

## AGENDA



Thursday, May 17, 2007

**Purchasing Office  
RECOMMENDATION FOR COUNCIL ACTION****Item No. 21**

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**Subject:** Approve the ratification of Amendment No. 1 to increase the contract amount with E.J. WARD, INC., San Antonio, TX, for the purchase of parts for the Radio Frequency Fueling System Program in an amount of \$86,860, for a revised total contract amount not to exceed \$281,570.

**Amount and Source of Funding:** Funding is available in the Fiscal Year 2006–2007 Capital Budget of the Financial and Administrative Services Department, Fleet Fund.

**Fiscal Note:** A fiscal note is required.

**For More Information:** Mary Quintero-Herrera, Buyer II/974-3266.

**Purchasing Language:** Contract Amendment

**MBE/WBE:** This contract was awarded in compliance with Chapter 2-9C of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this solicitation.

**Prior Council Action:** 07/28/05 – Approved sole source contract for \$194,710

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On July 28, 2005, Council approved a contract for \$194,710 with E.J. Ward, Inc. for a radio frequency fueling system to be installed primarily at sites used by Solid Waste Services and the Police Department. This system provides for the automatic recording of mileage and other relevant information needed to document the purchase of fuel from City-owned fuel sites.

Between September 2005 and December 2007, equipment was installed at approximately 20 of the 40 City-owned fuel sites that would automatically read information from devices installed in Solid Waste and APD vehicles, e.g. information on mileage and vehicle condition, and transmit that information along with data on the amount of fuel purchased to the City's overall fuel system. During the same period of time, more than 150 of the devices that transmit information from the vehicle to the fuel site equipment were installed on City-owned vehicles.

While working on the project, Fleet staff did not adequately monitor the amount left on the contract and ordered 350 devices without proper contract authorization. By the time the purchase came to the attention of Fleet management, most of those additional devices had already been delivered and had been installed on vehicles. The unauthorized purchase of the additional devices overspent the authorized contract amount by \$86,860.

This action is to approve ratification of the Radio Frequency Fueling System Program to include the purchase of additional parts in the amount of \$86,860.

Fleet Services is satisfied with the results of the initial phase of this project, which will eventually culminate in the use of this technology on all of the City's fuel operated vehicles and equipment. Fleet Services anticipates the full program to be completed within three years and has taken steps to ensure that all future purchases for this program are properly authorized.