REPORT TO COUNCIL
City of Sacramento

915 I Street, Sacramento, CA 95814-2604
www.CityofSacramento.org

CONSENT
June 5, 2008

Honorable Mayor and
Members of the City Council

Title: Purchase/Cooperative Agreement: Automotive Fuel Credit Cards

Location/Council District: Citywide

Recommendation: Adopt a **Resolution**: 1) approving the use of State of California contract (DGS-OFA-OPPS-06) with Voyager Fleet Systems, Inc. for automotive fuel credit cards in an amount not to exceed $400,000 annually for as long as the contract is available for use; and 2) authorizing the City Manager or the City Manager's designee to execute purchases in the amount specified above provided that sufficient funds are available in the budget adopted for the applicable fiscal years.

Contacts: Keith Leech, Fleet Manager, 808-5869

Presenters: Not applicable

Department: General Services

Division: Fleet Management

Organization No: 3259

Description/Analysis:

Issue: The Department of General Services, Fleet Management Division has ongoing needs to purchase fuel from commercial facilities for various City owned vehicles including undercover vehicles and Police motorcycles. In accordance with City Code 3.56.240, the City Manager may, by cooperative purchasing agreements approved by City Council, purchase supplies through contracts of other governmental jurisdictions without separate competitive bidding, where it is advantageous to the City.

Policy Considerations: The recommendations in this report are in accordance with the provisions of City Code Section 3.56.

Committee/Commission Action: Not applicable

Environmental Considerations:

California Environmental Quality Act (CEQA):
The current project has been determined to be exempt from the requirements of the California Environmental Quality Act (CEQA), under Section 15061(b)(3) which states that CEQA applies only to projects which have the potential for causing a significant effect on the environment. The current proposal involves the purchasing of fuel for City vehicles and equipment. Therefore, as determined by the City's Environmental Services Planning Manager, no environmental review is necessary.

Sustainability Considerations:
In addition to the use of commercial fueling facilities, the City of Sacramento, Department of General Services, Fleet Management Division also maintains City owned fueling sites with capacity for unleaded gasoline, diesel fuel, Liquified Natural Gas (LNG) and Propane for trucks and mobile equipment.

Rationale for Recommendation: In an ongoing effort to maximize cost savings and staff resources, many government agencies share contracting efforts through cooperative purchasing. This procurement approach increases pricing competitiveness and lowers operating costs through volume buying. When comparing the administrative costs of procurement, staff considers product research, source selection, specifications, advertising, staff reports, awarding, protest, and administration of the contract. It is often more cost-effective to eliminate the cost and time spent on these administrative processes and purchase items and services through a cooperative purchasing program.

The City has used both regional and national cooperative purchasing agreements to complement its own contracting initiatives. Cooperative purchasing enables City departments and the Procurement Services Division to evaluate a broader range of contracting opportunities and to share resources with other jurisdictions. Cooperative purchasing also leverages internal and external resources to maximize cost savings opportunities for the City.

These automotive fuel credit cards will be used by City employees for fueling of City owned vehicles used in various capacities. Certain undercover operations inhibit the use of City owned fueling facilities. The City's Police motorcycles require the use of premium fuel for optimum performance and compliance with the manufacturer's warranty requirements. Occasionally, these cards are used by City employees traveling on City business in City owned vehicles. The Fleet Management Division monitors usage of the cards and passes charges on to the using departments.

This report recommends approving the use of contract DGS-OFA-OPPS-06 for commercial fuel purchases in an amount not to exceed $400,000 annually. The

current State of California contract is valid through October 31, 2009, but may be extended. Fuel purchases under this contract, in the amount stated above will comprise less than 5% of the City's annual automotive fuel budget.

Financial Considerations: Sufficient funds are available in the Department of General Services, Fleet Management Division, FY2007/08 operating budget to purchase fuel for fleet equipment. Purchases after June 30, 2008 and through the duration of the contract are subject to funding availability in the adopted budget of the applicable fiscal year.

Emerging Small Business Development (ESBD): Cooperative Purchasing Agreements are created, evaluated and awarded by other government agencies that may or may not have similar emerging and small business programs. However, the Department of General Services, Fleet Management and Procurement Services Divisions will consider other alternatives if it is determined that using cooperative contracts may have a negative impact on small businesses.

For the most recent complete fiscal year (FY2006/07), the Department of General Services achieved an ESBD percentage of 62%.

Respectfully submitted by: _____
Keith Leech
Fleet Manager

Approved by: _____
Reina J. Schwartz
Director, Department of General Services

Recommendation Approved:

for _____
Ray Kerridge
City Manager

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RESOLUTION NO. 2008-XXXX

Adopted by the Sacramento City Council

June 5, 2008

APPROVING THE USE OF A COOPERATIVE PURCHASING AGREEMENT FOR VOYAGER CREDIT CARD SERVICES FOR THE PURCHASE OF FUEL FOR FLEET EQUIPMENT

BACKGROUND

A. Department of General Services, Fleet Management Division has ongoing requirements to purchase supplies through contracts of other governmental jurisdictions including Sacramento County. The City has an opportunity to obtain lower pricing for these items through volume purchasing.

B. In accordance with City Code 3.56.240, the City Manager may, by cooperative purchasing agreements approved by City Council, purchase supplies through contracts of other governmental jurisdictions without separate competitive bidding, where it is advantageous to the City.

C. This report recommends approving the use of contract DGS-OFA-OPPS-06 for commercial fuel purchases in an amount not to exceed $400,000 annually. The current State of California contract is valid through October 31, 2009, but may be extended. Fuel purchases under this contract, in the amount stated above will comprise less than 5% of the City's annual automotive fuel budget.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

Section 1. The use of State of California contract DGS-OFA-OPPS-06 with Voyager Fleet Systems, Inc. is approved for automotive fuel credit cards in an amount not to exceed $400,000 annually for as long as the contract is available for use.

Section 2. The City Manager or the City Manager's designee is authorized to execute the necessary purchases in the amount specified above provided that sufficient funds are available in the budget adopted for the applicable fiscal years.