



City of San Antonio

Agenda Memorandum

File Number:17-3865

Agenda Item Number: 3B.

Agenda Date: 6/22/2017

In Control: City Council A Session

DEPARTMENT: Finance

DEPARTMENT HEAD: Troy Elliott

COUNCIL DISTRICTS IMPACTED: City Wide

SUBJECT:

Annual Contract for ZOLL X Series 12 Lead Defibrillators & Accessories

SUMMARY:

These ordinances authorize contracts to provide the San Antonio Fire Department, EMS Division with Zoll X-Series 12 Lead Defibrillators, Proprietary and Third Party Accessories, Service Plans and Extended Warranty, and Repair Services. Funding for these annual contracts will be allocated from the Fire Department annual General Fund budget.

- A. An ordinance authorizing acceptance of an offer from MedWheels, Inc. to provide an annual contract for third party Zoll X-Series 12 lead defibrillator accessories in an estimated annual amount of \$887,000.00 for an initial term of two years, with options to renew for three additional one-year terms.
- B. An ordinance authorizing acceptance of an offer from Zoll Medical Corporation to provide an annual contract for proprietary Zoll X-Series 12 lead defibrillators, extended warranty, service plans and accessories in an estimated annual amount of \$324,000.00 for an initial term of two years, with options to renew for three additional one-year terms.

BACKGROUND INFORMATION:

The previous annual contract for X-Series defibrillators, warranty, service and accessories was awarded to Zoll Medical Corporation in December 2013 utilizing a sole source exemption from competitive bidding. Prior to expiration of this contract, a new solicitation was released in November 2016 utilizing a competitive process allowing manufacturers and distributors to submit offers. This solicitation also incentivized small, minority and women-owned business participation by including an 11% subcontracting requirement and a distributorship

incentive. Two proposals were received and an award recommendation to Zoll Medical Corporation was presented to City Council on February 23, 2017. After discussion and public input, a vote on the item was tabled and staff was directed to review and re-evaluate the solicitation process to increase participation by local, small, minority and women-owned businesses.

Based upon feedback and further clarification from medical supply providers, the previous solicitation was “unbundled” and items were grouped as follows: 1) proprietary items such as 12 lead defibrillators, service, warranty and certain accessories manufactured by Zoll and 2) accessories manufactured by third party entities available from manufacturers and distributors which account for approximately 72% of the anticipated expenditures. Staff’s recommendation to award two contracts based upon the designation of proprietary and non-proprietary accessories available from multiple sources was presented to the Audit Committee on April 18, 2017. In addition, the recommendation also included that 15% of the contract participation for third party accessories be supplied by small, minority, and women-owned business enterprises either through subcontracting and/or a distribution agreement.

A. Zoll “X-Series 12 Lead Defibrillator Accessories”

Submitted for City Council consideration and action is the attached tabulation consisting of four offers to provide third party Zoll X-Series 12 lead defibrillator accessories for an estimated annual cost of \$887,000.00. These third party accessories will be purchased by the San Antonio Fire Department, EMS Division for use in providing medical assistance to help improve survival from sudden cardiac arrest (SCA).

The City issued a Request for Offer for “Annual Contract for Zoll X-Series 12 Lead Defibrillator Accessories” on May 8, 2017 and four offers were received on May 26, 2017. Two offers were deemed non-responsive for failing to comply with the requirement that 15% of the contract be provided through a MWBE subcontractor or distributor.

The responsive offers were evaluated based on the published specifications. Of twenty-two line items solicited, MedWheels, Inc. is the low offeror for all but two line items. Staff recommends awarding the entire contract to MedWheels, Inc., a local, small, minority and women-owned business.

B. Zoll “X-Series 12 Lead Defibrillators & Accessories”

Submitted for City Council consideration and action is the attached offer to provide Zoll X-Series 12 lead defibrillators, service, warranty and proprietary accessories for an estimated annual cost of \$324,000.00. These items will be purchased by the San Antonio Fire Department, EMS Division for use in providing medical assistance to help improve survival from sudden cardiac arrest (SCA).

The City issued a Request for Offer for “Annual Contract for Zoll “X-Series 12 Lead Defibrillators & Accessories” to Zoll Medical Corporation utilizing a sole source exemption on December 22, 2016 and closed on January 4, 2017. Staff recommends awarding proprietary line items to Zoll Medical Corporation.

ISSUE:

A. Zoll “X-Series 12 Lead Defibrillator Accessories”

This contract will provide the Fire Department, EMS Division, with third party Zoll X-Series 12 lead defibrillator accessories used in administering medical assistance to individuals and improve survival from sudden cardiac arrest (SCA) and other medical emergencies. The required accessories will be maintained by

the awarded vendor in a manner prescribed by the manufacturer and purchased under the terms and conditions of the awarded contract as needed by the San Antonio Fire Department, EMS Division.

This contract will be awarded in compliance with the Small Business Economic Development Advocacy (SBEDA) Program, which requires contracts be reviewed by a Goal Setting Committee to establish a requirement and/or incentive unique to the particular contract in an effort to maximize the amount of small, minority, and women-owned business participation on the contract. The Goal Setting Committee set a 15% Minority/Women Business Enterprise (M/WBE) subcontracting goal. MEDwheels, Inc. is a Small Minority/Woman Owned Business and will self-perform 100% of the contract.

The recommended award is to the lowest responsive offeror, who is also a local business. Therefore, application of the Local Preference Program was not required.

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

B. Zoll “X-Series 12 Lead Defibrillators & Accessories”

This contract will provide the San Antonio Fire Department, EMS Division with Zoll X-Series Proprietary Manual Monitor/Defibrillators, ancillary supplies for the Zoll X-Series Monitor, X-Series Service Plans and Extended Warranty, and Zoll X-Series Monitor Repair Services.

This contract is exempt from competitive bidding and is excluded from the scope of the SBEDA program.

The Local Preference Program is not applicable to this solicitation.

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

ALTERNATIVES:

A. Should this contract not be approved, the EMS Division’s ability to efficiently replenish defibrillator accessory inventory as needed to keep the units operational could be at risk. EMS responders’ ability to provide the best possible patient medical care could be impacted.

B. Should this contract not be approved, the Fire Department, EMS Division would be required to purchase proprietary equipment and supplies directly from Zoll Medical Corporation as requirements arise, which could increase lead time and costs. Without operational monitors/defibrillators, the EMS Division will not be able to provide critical cardiac treatment on patients who are experiencing cardiac arrest symptoms.

FISCAL IMPACT:

This ordinance authorizes a contract for the purchase of Zoll “X-Series 12 Lead Defibrillator Accessories” with MedWheels, Inc. for an estimated annual cost of \$887,000.00. The contract is for an initial term of two years, with options to renew for three additional one-year periods.

This ordinance also authorizes a contract for the purchase of Zoll X-Series defibrillators, service plans, extended warranty, repair services and ancillary supplies proprietary with Zoll Medical Corporation. The estimated annual cost is \$324,000.00 for an initial term of two years, with options to renew for three additional

one-year terms.

No funds are encumbered by this action. Expenditures for these services are subject to available funding from the Fire Department's annual General Fund Budget. The City will make no minimum guarantee pertaining to the volume of work which may be expected from these agencies.

RECOMMENDATION:

A. Staff recommends award of a contract with MedWheels, Inc., to provide third party Zoll X-Series 12 Lead Defibrillator Accessories in the estimated annual amount of \$887,000.00.

This contract was procured utilizing a Public Health or Safety exemption and a Contracts Disclosure Form is not required.

B. Staff recommends award of a contract to Zoll Medical Corporation for proprietary X-Series defibrillators, service plans, extended warranty, repair services and supplies in the estimated annual amount of \$324,000.00.

This contract was procured utilizing a Sole Exemption and a Contracts Disclosure Form is not required.