convention & Sports Facilities, Aviation, Parks & Recreation, San Antonio Public Libraries, Downtown Operations, Culture and Creative Development, Human Services, Health, Fire, Pre-K4 San Antonio, and San Antonio Police Department. Additionally, this contract will allow for services at any additional locations that may be included during the term of the contract. The services are required to control and prevent the infestation of cockroaches, ants, silverfish, rodents, fleas, wasps, hornets, and general household pests in all occupied office spaces, field offices, common and public areas, and building exteriors.

G. Cox Subscriptions, Inc. d/b/a WT Cox Information Services for Periodical Subscription Services, \$146,000.00 annually, upon award through November 30, 2014 with three, one year renewal options - will provide the San Antonio Public Library System with a vendor for periodical subscription services at the San Antonio Main and Branch Libraries located throughout the San Antonio area. The services will provide San Antonio Public Library patrons a wide variety of periodicals and magazines on a regular basis.

Contract procured on the basis of low qualifying bid:

H. Veterinarian Vaccines and Pharmaceuticals for Animal Care Services, \$570,000.00 annually, upon award through September 30, 2015 with a one year renewal option - will provide a variety of veterinary vaccines and pharmaceuticals to benefit the animals served by Animal Care Services Department (ACS). As a municipally-owned animal shelter, ACS operates under an open-admission system, caring for approximately 30,000 animals per year. These veterinary vaccines and pharmaceuticals will ensure ACS animals receive an appropriate level of veterinary care and that proper supplies are available to the ACS employees who work and care for these animals.

Contract procured on the basis of sole source:

I. Deloitte Financial Advisory Services, LLP for Street Cut Permitting System Maintenance & Support, \$82,000.00 year one; \$167,000.00 contract period, upon award through September 30, 2014 with a one year renewal option - will provide the Department of Public Works Right-Of-Way Management Division, with updates, new releases, patches and on-site and off-site technical support for the Right-Of-Way permitting application software.

The Right-Of-way permitting system software allows utility companies to create a street cut permit online

using the Internet. This street cut permit system uses Geographic Information Services (GIS) mapping technology to coordinate and map work prior to the submittal of the permit application. Use of this system reduces the number of unnecessary street cuts that have a high Pavement Condition Index value.

These items are 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 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.

A. Electrolyte Replacement Drink - This contract is within the scope of the Small Business Economic Development Advocacy (SBEDA) Program. However, due to lack of available firms and/or subcontracting opportunities, the Goal Setting Committee was unable to apply a SBEDA tool to this contract.

Sunbelt Mill Supply - The recommended award is to the lowest responsive bidder, who is also a local business. Therefore application of the Local Preference Program (LPP) was not required.

Supply Innovations Co., Inc. - The recommended award is to the lowest responsive bidder, who is also a local business. Therefore application of the LPP was not required.

B. Cleaning & Sanitation of Emergency Vehicle - This contract is within the scope of the SBEDA Program. However, due to lack of available firms and/or subcontracting opportunities, the Goal Setting Committee was unable to apply a SBEDA tool to this contract.

In accordance with the LPP, no local preference was applied, since the local bidder is not within 3% of the recommended lowest non-local bidder.

C. Full Coverage Service for HVAC Systems at Branch Libraries - This contract will be awarded in compliance with the 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 set a 20% Small Business Enterprise (SBE) subcontracting goal and a 15% Minority/Women Business Enterprise (M/WBE) subcontracting goal. Air Jireh Services has committed to 20% SBE and 15% M/WBE subcontractor participation.

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

D. Wood Fiber Playground Chips - This contract is within the scope of the SBEDA Program. However, due to the type of commodities/services being procured and value of the contract, no SBEDA tool is available.

In accordance with the LPP, no local preference was applied, since the local bidder is not within 3% of the recommended lowest non-local bidder.

E. Treegator Bags - This contract is within the scope of the SBEDA Program. However, due to the type of commodities/services being procured and value of the contract, no SBEDA tool is available.

In accordance with the LPP, no local preference was applied, since and the local bidder is not within 3% of the recommended lowest non-local bidder.

F. Commercial Pest Control Services - This contract will be awarded in compliance with the 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 M/WBE subcontracting goal. Orkin, Inc. has committed to 14% SBE and 11% M/WBE subcontractor participation.

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

G. Periodical Subscription Services - The SBEDA Ordinance requirements were waived due to the lack of qualified SMWBE's available to provide the goods and services.

There were no bids submitted from local bidders for this contract, therefore, the LPP was not applied.

H. Veterinarian Vaccines and Pharmaceuticals for Animal Care Services - The SBEDA Ordinance requirements were waived due to the lack of qualified SMWBE's available to provide the goods and services.

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

I. Street Cut Permitting System Maintenance & Support - This contract is exempt from competitive bidding and is excluded from the scope of the SBEDA program.

This contract is an exception to LPP.

ALTERNATIVES:

A. Electrolyte Replacement Drink - Should this contract not be approved, using departments would be required to purchase electrolyte replacement drinks as their individual needs arise. However, aggregating demands by establishing a requirements contract will result in lower, fixed prices for an extended period of time.

B. Cleaning & Sanitation of Emergency Vehicle - Should this contract not be approved, SAPD would be required to hire trained and certified bio-technicians to be on staff to perform these services resulting in increased costs to the department. In addition, SAPD will be required to purchase materials on an as needed basis, wherein increase costs due to non-contract buying could be realized and increased vehicle down time.

C. Full Coverage Service for HVAC Systems at Branch Libraries - Should this contract not be approved, the library's operational activities would be unfavorably impacted. The library department will be required to procure services on an as needed basis which could lead to inconsistent pricing, service, and delay in reactionary response time to maintenance and repair requests.

D. Wood Fiber Playground Chips - Should this contract not be approved, the Parks & Recreation Department

would be required process individual procurements as needs arise. However, processing requirements as spot purchases will not realize the cost savings customarily associated with long-term agreements. In addition, wood fiber chips are necessary to maintain appropriate safety zone heights on public playgrounds throughout the City.

E. Tregator Bags - Should this contract not be approved, the Parks & Recreation Department may buy bags on an as needed basis. However, Parks & Recreation will not realize a fixed price cost savings associated with having a term contract in place, and delivery times might be impacted.

F. Veterinarian Vaccines and Pharmaceuticals for Animal Care Services - Should this contract not be approved, requirements for veterinary vaccines and pharmaceuticals would be procured by the Animal Care Services Department as needs arise. However, establishing a requirements supply contract will not just allow Animal Care Services Department to achieve economies of scale by aggregating long-term demands but also reduce the administrative costs associated with soliciting small, repetitive and frequent purchases.

G. Periodical Subscription Services - Should this contract not be approved, the Library may choose to have these services performed through individual procurements which may create higher costs. In addition, processing the 931 subscriptions included in the solicitation individually would require a large amount of time and would not realize a cost savings customarily associated with long-term agreements.

H. Commercial Pest Control Services - Should this contract not be approved, departments may choose to perform these services in-house or process individual procurements for the services as needs arise. However, performing the services in-house will require additional staff, equipment, materials and warehousing space to store the supplies and equipment. In addition, processing requirements as spot-purchases will not realize a cost savings customarily associated with long-term agreements.

I. Street Cut Permitting System Maintenance & Support - Should this contract not be approved, the City of San Antonio would lose the right to receive updates, patches and technical support services for the Right-Of-Way permitting software. Any support for the Right-Of-Way permitting system software would have to be secured on an as needed basis wherein increased cost and lead time due to non-contractual buying could be realized. This would have a major impact on the street cut permitting services and create lengthy turn around period for issuance of permits.

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 \$1,345,000.00. Purchases made by the Departments are as needed and dependent upon available funds within their adopted budgets.

RECOMMENDATION:

Staff recommends the acceptance of thirteen 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 Contracts Disclosure Forms are not required.

