



City of San Antonio

Agenda Memorandum

File Number:16-1030

Agenda Item Number: 8.

Agenda Date: 2/11/2016

In Control: City Council A Session

DEPARTMENT: Finance

DEPARTMENT HEAD: Troy Elliott

COUNCIL DISTRICTS IMPACTED: CityWide

SUBJECT:

2/11/2016 Annual Contracts

SUMMARY:

An ordinance awarding eight contracts to provide the City with commodities and services on an annual basis for the terms of the contract, for an estimated annual cost of \$5,451,000.00. This ordinance provides the procurement of the following items, as needed, and dependent on the Department's available budget, for the terms of the contract:

- A. Arguindegui Oil Company, Arnold Oil Company, Genuine Parts Company and Hays City Corp., dba Tex-Con Oil Co. for Lubricants, \$832,000.00 annually
(4 contracts, Solid Waste Management, BES, Fire and Aviation Departments)
- B. Oxford Immunotec, Inc. for TB Test Kits and Supplies, \$150,000.00 annually
(1 contract, Health Department)
- C. Bound Tree Medical, LLC and Life-Assist, Inc. for EMS Medications & Equipment, \$3,700,000.00 annually
(2 contracts, San Antonio Fire Department)
- D. T & W Tire for Amendment III to Emergency Tires, \$769,000.00 annually, extension to initial term of contract (1 contract, San Antonio Fire 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. Arguindegui Oil Company, Arnold Oil Company, Genuine Parts Company and Hays City Corp., dba Tex-Con Oil Co. for Lubricants, \$832,000.00 annually, upon award through March 31, 2019 with two, one year renewal options - will provide the purchase and delivery of automotive oil, grease, and lubricants for use by various City departments to support a fleet of approximately 5,025 vehicles and equipment.

Contract procured on the basis of sole source:

B. Oxford Immunotec, Inc. for TB Test Kits and Supplies, \$150,000.00 annually, upon award through December 31, 2016, with two, one year 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. T-Spot TB test from Oxford Immunotec is a proprietary test that is one of two FDA approved test methods in the United States for screening a patient's blood to determine previous tuberculosis exposure. SAMHD has made significant investments in infrastructure, equipment and personnel to utilize the T-Spot TB tests from Oxford Immunotec to support testing activities.

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.

Contracts procured on the basis of public health and safety exemption:

C. Bound Tree Medical, LLC and Life-Assist, Inc. for EMS Medications & Equipment, \$3,700,000.00 annually, upon award through June 30, 2019 with two, one year renewal options - will provide the San Antonio Fire Department with medications and pre-filled disposable syringes in accordance with the specifications listed herein. These medicines will be utilized by the San Antonio Fire Department, Emergency Medical Services technicians, to treat patients. This contract term will provide unit pricing for specified items along with fixed catalog discount pricing of an indefinite quantity of medical supplies to be purchased on an "as needed" basis by the Emergency Medical Services (EMS) Division of the San Antonio Fire Department.

Amendment:

D. T & W Tire for Amendment III to Emergency Tires, \$769,000.00 annually, extension to initial term of contract December 5, 2013 through March 31, 2019 - will provide the City of San Antonio Fire Department with an extension to the initial term of the contract to March 31, 2019. The City shall have the option to renew this contract on the same terms and conditions for a renewal period that is consistent with any renewal of the TXMAS contract# TXMAS-15-23V02 exercised by the State of Texas.

This Texas Multiple Award Schedule (TXMAS) contract is renewed on the date that the governmental entity

that awarded the underlying contract exercises any renewal options. All State of Texas terms and conditions will continue and apply to all renewal periods by mutual agreement. The contractor has certified that the prices reflected in the contractor's catalog are the same as the prices contained in the most current modification to the underlying contract.

Purchase of the tires and service will continue annually as previously approved by City Council through Ordinance 2013-12-05-0836.

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. Lubricants - This contract is within the scope of the Small Business Economic Development Advocacy (SBEDA) Program. However, the requirements were waived due to the lack of qualified S/M/WBE vendors available to provide the required goods and services.

The recommended award for items 1e, 2i, and 2o is in accordance with the Local Preference Program and will result in an additional estimated annual cost to the City of \$1,971.00.

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.
(Items 2a, 2b, 2g, 3a, 3c, 3d, 4e)

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.
(Items 1a, 1b, 1c, 1d, 1f, 1g, 2c, 2d, 2e, 2f, 2h, 2j, 2k, 2l, 2m, 2n, 3b, 4a, 4b, 4c, 4d, 4f, 4g, 4h, 4i, 4j, 4k, 4l, 4m)

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

B. TB Test Kits and Supplies - This contract is exempt from competitive bidding and is excluded from the SBEDA program.

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 good/supplies contracts, so no preference was applied to this contract.

C. EMS Medications & Equipment - Due to the lack of small, minority, and/or women businesses available to provide these goods, the SBEDA Program did not apply to this solicitation.

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.

D. Amendment III to Emergency Tires - Due to the lack of small, minority, and/or women businesses available to provide these goods, the SBEDA Program did not apply to this solicitation.

The recommended award is an exception to the Local Preference Program.

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.

ALTERNATIVES:

A. Lubricants - Should this contract not be approved, the City will not have a reliable and continuous supply of automotive oil, grease, and lubricants necessary to keep the City's fleet of vehicles and equipment at peak performance.

B. 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.

C. EMS Medications & Equipment - Should this contract not be approved, the San Antonio Fire Department would have to procure pharmaceuticals and equipment on an as-needed basis. This may increase the cost of pharmaceuticals and delay in providing services to the citizens.

D. Amendment III to Emergency Tires - Should this amendment not be approved, the existing contract will expire on 5/31/2016. The Fire Department will be required to procure tires and labor on an as needed basis. The City could lose the pricing advantage that is available through a cooperative contract that affords volume discounts. Furthermore, the department's budget could be negatively impacted through continuous price variations.

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 eight 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, sole source, public health & safety exemption and contract amendment and Contract Disclosure Forms are not required.