



City of San Antonio

Agenda Memorandum

File Number:15-5097

Agenda Item Number: 7.

Agenda Date: 10/29/2015

In Control: City Council A Session

DEPARTMENT: Finance

DEPARTMENT HEAD: Troy Elliott

COUNCIL DISTRICTS IMPACTED: City Wide

SUBJECT:

Annual Contract for Citywide Janitorial Paper Products

SUMMARY:

An Ordinance authorizing one contract with Gulf Coast Paper Company to provide the City with the purchase and delivery of janitorial paper products for an estimated annual cost of \$385,000.00. The initial term of this contract is December 1, 2015 through December 31, 2018 with two, one-year renewal options. No funds will be encumbered by this ordinance which provides for the procurement of janitorial paper products as required, based upon the Department's available budget.

BACKGROUND INFORMATION:

Submitted for City Council consideration and action is the bid submitted by Gulf Coast Paper Company (Alternate Bid) for Janitorial Paper Products. This contract will provide the City with the purchase and delivery of janitorial paper products for use by City departments. Gulf Coast Paper Company will deliver orders on an as-needed basis with a minimum of twice a week delivery.

In accordance with the Office of Sustainability's recommendations, this contract will include "Environmentally Preferred Products". These products shall have a lesser or reduced effect on human health and the environment when compared with competing products that serve the same purpose.

Based on the current pricing structure for janitorial paper products, the City will realize a savings of 12.74% on core items for Janitorial Paper Products to include but not limited to paper towels, c-fold, multi-fold paper towels, face tissue, toilet seat liners and toilet tissue. These savings will favorably impact 70% of the projected spend on this contract. The balance of the projected spend will be from lower use items available through Gulf Coast Paper's specified catalogs at one set discount.

ISSUE:

The City issued an Invitation for Bid (IFB) for an "Annual Contract for Citywide Janitorial Paper Products" (IFB 6100006353) on July 20, 2015 and six bids were received on August 14, 2015. Two bids were evaluated for Janitorial Paper Products. Staff recommends acceptance of the low responsive bid from Gulf Coast Paper Company.

A comprehensive evaluation of all bids received was conducted by Purchasing staff to determine the overall lowest responsive bidder. The first step was to review bids in an effort to determine their compliance with the IFB requirements which resulted in four bids being rejected for material deviations to the IFB requirements. The second step was to perform an analysis of the two IFB pricing sections. First, staff evaluated discounts submitted for specified janitorial paper products contained in the bidders' published catalog. Second, pricing was analyzed for the high volume janitorial paper products purchased by the City. Due to the larger volume, bidders were given the opportunity to provide deeper discounts for these core items versus the remaining items contained in the specified janitorial paper product category. All discounts must remain fixed for the duration of the contract term.

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 was 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.

ALTERNATIVES:

Should this contract not be approved, the City would be required to purchase janitorial paper products as needs arise thereby negating the price advantage associated with consolidating the City's purchasing power through one vendor. Establishing contracts based upon catalog discounts will secure substantial volume discounts from the published prices for high volume janitorial paper products.

FISCAL IMPACT:

The estimated annual cost for this contract is \$385,000.00. No funds are encumbered by this ordinance which provides for the procurement of specified janitorial paper products as required, based upon the Department's available budget.

RECOMMENDATION:

Staff recommends the approval of this contract with Gulf Coast Paper Company to provide the City with the purchase and delivery of janitorial paper products for an estimated annual cost of \$385,000.00.

This contract is procured by means of a low bid and a Contracts Disclosure Form is not required.