



# City of San Antonio

## Agenda Memorandum

**File Number:**16-5700

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**Agenda Item Number:** 7.

**Agenda Date:** 12/8/2016

**In Control:** City Council A Session

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**DEPARTMENT:** Finance

**DEPARTMENT HEAD:** Troy Elliott

**COUNCIL DISTRICTS IMPACTED:** City Wide

### **SUBJECT:**

12/8/16 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 \$495,000.00. 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. Tehco, Inc. for Gasoline & Diesel Refueling Parts & Service, \$72,000.00 annually (1 contract, Building and Equipment Services)

B. Earth Networks, Inc. for WeatherBug Outdoor Lightning Alerting System Services and Equipment, \$39,000.00 annually; \$195,000.00 contract period (1 contract, Aviation Department)

C. KONE, Inc. for Elevator and Escalator Preventative Maintenance, \$384,000.00 contract period (1 contract, Convention & Sports Facilities)

### **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. Tehco, Inc. for Gasoline & Diesel Refueling Parts & Service, \$72,000.00 annually; January 1, 2017 through March 31, 2020, with two, one year renewal options - will provide Building and Equipment Services with gasoline and diesel refueling equipment parts and service on an annual contract basis. This contract includes monthly preventive maintenance at 11 refueling facilities with approximately 90 pumps.

**Contract procured on the basis of sole source:**

B. Earth Networks, Inc. for WeatherBug Outdoor Lightning Alerting System Services and Equipment, \$39,000.00 annually; \$195,000.00 contract period, upon award through December 31, 2019 with two, one year renewal options - will provide the Aviation Department with a WeatherBug Lightning Alerting System annual subscription along with options for the purchase, delivery, and installation of Outdoor Lightning Alerting Horn Systems for the San Antonio International Airport (SAT). The requested equipment and services will provide an audible warning when lightning is detected within a radius of the airport established by the City to alert airport and tenant personnel working on the airport apron (area of the airport where aircraft are parked, unloaded or loaded, refueled, or boarded), secured Air Operations Area (AOA) outside of the terminals and tenant facilities of severe weather and lightning.

This item is 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.

**Amendment:**

C. KONE, Inc. for Elevator and Escalator Preventative Maintenance for Convention & Sports Facilities, \$384,000.00 contract period, November 15, 2012 through September 30, 2017 - This contract change order will add seven passenger elevators and twelve escalators to the elevator and escalator preventative maintenance contract at the H. B. Gonzalez Convention Center for the Convention & Sports Facilities Department. The new equipment being added is a result of the recent expansion at the Convention Center. The maintenance provided by the expansion's general contractor, through KONE, Inc. will expire January 25, 2017 for the 18 units. Through their existing contract with CSF, KONE, Inc. will provide preventative maintenance and repair on the new equipment effective January 26, 2017 through September 30, 2017. This change order also provides for one additional passenger elevator to be added to the CSF preventative maintenance contract effective October 1, 2017, should any short term extensions be exercised after the contract expiration date of September 30, 2017. As a result of the expansion project, 4 elevators were removed and 2 elevators were temporarily suspended until the expansion is complete. The preventative maintenance is necessary to maintain the safety and functionality of the equipment in accordance with the Texas Department of Licensing & Regulation standards and American National Standards Institute Regulations for elevators and escalators.

On November 15, 2012 the City Council approved and authorized Ordinance 2012-11-15-0888 allowing the City to execute a three year contract for the labor, materials and equipment for Elevator and Escalator preventative maintenance for the Convention Center & Sports Facilities Department with KONE, Inc. for an estimated contract value of \$391,000.00 annually. The ordinance allowed for two, one year renewals options without further action by Council, subject to and contingent upon budget appropriations.

This change order to add 19 units will increase the contract value by \$142,000.00 for an estimated annual contract value of \$384,000.00 for the remaining contract period. The change order is in accordance with Local Government Code 252.048 and is necessary for the continuation of preventative maintenance and repair services on elevator and escalator equipment for the Convention & Sports Facilities Department.

## **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. Gasoline & Diesel Refueling Parts & Service - 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.

The recommended award is to the lowest responsive bidder, who is also a local business. Therefore, application of 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. WeatherBug Outdoor Lightning Alerting System Services and Equipment - 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. Elevator and Escalator Preventative Maintenance for Convention & Sports Facilities - 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.

The Local Preference Program does not apply to this amendment since it was solicited prior to May 1, 2013, the effective date of the program.

The VOSBPP does not apply to this amendment since it was solicited prior to January 15, 2014, the effective date of this program.

## **ALTERNATIVES:**

A. Gasoline & Diesel Refueling Parts & Service - Should this contract not be approved, the Building and Equipment Services Department will be required to procure gasoline and diesel refueling parts and service on an as-needed basis which may result in higher pricing and delays of maintenance for City owned fueling equipment.

B. WeatherBug Outdoor Lightning Alerting System Services and Equipment - Should this contract not be approved, the City will be required to purchase lightning alerting systems and subscriptions on an as needed basis, where increased costs due to non-contract buying could be realized and cause a delay in delivery times.

C. Elevator and Escalator Preventative Maintenance for Convention & Sports Facilities - Should this contract not be approved, the Convention & Sports Facilities Department would be required to process individual

procurements as equipment problems arise. However, processing purchases as equipment malfunctions will force department to pay non-contract rates as well as compromise the integrity and functionality of the building's elevator and escalator systems.

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