



# City of San Antonio

## Agenda Memorandum

**File Number:**

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**Agenda Item Number:** 8

**Agenda Date:** June 13, 2024

**In Control:** City Council A Session

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**DEPARTMENT:** Finance Department

**DEPARTMENT HEAD:** Troy Elliott

**COUNCIL DISTRICTS IMPACTED:** Citywide

**SUBJECT:**

SAPD Annual Contract for Online Auction Services

**SUMMARY:**

This ordinance ratifies a contract and formally accepts revenue received from PropertyRoom.com, Inc. in the amount of \$222,273, under the Sourcewell Cooperative Contract for the San Antonio Police Department (SAPD) online auction services for the sale of property collected and stored in surplus in the SAPD property room in connection with law enforcement activities, for the purpose of auctioning said property on the internet to the public. Additionally, the ordinance seeks approval to award a new contract to PropertyRoom.com, Inc. to commence upon City Council award through March 19, 2025, with a one (1) year option to renew for an estimated revenue amount of \$95,000 annually with a potential total revenue of \$190,000 over the contract life. Revenue generated from this contract will be deposited into City's General Fund.

**BACKGROUND INFORMATION:**

This is a request for ratification of a contract with and formal acceptance of revenue received from PropertyRoom.com, Inc. in amount of \$222,273, submitted for Council action for online auction services for the sale of property collected and stored in surplus in the City's SAPD property room in connection with law enforcement activities, for the purpose of auctioning said property on the

internet to the public. Additionally, this ordinance seeks to award a new contract to PropertyRoom.com, Inc. to commence upon City Council award through March 19, 2025 with a one (1) year option to renew for an estimated revenue amount of \$95,000 annually, for a potential total revenue of \$190,000 over the contract life.

On January 8, 2015, City Council passed Ordinance 2015-01-08-0001 approving the annual contract for SAPD online auction services between the City and PropertyRoom.com, Inc. utilizing the Sourcewell Cooperative Contract # 012821-PRC (formerly NJPA Cooperative Contract # 042911-PRC) adopted by the City. The initial term of the contract with PropertyRoom.com, Inc. commenced on January 8, 2015, and terminated on June 23, 2017. In June 2017, the contract was extended by enacting the renewal term of three additional one (1) year periods commencing on June 24, 2017 and terminating on June 23, 2020.

On June 18, 2020, City Council passed Ordinance 2020-06-18-0409 approving the first amendment and extension of the contract through June 22, 2021. The contract met the requirements under the terms of the NJPA Cooperative Purchasing Contract adopted by the City through Ordinance 2009-02-12-0102. SAPD continued use of the online auction services from June 2021 through September 2023, requiring ratification for the use of the cooperative contract for auction services beyond the termination date. SAPD discontinued use of the online auction services in October 2023.

The City issued a Request for Offer (RFO) for “Online Auction Services” (RFO 6100018046) on April 11, 2024, with a submission deadline of April 16, 2024. The RFO requirements are in accordance with the terms of the Sourcewell Cooperative Contract # 012821-PRC (formerly NJPA Cooperative Contract # 042911-PRC). The offer received from PropertyRoom.com, Inc. is recommended for contract award based on published specifications.

The initial term of the agreement will be for a period upon award by City Council through March 19, 2025. One (1) additional, one-year renewal at the City’s option will also be authorized by this ordinance. Contractor and City will split commission of sales and disposition proceeds accordingly. As a revenue generating contract, the estimated annual spend would be based on a split of profit of sales generated at auction

This purchase is made in accordance with the National Joint Powers Alliance (Sourcewell) Cooperative Program passed through Ordinance 2009-02-12-0102, dated 2/12/09.

#### **ISSUE:**

This action will ratify a contract with and formally accept revenue received from PropertyRoom.com, Inc. in the amount of \$222,273, under the Sourcewell Cooperative Contract for SAPD online auction services for the sale of property collected and stored in surplus in the City’s SAPD property room in connection with law enforcement activities, for the purpose of auctioning said property on the internet to the public. Additionally, this ordinance seeks to award a new contract to PropertyRoom.com, Inc., to commence upon award through March 19, 2025 with a one (1) year option to renew for an estimated revenue amount of \$95,000 annually with a potential total revenue of \$190,000 over the contract life. This online auction services contract

with PropertyRoom.com, Inc. will help alleviate the growing surplus of various portable personal property items currently being held in the Property Room, while SAPD issues a competitive solicitation for a longer term contract for these services

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.

This purchase is an exception to the Local Preference Program.

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 San Antonio Police Department's property room will be unable to properly maintain the adequate amount of space to accommodate the storage and disposal of collected property from law enforcement activities.

#### **FISCAL IMPACT:**

This ordinance ratifies a contract and formally accepts revenue received from PropertyRoom.com, Inc. in amount of \$222,273 under the Sourcewell Cooperative Contract for SAPD online auction services for the sale of property collected and stored in surplus in the City's SAPD property room in connection with law enforcement activities, for the purpose of auctioning said property on the internet to the public. Additionally, this ordinance seeks to award a new contract to PropertyRoom.com, Inc. to commence upon award through March 19, 2025 with a one (1) year option to renew for an estimated revenue amount of \$95,000 annually with a potential total revenue of \$190,000 over the contract life. Revenue generated from this contract will be deposited into City's General Fund.

#### **RECOMMENDATION:**

Staff recommends approval of the ratification of the annual contract with PropertyRoom.com, Inc., under the City's adopted Sourcewell Cooperative Contract, and the SAPD for online auction services for the sale of property collected and stored in surplus in the City's property room in connection with law enforcement activities for revenue received in amount of \$222,273 and award of a new contract to PropertyRoom.com, Inc. for a potential total revenue of \$190,000 over the contract life.

This contract was procured on the basis of a cooperative purchasing agreement and a Contracts Disclosure Form is not required.