



City of San Antonio

Agenda Memorandum

File Number:16-4516

Agenda Item Number: 5.

Agenda Date: 9/29/2016

In Control: City Council A Session

DEPARTMENT: Finance

DEPARTMENT HEAD: Troy Elliott

COUNCIL DISTRICTS IMPACTED: CityWide

SUBJECT:

Annual Contract for Compact and Midsize Gasoline/Electric Powered Hybrid Sedans

SUMMARY:

This ordinance authorizes annual contracts with Jim Bass Ford Inc. and Silsbee Ford to provide the City of San Antonio with Gasoline/Electric Powered Hybrid Administrative Sedans for an estimated total contract value of \$3,500,000.00 over a three year period. Funding for the FY2016 purchase of 25 replacement vehicles for the Building and Equipment Services and Aviation Departments and 6 additional vehicles for the Health Department is available from the Equipment Renewal and Replacement Fund (ERRF) in the amount of \$547,238.92, General Fund in the amount of \$132,226.32, and Aviation Operation & Maintenance Fund in the amount of \$23,448.00. The total FY2016 purchase is \$702,913.24. Additional sedan purchases would be subject to appropriation of funds.

BACKGROUND INFORMATION:

Submitted for City Council consideration and action is the attached tabulation of five competitive bids to provide the Building and Equipment Services Department with a contract for the purchase of compact and midsize gasoline/electric powered hybrid sedans. Silsbee Ford submitted the low bid for Item 1 (compact hybrid sedans) and Jim Bass Ford, Inc. submitted the low bid for Item 2 (midsize hybrid sedans). The estimated total cost of these contracts is \$3,500,000.00 over a three year period.

The administrative sedans will be utilized by all city departments that will be issued replacement or additional program vehicles over the next three years. The administrative sedans will be used for conducting City business including travel to and from City facilities.

The initial term of this contract is for a period of one year. Two additional one-year renewals at the City's option shall also be authorized by this Ordinance. These annual contracts are expected to supply approximately 31 sedans for FY16, 43 sedans for FY17 and 59 sedans for FY18. Vehicles will be purchased by the City as needed based on available funds for the replacement of existing sedans and additional vehicles for new programs.

Pricing will be fixed for the initial model year awarded by this contract. Price changes will be allowed for each new model year with proper documentation detailing the manufacturer's price change. The price change request will be compared to the Producers Price Index in order to validate the price change request. The City reserves the right to accept or reject any price change request.

ISSUE:

These annual contracts will provide for the purchase of approximately 133 compact and midsize gasoline/electric powered hybrid sedans over a three year period. Currently, there are 418 gasoline/electric hybrid powered vehicles in the City's fleet.

This is a one year contract with two, one year renewal options for an estimated total cost of \$3,500,000.00. Contract renewal options may be exercised unilaterally by the City. Establishing a multi-year contract will eliminate the bidding process in the option years of the contract resulting in administrative efficiencies. This will also allow orders to be placed in a more timely manner ensuring vehicles are replaced at scheduled parameters.

The Ford C-Max and Ford Fusion hybrid sedans are covered by a 36 months/36,000 miles bumper to bumper coverage and 5 year/60,000 mile powertrain and 8 year/80,000 mile hybrid electrical components warranty. The life expectancy for all of these vehicles is 120 months.

Due to the lack of small, minority, and/or women businesses available to provide these goods and services, the SBEDA Program did not apply to this solicitation.

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.

ALTERNATIVES:

The current administrative sedans scheduled for replacement have met or will meet their age and or mileage

requirement cycles before they are replaced. The replacement date is considered the optimum time for replacement in that delay of the acquisition could result in the vehicles incurring higher maintenance cost as a result of age or high mileage. This could impact the City's ability to provide essential services to the residents of San Antonio.

FISCAL IMPACT:

The FY2016 purchase encumbers \$702,913.24: \$547,238.92 from the Equipment Renewal and Replacement Fund (ERRF), \$132,226.32 from the General Fund, and \$23,448.00 from the Aviation Operation & Maintenance Fund. Additional sedan purchases of these contracts would be subject to appropriation of annual funding.

RECOMMENDATION:

Staff recommends the approval of the contracts with Jim Bass Ford, Inc. and Silsbee Ford to purchase compact and midsize gasoline/electric powered hybrid administrative sedans for an estimated total cost of \$3,500,000.00 over a three year period.

This contract is procured on the basis of low bid and a Contract Disclosure form is not required.