

CONSENT AGENDA
ITEM NO. 11

**CITY OF SAN ANTONIO
PURCHASING & GENERAL SERVICES DEPARTMENT
CITY COUNCIL AGENDA MEMORANDUM**

TO: Mayor and City Council

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

SUBJECT: Sale of Confiscated Eight-liners

DATE: December 16, 2004

SUMMARY & RECOMMENDATION

This ordinance authorizes the Purchasing & General Services Department to accept a bid of \$141,207.00 submitted by Express Video, Inc. for the sale of 445 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 \$45,520.98 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 3,381 eight-liner gambling machines. To date, the San Antonio Police Department filed one hundred and two (102) criminal cases involving illegal gambling establishments in San Antonio. By ruling of the Criminal Courts, 445 of the seized machines have been awarded to the Police Department.

The Purchasing and General Services Department solicited seven bids for the sale of eight-liner gambling machines and recommends acceptance of the bid submitted by Express Video, Inc., with the highest bid of \$141,207.00. The established minimum bid was \$300 per machine, with the successful vendor bidding \$317.00 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 60/40 after all expenses are covered. The Police Department has expensed \$27,404.55 since September 9, 2004. Revenue received from the sale of the eight-liners total \$141,207. The Police Department's share totals \$95,686.02. Since revenues exceed expenses by \$113,802.45, the Bexar County District Attorney's Office is entitled to \$45,520.98.

To date, 1,882 eight-liners have been awarded to the City of San Antonio Police Department. The total amount expensed to date is \$312,938.67 for storage, moving of the machines, utility and alarm monitoring. Total revenue to date received from the sale of the machines is \$770,062. Total revenue awarded to date to the Police Department is \$552,880.59. Total amount shared to date with the District Attorney's Office is \$217,181.41.

POLICY ANALYSIS

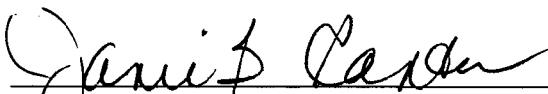
This ordinance continues City Council's policy of liquidating seizures of illegally obtained assets in an effort to reduce the profitability of illegal gambling establishments and to help offset the cost incurred in the investigation of the illegal activity.

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



Erik J. Walsh
Assistant to the City Manager

Prepared by Purchasing 12/2/2004