

**CITY OF SAN ANTONIO
INTERDEPARTMENTAL MEMORANDUM
PURCHASING & GENERAL SERVICES DEPARTMENT**

CONSENT AGENDA
ITEM NO. 10

TO: Mayor and City Council

FROM: Janie B. Cantu, Director of Purchasing & General Services

THROUGH: Terry M. Brechtel, City Manager

COPIES: Erik J. Walsh, Assistant to the City Manager;
Albert Ortiz, Chief of Police; File

SUBJECT: Sale of Confiscated Eight-liners

DATE: June 3, 2004

SUMMARY & RECOMMENDATION:

This ordinance authorizes the Purchasing & General Services Department to accept a bid of \$151,750.00 submitted by Express Video, Inc. for the sale of confiscated eight-liner gambling machines. The eight-liners were seized as a result of criminal investigations of illegal gambling establishments in the San Antonio City limits. The machines were awarded to the Police Department by rulings of the Criminal Courts. It also authorizes payment in the amount of \$59,094.77 to the Bexar County District Attorney's Office.

Staff recommends approval.

BACKGROUND INFORMATION:

As a result of complaints received from the public, the Police Department seized 2,525 eight-liner gambling machines. To date, the San Antonio Police Department filed sixty-nine criminal cases involving illegal gambling establishments in San Antonio. By ruling of the Criminal Courts, 326 of the seized machines have been awarded to the Police Department.

The Purchasing and General Services Department solicited six bids for the sale of eight-liner gambling machines and recommends acceptance of the bid submitted by Express Video, Inc. Express Video Inc. was the successful high bidder with a total bid of \$151,750.00. The established minimum bid was \$300 per machine, with the successful vendor bidding \$465.29 per machine. The Invitation for Bid contains language stating the bidder agrees to remove all machines from the State of Texas within thirty days of notification of award and shall not bring the machines nor allow the machines to be brought back to the State of Texas.

An agreement was made with the Bexar County District Attorney's Office to split any revenue from the sale of the machines 50/50 after all expenses are covered. The Police Department has expensed \$33,560.46 since February 26, 2004. Revenue received from the sale of the eight-liners total \$151,750.00. The Police Department's share totals \$92,655.23. Since revenues exceed expenses by \$118,189.54, the Bexar County District Attorney's Office is entitled to \$59,094.77.

POLICY ANALYSIS:

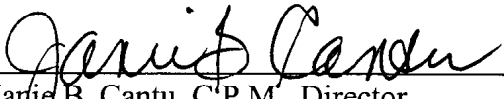
This ordinance continues City Council's policy of liquidating seizures of illegally obtained assets in an effort to reduce the profitability of illegal gambling establishments and to help offset the cost incurred in the investigation of the illegal activity.

FINANCIAL IMPACT:

The funds from the sale of the eight-liners will be deposited into the Confiscated Property Fund. The funds will be used to offset expenses by the Police Department to date.

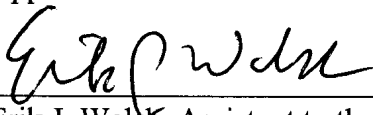
COORDINATION

This ordinance has been coordinated with the City of San Antonio Police Department.



Janie B. Cantu, C.P.M., Director
Purchasing & General Services

Approved:



Erik J. Walsh, Assistant to the City Manager
City Manager's Office

City of San Antonio Bid Tabulation

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|--|---|----|---------------------|----------------------|-------------------------|----------------------|----------------------|------------------------------------|-------------------------------|
| Opened May 14, 2004 | | | | | | | | | |
| For: Sale of Confiscated Illegal Gambling 8-Liner Video Machines | | | | | | | | | |
| Bid # 04-063 | | DS | Express Video, Inc. | County Palace | Preferred Amusement Co. | Mitchell Enterprises | Casino Network Inc. | Better Games Distributing Co., Inc | L. A. Slots Machine Co., Inc. |
| | | | 240 Koolabrew Drive | 3940 Hwy 90 E. | 3919 N. Expressway | 741 Outpost Circle | 506 East Dallas Road | 103 N. Main Street | 750 Lairport Street |
| Description | | | Calabash NC 28467 | Castroville TX 78009 | Griffin GA 30223 | Wayne PA 19087 | Grapeville TX 76051 | Tabor City NC 28463 | El Segundo CA 90245 |
| Eight-Liner Video Machines | | | | | | | | | |
| Price Per Lot of 326 Machines | 1 | | \$151,750.00 | \$150,000.00 | \$131,750.00 | No Response | No Response | No Response | No Response |
| Amount to be Received by the City | | | \$151,750.00 | | | | | | |