

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

CONSENT AGENDA

ITEM NO. 6

TO: Mayor and City Council

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

SUBJECT: Sale of Confiscated Eight-liners

DATE: March 31, 2005

SUMMARY & RECOMMENDATION

This ordinance authorizes the Purchasing & General Services Department to accept a bid in the amount of \$107,231.00 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 \$28,324.24 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 3,572 eight-liner gambling machines. To date, the San Antonio Police Department filed one hundred and nine (109) criminal cases involving illegal gambling establishments in San Antonio. By ruling of the Criminal Courts, 175 of the seized machines have been awarded to the Police Department.

The Purchasing and General Services Department solicited eight bids for the sale of 175 eight-liner gambling machines and recommends acceptance of the bid submitted by Express Video, Inc., with the highest bid of \$107,231.00. The established minimum bid was \$300 per machine, with the successful vendor bidding an average of \$612.74 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 \$36,420.41 since December 16, 2004. Revenue received from the sale of the eight-liners total \$107,231. The Police Department's share totals \$78,906.76. Since revenues exceed expenses by \$70,810.59, the Bexar County District Attorney's Office is entitled to \$28,324.24.

To date 2,219 eight-liners have been awarded to the City of San Antonio Police Department. The total amount expensed to date is \$349,359.08 for storage, moving of the machines, utility and alarm monitoring. Total revenue to date received from the sale of the machines is \$877,293. Total revenue awarded to date to the Police Department is \$631,787.35. Total amount shared to date with the District Attorney's Office is \$245,505.65.

POLICY ANALYSIS

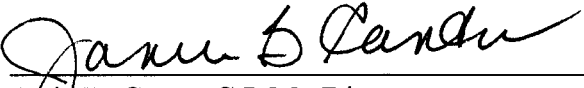
This ordinance continues City Council's policy of liquidating seizures of illegally obtained assets in an effort to reduce the profitability of illegal gambling establishments and to help offset the cost incurred in the investigation of the illegal activity.

FINANCIAL IMPACT

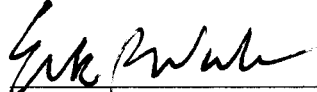
The funds from the sale of the eight-liners will be deposited into the Confiscated Property Fund. The funds will be used to offset expenses by the Police Department to date.

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

City of San Antonio Bid Tabulation

Opened March 14, 2005										
For: Sale of Confiscated Illegal Gambling 8-Liner Video Machines										
Bid # 05-058	DS	Express Video, Inc. 240 Koolabrew Drive	Country Palace 3940 Hwy 90 E.	Preferred Amusement Co. 3919 N. Expressway	Mitchell Enterprises 741 Outpost Circle	Casino Network Inc. 506 East Dallas Road	Better Games Distributing Co., Inc 103 N. Main Street	L. A. Slots Machine Co., Inc. 750 Lairport Street	Wordwide Gaming, Inc. 13810 24th Avenue	
	Description	Calabash NC 28467	TX Castroville 78009	Griffin GA 30223	Wayne PA 19087	Grapeville TX 76051	Tabor City NC 28463	El Segundo CA 90245	Plymouth MN 55441	
Eight-Liner Video Machines										
Price Per Lot of 175 Machines	1	\$107,231.00	No Response	No Response	No Response	\$105,000.00	No Response	No Response	No Response	
Amount to be Received by the City		\$107,231.00								