



City of San Antonio

Legislation Details (With Text)

File #: 14-599

Type: Purchase - Annual Contract

In control: City Council A Session

On agenda: 4/10/2014

Title: An Ordinance authorizing the following contracts establishing unit prices for goods and services for an estimated annual cost of \$488,000.00: (A) Intervet, Inc. d/b/a Merck Animal Health for pet microchip implants with optional registration, (B) Gateway Safety Products for red burning flares, and (C) Altus Traffic Management, LLC for rental of barricades. [Ben Gorzell, Chief Financial Officer; Troy Elliott, Director, Finance]

Sponsors:

Indexes:

Code sections:

Attachments: 1. 4-10-14 TOC, 2. 6100003822 Microchips CSS, 3. 6100003822 Microchips Bid Tab, 4. 6100004082 Flares CSS, 5. 6100004082 Flares Bid Tab, 6. 6100003848 Barricades CSS, 7. 6100003848 Barricades Bid tab, 8. Draft Ordinance, 9. Ordinance 2014-04-10-0222

Date	Ver.	Action By	Action	Result
4/10/2014	1	City Council A Session	adopted	Pass

DEPARTMENT: Finance

DEPARTMENT HEAD: Troy Elliott

COUNCIL DISTRICTS IMPACTED: All

SUBJECT:
04/10/2014 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 \$488,000.00. 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. Intervet, Inc. d/b/a Merck Animal Health for Pet Microchip Implants with Optional Registration, \$62,000.00 annually (1 contract, Animal Care Services)

B. Gateway Safety Products for Red Burning Flares, \$176,000.00 annually (1 contract, Police, Fire, Aviation Police and Park Police)

C. Altus Traffic Management, LLC for Rental of Barricades, \$250,000.00 annually (1 contract, Transportation and Capital Improvements)

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. Pet Microchip Implants with Optional Registration, \$62,000.00 annually, upon award through September 30, 2015 with two, one year renewal options - will provide Animal Care Services (ACS) with a supplier for the purchase and delivery of registered microchips. These items are utilized as a permanent form of licensing and as a way to identify animals in the event they become lost or stolen.

B. Red Burning Flares, \$176,000.00 annually, upon award through June 30, 2017 with two, one year renewal options - will provide the San Antonio Police and Fire Departments, Aviation Police and Park Police with a vendor to provide red burning flares. These flares are utilized by the departments for traffic control at various public safety incidents, such as oncoming lane closures or traffic accidents.

C. Rental of Barricades, \$250,000.00 annually, upon award through June 30, 2017 with two, one year renewal options - will provide the City of San Antonio with a contractor for the rental, delivery and pickup of traffic barricades, variable message boards, flashers and signs to be utilized by the Transportation and Capital Improvements, Convention and Sports Facilities, Police and Downtown Operation Departments. The barricades will be used at construction sites, parades and special events, including several Fiesta events (i.e. NIOSA, Market Square, etc.) and Alamodome events along various streets at various times. All barricades, signs and warning signs conform to the latest edition of the (Texas) Manual on Uniform Traffic Control Devices (TMUCD) for Streets and Highways, as modified by the City of San Antonio.

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. Pet Microchip Implants with Optional Registration - 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.

There were no bids submitted from local bidders for this contract; therefore, the Local Preference program was not applied.

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

B. Red Burning Flares - The SBEDA Ordinance requirements were waived due to the lack of qualified

S/M/WBE vendors available to provide the required goods and services.

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

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

C. Rental of Barricades - This contract will be awarded in compliance with the Small Business Economic Development Advocacy (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 10% Small Business Enterprise (SBE) subcontracting goal. Altus Traffic Management, LLC has committed to 10% SBE subcontractor participation.

The Local Preference Program does not apply to non-professional service contracts of \$500,000 or more, so no preference was applied to this contract.

The Veteran-Owned Small Business Preference Program does not apply to this contract since it was solicited on or prior to January 15, 2014, the effective date of the program; however, the VOSB Preference Program does not apply to goods/supplies contracts.

ALTERNATIVES:

A. Pet Microchip Implants with Optional Registration - Should this contract not be approved, requirements for microchips would be procured by the ACS Department as needs arise. However, establishing a requirements supply contract will not just allow the ACS Department to achieve economies of scale by aggregating long-term demands but will also reduce the administrative costs associated with soliciting small, repetitive and frequent purchases.

B. Red Burning Flares - Should this contract not be approved, the San Antonio Police and Fire Departments, Aviation Police and Park Police would be required to purchase flares as supplies are depleted. Without a contract, the San Antonio Police and Fire Departments, Aviation Police and Park Police could experience inconsistent pricing and potential delivery delays which could negatively impact the ability to safely alert motorists of upcoming lane closures or traffic accidents.

C. Rental of Barricades - Should this contract not be approved, City departments will have to solicit informal quotes on an event by event basis which may cause higher pricing and jeopardize the availability of barricades and related services. Additionally, the availability of barricades could not be guaranteed which may jeopardize public safety during extreme weather conditions.

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 \$488,000.00. 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 and Contracts Disclosure Forms are not required.