



# City of San Antonio

## Agenda Memorandum

**File Number:**15-1734

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**Agenda Item Number:** 15.

**Agenda Date:** 4/2/2015

**In Control:** City Council A Session

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**DEPARTMENT:** Finance

**DEPARTMENT HEAD:** Troy Elliott

**COUNCIL DISTRICTS IMPACTED:** City Wide

**SUBJECT:**

04/02/2015 Annual Contracts

**SUMMARY:**

An ordinance awarding two 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 \$49,000.00. 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. Salt Exchange, Inc. for Salt Pellets, \$17,000.00 annually; \$68,000.00 contract period (1 contract, Aviation Department)

B. RHM Chemical Co. LLC for Water Treatment Services at Airport Central Utility Plant, \$32,000.00 annually; \$128,000.00 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.

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

A. Salt Exchange, Inc. for Salt Pellets, \$17,000.00 annually; \$68,000.00 contract period, upon award through

June 30, 2017 with two, one year renewal options - will provide for the purchase and delivery of Diamond Crystal Water Softener Pellet Salt with Softener Care Formula. Salt Pellets are used for softening water associated with City HVAC Cooling/Heating Systems. These salt pellets, packaged in 50 lb. bags, are utilized by various City facilities located throughout the City of San Antonio and will be ordered on an as needed basis.

**Contract procured on the basis of low qualifying bid:**

B. RHM Chemical Co. LLC for Water Treatment Services at Airport Central Utility Plant, \$32,000.00 annually; \$128,000.00 contract period, upon award through June 30, 2017 with two, one year renewal options - will provide for chemical water-treatment services of the hydronic loop systems located at the Airport's Central Utility Plant. Water treatment services of the systems will consist of servicing the closed loop chilled water and closed loop hot-water conditions of the Federal Aviation Administration Tower, Terminal A and Terminal B facilities at the San Antonio International Airport. This service is required to maintain operating efficiency and prevent corrosion or scaling of the systems.

**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. Salt Pellets - 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 (LPP) was not required.

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

B. Water Treatment Services at Airport Central Utility Plant - 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.

**ALTERNATIVES:**

A. 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.

B. Water Treatment Services at Airport Central Utility Plant - Should this contract not be approved, the City will be required to provide water treatment services on an as needed basis, where increased costs due to non-contract buying could be realized and cause a delay in monthly services.

**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 two 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.