



# City of San Antonio

## Agenda Memorandum

**File Number:**18-1322

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**Agenda Item Number:** 8.

**Agenda Date:** 2/15/2018

**In Control:** City Council A Session

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**DEPARTMENT:** Finance

**DEPARTMENT HEAD:** Troy Elliott

**COUNCIL DISTRICTS IMPACTED:** Citywide

### **SUBJECT:**

2/15/2018 Annuals

### **SUMMARY:**

An ordinance awarding five 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 \$1,183,400.04. This ordinance provides the procurement of the following item, as needed, and dependent on the Department's available budget, for the term of the contracts:

A. Kinloch Equipment & Supply, Inc. for Elgin Sweeper Parts, \$96,000.00 annually (1 contract, Solid Waste Management Department)

B. Green Oasis, LLC for Lease and Maintenance of Interior Plants for San Antonio International Airport, one-time initial lease fee \$33,691.00 and \$19,709.04 annually for maintenance; \$132,236.20 contract period (1 contract, Aviation Department)

C. High Sierra Electronics, Inc. for Automated Flood Warning System Parts, \$516,000.00 annually (1 contract, Transportation & Capital Improvements)

D. Campbell Scientific, Inc. and Keller America, Inc. for Automated Flood Warning System Parts Distributor, \$518,000.00 annually (2 contracts, Transportation & Capital Improvements)

### **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.

**Contracts procured on the basis of low bid:**

A. Kinloch Equipment & Supply, Inc. for Elgin Sweeper Parts, \$96,000.00 annually, upon award through June 30, 2021, with two, one year renewal options - will provide the Solid Waste Management Department (SWMD) with parts for the repair of Elgin Sweepers. This contract will be utilized and maintained by SWMD, and will allow for the purchase of parts only for in-house repairs. The City currently has ten Elgin Sweepers in its fleet.

B. Green Oasis, LLC for Lease and Maintenance of Interior Plants for San Antonio International Airport, one-time initial lease fee \$33,691.00 and \$19,709.04 annually for maintenance; \$132,236.20 contract period, upon award through June 30, 2021 with two, one year renewal options - The City of San Antonio, Aviation Department seeks to enhance the customer experience at the San Antonio International Airport terminals and in the new consolidated rental car facility with the addition of live plants. The plants, and associated planters/materials, will be leased under a contract which will also provide for their long term care and maintenance. With expert, third-party care which includes replacement of any declining plants, the contract will ensure the desired customer experience enhancement is achieved.

**Sole Source:**

C. High Sierra Electronics, Inc. for Automated Flood Warning System Parts, \$516,000.00 annually, upon award through March 31, 2021 with two, one year renewal options - will provide the Transportation & Capital Improvements Department, Storm Water Division with a vendor to provide replacement parts for the Automated Local Evaluation in Real Time (ALERT) warning signal system. This automated warning signal system provides early flood detection warning in zones located throughout the City. The ALERT system provides notification to drivers of low water crossing street closures. This contract provides for the purchase of Original Equipment Manufacturer (OEM) parts exclusively available from High Sierra Electronics, Inc. allowing the Storm Water Division's personnel to provide maintenance and repairs to the warning signal system.

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.

**Public Health & Safety Exemption:**

D. Campbell Scientific, Inc. and Keller America, Inc. for Automated Flood Warning System Parts Distributor, \$518,000.00 annually, upon award through March 31, 2021 with two, one year renewal options - will provide the Transportation & Capital Improvements Department, Storm Water Division with a vendor to provide replacement parts for the Automated Local Evaluation in Real Time (ALERT) warning signal system. This automated warning signal system provides early flood detection warning in zones located throughout the City. The ALERT system provides notification to drivers of low water crossing street closures. This contract provides for the purchase of Original Equipment Manufacturer (OEM) parts allowing the Storm Water Division's personnel to provide maintenance and repairs to the warning signal system.

**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. Elgin Sweeper Parts - 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.

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. Lease and Maintenance of Interior Plants - This contract is within the scope of the SBEDA Program. However, due to lack of available firms and/or subcontracting opportunities, the Goal Setting Committee was unable to apply a SBEDA tool to this contract.

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 non-professional services, so no preference was applied to this contract.

C. Automated Flood Warning System Parts - This contract is exempt from competitive bidding and is excluded from the scope of the SBEDA program.

This award is exempt from 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.

D. Automated Flood Warning System Parts Distributor - 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.

There were no bids submitted from local bidders; therefore, 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.

#### **ALTERNATIVES:**

A. Elgin Sweeper Parts - Should this contract not be approved, SWMD will be required to procure Elgin sweeper parts on an as-needed basis which may result in higher pricing and delays in repairing equipment.

B. Lease and Maintenance of Interior Plants - Should this contract not be approved, the Aviation Department would not be able to lease plants. In absence of leased plants, Aviation would need to purchase plants and all the associated planters and materials, maintain them with internal resources, and replace aged, damaged or unsightly plants over time. Because Aviation does not have existing resources to provide maintenance of interior plants and because such an arrangement does not shift the maintenance risk to a third-party, the purchase and self-maintenance option was rejected.

C. Automated Flood Warning System Parts - Should this contract not be approved, the Storm Water Division would be required to procure parts on an as needed basis, which could lead to inconsistent pricing and delivery delays. Without a fully operational flood warning system the residents of San Antonio would lose the benefit of automated warnings of low water crossing street closures; the Storm Water Division would be required to send barricade operators to close off the roads manually each time there is a severe rain storm throughout the City.

D. Automated Flood Warning System Parts Distributor - Should this contract not be approved, the Storm Water Division would be required to procure parts on an as needed basis, which could lead to inconsistent pricing and delivery delays. Without a fully operational flood warning system the residents of San Antonio would lose the benefit of automated warnings of low water crossing street closures; the Storm Water Division would be required to send barricade operators to close off the roads manually each time there is a severe rain storm throughout the City.

#### **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 five 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 public health & safety exemption, and Contract Disclosure Forms are not required.