



# City of San Antonio

## Agenda Memorandum

**File Number:**

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**Agenda Item Number:** 11

**Agenda Date:** October 20, 2022

**In Control:** City Council A Session

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**DEPARTMENT:** Finance Department

**DEPARTMENT HEAD:** Troy Elliott

**COUNCIL DISTRICTS IMPACTED:** Citywide

**SUBJECT:**

Annual Contracts

**SUMMARY:**

An ordinance awarding four 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 \$376,000.00 annually. 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. Hampel Oil Distributors, Inc., and Midtex Oil L.P. for bulk diesel fluid, \$230,000.00 annually (2 contracts, Building and Equipment Services Department, and Solid Waste Management Department)
- B. Tellus Equipment Solutions, LLC for John Deere parts and service, \$40,000.00 annually (1 contract, Solid Waste Management Department, Public Works Department, Parks and Recreation Department, Aviation Department)
- C. C.D.S. Properties, Inc. dba Southwest Public Safety for installs, removals, and repairs of equipment for police motorcycles, \$106,000.00 annually (1 contract, San Antonio Police 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. Hampel Oil Distributors, Inc., and Midtex Oil L.P. for bulk diesel fluid, \$230,000.00 annually, upon award through September 30, 2025, with two, one-year renewal options – will provide the Building and Equipment Services and the Solid Waste Management departments with Diesel Exhaust Fluid (DEF).

B. Tellus Equipment Solutions, LLC for John Deere parts and service, \$40,000.00 annually, \$200,000.00 total contract, upon award through October 31, 2025, with two, one year renewal options – will provide the Solid Waste Management Department, Public Works Department, Parks and Recreation Department, and Aviation Department with repair parts and service for John Deere Agricultural Tractors.

C. C.D.S. Properties, Inc. dba Southwest Public Safety for installs, removals, and repairs of equipment for police motorcycles, \$106,000.00 annually, upon award through September 30, 2025 with two, one-year renewal options – will provide the San Antonio Police Department (SAPD) with labor and repair services to install, remove, and restore safety equipment utilized on Honda Goldwing and BMW Motorcycles, as needed, for the SAPD Motorcycle Detail Unit. This annual contract also provides for labor to remove and repair existing equipment from one motorcycle and to install on another. The City's fleet currently consists of 23 Honda Goldwing's and 5 BMW motorcycles. City reserves the right to add or delete motorcycle makes and models throughout the contract term.

## **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. Bulk Diesel Fluid**

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.

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 bidders.

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

**B. John Deere Parts and Service**

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.

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

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

**C. Installs, Removals, and Repairs of Equipment for Police Motorcycles**

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 non-professional services, so no preference was applied to this contract.

**ALTERNATIVES:**

A. Bulk Diesel Fluid - Should this contract not be approved, the Building and Equipment Services Department, and the Solid Waste Management Department would not be able to support the DEF fueling needs of diesel-powered vehicles and equipment used in the City's fleet. The lack of a contract may hinder efficient delivery and supply of fuel and increase in costs due to non-contract buying could be realized as well, thus compromising timely delivery of essential services to the residents of San Antonio.

B. John Deere Parts and Service - Should this contract not be approved, the departments would be required to process individual procurements for John Deere Agricultural Tractor parts as needs arise. As a result, processing requirements as spot purchases would delay the timely repair of equipment and the department would not realize the cost savings associated with long-term agreements.

C. Installs, Removals, and Repairs of Equipment for Police Motorcycles – Should this contract not be approved, the Police Department would be required to procure services on an as-needed basis, wherein increased costs due to non-contract buying could be realized. The department could also be at risk of service delays due to non-contract service providers not being familiar with required 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 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.