



City of San Antonio

Agenda Memorandum

File Number: 18-2319

Agenda Item Number: 4.

Agenda Date: 4/19/2018

In Control: City Council A Session

DEPARTMENT: Finance

DEPARTMENT HEAD: Troy Elliott

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Auction Services for Auto Vehicles & Equipment

SUMMARY:

This ordinance authorizes a contract with BA&W Enterprises d/b/a San Antonio Auto Auction to provide auction services for the disposal of retired City vehicles and off-road equipment for a three year period, with an additional one year renewal option. Fees for the sale of retired vehicles and equipment will be assessed according to the agreed upon fee schedule for an estimated cost of \$89,000.00 annually. City receives approximately \$5,200,000 annually on the sale of retired vehicles and equipment.

BACKGROUND INFORMATION:

Submitted for Council consideration and action is the proposal submitted by BA&W Enterprises d/b/a San Antonio Auto Auction to provide auction services for the Building and Equipment Services Department to dispose of retired City vehicles and equipment. The City issued a Request for Competitive Sealed Proposals (RFCSP) for "Auction Services for Automotive Vehicles and Equipment" (RFCSP 18-013, 6100009871) on January 10, 2018 and closed on February 9, 2018. One proposal received was from BA&W Enterprises d/b/a San Antonio Auto Auction.

The City retires and disposes an average of 676 vehicles and off road equipment annually, resulting in average sales revenue of \$5.2 million annually to the Equipment Renewal and Replacement Fund and other funding sources. Salvage revenue generated has a direct impact on unit replacement costs for City departments. The current contract with San Antonio Auto Auction expires June 30, 2018.

An evaluation committee of representatives from the Building and Equipment Services Department reviewed the proposal received. The Finance Department, Purchasing Division assisted by ensuring compliance with City procurement policies and procedures. The proposal was evaluated based on the firm's Experience, Background, and Qualifications; Proposed Plan (services offered, facilities, advertising and marketing) Pricing, and the Small Business Enterprise (SBE) Prime Contract Program. BA&W Enterprises d/b/a San Antonio Auto Auction of San Antonio is recommended for award based on consensus scoring. The recommended contractor has been in business for 27 years and holds a current federal contract with the General Services Administration for the sale of fleet vehicles. In addition, San Antonio Auto Auction has a Reconditioning Center that includes a Detailing Center, Body Shop and Mechanic's Shop. City of San Antonio vehicles and equipment will be sold to the general public by live auction and online auction to the highest bidder. Auction services include pick-up for operable and inoperable vehicles and equipment, storage until sold, executing bill of sale/title transfers, and collection of funds.

The contract shall begin on July 1, 2018 for an initial term of three years. One additional one-year renewal at the City's option will also be authorized by this ordinance.

ISSUE:

This contract will provide a contractor to perform auction services for the Building and Equipment Services Department. The contractor will publicize, including by listing items of City property on Auctioneer's website, and sell by auction retired fleet which includes but is not limited to vehicles, off road heavy equipment, trailers, and rolling stock equipment (generators, pressure washers, seed spreaders, etc.). Proceeds from the sale of retired vehicles and equipment are factored into payments charged to City departments for vehicles in the Equipment Renewal and Replacement Fund. Salvage values have been prepared based upon historical sales data and published market values from the National Automobile Dealers Association online guide.

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 Small Business Enterprise Prime Contract Program with ten (10) evaluation preference points.

This contract is an exception to the Local Preference Program.

The Veteran-Owned Small Business Preference Program does not apply to non-professional services; therefore, no preference was applied to this contract.

ALTERNATIVES:

Should this contract not be approved, the Building and Equipment Services Department will not have an auction contract for the sale of retired vehicles and equipment that have reached the end of its useful life. The City may choose to salvage vehicles and equipment by directly accepting offers from the general public, but this may prove inefficient and negatively impact the Equipment Renewal and Replacement Fund. In addition, the lack of a contract will require the department to store vehicles and find alternative space for retired vehicles and equipment until it can be disposed.

FISCAL IMPACT:

This ordinance authorizes a contract with BA&W Enterprises d/b/a San Antonio Auto Auction to provide auction services for the disposal of retired City vehicles and off-road equipment for a three year period, with an additional one year renewal option. Fees for the sale of retired vehicles and equipment will be assessed according to the agreed upon fee schedule for an estimated cost of \$89,000.00 annually. City receives approximately \$5,200,000 annually on the sale of retired vehicles and equipment.

RECOMMENDATION:

Staff recommends the approval of this contract with BA&W Enterprises d/b/a/ San Antonio Auto Auction to provide the Building and Equipment Services Department with auction services in an estimated cost of \$89,000.00 annually.

This contract is procured by means of Request for Competitive Sealed Proposal and a Contracts Disclosure Form is attached.