



City of San Antonio

Agenda Memorandum

File Number: 18-5615

Agenda Item Number: 6.

Agenda Date: 11/15/2018

In Control: City Council A Session

DEPARTMENT: Finance

DEPARTMENT HEAD: Troy Elliott

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

11/15/2018 Annual Contracts

SUMMARY:

An ordinance awarding seven contracts to provide the City with commodities and services on an annual basis for the term of the contract, for an estimated annual cost of \$873,000.00. This ordinance provides the procurement of the following items, as needed, and dependent on the Department's available budget, for the term of the contract:

- A. Hill's Pet Nutrition; Legend & White Animal Health Group; and Midwest Veterinary Supply for Dog and Cat Food (3 contracts, Animal Care Services)
- B. Premier Comfort Air Conditioning and Heating, Inc. for HVAC Preventive Maintenance and Repairs Services at Centro de Artes (1 contract, Center City Development Office)
- C. AM Leonard, Inc. for Tregator® Original Slow Release Watering Bags (1 contract, Parks & Recreation)
- D. Mitson Automotive, Inc. dba AAMCO Transmissions for Light-Duty Automatic Transmission Parts & Service (1 contract, Building and Equipment Services)
- E. E.J. Ward, Inc. for E.J. Ward Automated Fuel Management System (1 contract, Building and Equipment Services)

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. Hill's Pet Nutrition; Legend & White Animal Health Group; and Midwest Veterinary Supply for Dog and Cat Food, \$196,000.00 annually, upon award through September 30, 2020 with one, one year renewal - will provide the Animal Care Services (ACS) facility with the delivery of cat and dog food for animals sheltered at the facility. ACS intakes approximately 30,000 animals annually.

B. Premier Comfort Air Conditioning and Heating, Inc. for HVAC Preventive Maintenance and Repairs Services at Centro de Artes, \$84,000.00 annually, upon award through December 31, 2019 with one, one year renewal option - will provide Center City Development and Operations with a Heating, Ventilation and Air Conditioning (HVAC) preventive maintenance contract for the equipment at the Centro de Artes building. This unit provides cooling and heating to the entire Art Facility located in Market Square. Service will include quarterly preventive maintenance, filter changes, and parts and labor for repairs on an as needed basis.

C. AM Leonard, Inc. for Tregator® Original Slow Release Watering Bags, \$38,000.00 annually; \$190,000.00 contract period, January 1, 2019 through December 31, 2021 with two, one year renewal options - will provide the Parks and 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.

D. Mitson Automotive, Inc. dba AAMCO Transmissions for Light-Duty Automatic Transmission Parts & Service, \$50,000.00 annually; \$250,000.00 total contract value, December 1, 2018 through January 31, 2021, with two, one year renewal options - will furnish light duty automatic transmission parts and service for various light-duty vehicles of all makes and models equipped with automatic transmissions. This contract will provide parts and service for approximately 4,000 units in the City's fleet.

Contract procured on the basis of sole source:

E. E.J. Ward, Inc. for E.J. Ward Automated Fuel Management System, \$201,000 annually for maintenance, support, parts, and equipment, with \$303,552 in Year 1 to upgrade the City's fuel and car wash terminals, upon award through September 30, 2019, with four, one year renewal options for a total contract value of \$1,547,825.00. This contract will provide the Building and Equipment Services Department (BESD) with a Support Agreement and a capacity based contract for the purchase of additional hardware for the automated fuel control system service, customer support, and additional fuel terminal and vehicle parts for the automated fuel management system. Services available through this contract are designed to ensure the City receives continuous trouble-free automated fueling system operations with minimal downtime or service interruption. Additionally, this agreement will allow for equipment upgrades to replace obsolete terminals with new terminals capable of integrating with the Fleet Management System to reduce transaction processing and enhance data integrity. Additional purchases from this contract would be subject to the appropriation of subsequent annual funding.

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. Dog and Cat Food - 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 Local Preference Program, no local preference was applied since the local bidder is not within 3% of the recommended lowest non-local bidders or there were no bids submitted from local bidders.

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

B. HVAC Preventive Maintenance and Repairs Services at Centro de Artes - This contract will be awarded in compliance with the Small Business Economic Development Advocacy (SBEDA) Program. Premier Comfort Air Conditioning and Heating, Inc. has committed to satisfying the 16% Minority and/ or Women-Owned Business Enterprise (M/WBE) subcontracting goal.

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 goods/supplies contracts, so no preference was applied to this contract.

C. Treegator® Original Slow Release Watering Bags - 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.

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. Light-Duty Automatic Transmission Parts & Service - 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.

E. E.J. Ward Automated Fuel Management System - This contract is exempt from competitive bidding and is excluded from the scope of the SBEDA program.

This award is an exception to the Local Preference Program.

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

ALTERNATIVES:

A. Dog and Cat Food - Should these contracts not be approved, Animal Care Services will be required to make spot purchases for dog and cat food which may prevent minimizing transactional costs typically associated with long-term purchase agreements.

B. HVAC Preventive Maintenance and Repairs Services at Centro de Artes - Should this contract not be approved, the City would be required to purchase Heating Ventilation and Air Conditioning maintenance and repair services on an as needed basis, where increased costs due to non-contract purchasing could be realized and cause a delay in the timely delivery of services.

C. Tregator® Original Slow Release Watering Bags - Should this contract not be approved, the City would be required to purchase watering bags on an as needed basis, wherein increased costs due to non-contract purchasing could be realized and cause a delay in the delivery timeline.

D. Light-Duty Automatic Transmission Parts & Service - Should this contract not be approved, the City of San Antonio will be required to purchase required transmission parts and services on an as needed basis which could lead to increased costs and a delay in timely repair of essential vehicles.

E. E.J. Ward Automated Fuel Management System - Should this contract not be approved, the BESD fueling operations would be unfavorably impacted. The department will be required to procure services on an as needed basis which could lead to inconsistent service and delay in reactionary response time to maintenance and repair requests for automated fueling equipment.

FISCAL IMPACT:

A-D. 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.

E. This will authorize a contract with E.J. Ward, Inc. in an amount not to exceed \$1,547,825.00 over the contract term, with an estimated amount in Year 1 of \$505,000, of which \$201,000 is for purchases of maintenance, support, parts, and equipment as needed and dependent upon available funds within their adopted budget. The remaining Year 1 amount of \$303,552 is authorized to upgrade the City's fuel and car wash terminals.

RECOMMENDATION:

Staff recommends the acceptance of these 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.