



# City of San Antonio

## Agenda Memorandum

**File Number:** 15-4440

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**Agenda Item Number:** 5.

**Agenda Date:** 9/10/2015

**In Control:** City Council A Session

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**DEPARTMENT:** Finance

**DEPARTMENT HEAD:** Troy Elliott

**COUNCIL DISTRICTS IMPACTED:** City Wide

**SUBJECT:**

Annual Contract for Citywide Janitorial Supplies

**SUMMARY:**

An Ordinance authorizing a contract with Gulf Coast Paper Company to purchase and deliver janitorial supplies for the City for an estimated annual cost of \$1,300,000.00. The initial term of this contract is upon award through December 31, 2018 and includes two, one-year renewal options. No funds will be encumbered by this ordinance which provides for the procurement of janitorial supplies as required, based upon the Department's available budget.

**BACKGROUND INFORMATION:**

Submitted for City Council consideration and action are the bids submitted by Gulf Coast Paper Company for Hand Soaps & Sanitizers, Cleaning Equipment & Supplies and Cleaning Compounds & Chemicals. These contracts will provide the City with the purchase and delivery of janitorial supplies for use by City departments. Gulf Coast Paper Company will deliver orders on an as-needed basis, with a minimum of twice a week delivery.

In accordance with the Office of Sustainability's recommendations, this contract will include "Environmentally Preferred Products". These products shall have a lesser or reduced effect on human health and the environment when compared with competing products that serve the same purpose.

Based on the current pricing structure for janitorial supplies, the City will realize a savings of 16.86% on core items for Hand Soaps & Sanitizers, a savings of 9.6% for Cleaning Equipment & Supplies and a savings of 18.89% for Cleaning Compounds & Chemicals. These savings will favorably impact 80% of the projected

spend on these contracts. The balance of the projected spend will be from lower use items available through Gulf Coast Paper's catalog with one set discount per category.

**ISSUE:**

The City issued an Invitation for Bid (IFB) for an "Annual Contract for Citywide Janitorial Supplies" (IFB 6100006046) on May 14, 2015 and fourteen bids were received on June 17, 2015. Five bids were evaluated for Hand Soaps & Sanitizers, 6 bids were evaluated for Cleaning Equipment & Supplies and 5 bids were evaluated for Cleaning Compounds & Chemicals. Staff recommends acceptance of the low responsive bids from Gulf Coast Paper Company for all three categories.

A comprehensive evaluation of all bids received was conducted by Purchasing staff to determine the overall lowest responsive bidder. The first step was to review bids in an effort to determine their compliance with the IFB requirements which resulted in six bids being rejected for material deviations to the IFB requirements. The second step was to perform an analysis of the two IFB pricing sections. First, staff evaluated discounts submitted for specified janitorial supply categories contained in the bidders' published catalog. Second, pricing was analyzed for the high volume janitorial supplies purchased by the City. Due to the larger volume, bidders were given the opportunity to provide deeper discounts for these core items versus the remaining items contained in the specified janitorial supply categories. All discounts must remain fixed for the duration of the contract term.

This contract is within the scope of the SBEDA Program. However, due to lack of subcontracting opportunities, the Goal Setting Committee did not apply a SBEDA tool to this contract.

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.

**ALTERNATIVES:**

Should this contract not be approved, the City would be required to purchase janitorial supplies as needs arise thereby negating the price advantage associated with consolidating the City's purchasing power through one vendor. Establishing contracts based upon catalog discounts will secure substantial volume discounts up to 74% of the published prices for high volume janitorial supplies.

**FISCAL IMPACT:**

The estimated annual cost for this contract is \$1,300,000.00. No funds are encumbered by this ordinance which provides for the procurement of specified janitorial supplies as required, based upon the Department's available budget.

**RECOMMENDATION:**

Staff recommends the approval of contracts with Gulf Coast Paper Company to provide the City with the purchase and delivery of janitorial supplies for an estimated annual cost of \$1,300,000.00.

This contract is procured by means of a low bid and a Contracts Disclosure Form is not required.