



City of San Antonio

Agenda Memorandum

File Number:14-910

Agenda Item Number: 9.

Agenda Date: 5/29/2014

In Control: City Council A Session

DEPARTMENT: Finance

DEPARTMENT HEAD: Troy Elliott

COUNCIL DISTRICTS IMPACTED: City Wide

SUBJECT:

5/29/2014 Annual Contracts

SUMMARY:

An ordinance awarding eight 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 \$3,765,000.00. This ordinance provides the procurement of the following items, as needed, and dependent on the Department's available budget, for the terms of the contracts:

- A. Toter, LLC for Refuse Containers, \$2,945,000.00 annually (1 contract, Solid Waste Management Department)
- B. Johnson Controls, Inc. for Maintenance & Repair of Various Chillers, \$39,000.00 annually; \$195,000.00 contract period (1 contract, Building and Equipment Services Department)
- C. Poppe Automotive Warehouse for Automotive & Heavy Equipment Filters, \$240,000.00 annually (1 contract, Building and Equipment Services, Aviation and Fire)
- D. Dunbar Armored, Inc. for Armored Car Services, \$136,000.00 annually (1 contract, City Wide)
- E. Cooper Equipment Company for Etnyre Parts and Service, \$142,000.00 annually (1 contract, Building and Equipment Services)
- F. Kent Powersports, LP for Honda Motorcycle Parts and Service, \$80,000.00 annually (1 contract, Police)
- G. Crawford Specialty, LLC d/b/a Life Care Pavilion Pharmacy for Pharmacy Voucher Program, \$64,000.00

annually (1 contract, Department of Human Services)

H. High Sierra Electronic, Inc. for Automated Flood Warning Systems Parts, \$119,000.00 annually (1 contract, 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.

Contract procured on the basis of cooperative purchasing:

A. Refuse Containers, \$2,945,000.00 annually, upon award through January 30, 2017 with a one year renewal option - will provide the City of San Antonio Solid Waste Management Department with 55,000 refuse containers annually. The two wheel carts will support the automated collection program that the City of San Antonio has in place for residential garbage, recycling and organic services. The refuse containers will replace lost, stolen, or damaged collection carts and will support the expansion of the organics material collection program.

These refuse containers are covered by a manufacturer's direct warranty of 10 years to be free of defects in material and workmanship.

This purchase is made in accordance with the National Intergovernmental Purchasing Alliance Cooperative Program authorized by ordinance 2013-06-13-0414.

Contracts procured on the basis of low qualifying bid:

B. Maintenance & Repair of Various Chillers, \$39,000.00 annually; \$195,000.00 contract period, upon award through March 31, 2017 with two, one year renewal options - will provide the Building and Equipment Services Department with a contractor to provide all labor, equipment, and materials to perform annual preventive maintenance and maintenance & repair services of centrifugal, reciprocating, and screw chillers at various City buildings which include City Hall, Market Square, Fire Training Academy, One-Stop, Public Safety Tech Center, Frank Garrett, Emergency Operations Center, Municipal Courts, Public Safety Answering Point, Public Safety Headquarters and Municipal Plaza. The annual maintenance will provide general maintenance, lubricate the system, purge the system, and maintain the controls, electrical system and condenser and evaporator tubes. This contract will be utilized to maximize the efficiency, life, and reliability of the equipment consistent with manufacturers' service recommendations.

C. Poppe Automotive Warehouse for Automotive & Heavy Equipment Filters, \$240,000.00 annually, upon award through May 31, 2017, with two, one year renewal options - will provide the Building and Equipment Services Department, Fleet Services Division, Aviation Operations, and Fire with automotive & heavy equipment filters. The specific types of filters used for replacement and preventive maintenance include: automotive and light-duty fuel, air, oil, and transmission filters and medium- and heavy-duty coolant, fuel, air, oil, and transmission filters.

Contract procured on the basis of public health or safety exemption:

D. Armored Car Services, \$136,000.00 annually, upon award through June 30, 2017 with two, one year renewal options - will provide various City departments with armored car services required for the secure

transportation of currency between various City locations and the City-designated depository in such a fashion that the City will receive same-day deposit for 6 locations, and next-day deposit for 25 locations. This service also includes the return of items such as deposit receipt books and currency required for change.

The City solicited a contractor to provide armored car services as the previous contract expired on March 31, 2014. The previous armored car service contractor provided same-day deposit services for all locations. Pick-up frequency varied per location however deposits were received at the banking institution the same day of the pick up by 3:00pm.

An Invitation for Bid for Armored Car Services was issued in December 2013 and no responses were received. Upon outreach to established armored car service vendors, the vendors stated that they could not pick up deposits at the requested timeframes and could not provide same-day deposit services for all of the City locations. Thus the City revised the specifications to expand the pickup timeframes, and request same-day services for 10 priority locations and next-day service for remaining locations. A subsequent Invitation for Bid was issued in February 2014 and two bid responses were received. However, both bidders took exceptions to the City's terms and conditions and did not provide same-day deposit service for all 10 of the requested City locations.

After several attempts to competitively procure armored car services through an Invitation for Bid process and having not received any responsive bids, these services are being procured utilizing a Public Health or Safety Exemption. It is necessary to contract for armored car services for the transfer of currency between City departments and the City depository due to public health or safety concerns regarding the security of City funds and the safety of City personnel responsible for monetary transactions. The department reviewed the submitted bids and negotiated with both bidders. As a result, the department is recommending award to Dunbar Armored, Inc. who can provide armored car services with mutually agreed upon terms and conditions for same-day deposit service at 6 City locations and next-day deposit service at 25 City locations. Armored car services are currently being performed by the recommended contractor via an informal contract, not to exceed \$50,000.00, until a formal award by City Council.

Contracts procured on the basis of low bid:

E. Cooper Equipment Company for Etnyre Parts and Service, \$142,000.00 annually, upon award through May 31, 2017 with two, one year renewal options - will provide the Building and Equipment Services Department, Fleet Services Division with Etnyre parts and service necessary to provide maintenance and repairs to asphalt equipment utilized in street repair.

F. Kent Powersports, LP for Honda Motorcycle Parts and Service, \$80,000.00 annually, upon award through June 30, 2017 with two, one year renewal options - will provide the Police Department with a contract for Honda Goldwing Motorcycle parts and repair services for police motorcycles. The motorcycles are utilized by the Police Department's Traffic Unit for general traffic safety and traffic citation duties. Regularly scheduled preventive maintenance and repair services are required to provide safe and reliable operation as well as ensure the full service life of the motorcycles.

G. Crawford Specialty, LLC d/b/a Life Care Pavilion Pharmacy for Pharmacy Voucher Program, \$64,000.00 annually, upon award through June 30, 2015 with two, one year renewal options - will provide the Department of Human Services with a contract for the purchase and delivery of prescription medications, medical supplies, and medical equipment. The Human Services Family Assistance Division issues a voucher for a set dollar amount to seniors 60 years or older for the purchase and delivery of prescription medications and medical supplies. The pharmacy voucher program provides temporary emergency assistance for prescription medications and medical supplies to seniors that meet the eligibility requirements and reside in Bexar County.

Contract procured on the basis of sole source:

H. High Sierra Electronic, Inc. for Automated Flood Warning Systems Parts, \$119,000.00 annually, upon award through March 31, 2015 with two, one year renewal options - will provide the San Antonio Transportation & Capital Improvements Department, Public Works 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 OEM parts allowing the Public Works Division's personnel to provide maintenance and repairs to the warning signal system.

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. Refuse Containers - 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 an exception to the Local Preference Program (LPP).

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

B. Maintenance & Repair of Various Chillers - 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.

There were no responsive bids submitted from local bidders for this contract; therefore, the LPP was not applied.

The VOSBPP does not apply to this contract since it was solicited on or prior to January 15, 2014, the effective date of the program. Additionally, the VOSBPP does not apply to non-professional service contracts.

C. Automotive & Heavy Equipment Filters - 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 required.

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

D. Armored Car Services - 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 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 VOSBPP does not apply to non-professional service contracts, so no preference was applied to this contract.

E. Etnyre Parts and Service - The SBEDA Ordinance requirements were waived due to lack of qualified SMWBE's available to provide the goods and services.

The recommended award is to the lowest responsive bidder, who is also a local business. Therefore application of the LPP was not required.

The VOSBPP does not apply to goods/supplies contracts, so no preference was applied to this contract.

F. Honda Motorcycle Parts and Service - 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.

There were no bids submitted from local bidders for this contract; therefore, the LPP was not applied.

The VOSBPP does not apply to goods/supplies contracts, so no preference was applied to this contract.

G. Pharmacy Voucher Program - 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 recommended award is to the lowest responsive bidder, who is also a local business. Therefore application of the LPP was not required.

The VOSBPP does not apply to goods/supplies contracts, so no preference was applied to this contract.

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

The contract is an exception to LPP.

The VOSBPP does not apply to goods/supplies contracts, so no preference was applied to this contract.

ALTERNATIVES:

A. Refuse Containers - Should this contract not be approved, the automated garbage, organic, and recycling collections for the City's customers could be delayed. The Solid Waste Management Department would have to procure these carts on an as needed basis, thus realizing non-contract pricing and potentially longer delivery lead times.

B. Maintenance & Repair of Various Chillers - Should this contract not be approved, the department would be required to process solicitations on an as needed basis. However, processing procurements as the equipment malfunctions will force the department to pay non-contract rates as well as compromise the integrity and functionality of the building's chiller systems.

C. Automotive & Heavy Equipment Filters - Should this contract not be approved, the City would be required to procure items on an as-needed basis. This could increase down time on equipment, thus hindering timely

completion of maintenance and repair.

D. Armored Car Services - Should this contract not be approved, departments would be required to process deposits on an as-needed basis and not realize the benefits of contract pricing. Additionally, the armored car service contractor will decrease the risk associated with transferring and transporting the City's funds.

E. Etnyre Parts and Service - Should this contract not be approved, the City would be required to procure items on an as-needed basis. This could increase down time on equipment, thus hindering timely completion of maintenance and repair.

F. Honda Motorcycle Parts and Service - Should this contract not be approved, the Police Department would have to procure items on an as-needed basis. This could increase the cost of the parts and service as well as downtime of motorcycles, thus hindering maintenance and repairs.

G. Pharmacy Voucher Program - Should this contract not be approved, the Department of Human Services would be required to purchase prescription medication and medical supplies on an as-needed basis. Without a contract, the department could experience inconsistent pricing and delivery delays which could negatively impact the prescription assistance to low-income seniors in the community.

H. Automated Flood Warning Systems Parts - Should this contract not be approved, the Public Works 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 Public Works 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. The estimated annual cost for the contracts listed on this ordinance is approximately \$3,765,000.00. Purchases made by the Department are as needed and dependent upon available funds within their adopted budget.

RECOMMENDATION:

Staff recommends the acceptance of eight 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 cooperative purchasing, low qualifying, public health or safety exemption, low bid, and sole source and Contracts Disclosure Forms are not required.