



# City of San Antonio

## Agenda Memorandum

**File Number:** 15-2100

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**Agenda Item Number:** 9.

**Agenda Date:** 4/30/2015

**In Control:** City Council A Session

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**DEPARTMENT:** Finance

**DEPARTMENT HEAD:** Troy Elliott

**COUNCIL DISTRICTS IMPACTED:** City Wide

**SUBJECT:**

4/30/15 Annual Contracts

**SUMMARY:**

An ordinance awarding four 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 \$417,000.00. 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. Nueces Power Equipment for Wirtgen Reclaimer & Milling Machine Parts and Service, \$64,000.00 annually (1 contract, Solid Waste Management and Transportation and Capital Improvements Departments)
- B. Global Technology Systems, Inc. for Two-Way Radio Batteries and Chargers, \$229,000.00 annually (1 contract, Police, Fire and Information Technology Systems Departments)
- C. Stanbio/EKF Diagnostics for HemoPoint H2 Cuvettes and Accessories for SAMHD, \$69,000.00 annually (1 contract, San Antonio Metro Health Department)
- D. UTEC for Lemco Crane Parts and Service, \$55,000.00 annually (1 contract, Solid Waste Management 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:**

A. Nueces Power Equipment for Wirtgen Reclaimer & Milling Machine Parts and Service, \$64,000.00 annually, upon award through September 30, 2018 with two, one year renewal options - will provide repair parts and service for Wirtgen Reclaimer and Milling machines utilized for recycling asphalt for street repairs by the Transportation and Capital Improvements Department in locations throughout the City. This contract will support approximately three units in the City's Fleet.

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

B. Global Technology Systems, Inc. for Two-Way Radio Batteries and Chargers, \$229,000.00 annually, upon award through June 30, 2017 with a one year renewal option - will provide the Information Technology Services Department (ITSD) with the purchase and delivery of two way radio batteries and chargers for radios utilized by the San Antonio Police and Fire Departments.

**Contracts procured on the basis of sole source:**

C. Stanbio/EKF Diagnostics for HemoPoint H2 Cuvettes and Accessories for SAMHD, \$69,000.00 annually, upon award through September 30, 2016 with two, one year renewal options - will provide the San Antonio Metro Health Department (SAMHD) with microcuvettes and accessories to be used in and with existing Hemopoint H2 meters. The microcuvettes and meters are used by the SAMHD for testing hemoglobin levels in determining eligibility for WIC Program benefits.

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.

D. UTEC for Lemco Crane Parts and Service, \$55,000.00 annually, upon award through September 30, 2018 with two, one year renewal options - will provide the Solid Waste Management Department, Fleet Services Division with parts and repair service for Lemco Crane equipment on an as-needed basis. The City has 17 sets of Lemco 8000C grapple arms that are installed on equipment used for brush and garbage collection.

These items are being purchased as Sole Source according to the provisions of Texas Statutes Local Government Code Chapter 252.022.07. No other source within a 50 mile radius 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:**

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. Wirtgen Reclaimer & Milling Machine Parts and Service - 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.

B. Two-Way Radio Batteries and Chargers - 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.

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.

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

C. HemoPoint H2 Cuvettes and Accessories for SAMHD - 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.

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.

D. Lemco Crane Parts and 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.

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. Wirtgen Reclaimer & Milling Machine Parts and Service - Should this contract not be approved, City departments will be required to procure parts and preventive maintenance on an as needed basis. Lack of a contract could result in delaying repairs, resulting in an inefficient and less cost effective method of servicing City owned equipment.

B. Two-Way Radio Batteries and Chargers - Should this contract not be approved, the public health and safety departments of the San Antonio Police and Fire Departments will have to utilize nickel cadmium batteries which do not meet an acceptable level of performance and do not provide service for the entire 8-24 hours of operation required by public safety responders.

C. HemoPoint H2 Cuvettes and Accessories for SAMHD - Should this contract not be approved, hemoglobin testing for WIC program benefits will not be available. In order to provide this testing, the Health Department would be required to procure these items on an as needed basis which could result in increased costs, due to the City not having a contract agreement.

D. Lemco Crane Parts and Service - Should this contract not be approved, the City will be required to purchase parts and service at open market pricing wherein increased cost due to non-contract pricing could be realized. This may also increase the down time of equipment, thus delaying timely completion of repairs.

**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 four 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 sole source and Contracts Disclosure Forms are not required.