



REPORT TO COUNCIL

City of Sacramento

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

CONSENT

April 14, 2009

**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 InterState Oil Co. for the purchase of E85 fuel in an amount not to exceed \$200,000 through December 1, 2009 or until the contract is no longer available for use; 2) approving the use of County of Sacramento contracts with a) Betts Truck Parts for the purchase of heavy equipment truck parts and services in an amount not to exceed \$270,000 through October 28, 2011 or until the contract is no longer available for use; b) Drive Line Services of Sac for the purchase of heavy equipment parts and services in an amount not to exceed \$150,000 through September 30, 2011 or until the contract is no longer available for use; c) Fleet Pride for the purchase of vehicle parts and services in an amount not to exceed \$315,000 through September 30, 2011 or until the contract is no longer available for use; d) Holt of California for the purchase of heavy equipment parts and services in an amount not to exceed \$400,000 through October 27, 2011 or until the contract is no longer available for use; e) Hydraulic Power Sales for the purchase of hydraulic filters in an amount not to exceed \$270,000 through May 31, 2011 or until the contract is no longer available for use; f) Lehr Auto Electric for the purchase of electrical items, parts and supplies in an amount not to exceed \$750,000 through August 10, 2011 or until the contract is no longer available for use; g) Lighthouse for the purchase of heavy equipment lighting in an amount not to exceed \$250,000 through January 25, 2012 or until the contract is no longer available for use; h) Northstar, Inc. for the purchase of maintenance and repair services for liquefied natural gas fueling systems in an amount not to exceed \$175,000 through June 30, 2011 or until the contract is no longer available for use; and i) Star Lite Glass/Allstar Glass for the purchase of auto glass in an amount not to exceed \$160,000 through May 25, 2010 or until the contract is no longer available for use; and 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.

Contacts: Keith Leech, Fleet Manager, 808-5869

Presenters: Not applicable

Department: General Services

Division: Fleet Management

Organization No: 13001311

Description/Analysis:

Issue: The Department of General Services, Fleet Management Division has ongoing needs to purchase fleet fuel, 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 or nonprofessional services 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 purchase of fleet fuel, parts, and 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: Approval to use the recommended cooperative purchasing agreements is needed to purchase fuel, parts, and services to maintain the City's fleet.

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.

Financial Considerations: In determining the recommended spending authorities, Fleet Management staff reviewed the expenditure history with each vendor or for each type of part or service, and also considered future needs. Annual estimates for each vendor are listed in Attachment 1. Sufficient funds are available in the Department of General Services, Fleet Management Division, FY2008/09 operating budget (Fleet Fund, Fund 6501) to purchase fuel, parts, and services through June 30, 2009. Purchases after June 30, 2009 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.

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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Estimated Annual Expenditures

InterState Oil Co.

State of California Contract No. 1-07-91-04-A

Commodity or service: E85 fuel

Estimated expenditure: \$200,000 through December 1, 2009

Betts Truck Parts

County of Sacramento Contract No. WA00024021

Commodity or service: Heavy equipment truck parts and services

Estimated expenditure: \$270,000 through October 28, 2011

Year 1	Year 2	Year 3	Total
\$80,000	\$90,000	\$100,000	\$270,000

Drive Line Services of Sac

County of Sacramento Contract No. WA00023713

Commodity or service: Heavy equipment parts and services

Estimated expenditure: \$150,000 through September 30, 2011

Year 1	Year 2	Year 3	Total
\$45,000	\$50,000	\$55,000	\$150,000

Fleet Pride

County of Sacramento Contract No. WA00023935

Commodity or service: Vehicle parts and services

Estimated expenditure: \$315,000 through September 30, 2011

Year 1	Year 2	Year 3	Total
\$85,000	\$105,000	\$125,000	\$315,000

Holt of California

County of Sacramento Contract No. WA00024012

Commodity or service: Heavy equipment parts and services

Estimated expenditure: \$400,000 through October 27, 2011

Year 1	Year 2	Year 3	Total
\$110,000	\$135,000	\$155,000	\$400,000

Hydraulic Power Sales

County of Sacramento Contract No. WA00023341

Commodity or service: Hydraulic filters

Estimated expenditure: \$270,000 through May 31, 2011

Year 1	Year 2	Year 3	Total
\$80,000	\$90,000	\$100,000	\$270,000

Lehr Auto Electric

County of Sacramento Contract No. WA00023691

Commodity or service: Electrical items, parts and supplies

Estimated expenditure: \$750,000 through August 10, 2011

Year 1	Year 2	Year 3	Total
\$200,000	\$250,000	\$300,000	\$750,000

Lighthouse

County of Sacramento Contract No. WA00024265

Commodity or service: Heavy equipment lighting

Estimated expenditure: \$250,000 through January 25, 2012

Year 1	Year 2	Year 3	Total
\$75,000	\$85,000	\$90,000	\$250,000

Northstar, Inc.

County of Sacramento Contract No. WA00023335

Commodity or service: Maintenance and repair of LNG fueling systems

Estimated expenditure: \$175,000 through June 30, 2011

Year 1	Year 2	Year 3	Total
\$45,000	\$60,000	\$70,000	\$175,000

Star Lite Glass/Allstar Glass

County of Sacramento Contract No. WA00022140

Commodity or service: Auto glass

Estimated expenditure: \$160,000 through May 25, 2010

Year 1	Year 2	Year 3	Total
\$0	\$75,000	\$85,000	\$160,000

RESOLUTION NO. 2009-XXXX

Adopted by the Sacramento City Council

April 14, 2009

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 fleet fuel, parts, and services for City vehicles and equipment. The City has an opportunity to obtain lower pricing for these items through the use of State of California and County of Sacramento cooperative purchasing agreements.
- 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. Using existing cooperative purchasing agreements available from the State of California and the County of Sacramento to purchase fleet fuel, parts and services for City vehicles and equipment is advantageous to the City as the agreements meet the needs of the City's fleet specifications and will result in cost and time savings.

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

- Section 1. State of California contract number 1-07-91-04-A with InterState Oil Co. is hereby approved for the purchase of E85 fuel in an amount not to exceed \$200,000 through December 1, 2009 or until the contract is no longer available for use.
- Section 2. County of Sacramento contract number WA00024021 with Betts Truck Parts is hereby approved for the purchase of heavy equipment truck parts and services in an amount not to exceed \$270,000 through October 28, 2011 or until the contract is no longer available for use.
- Section 3. County of Sacramento contract number WA00023713 with Drive Line Services of Sac is hereby approved for the purchase of heavy equipment

parts and services in an amount not to exceed \$150,000 through September 30, 2011 or until the contract is no longer available for use.

- Section 4. County of Sacramento contract number WA00023935 with Fleet Pride is hereby approved for the purchase of vehicle parts and services in an amount not to exceed \$315,000 through September 30, 2011 or until the contract is no longer available for use.
- Section 5. County of Sacramento contract number WA00024012 with Holt of California is hereby approved for the purchase of heavy equipment parts and services in an amount not to exceed \$400,000 through October 27, 2011 or until the contract is no longer available for use.
- Section 6. County of Sacramento contract number WA00023341 with Hydraulic Power Sales is hereby approved for the purchase of hydraulic filters in an amount not to exceed \$270,000 through May 31, 2011 or until the contract is no longer available for use.
- Section 7. County of Sacramento contract number WA00023691 with Lehr Auto Electric is hereby approved for the purchase of electrical items, parts and supplies in an amount not to exceed \$750,000 through August 10, 2011 or until the contract is no longer available for use.
- Section 8. County of Sacramento contract number WA00024265 with Lighthouse is hereby approved for the purchase of heavy equipment lighting in an amount not to exceed \$250,000 through January 25, 2012 or until the contract is no longer available for use.
- Section 9. County of Sacramento contract number WA00023335 with Northstar, Inc. is hereby approved for the purchase of maintenance and repair services for liquefied natural gas fueling systems in an amount not to exceed \$175,000 through June 30, 2011 or until the contract is no longer available for use.
- Section 10. County of Sacramento contract number WA00022140 with Star Lite Glass/Allstar Glass is hereby approved for the purchase of auto glass in an amount not to exceed \$160,000 through May 25, 2010 or until the contract is no longer available for use.
- Section 11. 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).

