



REPORT TO COUNCIL City of Sacramento

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

CONSENT
June 24, 2008

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

**Title: Cooperative Purchase Agreements: Parts and Services for Fleet
Equipment**

Location/Council District: Citywide

Recommendation: Adopt a **Resolution:** 1) approving the use of a State of California contract with Enterprise Rent-A-Car for rental vehicles in an amount not to exceed \$1,075,000 through December 31, 2008, or until the contract is no longer available for use; 2) approving the use of County of Sacramento contracts with a) Napa Auto Parts to purchase various light duty fleet parts in an amount not to exceed \$550,000 through January 2, 2009, or until the contract is no longer available for use; b) Amrep, Inc. to purchase refuse truck parts and services in an amount not to exceed \$480,000 through November 6, 2008, or until the contract is no longer available for use; c) Elmer's Portable Welding, Inc. for welding services in an amount not to exceed \$600,000 through November 30, 2008, or until the contract is no longer available for use; d) Capital Clutch and Brake to purchase clutches and brakes in an amount not to exceed \$350,000 through March 23, 2009, or until the contract is no longer available for use; e) K and T Truck Repair, Inc. for truck repair services in an amount not to exceed \$940,000 through July 31, 2008, or until the contract is no longer available for use; f) Maita Chevrolet to purchase Original Equipment Manufacturer (OEM) parts for Chevrolet vehicles in an amount not to exceed \$250,000 through October 31, 2008 or until the contract is no longer available for use; g) Morgan Tire of Sacramento for the purchase of light duty tires in an amount not to exceed \$1 million through May 15, 2009 or until the contract is no longer available for use; 3) authorizing the City Manager or the City Manager's designee to execute purchases in the amounts specified above provided that sufficient funds are available in the budget adopted for the applicable fiscal years; and 4) ratifying prior purchases with Enterprise Rent-A-Car in the amount of \$17,739 and K and T Truck Repair in the amount of \$114,167.

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 rental car services, fleet parts and repair services for City vehicles and 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.

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, 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 rental car services, fleet parts and repair services for City vehicles and equipment. Therefore, as determined by the City's Environmental Services Planning Manager, no environmental review is necessary.

Sustainability Considerations: 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.

This report recommends approving the use of contracts between the State of California and the County of Sacramento (County) for a variety of fleet related parts and services as detailed in the following paragraphs.

Enterprise Rent-A-Car

On June 21, 2007, City Council adopted Resolution No. 2007-424 approving the use of a cooperative purchase agreement (contract DGSOFA06ENT) between the State of California and Enterprise Rent-A-Car for rental car services in an amount not to exceed \$375,000 through December 31, 2007. The State contract is valid through December 31, 2008 and has two one-year renewal options after that date.

As of June 9, 2008 a total of \$370,155 has been expended under the authority granted by Resolution No. 2007-424, however, \$17,739 was expended after December 31, 2007. Therefore, this report recommends ratifying prior purchases in the amount of \$17,739.

Based on previous expenditures, Fleet Management staff estimates the ongoing annual need for rental car services to be \$280,000. Therefore, this report also recommends approving the use of this contract for an additional \$700,000 (bringing the total approved not-to-exceed amount to \$1,075,000) through December 31, 2008, or until the contract is no longer available for use.

Napa Auto Parts

On March 25, 2008, City Council adopted Resolution No. 2008-175 approving the use of a cooperative purchasing agreement (contract WA00021299) between the County and Napa Auto Parts for various light duty fleet parts in an amount not to exceed \$200,000 through June 30, 2008. The County contract is valid through January 2, 2009 and has one one-year renewal option after that date.

Based on previous expenditures, Fleet Management staff estimates the ongoing annual need for light duty fleet parts to be \$233,333. Therefore, this report recommends approving the use of this contract for an additional \$350,000 (bringing the total approved not-to-exceed amount to \$550,000) through January 2, 2009, or until the contract is no longer available for use.

Amrep, Inc.

On March 25, 2008, City Council adopted Resolution No. 2008-175 approving the use of a cooperative purchasing agreement (contract WA00022604) between the County and Amrep, Inc. for parts and services for Amrep Refuse trucks in an amount not to exceed \$410,000 through June 30, 2008. The County contract is valid through November 6, 2008.

This report recommends approving the use of this contract for an additional \$70,000 (bringing the total approved not-to-exceed amount to \$480,000) through November 6, 2008, or until the contract is no longer available for use.

Elmer's Portable Welding, Inc.

On August 28, 2007, City Council adopted Resolution No. 2007-636 approving the use of a cooperative purchasing agreement (contract WA00021226) between the County and Elmer's Portable Welding, Inc. for welding services in an amount not to exceed \$500,000 through November 30, 2008. The County contract is valid through November 30, 2008.

This report recommends approving the use of this contract for an additional \$100,000 (bringing the total approved not to exceed amount to \$600,000) through November 30, 2008, or until the contract is no longer available for use.

Capital Clutch and Brake

Staff has identified a cooperative purchase agreement (contract WA00023099) between the County and Capital Clutch and Brake for the purchase of clutches and brakes. This contract is valid through March 23, 2009 and has two one-year renewal options. This report recommends approving the use of this contract for a total amount not to exceed \$350,000 through March 23, 2009, or until the contract is no longer available for use.

K and T Truck Repair, Inc.

On June 21, 2007, City Council adopted Resolution No. 2007-424 approving the use of a cooperative purchase agreement (contract WA00018894) between the County and K and T Truck Repair, Inc. for truck repair services in an amount not to exceed \$700,000 through December 31, 2007. The County contract is valid through July 31, 2008.

As of June 9, 2008 a total of \$814,167 has been expended under the authority granted by Resolution No. 2007-424, however, a total of \$114,167 was expended after December 31, 2007. Therefore, this report also recommends ratifying prior purchases in the amount of \$114,167.

This report recommends approving the use of this contract for an additional \$125,833 (bringing the total approved not-to-exceed amount to \$940,000) through July 31, 2008, or until the contract is no longer available for use.

Maita Chevrolet

Staff has identified a cooperative purchase agreement (contract WA00020305) between the County and Maita Chevrolet for the purchase of Original Equipment Manufacturer (OEM) parts for Chevrolet vehicles. This contract is valid through October 31, 2008 and has one one-year renewal option. This report recommends approving the use of this contract for a total amount not to exceed

\$250,000 through October 31, 2008 or until the contract is no longer available for use.

Morgan Tire of Sacramento

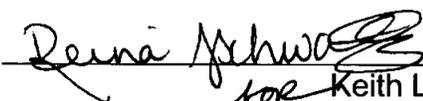
Staff has identified a cooperative purchase agreement (contract WA00023298) between the County and Morgan Tire of Sacramento for the purchase of light duty tires. This contract is valid through May 15, 2009 and has two one-year renewal options. This report recommends approving the use of this contract for a total amount not to exceed \$1million through May 15, 2009 or until the contract is no longer available for use.

Financial Considerations: Sufficient funds are available in the Department of General Services, Fleet Management Division, FY2007/08 operating budget to purchase fleet related parts and services. Purchases after June 30, 2008 and through the duration of the contracts are subject to funding availability in the adopted budget of the applicable fiscal year(s).

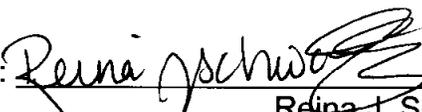
Emerging Small Business Development (ESBD): Cooperative purchasing agreements are created, evaluated and awarded by other government agencies that may or may not have similar emerging and small business programs. However, the Department of General Services, Fleet Management and Procurement Services Divisions 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:


for Keith Leech
Fleet Manager

Approved by:


Reina J. Schwartz
Director, Department of General Services

Recommendation Approved:



Ray Kerridge
City Manager

Table of Contents:

Report	Pg 1
Attachments	
1 Resolution	Pg 7

RESOLUTION NO. 2008-XXXX

Adopted by the Sacramento City Council

June 24, 2008

APPROVING THE USE OF COOPERATIVE PURCHASING AGREEMENTS FOR FLEET PARTS AND SERVICES

BACKGROUND

- A. The Department of General Services, Fleet Management Division has ongoing requirements to purchase supplies through contracts of other governmental jurisdictions including the State of California and 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 June 21, 2007, August 28, 2007, and March 25, 2008, City Council adopted Resolutions No. 2007-424, 2007-636, and 2008-175, respectively, approving the use of cooperative purchasing agreements between the State of California as well as the County of Sacramento and multiple vendors. The Department of General Services, Fleet Management Division has identified expenditures based on several cooperative purchase agreements that require immediate attention. Some expenditures have exceeded City Council authorization, and some contracts, as detailed below, will require increased authorization.

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

- Section 1. State of California contract number DGSOFA06ENT with Enterprise Rent-A-Car is hereby approved for the purchase of rental car services in an amount not to exceed \$1,075,000 through December 31, 2008, or until the contract is no longer available for use.
- Section 2. County of Sacramento contract number WA00021299 with Napa Auto Parts is hereby approved for the purchase of various light duty fleet parts in an amount not to exceed \$550,000 through January 2, 2009, or until the contract is no longer available for use.

- Section 3. County of Sacramento contract number WA00022604 with Amrep, Inc. is hereby approved for the purchase of parts and services in an amount not to exceed \$480,000 through November 6, 2008, or until the contract is no longer available for use.
- Section 4. County of Sacramento contract number WA00021226 with Elmer's Portable Welding, Inc. is hereby approved for the purchase of welding services in an amount not to exceed \$600,000 through November 30, 2008, or until the contract is no longer available for use.
- Section 5. County of Sacramento contract number WA00023099 with Capital Clutch and Brake is hereby approved for the purchase of clutches and brakes in an amount not to exceed \$350,000 through March 23, 2009, or until the contract is no longer available for use.
- Section 6. County of Sacramento contract number WA00018894 with K and T Truck Repair, Inc is hereby approved for the purchase of truck repair services in an amount not to exceed \$940,000 through July 31, 2008, or until the contract is no longer available for use.
- Section 7. County of Sacramento contract number WA00020305 with Maita Chevrolet is hereby approved for the purchase of Original Equipment Manufacturer (OEM) parts for Chevrolet vehicles in an amount not to exceed \$250,000 through October 31, 2008, or until the contract is no longer available for use.
- Section 8. County of Sacramento contract number WA00023298 with Morgan Tire of Sacramento is hereby approved for the purchase of light duty tires in an amount not to exceed \$1 million through May 15, 2009, or until the contract is no longer available for use.
- Section 9. 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 year(s).
- Section 10. Prior expenditures with Enterprise Rent-A-Car in the amount of \$17,739 and K and T Truck Repair in the amount of \$114,167 are hereby ratified.