



City of San Antonio

Agenda Memorandum

File Number:19-6477

Agenda Item Number: 9.

Agenda Date: 10/3/2019

In Control: City Council A Session

DEPARTMENT: Finance

DEPARTMENT HEAD: Troy Elliott

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

10/3/2019 Annual Contracts

SUMMARY:

An ordinance awarding three contracts to provide the City with commodities and services on an annual basis for the term of the contract, for an estimated annual cost of \$423,000.00. This ordinance provides the procurement of the following items, as needed, and dependent on the Department's available budget, for the term of the contract:

- A. Salt Exchange, Inc. for Water Softener Preventive Maintenance and Solar Salt for Convention Center, \$23,000.00 annually; \$115,000.00 Contract Period (1 contract, Convention & Sports Facilities)
- B. Grande Ford Truck Sales, Inc., dba Grande Truck Center for Sterling Parts, \$150,00.00 annually (1 contract, Solid Waste Management Department)
- C. Doggett Freightliner of South Texas for Cummins ISL G Parts, \$250,000.00 annually (1 contract, Solid Waste Management 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. Salt Exchange, Inc. for Water Softener Preventive Maintenance and Solar Salt for Convention Center, \$23,000.00 annually; \$115,000.00 Contract Period, upon award through September 30, 2022 with two, one year renewal options - will provide the Convention and Sports Facilities Department with a Contractor to provide all labor, material and solar salt to maintain two City-owned water softeners on a monthly basis at the Henry B. Gonzalez Convention Center. This service is necessary to maintain the Convention Center water softeners equipment working efficiently in order to continue providing soft water to the convention and event attendees at this facility. Contractor will be checking the media, mineral tanks, brine tanks, brine introduction, control valve and auxiliary equipment once a month for proper operations.

B. Grande Ford Truck Sales, Inc., dba Grande Truck Center for Sterling Parts, \$150,00.00 annually, upon award through December 31, 2022 with two, one year renewal options - will provide the Solid Waste Management Department (SWMD), Fleet Services Division, with parts for Sterling medium to heavy duty trucks utilized for pulling trailers, grapplers and brush trailers, etc. Currently, the City has approximately 110 Sterling trucks in its fleet. This contract will be monitored by the SWMD, Fleet Services Division, for maintenance and repairs of Sterling trucks utilized by the City of San Antonio.

C. Doggett Freightliner of South Texas for Cummins ISL G Parts, \$250,000.00 annually, upon award through December 31, 2022 with two, one year renewal options - will provide the Solid Waste Management Department (SWMD), Fleet Services Division, with a contract to furnish repair parts for refuse trucks equipped with Cummins ISL G (Compressed Natural Gas Engines). This contract will be utilized by the Solid Waste Management Department, Heavy Fleet Operations Division, for replacing malfunctioning parts of CNG refuse trucks.

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. Water Softener Preventive Maintenance and Solar Salt - 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.

B. Sterling 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 required.

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

C. Cummins ISL G 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 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. Water Softener Preventive Maintenance and Solar Salt - Should this contract not be approved, the Convention and Sports Facilities Department would be required to process individual procurements for preventive maintenance and solar salt for department water softeners on an as needed basis. However, processing purchases as services are needed could result in paying higher than contract rates and delay the timely receipt of services.

B. Sterling Parts - Should this contract not be approved, the Solid Waste Management Department, Fleet Services Division, will be required to procure parts on an as needed basis. The City could lose the pricing advantage that is available through a competitively bid annual contract that affords volume discounts. Furthermore, the department's budget could be negatively impacted through continuous price variations.

C. Cummins ISL G Parts - Should this contract not be approved, the Solid Waste Management Department, Fleet Services Division, will be required to procure parts on an as needed basis. The City could lose the pricing advantage that is available through a competitively bid annual contract that affords volume discounts. Furthermore, the department's budget could be negatively impacted through continuous price variations.

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 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.