



# City of San Antonio

## Agenda Memorandum

**File Number:**18-1026

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**Agenda Item Number:** 7.

**Agenda Date:** 2/8/2018

**In Control:** City Council A Session

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**DEPARTMENT:** Finance

**DEPARTMENT HEAD:** Troy Elliott

**COUNCIL DISTRICTS IMPACTED:** Citywide

### **SUBJECT:**

2/8/2018 Annual Contracts

### **SUMMARY:**

An ordinance awarding two contracts to provide the City with commodities and services on an annual basis for the term of the contracts, for an estimated annual cost of \$182,785.00. This ordinance provides the procurement of the following items, as needed, and dependent on the Department's available budget, for the term of the contracts:

- A. Avery Dennison Corporation for High Intensity Prismatic Sign Sheeting, \$142,000.00 annually (1 contract, Transportation and Capital Improvements).
- B. FarrWest Environmental Supply, Inc. for Hazmat Equipment Calibration and Maintenance Program, \$40,785.00 year 1; \$210,857.50 total contract value (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. Avery Dennison Corporation for High Intensity Prismatic Sign Sheeting, \$142,000.00 annually, upon award through June 30, 2021 with two, one year renewal options - will provide the Transportation and Capital Improvements Department with a vendor to furnish high intensity prismatic sign sheeting for application to barricades and signs utilized for traffic control.

**Cooperative:**

B. FarrWest Environmental Supply, Inc. for Hazmat Equipment Calibration and Maintenance Program, \$40,785.00 year 1; \$210,857.50 total contract value, upon award through October 31, 2020 with two, one year renewal options - will provide the San Antonio Fire Department with an annual maintenance program to perform Hazmat equipment reviews to include inspection, cleaning, maintenance & calibration on the current Hazmat equipment.

The hazmat detection equipment is used to respond to chemical, nuclear, biological threats or emergencies. The most common incidents are accidents involving the transportation of or industrial use of large production volume materials most of which involve flammable liquids such as gasoline or corrosives. The equipment is also used at large events to preemptively detect if a chemical has been released into the crowd.

This purchase is made through the Houston-Galveston Area Council of Governments (HGAC) Contract EP11-17 in accordance with the Houston-Galveston Cooperative Purchasing Program Passed in Resolution 96-41-48, dated 10-10-1996.

**ISSUE:**

This contract represents 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. High Intensity Prismatic Sign Sheeting - 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 9% Small Business Enterprise (SBE) subcontracting goal. Avery Dennison Corporation has committed to 9% SBE subcontractor participation.

The recommended award is to the lowest responsive bidder, who is a non-local business. Local bidder was not within 3% of the recommended non-local bidder. 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. Hazmat Equipment Calibration and Maintenance Program - The Small Business Economic Development Advocacy (SBEDA) Ordinance requirements were waived due to the lack of small, minority, and/or women businesses available to provide these goods and services.

This award 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.

## **ALTERNATIVES:**

A. High Intensity Prismatic Sign Sheeting - Should this contract not be approved, the City will be required to purchase high intensity prismatic sign sheeting on an as needed basis. The City could lose the pricing advantage afforded through a competitively bid contract and the department budget could be negatively impacted through continuous price variations and longer lead times for delivery.

B. Hazmat Equipment Calibration and Maintenance Program - Should this contract not be approved, the City will be required to acquire maintenance services on an as needed basis, where increased costs due to non-contract buying could be realized and cause a delay in delivery times.

## **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 these two 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 cooperative contract, and Contract Disclosure Forms are not required