



REPORT TO COUNCIL

City of Sacramento

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

CONSENT
 October 2, 2008

Honorable Mayor and
 Members of the City Council

Title: Purchase/Cooperative Agreement: John Deere Tractors

Location/Council District: Citywide

Recommendation: Adopt a **Resolution:** 1) approving the use of Houston-Galveston Area Council (HGAC) contract EM06-07a to purchase up to five John Deere tractors from Pape Machinery (assignee of the obligations of Rush Equipment Centers of Texas, Inc. outside of Texas) in an amount not to exceed \$455,973 through May 31, 2009 or until the contract is no longer available for use; and 2) authorizing the City Manager or the City Manager's designee to execute purchases in the amount specified above.

Contacts: Keith Leech, Fleet Manager, 808-5869; Craig Lymus, Interim Procurement Services Manager, 808-6202

Presenters: Not applicable

Departments: General Services

Divisions: Fleet Management

Organization No: 3259

Description/Analysis:

Issue: The Department of General Services, Fleet Management Division has a customer requirement to purchase two claw loader tractors and three backhoe tractors for the Department of Utilities. These tractors will be used for garden refuse removal and various water distribution, waste water and storm drainage infrastructure maintenance and repair projects throughout the City. These tractors are scheduled replacements for older 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 City Code section 3.56.240.

Committee/Commission Action: None

Environmental Considerations:

California Environmental Quality Act (CEQA): The Environmental Services Manager has determined that the action of purchasing equipment does not have the potential for causing a significant effect on the environment and is therefore exempt under CEQA Guidelines, Categorical Exemption Section 15061(b)(3).

Sustainability Considerations: This purchase is consistent with the City's Fleet Sustainability Policy adopted by City Council (Resolution No. 2007-771) on October 23, 2007. These 2008 model year tractors will be California Air Resources Board and United States Environmental Protection Agency certified. Model year 2008 heavy duty off-road engines feature a 66 percent reduction of particulate matter and a 60 percent reduction of nitrogen oxides emissions when compared to the older tractors that are to be replaced.

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 method 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.

The purchase recommended in this report is a scheduled replacement of existing City equipment.

Financial Considerations: Sufficient funds are available in the Department of General Services' and Department of Utilities' FY2008/09 operating budgets to purchase up to five John Deere tractors in a total amount not to exceed \$455,973. These purchases will be made from the Department of General Services Fleet Fund (6501), and charged to the following Department of Utilities funds:

Fund Name	Fund Number	Vehicle Count	Cost
Water Fund	6005	1	\$91,195
Sewer Fund	6006	2	\$182,389
Solid Waste Fund	6007	2	\$182,389
Total		5	\$455,973

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.

As of May 31, 2008, the Department of General Services achieved an ESBD percentage of 36.84% for FY2007/08.

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

October 2, 2008

**APPROVING THE USE OF A COOPERATIVE PURCHASING AGREEMENT FOR
THE PURCHASE OF FIVE JOHN DEERE TRACTORS**

BACKGROUND

- A. The Department of General Services, Fleet Management Division has a customer requirement to purchase two claw loader tractors and three backhoe tractors for the Department of Utilities. These tractors will be used for garden refuse removal and various water distribution, waste water and storm drainage infrastructure maintenance and repair projects throughout the City. These tractors are scheduled replacements for older equipment.
- B. In accordance with City Code 3.56.240, the City Manager may, by cooperative purchasing approved by City Council, purchase supplies through contracts of other governmental jurisdictions without separate competitive bidding, where it is advantageous to the City.
- C. Using the existing cooperative purchasing agreement between the Houston-Galveston Area Council (HGAC) (Contract No. EMO6-07a) to purchase up to five John Deere tractors from Pape Machinery (assignee of the obligations of Rush Equipment Centers of Texas, Inc.) is advantageous to the City as the agreement meets the needs of the City's fleet equipment specifications as related to the City's Fleet Sustainability Policy adopted by City Council (Resolution No. 2007-771) on October 23, 2007. This agreement will also result in cost and time savings.

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

- Section 1. The use of HGAC contract EM06-07a with Pape Machinery (assignee of the obligations of Rush Equipment Centers of Texas, Inc. outside of Texas) is approved for the purchase of up to five John Deere tractors, in an amount not to exceed \$455,973 through May 31, 2009.
- Section 2. The City Manager or the City Manager's designee is authorized to execute the necessary purchases in the amount specified above.

