



City of San Antonio

Agenda Memorandum

File Number:14-3514

Agenda Item Number: 7.

Agenda Date: 2/12/2015

In Control: City Council A Session

DEPARTMENT: Finance

DEPARTMENT HEAD: Troy Elliott

COUNCIL DISTRICTS IMPACTED: City Wide

SUBJECT:

02/12/2015 Annual Contracts

SUMMARY:

An ordinance awarding seven 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 \$1,163,000.00. 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. Fortiline Waterworks and EJ for Manhole Rings, Covers and Grates, \$494,000.00 annually, (2 contracts, Transportation and Capital Improvements Department)
- B. U.S. Standard Signs and Vulcan Inc., d/b/a Vulcan Aluminum/Vulcan Signs for Aluminum Signs, \$564,000.00 annually, (2 contracts, Transportation and Capital Improvements Department)
- C. SAT Radio Communications, LTD d/b/a Industrial Communications for Fire Decal Striping, \$18,000.00 annually; \$90,000.00 contract period (1 contract, Fire Department)
- D. Structural and Steel Products for Flex Beams and Guard Posts, \$45,000.00 annually; \$225,000.00 contract period (1 contract, Transportation and Capital Improvements Department)
- E. Chemsearch A Division of NCH Corporation for Water Treatment Services & Chemicals for Various BESD Locations, \$42,000.00 annually; \$126,000.00 contract period (1 contract, Building and Equipment Services 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.

Contracts procured on the basis of low bid:

A. Fortiline Waterworks and EJ for Manhole Rings, Covers and Grates, \$494,000.00 annually, upon award through June 30, 2018, with two, one year renewal options - will provide the Transportation and Capital Improvements Street Maintenance and Storm Water Operations Divisions with sewer and manhole road construction products for replacement and new installation of manhole rings, covers and grates at various locations throughout the City.

B. U.S. Standard Signs and Vulcan Inc., d/b/a Vulcan Aluminum/Vulcan Signs for Aluminum Signs, \$564,000.00 annually, upon award through June 30, 2018, with two, one year renewal options - will provide the Transportation and Capital Improvements Department Traffic Division with a contractor to furnish material to be used in the manufacturing of street name and regulatory aluminum signs to be utilized throughout the City.

C. SAT Radio Communications, LTD d/b/a Industrial Communications for Fire Decal Striping, \$18,000.00 annually; \$90,000.00 contract period, upon award through June 30, 2018 with two, one year renewal options - will provide the San Antonio Fire Department (SAFD) with a contractor to provide and install vehicle decals. These reflective automotive engineered decals will be placed on fire trucks and emergency vehicles to meet National Fire Protection Association (NFPA) 1901 regulations. Fire Department vehicles must be clearly identified in order to be in compliance with State law. Identification requirements include sides and back of the vehicle and all doors that emergency personnel use to enter or exit the vehicle. The decal purchases and installation services are intended for use by the SAFD Fleet Division. This contract will be utilized for decal application to new fire vehicle purchases and to maintain the SAFD's current fleet of 180 vehicles.

D. Structural and Steel Products for Flex Beams and Guard Posts, \$45,000.00 annually; \$225,000.00 contract period, April 1, 2015 through June 30, 2018 with two, one year renewal options - will provide the Transportation and Capital Improvements Department with a contractor that will furnish and deliver flex beams and guard posts. These items will be utilized for maintenance and repair of city highways, streets and bridges.

Contract procured on the basis of cooperative purchasing:

E. Chemsearch A Division of NCH Corporation for Water Treatment Services & Chemicals for Various BESD Locations, \$42,000.00 annually; \$126,000.00 contract period, upon award through March 31, 2017 - will provide the Building and Equipment Services Department with a contract for maintenance, services, and chemicals to support the industrial water treatment program for cooling and heating systems to include but not limited to: cooling towers, chillers, condensing units, heat exchangers and boilers.

This service will be utilized by the Emergency Operations Center, Public Safety Tech Center, Emergency Dispatch Center, City Hall, Cliff Morton Development Business Service Center, Municipal Plaza Building, Municipal Courts, Public Safety Headquarters, Traffic Building, Market Square, and Fire Training Academy to maintain operational efficiency of their cooling and heating systems.

This purchase is made in accordance with the Texas Local Government Purchasing Cooperative Passed on Ordinance 97097, dated 1/30/2003.

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. Manhole Rings, Covers and Grates - 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.

Fortiline Waterworks - In accordance with the Local Preference Program (LPP), no local preference was applied, since the local bidder is not within 3% of the recommended lowest non-local bidder.

EJ - The recommended award is to the lowest responsive bidder, who is also a local business. Therefore, application of the 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. Aluminum Signs - This contract is within the scope of the SBEDA Program. However, the Goal Setting Committee did not recommend a SBEDA tool be applied to this solicitation.

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. Fire Decal Striping - 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.

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

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

D. Flex Beams and Guard Posts - 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.

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.

E. Water Treatment Services & Chemicals for Various BESD Locations - 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.

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. Manhole Rings, Covers and Grates - Should this contract not be approved, the Transportation and Capital Improvements Street Maintenance and Storm Water Operations Divisions will have to spot purchase from various contractors on an as needed basis which may result in higher pricing and longer delivery times. This could potentially cause a public safety issue.

B. Aluminum Signs - Should this contract not be approved, the Transportation and Capital Improvements Department will be required to process individual procurements as needs arise. Therefore, processing requirements as spot-purchases will not realize the cost savings customarily associated with long-term agreements and delay the completion of on-going City projects.

C. Fire Decal Striping - Should this contract not be approved, the SAFD could potentially be out of compliance with the NFPA 1901 and State law requiring City owned vehicles to be clearly identified.

If this contract was not secured, the department could hire a person to manage this function. The department would have to invest in the technology and equipment to create the complex decals. This option is not cost effective; this alternative would be more costly than the contract total. A competitively bid and approved contract ensures managed costs over the contract term as well as consistency in the product and its application as well as compliance with NFPA 1901.

D. Flex Beams and Guard Posts - Should this contract not be approved, the Transportation and Capital Improvements Department will be required to purchase items from various contractors on an as needed basis which may result in higher pricing and affect delivery time. This could potentially cause a public safety issue if repairs of those items are not made in a timely manner.

E. Water Treatment Services & Chemicals for Various BESD Locations - Should this contract not be approved, City departments will have to process individual procurements as needs arise. However, this will affect the timeliness of preventive maintenance and repair services, and the City will not benefit from contract pricing.

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 seven 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 cooperative purchasing and Contracts Disclosure Forms are not required.