



City of San Antonio

Legislation Details (With Text)

File #: 13-846

Type: Purchase - Annual Contract

In control: City Council A Session

On agenda: 11/7/2013

Title: An Ordinance authorizing the following contracts establishing unit prices for goods and services for an estimated annual cost of \$2,082,000.00: (A) HD Supply Facilities Maintenance, Ltd. for maintenance, repair and operating supplies, (B) Grande Truck Center for Sterling Parts & Service, (C) Genuine Parts Co., Safeway Supply Inc. and Full Service Auto Parts for automotive shop supplies, (D) Kelly-Moore Paint Co. for recycled paint, (E) Air Jireh Services, Air Kon Service, Inc. and Tamez Refrigeration and Air Conditioning for preventive maintenance and repair services of HVAC systems citywide, (F) Cengage Learning for Gale online subscriptions and hosting services, (G) Kidde Fire Trainers for structural FireTrainer T-2000 maintenance and support services and (H) HD Supply Facilities Maintenance, Ltd. for janitorial supplies. [Ben Gorzell, Chief Financial Officer; Troy Elliott, Director, Finance]

Sponsors:

Indexes:

Code sections:

Attachments: 1. 11-7-13 TOC.pdf, 2. 6100002620 MRO CSS.pdf, 3. 6100002620 MRO Bid Tab.pdf, 4. 6100003264 Sterling Parts and Service - CSS .pdf, 5. 6100003264 Sterling Parts and Service Bid Tab.pdf, 6. 6100003286 Automtotive Shop Supplies CSS.pdf, 7. 6100003286 Automotive Shop Supplies Bid Tab.pdf, 8. 6100003301 Recycled Paint CSS.pdf, 9. 6100003301 Recyled Paint Bid Tab.pdf, 10. 6100003196 HVAC CSS.pdf, 11. 6100003196 HVAC Bid Tab.pdf, 12. 6100003247 Gale Online Subscriptions CSS.pdf, 13. 6100003247 Gale Online Subscriptions Bid Tab.pdf, 14. 6100003407 Structural FireTrainer CSS.pdf, 15. 6100003407 Structural FireTrainer Bid Tab.pdf, 16. 6100001156 MRO Janitorial Supplies CSS.pdf, 17. 6100001156 MRO Janitorial Services Tab.pdf, 18. COE - 6100003247 Gale Online Subscriptions and Hosting.pdf, 19. COE - 6100003407 FireTrainer Maintenance and Support Services.pdf, 20. Draft Ordinance, 21. Ordinance 2013-11-07-0737

Date	Ver.	Action By	Action	Result
11/7/2013	1	City Council A Session		

DEPARTMENT: Finance

DEPARTMENT HEAD: Troy Elliott

COUNCIL DISTRICTS IMPACTED: All

SUBJECT:

11/07/2013 Annual Contracts

SUMMARY:

An ordinance awarding twelve 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 \$2,082,000.00. 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. HD Supply Facilities Maintenance, Ltd. for Maintenance, Repair and Operating Supplies, \$800,000.00 annually (1 contract, Citywide)
- B. Grande Truck Center for Sterling Parts & Service, \$150,000.00 annually (1 contract, Building and Equipment Services Department)
- C. Genuine Parts Co., Safeway Supply Inc. and Full Service Auto Parts for Automotive Shop Supplies, \$57,000.00 annually (3 contracts, Building and Equipment Services Department)
- D. Kelly-Moore Paint Co. for Recycled Paint, \$50,000.00 annually (1 contract, Development Services Department)
- E. Air Jireh Services, Air Kon Service, Inc. and Tamez Refrigeration and Air Conditioning for Preventive Maintenance and Repair Services of HVAC Systems Citywide, \$507,000.00 annually (3 contracts, Fire, Department for Culture and Creative Development and Building and Equipment Services Department)
- F. Cengage Learning for Gale Online Subscriptions and Hosting Services, \$95,000.00 year one; \$565,000.00 contract period (1 contract, Library)
- G. Kidde Fire Trainers for Structural FireTrainer T-2000 Maintenance and Support Services, \$23,000.00 annually; \$114,000.00 contract period (1 contract, Fire)
- H. HD Supply Facilities Maintenance, Ltd. for Maintenance, Repair and Operating Supplies (Janitorial Supplies), \$400,000.00 annually (1 contract, Citywide)

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:

Maintenance, Repair and Operating Supplies, \$800,000.00 annually, upon award through December 31, 2016 with two, one year renewal options - will provide the City departments with one supplier to provide maintenance, repair and operating (MRO) supplies for the City of San Antonio. The contract will be utilized by City departments to access online ordering through vendor's website, which is integrated into the City's electronic procurement system for plumbing supplies, heating, ventilation, and air conditioning/refrigeration (HVAC) supplies, swimming pool supplies, motors and accessories, hardware, outdoor garden supplies, paint and accessories, hand tools, power tools, and appliances for delivery within 2 days of order placement. All items under these contracts are discounted off the lowest published catalog price. This contract will be utilized by city departments to provide MRO supplies for repairs and maintenance to assist with operational needs. The HD Supply catalog contains over 27,000 items and represents products from over 750 suppliers.

The use of the “punch-out” to the HD Supply Facilities Maintenance catalog through the City’s electronic procurement system (SAePS) ensures a reliable and efficient process for City departments to use with consistently applied contractual discount pricing. HD Supply Facilities Maintenance maintains a 96% fill ratio of orders placed online. The HD Supply Facilities Maintenance contract rebate structure provides a 2% quarterly rebate based on all net purchases.

Sterling Parts & Service, \$150,000.00 annually, upon award through December 31, 2016 with two, one year renewal options - will provide the Building and Equipment Services (BES) Department, Fleet Services Division with parts and service for Sterling medium to heavy duty trucks utilized for pulling trailers, grapplers and brush trailers, etc. Currently, the City has approximately 110 Sterling trucks in the City’s fleet. This contract will be monitored by the BES, Fleet Services Division for maintenance and repairs of Sterling trucks utilized by the Department of Public Works and Solid Waste Management Departments.

Automotive Shop Supplies, \$57,000.00 annually, upon award through December 31, 2013 with two, one year renewal options - will provide the Building and Equipment Services (BES) Department, Fleet Services Division and various other City departments with a contract for automotive shop supplies for maintenance of City owned vehicles.

Recycled Paint, \$50,000.00 annually, upon award through September 30, 2016 with two, one year renewal options - will provide the Development Services Department, Code Enforcement Services Division with recycled paint in 5 gallon containers as needed. The recycled paint will be available in specific colors, and consisting of a minimum of 50% post consumer waste content, in compliance with the City of San Antonio Green Initiative. The recycled paint will be used to paint over graffiti on retaining walls, walkways, underpasses and chronically tagged privacy fences.

Contract procured on the basis of low qualifying bid:

Preventive Maintenance and Repair Services of HVAC Systems Citywide, \$507,000.00 annually, upon award through September 30, 2015 with two, one year renewal options - will provide the Building and Equipment Services Department, San Antonio Police Department, San Antonio Fire Department, Department of Human Services, San Antonio Metropolitan Health Department, Municipal Courts, Solid Waste Management Department, Department for Culture and Creative Development with a contract for preventive maintenance and repair services of heating, ventilation, and air conditioning (HVAC) equipment. Regularly scheduled preventive maintenance and repair services are required to maintain peak operational efficiencies while extending the life cycle of the equipment.

Authorization of these contracts will provide the City with contractors licensed by the Texas Department of Licensing and Regulation to provide preventive maintenance and repair services for the HVAC systems currently in operation at various City departments. Services to be provided in this contract include preventive maintenance on HVAC package units and split systems ranging from 1 ½ to 15 tons.

Contracts procured on the basis of sole source:

Gale Online Subscriptions and Hosting Services, \$95,000.00 year one; \$565,000.00 contract period, upon award through June 30, 2014 with four, one year renewal options - will provide the San Antonio Public Library with online database subscriptions and hosting services at Central and all branch libraries. The databases offer a wide variety of research topics used extensively by our diverse community. The contract provides for the continuation of the following online database subscriptions: Career Transitions, Gale Opposing Viewpoints In Context, Chilton Library, Gale Biography In Context, Legal Forms, and Small Business Resource Center.

These items are being procured 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.

Structural FireTrainer T-2000 Maintenance and Support Services, \$23,000.00 annually; \$114,000.00 contract period - will provide the Fire Department with planned maintenance and support services of the Structural FireTrainer T-2000 training simulator installed at the Fire Training Academy. The training simulator is utilized to provide realistic, controllable fire training for fire cadets, incumbent firefighters and personnel from other city or agency fire departments. Total cost includes any preventive maintenance replacement parts required to ensure the system is maintained in a fully operational state.

Amendment:

Maintenance, Repair and Operating Supplies (Janitorial Supplies), \$400,000.00 annually, November 10, 2013 through July 31, 2014 - amendment to City approved Ordinance 2013-05-10-0319 awarded to HD Supply Facilities Maintenance, Ltd., will extend the term of existing contract through July 31, 2014. The contract will provide continued coverage for janitorial supplies, a category of the maintenance, repair and operating (MRO) supplies cooperative contract. The City may terminate this contract for convenience with 10 days notice.

The City issued a competitive solicitation to establish an annual contract for Janitorial Supplies in July 2012. Upon evaluation of bids received and the published specifications a decision was made to re-issue the bid. In September 2013, the City resolicited the Janitorial Supplies contract. Sixteen responses were received and are currently under evaluation.

On May 10, 2013, City Council approved and issued Ordinance 2013-05-10-0319 authorizing the City to execute a six month contract for the MRO supplies to be utilized citywide which will expire on November 9, 2013. In order to continue to provide janitorial supplies to departments while the City completes its assessment of the 16 janitorial supply bids, it is necessary to extend the current contract.

The HD Supply Facilities Maintenance contract allows access to products in stock and ready to ship on a same or next day basis with no delivery charges. All items under this contract are discounted off the lowest published catalog price. Moreover, this contract provides for a customized San Antonio specific catalog that will interface with the City's electronic procurement system (SAePS). The use of the "punch-out" to the HD Supply Facilities Maintenance catalog through SAePS ensures a reliable and efficient process for City departments to use at with consistently applied contractual discount pricing. HD Supply Facilities Maintenance maintains a 96% fill ratio of orders placed online.

This purchase is made in accordance with the U.S. Communities cooperative program passed on Ordinance 98797 dated 2/14/2004.

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.

Maintenance, Repair and Operating Supplies - This contract is within the scope of the Small Business Economic Development Advocacy (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 (LPP) was not applied.

Sterling Parts & Service - The SBEDA Ordinance requirements were waived due to the lack of qualified SMWBE's available to provide the goods and services.

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

Automotive Shop Supplies - 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 the lowest responsive bidder, who is also a local business. Therefore application of the LPP was not required.

Recycled Paint - 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.

Preventive Maintenance and Repair Services of HVAC Systems Citywide - This contract will be awarded in compliance with the SBEDA Program, which requires contracts be reviewed by a Goal Setting Committee to establish a requirement and/or incentive unique to the particular contract in an effort to maximize the amount of small, minority, and women-owned business participation on the contract. The Goal Setting Committee set a 22% Small Business Enterprise (SBE) subcontracting goal and a 17% Minority/Women Business Enterprise (M/WBE) subcontracting goal. Air Jireh Services, Air Kon Services, Inc., and Tamez Refrigeration and Air Conditioning have committed to 22% SBE and 17% M/WBE subcontractor participation.

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

Air Kon Service, Inc. - 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.

Tamez Refrigeration and Air Conditioning - The recommended award is to the lowest responsive bidder, who is also a local business. Therefore application of the LPP was not required.

Gale Online Subscriptions and Hosting Services - This contract is exempt from competitive bidding and is excluded from the scope of the SBEDA program.

Recommended award is an exception to the LPP.

Structural FireTrainer T-2000 Maintenance and Support Services - This contract is exempt from competitive bidding and is excluded from the scope of the SBEDA Program.

Recommended award is an exception to the LPP.

Maintenance, Repair and Operating Supplies (Janitorial 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.

The LPP does not apply to this contract since it was solicited prior to May 1, 2013, the effective date of the program.

ALTERNATIVES:

Maintenance, Repair and Operating Supplies - Should this contract not be approved, City departments will be required to procure materials and services on an as needed basis. The City could lose the pricing advantage afforded through a competitively bid contract. While the items could be solicited individually, the department's budget could be negatively impacted through price variations and longer delivery lead times.

Sterling Parts & Service - Should this contract not be approved, the BES Department, Fleet Services Division will be required to procure parts and labor on an as needed basis. The City could lose the pricing advantage that is available through a competitively bid annual contract that affords volume discounts. Furthermore, the department's budget could be negatively impacted through continuous price variations.

Automotive Shop Supplies - Should this contract not be approved, the BES Department, Fleet Services Division will be required to procure parts and labor on an as needed basis. The City could lose the pricing advantage that is available through a competitively bid annual contract that affords volume discounts. Furthermore, the department's budget could be negatively impacted through continuous price variations.

Recycled Paint - Should this contract not be approved, the City would be required to purchase recycled paint on an as needed basis, where increased costs due to non-contract purchasing could be realized and cause a delay in the delivery timeline.

Preventive Maintenance and Repair Services of HVAC Systems Citywide - Should these contracts not be approved, City departments' operational activities would be unfavorably impacted. The departments will be required to procure services on an as needed basis which could lead to inconsistent pricing, service, and delay in reactionary response time to maintenance and repair requests.

Gale Online Subscriptions and Hosting Services - Should this contract not be approved, the Library would revert to print materials, where available. Print materials are, in most cases, becoming the least desirable form of research. Most library patrons prefer doing research online.

Structural FireTrainer T-2000 Maintenance and Support Services - Should this contract not be approved, routine maintenance and support services for the training simulator would no longer be provided. The lack of regularly scheduled support conducting system checks may increase the likelihood of an increase in unplanned corrective maintenance requirements and the system becoming inoperable.

Maintenance, Repair and Operating Supplies (Janitorial Supplies) - Should this contract not be approved, City departments will be required to procure janitorial supplies and associated equipment on an as needed basis, thus the City could lose the pricing advantage afforded through cooperative bidding. While the items could be solicited individually, the department's budget could be negatively impacted through price variations and longer delivery lead times.

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 combined estimated cost for the contracts listed on this ordinance is approximately \$2,082,000.00. Purchases made by the Departments are as needed and dependent upon available funds within their adopted budgets.

RECOMMENDATION:

Staff recommends the acceptance of twelve 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, low qualifying, sole source and amendment and Contract Disclosure Forms are not required.