



City of San Antonio

Agenda Memorandum

File Number:14-769

Agenda Item Number: 4.

Agenda Date: 5/1/2014

In Control: City Council A Session

DEPARTMENT: Finance

DEPARTMENT HEAD: Troy Elliott

COUNCIL DISTRICTS IMPACTED: City Wide

SUBJECT:

5/1/2014 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 contracts, for an estimated annual cost of \$2,590,000.00. This ordinance provides the procurement of the following item, as needed, and dependent on the Department's available budget, for the terms of the contracts:

- A. SAT Radio Communications, LTD d/b/a Industrial Communications for SAPD Enhanced Vehicle Chargers, \$95,000.00 annually (1 contract, Police)
- B. J.R. Ramon & Sons, Inc. for Demolition Services, \$2,400,000.00 annually (1 contract, Development Services Department)
- C. Casa Verde Farms for Bedding Plants, \$95,000.00 annually (1 contract, Parks and Recreation 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. SAT Radio Communications, LTD d/b/a Industrial Communications for SAPD Enhanced Vehicle Chargers, \$95,000.00 annually, upon award through March 31, 2015 with two, one year renewal options - will provide the SAPD with a vendor to perform repairs of enhanced vehicle chargers (EVC) that are currently installed in 800 police vehicles. This contract will establish a fixed hourly labor rate for repairs and a percentage discount for parts. These chargers keep the two-way radio batteries charged enabling Police personnel to communicate during emergency and non-emergency situations.

Contracts procured on the basis of low qualifying bids:

B. J.R. Ramon & Sons, Inc. for Demolition Services, \$2,400,000.00 annually, upon award through June 30, 2016 with two, one year renewal options - will provide the City of San Antonio Development Services Department with a contractor to furnish labor, equipment and materials to provide demolition services and disposal of accompanying waste associated with the removal of commercial/residential structures declared dangerous. Structures may be declared dangerous by either the Dangerous Structure Determination Board or by the Development Services Director following a summary abatement concurrence of certain City Officials identified in the City Code, Chapter 6. This service is required to also demolish, transport, and properly dispose of a variety of structures acquired by the City for a public improvement or other projects. Contract services will include demolition, removal, asbestos testing and abatement, any required site fencing and backfill.

C. Casa Verde Farms for Bedding Plants, \$95,000.00 annually, upon award through September 30, 2015 with two, one year renewal options - will provide the Parks and Recreation, Aviation and Center City Development Departments with a professional nursery grower to provide a wide variety of bedding plants on a year round basis to enhance landscaping at high visibility City park areas and the International Airport. These plantings will provide seasonal color to public areas such as the Botanical Garden, Hemisfair Park, Japanese Tea Garden, various downtown parks and other City facilities. Plants will be ordered on an as needed basis and varieties will be selected based on seasonal applications.

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. SAPD Enhanced Vehicle Chargers - This contract is within the scope of the Small Business Economic Development Advocacy (SBEDA) Program. However, due to the type of commodities/services being procured and value of the contract, no SBEDA tool is available.

The recommended award is to the lowest responsive bidder, who is also a local business. 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. Demolition Services - This contract will be awarded in compliance with the 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 10% Minority/Women Business Enterprise (M/WBE) subcontracting goal and a 2% African American Business Enterprise (AABE) subcontracting goal. J.R. Ramon & Sons, Inc. has committed to 11% M/WBE subcontracting participation, all of which will be

achieved with AABEs.

The Local Preference Program does not apply to non-professional service contracts of \$500,000 or more, so no preference was applied to this contract.

The Veteran-Owned Small Business Preference Program does not apply to non-professional service contracts or construction service contracts, so no preference was applied to this contract.

C. Bedding Plants - This contract is within the scope of the SBEDA Program. However, due to the type of commodities/services being procured and value of the contract, no SBEDA tool is available.

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

The VOSB Preference Program does not apply to this contract since it was solicited prior to January 15, 2014, the effective date of the program. Additionally, the VOSB Preference Program does not apply to goods/supplies contracts.

ALTERNATIVES:

A. SAPD Enhanced Vehicle Chargers - Should this contract not be approved, SAPD would be required to submit a request each time service is required. Without a contract SAPD could experience inconsistent pricing and potential delays in completing repairs, which could negatively impact the police officer's ability to communicate in emergency situations.

B. Demolition Services - Should this contract not be approved, the Development Services Department will need to process individual procurements as needs arise. However, processing individual procurements as the needs arise may affect the response time and costs associated with requests for emergency demolitions.

C. Bedding Plants - Should this contract not be approved, City departments would be required to procure bedding plants on as needed basis. City departments will not realize fixed pricing and order consolidation cost savings associated with having a term contract in place.

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. The estimated annual cost for the contracts listed on this ordinance is approximately \$2,590,000.00. 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 and low qualifying bids and Contracts Disclosure Forms

are not required.