



City of San Antonio

Agenda Memorandum

File Number:16-2382

Agenda Item Number: 5.

Agenda Date: 5/5/2016

In Control: City Council A Session

DEPARTMENT: Finance

DEPARTMENT HEAD: Troy Elliott

COUNCIL DISTRICTS IMPACTED: CityWide

SUBJECT:

5/5/2016 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 contract, for an estimated annual cost of \$892,000.00. 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. D & A Technology & Development, Inc. for Tire Rubber Modified Surface Seal, \$725,000.00 annually (1 contract, Transportation and Capital Improvements Department)

B. E.J. Ward, Inc. for E.J. Ward Automated Fuel Management System, \$137,000.00 annually (1 contract, Building and Equipment Services Department)

C. Recorded Books, Inc. for Library Recorded Books, \$30,000.00 annually; \$150,000.00 contract period (1 contract, Library 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. D & A Technology & Development, Inc. for Tire Rubber Modified Surface Seal, \$725,000.00 annually, July 1, 2016 through March 31, 2019 with two, one year renewal options - will provide the Department of Transportation and Capital Improvements Street Maintenance Division with a contractor to provide Tire Rubber Modified Surface Seal (TRMSS) to be utilized on various streets throughout the City. TRMSS is a form of cationic rubberized slurry seal that provides the durability of a conventional slurry seal along with the uniform black appearance and environmental benefits of a tire rubber modified emulsion. This type of material combined with recycled tire rubber, asphalt and water creates a high performance seal coat; it is ideal choice to maintain asphalt pavements, slurry seal and chip seal surface treatments. TRMSS protects and extends the useful pavement life by replacing the vital surface oils, locking down the loose aggregates and preventing damage caused by oxidation, weather, and traffic.

Contracts procured on the basis of sole source:

B. E.J. Ward, Inc. for E.J. Ward Automated Fuel Management System, \$137,000.00 annually, July 1, 2016 through June 30, 2017 with a one year renewal option - will provide the Building and Equipment Services Department with automated fuel control system service, customer support, and additional fuel terminal and vehicle parts for the Ward 3 automated fuel management system. Services available through this contract are designed to ensure the City receives continuous trouble-free automated fueling system operations with minimal downtime or service interruption.

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.

C. Recorded Books, Inc. for Library Recorded Books, \$30,000.00 annually; \$150,000.00 contract period, upon award through December 31, 2018 with two, one year renewal options - will provide the San Antonio Public Library with an annual subscription to download audio books. These downloadable services are used by the San Antonio Public Library staff and patrons to download titles directly to their computer, laptop or portable devices. Audio books on CD are also included in the annual subscription.

These items are being purchased as a Sole Source according to the provision 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 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. Tire Rubber Modified Surface Seal - 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 be 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.

B. E.J. Ward Automated Fuel Management System - This contract is exempt from competitive bidding and is excluded from the scope of the SBEDA program.

This contract is an exception to the Local Preference Program.

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

C. Library Recorded Books - This contract is exempt from competitive bidding and is excluded from the scope of the SBEDA program.

This contract is an exception to the Local Preference Program.

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

ALTERNATIVES:

A. Tire Rubber Modified Surface Seal - Should this contract not be approved, the Department of Transportation and Capital Improvements Street Maintenance Division will be required to procure rubberized slurry seal materials on an as needed basis. The City could lose the pricing advantage afforded through a competitively bid contract; furthermore, the department's budget could be negatively impacted through continuous price variations.

B. E.J. Ward Automated Fuel Management System - Should this contract not be approved, the BES Operations Division's operational activities would be unfavorably impacted. The department will be required to procure services on an as needed basis which could lead to inconsistent service and delay in reactionary response time to maintenance and repair requests.

C. Library Recorded Books - Should this contract not be approved, the Library Department would be required to submit a purchase requisition each month for services needed. However processing requirements on an as needed basis will not realize a cost savings customarily associated with long-term agreements.

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 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 sole source and Contract Disclosure Forms are not required.