



## REPORT TO COUNCIL City of Sacramento

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

**CONSENT**  
**June 17, 2008**

**Honorable Mayor and  
Members of the City Council**

**Title: Purchase/Cooperative Agreement: Fuel for Fleet Equipment**

**Location/Council District: Citywide**

**Recommendation:** Adopt a **Resolution:** 1) Increasing the current contract with the County of Sacramento (WA00019302) to purchase additional fuel from Hunt & Sons for a total amount not to exceed \$4.0 million through August 31, 2008 or until the contract is no longer available; 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; and 3) ratifying prior purchases with Hunt & Sons in an amount of \$184,807.

**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 for Fleet equipment. 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.

The Department of General Services, Fleet Management Division has also identified expenditures that require immediate attention. Due to the large volume of fuel used by City vehicles and equipment, and the recent increases in the cost

of automotive fuels, prior projections of fuel use have been exceeded.

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

**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:**

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.

**Committee/Commission Action:** Not applicable

**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.

On March 25, 2008, City Council adopted Resolution No. 2008-175, approving the use of a cooperative purchasing agreement between the County of Sacramento (County) and Hunt & Sons and authorizing expenditures to Hunt & Sons under County contract WA00019302 in an amount not to exceed \$13.5

million for the purchase of motor fuel.

As of May 1, 2008, fuel purchases totaling 13,684,807 have been made. This exceeds the authorized amount for fuel by \$184,807. This report recommends ratifying prior purchases in the amount of \$184,807 and approving the use of this contract (WA00019302) for additional purchases in an amount not to exceed \$4 million until the contract is no longer available.

**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 made during FY2008/09 are subject to funding availability in the adopted budget for that 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:

  
Ray Kerridge  
City Manager

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**RESOLUTION NO. 2008-XXXX**

Adopted by the Sacramento City Council

**June 17, 2008**

**APPROVING THE USE OF A COOPERATIVE PURCHASING AGREEMENT 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. On March 25, 2008, City Council adopted Resolution No. 2008-175, approving the use of a cooperative purchasing agreement between the County of Sacramento (County) and Hunt & Sons and authorizing expenditures to Hunt & Sons under County contract WA00019302 in an amount not to exceed \$13.5 million for the purchase of motor fuel.

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

- Section 1. The current contract with the County of Sacramento (WA00019302) is increased for the purchase of additional fuel from Hunt & Sons for a total amount not to exceed \$4.0 million through August 31, 2008 or until the contract is no longer available.
- Section 2. The City Manager or the City Manager's designee is authorized to execute the necessary purchases in the amounts specified above provided that sufficient funds are available in the budget adopted for the applicable fiscal years.
- Section 3. Prior expenditures with Hunt & Sons in the amount of \$184,807 are hereby ratified.