

Agenda item #5

**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: June 8, 2006

SUMMARY & RECOMMENDATION

This ordinance authorizes the Purchasing & General Services Department to accept a bid in the amount of \$237,558.00 submitted by Express Video, Inc. to purchase 578 confiscated eight-liner gambling machines from the City. The eight-liners were seized as a result of criminal investigations of illegal gambling establishments in the San Antonio City limits. These 578 machines were forfeited to the City by Court order. This ordinance also authorizes payment to the Bexar County District Attorney's Office ("District Attorney's Office") in the amount of \$95,362.20.

Staff recommends approval.

BACKGROUND INFORMATION

As a result of criminal investigations, the Police Department has seized 3,994 eight-liner gambling machines. To date, the San Antonio Police Department filed one hundred thirty-eight (138) criminal cases involving illegal gambling establishments in San Antonio. By order of the Courts, 578 of the seized machines have been forfeited to the City.

The Purchasing and General Services Department solicited bids for the sale of 578 eight-liner gambling machines. The highest bid was submitted by Express Video Inc. in the amount of \$237,558.00. The established minimum bid was \$300.00 per machine, with the successful vendor bidding an average of \$411.00 per machine. The contract requires the vendor to remove all machines from the State of Texas within thirty days of notification of award and precludes the vendor from bringing or allowing the machines to be brought back to the State of Texas.

An Agreement was made with the District Attorney's Office (DA) to split any revenue from the sale of the machines 60/40. Revenue received from this sale of the eight-liners totals \$237,558.00. The split for the sell of the eight-liners will be \$142,195.80 for the Police Department and \$95,362.20 for the District Attorney's Office, which encompasses a payment of \$338.98 due to the DA's office in accordance with the Interlocal Agreement approved by Ordinance No. 2006-01-05-35.

POLICY ANALYSIS

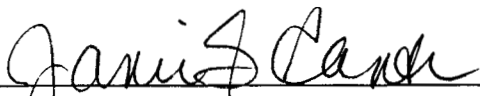
This ordinance continues City Council's policy of liquidating seizures of illegally obtained assets in an effort to reduce the profitability of illegal gambling establishments and to help offset the cost incurred in the investigation of the illegal activity.

FISCAL IMPACT


The funds from the sale of the eight-liners will be deposited into the Confiscated Property Fund.

COORDINATION

This ordinance has been coordinated with the City of San Antonio Police Department and the City Attorney's Office.



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



Michael Armstrong
Assistant City Manager/Chief Information Officer



Sheryl Sculley
City Manager

City of San Antonio

Contract Summary Sheet

Date 6-8-06

Agenda Item:

Name/Title (Caption as shown on agenda):

An ordinance accepting a bid in the amount of \$237,558.00 submitted by Express Video, Inc. for the purchase 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 forfeited to the City by Court order. This ordinance also authorizes payment to the Bexar County District Attorney's Office ("District Attorney's Office") in the amount of \$95,362.20.

[Presented by Janie B. Cantu, Director, Purchasing & General Services; Michael Armstrong, Assistant City Manager/Chief Information Officer]

Description of Item(s) and Use:

The Purchasing and General Services Department solicited seven bids for the sale of 578 eight-liner gambling machines and recommends acceptance of the bid submitted by Express Video, Inc., with the highest bid of \$237,558.00. The established minimum bid was \$300.00 per machine, with the successful vendor bidding an average of \$411.00 per machine. The contract requires the vendor to remove all machines from the State of Texas within thirty days of notification of award and precludes the vendor from bringing or allowing the machines to be brought back to the State of Texas.

Total: **\$237,558.00**

Bid Number and Title	06-069-DS Sale of Eight Liner Machines
Method of Procurement	Competitively Bid
Price Trend	See Comments Section

Contract Info: ☒ **Revenue** ☐ **Annual** ☐ **Support/Maintenance** ☐ **Lease**

Contractor(s): Express Video Inc. , 240 Koolabrew Drive, Calabash, NC 28462

Previous Related Council Action(s):

Date:	1-5-06
Agenda Item #:	10
Action:	Ord No 2006-01-05-36 accepting the highest bid submitted by Express Video for the purchase of eight liner gambling machines for a total of \$41,985.00
Date:	
Agenda Item #:	
Action:	

Anticipated Future Requirements and Actions:

Comments: The revenue received for each lot of 8-liner video machines sold will depend on type of machines and the quality of the machines in a lot. Last sale of 1 lot of 135 machines yielded a total amount of \$41,985.00 for an average of \$311.00 per machine.

Using Department: **Police Department**

City of San Antonio Bid Tabulation

Opened March 10, 2006 For: Sale of Confiscated Illegal Gambling 8-Liner Video Machines Bid # 06-069		DS	Express Video, Inc. 240 Koolabrew Drive Calabash NC 28467
Description	Lot		
Eight-Liner Video Machines Price Per Lot of 578 Machines	1		\$237,558.00