



# City of San Antonio

## Agenda Memorandum

**File Number:** 14-1608

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**Agenda Item Number:** 9.

**Agenda Date:** 8/21/2014

**In Control:** City Council A Session

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**DEPARTMENT:** Finance

**DEPARTMENT HEAD:** Troy Elliott

**COUNCIL DISTRICTS IMPACTED:** City Wide

**SUBJECT:**

8/21/2014 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 \$2,803,000.00. 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. Galaxie Body Works, Inc. for Fire-Emergency Medical Services Vehicle Body Repair Service, \$70,000.00 annually (1 contract, Fire Department)
- B. Midwest Medical Supply, Co., LLC for Medical Supplies, \$2,511,000.00 annually (1 contract, Fire Department)
- C. Hertz Equipment Rental Corporation for Rental of Construction Equipment, \$222,000.00 annually (1 contract, Transportation and Capital Improvements Department)

**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:**

Galaxie Body Works, Inc. for Fire-Emergency Medical Services Vehicle Body Repair Service, \$70,000.00 annually, upon award through September 30, 2017 with two, one year renewal options - will provide Fire Emergency Medical Services (EMS) with vehicle body work repair parts and services. These parts and services are required by the SAFD Fleet Division to service 68 EMS units. These vehicles are utilized by the Fire Department's EMS Division to provide medical emergency and non-emergency assistance to the residents of San Antonio and to safely transport residents to hospitals throughout the city. Fire Department utilizes this contract to ensure safe and reliable operation of the EMS vehicles.

**Contract procured on the basis of public health or safety exemption:**

Midwest Medical Supply, Co., LLC for Medical Supplies, \$2,511,000.00 annually, upon award through September 30, 2017 with two, one year renewal options - will provide the San Antonio Fire Department, EMS Division with an annual contract for the purchase and delivery of medical supplies and equipment. These medical supplies and equipment are required to provide emergency services to the residents of San Antonio while en-route to/or while being transferred to an appropriate medical facility. An RFO was processed which allowed for brand specificity where required.

**Contract procured on the basis of cooperative purchasing:**

Hertz Equipment Rental Corporation for Rental of Construction Equipment, \$222,000.00 annually, upon award through December 31, 2017 with two, one year renewal options - will provide the Transportation and Capital Improvements, Parks and Recreation, and Police Departments with the rental of construction equipment. This equipment will be utilized for a variety of construction and maintenance projects including concrete repairs, road and street work excavations. This equipment will also augment existing equipment or to temporarily replace inoperable equipment. The solicitation for this proposed contract was issued on May 30, 2014 as an Invitation for Bid; however, a comparison of pricing with an existing US Communities awarded cooperative contract with Hertz Equipment Rental Corporation resulted in a better value to the City.

**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. Fire-Emergency Medical Services Vehicle Body Repair Service - 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 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.

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

B. Medical Supplies - 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 LPP was not applied.

The VOSBPP does not apply to goods/supplies contracts, so no preference was applied to this contract.

C. Rental of Construction Equipment - The SBEDA Ordinance requirements were waived due to the lack of qualified SMWBE's available to provide the goods and services.

This contract is an exception to the LPP.

The VOSBPP does not apply to goods/supplies contracts, so no preference was applied to this contract.

**ALTERNATIVES:**

A. Fire-Emergency Medical Services Vehicle Body Repair Service - Should this contract not be approved, the SAFD would be required to pay market prices for EMS vehicle body and repair services on an as needed basis where increased cost and service repair times would be realized. This could delay the return of EMS vehicles into operational status potentially leading to a decrease in the availability of emergency services to the citizens of San Antonio.

B. Medical Supplies - Should this contract not be approved, the Fire Department would be required to purchase medical supplies and equipment on an as needed basis. As a result, economies of scale associated with having a term contract in place would not be realized. In addition, the lack of a contract could affect the department's ability to properly address the medical needs of patients while being transported, potentially causing a public safety issue.

C. Rental of Construction Equipment - Should this contract not be approved, the City will be required to rent construction equipment on an as needed basis. Lack of contract could increase the time necessary to obtain rental equipment, thus negatively impacting completion of Transportation and Capital Improvements, Parks and Recreation and Police projects requiring construction equipment.

**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 estimated annual cost for the contracts listed on this ordinance is approximately \$2,803,000.00. Purchases made by the Department are as needed and dependent upon available funds within their adopted budget.

**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, public health or safety exemption, and cooperative purchasing and Contracts Disclosure Forms are not required.