



City of San Antonio

Agenda Memorandum

File Number:18-6140

Agenda Item Number: 8.

Agenda Date: 12/6/2018

In Control: City Council A Session

DEPARTMENT: Finance

DEPARTMENT HEAD: Troy Elliott

COUNCIL DISTRICTS IMPACTED: City Wide

SUBJECT:

12/06/2018 Annuals

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 \$130,000.00. 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. Fun Abounds, Inc. for Wood Fiber Playground Chips, \$87,000.00 annually (1 contract, Parks and Recreation Department)
- B. Salt Exchange, Inc. for Salt Pellets, \$43,000.00 annually, \$215,000.00 contract period (1 contract, Aviation 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.

Contracts procured on the basis of low bid:

A. Fun Abounds, Inc. for Wood Fiber Playground Chips, \$87,000.00 annually, January 1, 2019 through December 31, 2021 with two, one year renewal options - will provide the Parks & Recreation Department with a vendor to furnish and deliver engineered wood fiber chips. The engineered wood fiber chips are certified by the International Playground Equipment Manufacturer's Association and will provide for safety surfacing on public playgrounds throughout the City.

B. Salt Exchange, Inc. for Salt Pellets, \$43,000.00 annually, \$215,000.00 contract period, upon award through March 31, 2022 with two, one year renewal options - will provide for the purchase and delivery of Soft Salt Pellets which are used for softening water at the Aviation Central Utility Plant. These salt pellets are packaged in 40 lb. bags that are lighter than previously contracted salt pellet bags and therefore easier and safer for staff to lift and will be ordered on an as needed basis.

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. Wood Fiber Playground Chips - 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.

There were no bids submitted from local bidders for this contract; 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.

B. Salt Pellets - 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 is not required.

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

ALTERNATIVES:

A. Wood Fiber Playground Chips - Should this contract not be approved, the Parks and Recreation Department may purchase wood fiber playground chips on an as needed basis. However, processing requirements as spot purchases will not realize the cost savings customarily associated with long-term agreements. In addition, wood fiber chips are necessary to maintain appropriate safety zone heights on public playgrounds throughout the City.

B. Salt Pellets - Should this contract not be approved, the City will be required to purchase salt pellets 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 Departments are as needed and dependent upon available funds within their adopted budget.

RECOMMENDATION:

Staff recommends the acceptance of these 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 Contract Disclosure Forms are not required.