



# City of San Antonio

## Agenda Memorandum

**File Number:**

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**Agenda Item Number:** 12

**Agenda Date:** September 29, 2022

**In Control:** Select Meeting Type

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**DEPARTMENT:** Finance Department

**DEPARTMENT HEAD:** Troy Elliott

**COUNCIL DISTRICTS IMPACTED:** Citywide

**SUBJECT:**

Auction Services for Auto Vehicles and Equipment

**SUMMARY:**

This ordinance authorizes a contract with BA&W Enterprises Inc. dba San Antonio Auto Auction to provide auction services to dispose of retired City vehicles and off-road equipment for an estimated amount of \$125,000.00 annually; \$625,000.00 total contract period. Funding for this contract is available from FY 2023 Equipment Renewal and Replacement Fund Budget. Funding for future year is contingent upon City Council appropriation of subsequent annual funding. All revenue generated will be deposited to the Equipment Renewal and Replacement Fund.

**BACKGROUND INFORMATION:**

Submitted for Council consideration and action is a proposal submitted by BA&W Enterprises Inc. dba San Antonio Auto Auction to provide auction services for the Building and Equipment Services Department to auction and dispose of retired City vehicles and equipment that have exceeded their useful life.

The City retires and disposes an average of 475 vehicles and off-road equipment annually, resulting in average revenue of \$4 million annually to the Equipment Renewal and Replacement

Fund and other funding sources. Salvage revenue generated has a direct impact on unit replacements for City departments.

The City issued a Request for Competitive Sealed Proposal (RFCSP) for “Auction Services for Automotive Vehicles and Equipment” (RFCSP 22-106, 6100015678) on July 15, 2022 and closed on August 15, 2022. Two proposals were received. BA&W Enterprises Inc. dba San Antonio Auto Auction is recommended for contract award based on the City’s standard evaluation process.

The evaluation committee consisted of representatives from the Building and Equipment Services Department, San Antonio Police Department, and Solid Waste Management Department. The Finance Department, Purchasing Division assisted by ensuring compliance with City procurement policies and procedures. The evaluation of each proposal was based on a total of 100 points: 30 points allotted for Experience, Background, and Qualifications; 35 points allotted for Proposed Plan, and 35 points allotted for Pricing. Additional categories of consideration included references and financial qualifications.

BA&W Enterprises Inc. dba San Antonio Auto Auction has been in business for 27 years and has a Reconditioning Center that includes a Detailing Center, Body Shop and Mechanic’s Shop. City of San Antonio vehicles and equipment will be sold to the general public by live auction and online auction to the highest bidder. Auction services include pick-up for operable and inoperable vehicles and equipment, storage until sold, executing bill of sale/title transfers, and collection of funds.

The initial term of the contract shall begin October 1, 2022 through September 30, 2025. Two additional one-year renewals at the City’s option shall also be authorized by this ordinance.

## **ISSUE:**

This contract will provide a contractor to perform auction services for the Building and Equipment Services Department. The contractor will publicize, including by listing items of City property on Auctioneer’s website, and sell by auction retired fleet which includes but is not limited to vehicles, off road heavy equipment, trailers, and rolling stock equipment (generators, pressure washers, seed spreaders, etc.). Proceeds from the sale of retired vehicles and equipment are factored into payments charged to City departments for vehicles in the Equipment Renewal and Replacement Fund. Salvage values have been prepared based upon historical sales data and published market values from the National Automobile Dealers Association online guide.

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 services.

This contract is an exception to the Local Preference Program.

The Veteran-Owned Small Business Preference Program does not apply to non-professional services; therefore, no preference was applied to this contract.

**ALTERNATIVES:**

Should this contract not be approved, the Building and Equipment Services Department will not have an auction contract for the sale of retired vehicles and equipment that have reached the end of its useful life. The City may choose to salvage vehicles and equipment by directly accepting offers from the general public, but this may prove inefficient and negatively impact the Equipment Renewal and Replacement Fund. In addition, the lack of a contract will require the department to store vehicles and find alternative space for retired vehicles and equipment until they can be disposed.

**FISCAL IMPACT:**

This ordinance authorizes a contract with BA&W Enterprises Inc. dba San Antonio Auto Auction to provide auction services to dispose of retired City vehicles and off-road equipment for an estimated amount of \$125,000.00 annually; \$625,000.00 total contract period. Funding for this contract is available from FY 2023 Equipment Renewal and Replacement Fund Budget. Funding for future year is contingent upon City Council appropriation of subsequent annual funding. All revenue generated will be deposited to the Equipment Renewal and Replacement Fund.

**RECOMMENDATION:**

Staff recommends the approval of this contract with BA&W Enterprises Inc. dba San Antonio Auto Auction to provide the Building and Equipment Services Department with auction services for an estimated amount of \$125,000.00 annually; \$625,000.00 total contract period.

This contract is procured by means of Competitive Sealed Proposal and a Contracts Disclosure Form is attached.