



# City of San Antonio

## Agenda Memorandum

**File Number:**15-4676

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**Agenda Item Number:** 6.

**Agenda Date:** 10/8/2015

**In Control:** City Council A Session

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**DEPARTMENT:** Finance

**DEPARTMENT HEAD:** Troy Elliott

**COUNCIL DISTRICTS IMPACTED:** City Wide

**SUBJECT:**

10/8/2015 Annual Contracts

**SUMMARY:**

An ordinance awarding five contracts to provide the City with commodities and services on an annual basis for the terms of the contract, for an estimated annual cost of \$323,000.00. This ordinance provides the procurement of the following items, as needed, and dependent on the Department's available budget, for the terms of the contract:

A. New Earth Inc. for Mulch, \$34,000.00 annually; \$170,000.00 contract period  
(1 contract, Parks & Recreation, Convention and Sports Facilities and Culture & Creative Development Departments)

B. Sentry Protective Services, LLC for Park Gate Opening & Closing, \$13,000.00 annually; \$65,000.00 contract period (1 contract, Parks & Recreation Department)

C. Associated Supply Company Inc. d/b/a ASCO Equipment for Case Construction Equipment Parts & Service, \$80,000.00 annually (1 contract, Solid Waste Management, Transportation and Capital Improvements, and Parks & Recreation Departments)

D. Sirchie Acquisition Company, LLC for SAPD Narcotics Test Kits, \$15,000.00 annually; \$75,000.00 contract period (1 contract, Police Department)

E. Johnson Controls, Inc. for HVAC Controls at Central Library, \$181,000.00 annually  
(1 contract, Library 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. New Earth Inc. for Mulch, \$ 34,000.00 annually; \$170,000.00 contract period, upon award through December 31, 2018 with two, one year renewal options - will provide the Parks and Recreation, Convention and Sports Facilities and Culture and Creative Development Departments with a contractor to provide various types of bagged mulch. The mulch varieties include black mulch, red dye mulch, enriched hardwood mulch, brown cedar mulch, and natural native mulch. The mulch will be delivered in 2 cubic ft. bags and will be utilized for landscaping and tree planting projects at various City locations.

B. Sentry Protective Services, LLC for Park Gate Opening & Closing, \$13,000.00 annually; \$65,000.00 contract period, November 1, 2015 through December 31, 2018 with two, one year renewal options - will provide the Parks and Recreation Department with a contractor to provide labor and transportation to perform park gate opening and closing services at public parks, natural areas, or greenway trails throughout the city. There are six park locations that require gates to be opened and closed on a daily scheduled basis, including holidays and 162 locations that may require services on an as needed basis.

C. Associated Supply Company Inc. d/b/a ASCO Equipment for Case Construction Equipment Parts & Service, \$80,000.00 annually; upon award through March 31, 2019, with two, one year renewal options - will provide parts and service for Case construction equipment units that include wheel loaders, skid steers, and motor graders. This contract will be maintained by the Solid Waste Management Department and will be utilized by both the Transportation and Capital Improvement and Parks and Recreation Departments. There are twenty-six Case construction equipment units within the City's fleet.

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

D. Sirchie Acquisition Company, LLC for SAPD Narcotics Test Kits, \$15,000.00 annually; \$75,000.00 contract period, upon award through September 30, 2018, with two, one year renewal options - will provide the San Antonio Police Department with a contractor to furnish 23 presumptive field narcotic test kits, inclusive of training. This contract will be utilized by SAPD officers to conduct presumptive tests of substances found in possession of individuals that are in custody or apprehended.

**Contract procured on the basis of sole source:**

E. Johnson Controls, Inc. for HVAC Controls at Central Library, \$181,000.00 annually, November 1, 2015 through October 31, 2016 with one, one year renewal options - will provide the San Antonio Public Library with a contract for the maintenance and repair of the Metasys Facility Management System currently installed in the Central Library. The Johnson Controls Metasys Facility Management System is a computerized environmental control system, controlling the automatic temperature controls, control valves and damper actuators, air compressor and dryer, fire alarm subsystem, evacuation subsystem, and all other devices installed as part of the initial construction of the Central Library.

The estimated amount of this contract is \$181,000.00 annually, which includes maintenance and repair of the Metasys Control System, \$40,000.00 capacity for the contractor to provide on an as needed basis for labor and materials for unforeseen damages and repairs on the Metasys Control System.

These items are being purchased as Sole Source according to the provisions of Texas Statutes Local Government Code 252.022.07. No other source can supply the items listed nor can any comparable item fulfill the same requirements. Vendor acknowledges, with his/her signature, that all items offered are considered a Sole Source.

#### **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. Mulch - 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 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. Park Gate Opening & Closing - 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.

In accordance with the Local Preference Program, no local preference was applied, since the local bidder is not within 3% of the recommended lowest non-local bidder.

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

C. Case Construction Equipment Parts & Service - Due to the lack of small, minority, and/or women businesses available to provide these goods, the SBEDA Program did not apply to this solicitation.

There were no bids submitted from local bidders for this contract; therefore the Local Preference Program was not applied.

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

D. SAPD Narcotics Test Kits - 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 vendors for this contract, therefore the Local Preference Program was not applied.

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

E. HVAC Controls at Central Library - This contract is an exception to the SBEDA and Local Preference Program.

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

**ALTERNATIVES:**

A. Mulch - Should this contract not be approved, the departments will be required to purchase mulch on an as needed basis wherein increased costs due to non-contract buying would be realized and may result in delayed delivery times.

B. Park Gate Opening & Closing - Should this contract not be approved, the Parks & Recreation Department will not be able to open and close park gates to allow or prevent residents from using the facilities. Department would also have to purchase services on an as needed basis wherein increased costs due to non-contract buying would be realized.

C. Case Construction Equipment Parts & Service - Should this contract not be approved, the Solid Waste Management Department will be required to procure parts and service on an as-needed basis which may result in higher pricing and delays in returning the units to service.

D. SAPD Narcotics Test Kits - Should this contract not be approved, the City will be required to acquire and purchase narcotics test kits on an as needed basis, where increased costs due to non-contract buying could be realized as well as cause a delay in delivery times.

E. HVAC Controls at Central Library - Should this contract not be approved, the San Antonio Public Library may process individual procurements as equipment problems arise. However, processing purchases as equipment malfunctions will force the San Antonio Public Library to pay non-contract rates as well as compromise the integrity and functionality of the buildings automated control system.

**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 five 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, low qualifying and sole source, and Contract Disclosure Forms are not required.