



# City of San Antonio

## Legislation Details (With Text)

**File #:** 20-5595

**Type:** Purchase - Annual Contract

**In control:** City Council A Session

**On agenda:** 11/5/2020

**Title:** Ordinance approving the following contracts establishing unit prices for goods and services for an estimated annual cost of \$473,000.00, included in the respective department's FY 2021 Adopted Budget:  
(A) Ergon Asphalt & Emulsions, Inc., for asphalt, oil and emulsion;  
(B) Petroleum Solutions, Inc., dba JF Petroleum Group, for tank level sensing and leak detection parts and service;  
(C) Swarco Reflex LLC for Aviation glass beads;  
(D) HD Supply Construction Supply LTD for bagged Portland and masonry cement and ready mix concrete; and  
(E) Oxford Immunotec USA, Inc., for TB test kits and supplies.  
[Ben Gorzell, Chief Financial Officer; Troy Elliott, Deputy Chief Financial Officer, Finance]

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. Table of Contents, 2. Contract Summary Sheet, Ergon Asphalt & Emulsions, Inc., 3. Bid Tab - Asphalt, Oil & Emulsions, 4. Contract Summary Sheet, Petroleum Solutions, Inc. dba JF Petroleum Group, 5. Bid Tab - Tank Level Sensing & Leak Detection Parts & Service, 6. Contract Summary Sheet, Swarco Reflex LLC, 7. Bid Tab - Aviation Glass Beads, 8. Contract Summary Sheet, HD Supply Construction Supply LTD, 9. Bid Tab - Bagged Portland, Masonry & Ready Mix Concrete, 10. Contract Summary Sheet, Oxford Immunotec USA, Inc., 11. Bid Tab - TB Test Kits & Supplies, 12. Certificate of Exemption, 13. Draft Ordinance, 14. Ordinance 2020-11-05-0780

Date	Ver.	Action By	Action	Result
11/5/2020	1	City Council A Session		

**DEPARTMENT:** Finance

**DEPARTMENT HEAD:** Troy Elliott

**COUNCIL DISTRICTS IMPACTED:** Citywide

**SUBJECT:**

11/05/2020 Annual Contracts

**SUMMARY:**

An ordinance awarding five contracts to provide the City with commodities and services on an annual basis for

the term of the contract, for an estimated annual cost of \$473,000.00. This ordinance provides the procurement of the following items, as needed, and dependent on the Department's available budget, for the term of the contract:

A. Ergon Asphalt & Emulsions, Inc. for Asphalt, Oil and Emulsion, \$177,000.00 annually (1 contract, Public Works Department)

B. Petroleum Solutions, Inc. dba JF Petroleum Group for Tank Level Sensing and Leak Detection Parts and Service, \$40,000.00 annually; \$200,000.00 contract period (1 contract, Building & Equipment Services)

C. Swarco Reflex LLC for Aviation Glass Beads, \$37,000.00 annually; \$185,000.00 total contract value (1 contract, Aviation)

D. HD Supply Construction Supply LTD for Bagged Portland, Masonry & Ready Mix Concrete, \$64,000.00 annually (1 contract, Public Works)

E. Oxford Immunotec USA, Inc. for TB Test Kits and Supplies, \$155,000.00 annually (1 contract, San Antonio Metropolitan Health District)

## **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. Ergon Asphalt & Emulsions, Inc. for Asphalt, Oil and Emulsion, \$177,000.00 annually, upon award through December 31, 2023, with two, one-year renewal options - will provide the Public Works Department with asphalt, oil and emulsion for the construction and repair of City streets. These materials will be utilized in various applications for the Street Maintenance Program (mill and overlay, base and pavement repairs, reclamation and pothole patching).

B. Petroleum Solutions, Inc. dba JF Petroleum Group for Tank Level Sensing and Leak Detection Parts and Service, \$40,000.00 annually; \$200,000.00 contract period, January 1, 2021 through December 31, 2023 with two, one-year renewal options - will provide the City of San Antonio with maintenance and repair services for the Veeder Root Monitoring System. The contract will be utilized by Building and Equipment Services Department for support of approximately 17 fuel monitoring locations. The Veeder-Root Monitoring System monitors the tank levels and detects any leakage of petroleum products consisting of unleaded gasoline, diesel, new motor oil, and waste oil.

C. Swarco Reflex LLC for Aviation Glass Beads, 37,000.00 annually; \$185,000.00 total contract value, upon award through December 31, 2023 with two, one-year renewal options - will provide glass beads for the Aviation Department. The glass beads shall be Federal Aviation Administration approved and shall be clear, colorless, and clean, and of such character as to permit embedment in a pigmented binder with its upper surface exposed to permit the refracting of light rays to be able to improve visibility and safety of airport runway/taxiway traffic markings.

D. HD Supply Construction Supply LTD for Bagged Portland, Masonry & Ready Mix Concrete, \$64,000.00 annually; upon award through September 30, 2023 with two, one-year renewal options - will provide the Public Works Department, Traffic Division with a contractor to supply bagged Portland, masonry and ready mix concrete for use in the installation of sign posts and foundations for traffic control devices throughout the City.

**Sole Source:**

E. Oxford Immunotec USA, Inc. for TB Test Kits and Supplies, \$155,000.00 annually, upon award through September 30, 2021, with no renewal options - will provide the Laboratory Services Division of the San Antonio Metropolitan Health District (SAMHD) with the purchase and delivery of Tuberculosis (TB) test kits and supplies used to perform T-Spot interferon gamma releasing assays (IGRA) in support of routine Chest Clinic operations, 1115 TB Waiver Grant activities and external clinical clientele to screen for mycobacterium tuberculosis (MTB) exposures. The SAMHD Laboratory is specifically accredited to perform T-Spot TB testing by the Clinical Laboratory Improvement Amendments (CLIA), the regulatory body governing standards for all clinical laboratories.

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.

**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. Asphalt, Oil and Emulsion - The Small Business Economic Development Advocacy (SBEDA) Ordinance requirements were waived due to the lack of small, minority, and/or women businesses available to provide these goods and services.

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

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

B. Tank Level Sensing and Leak Detection Parts and Service - The Small Business Economic Development Advocacy (SBEDA) Ordinance requirements were waived due to the lack of small, minority, and/or women businesses available to provide these goods and services.

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.

C. Aviation Glass Beads - 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.

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.

D. Bagged Portland, Masonry & Ready Mix Concrete - The Small Business Economic Development Advocacy (SBEDA) Ordinance requirements were waived due to the lack of small, minority, and/or women businesses available to provide these goods and services.

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

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

E. TB Test Kits and Supplies -

This contract is an exception to the SBEDA and Local Preference Programs.

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

## **ALTERNATIVES:**

A. Asphalt, Oil and Emulsion - Should this contract not be approved, the Public Works Department will be required to procure materials on an as needed basis which could lead to fluctuating material cost, delay in availability for department pick up and environmental impact fees.

B. Tank Level Sensing and Leak Detection Parts and Service - Should this contract not be approved, the City of San Antonio would be required to solicit quotes on an as needed basis, potentially resulting in increased costs and service delays for City fuel monitoring locations.

C. Aviation Glass Beads - Should this contract not be approved, the Aviation Department will be required to process individual procurements to provide glass beads on an as-needed basis. Procuring outside of a contract will likely result in negative impacts on the timeliness, efficiency and cost of procuring the required glass beads.

D. Bagged Portland, Masonry & Ready Mix Concrete - Should this contract not be approved, the Traffic Division will be required to process individual procurements on an as needed basis which may delay the delivery requirements. The department will not realize cost savings customarily associated with long-term agreements.

E. TB Test Kits and Supplies - Should this contract not be approved, the SAMHD will no longer sustain TB infectious disease surveillance efforts. This will result in the loss of State and Federal funding that directly supports local public health program initiatives to identify new TB infections, direct patients into care and treatment, and prevent further spread of infection. Local cessation of these programs is contrary to current CDC/NIH/WHO public health practices for large metropolitan areas.

**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 these 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 sole source, and Contract Disclosure Forms are not required.