



REPORT TO COUNCIL City of Sacramento

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

CONSENT
July 14, 2009

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

Title: Cooperative Purchase Agreement: Heavy Duty Fleet Tires

Location/Council District: Citywide

Recommendation: Adopt a **Resolution:** 1) approving the use of County of Sacramento contract (WA00024636) with Morgan Tire Company of Sacramento for the purchase of heavy duty tires in an amount not to exceed \$2,045,000 through April 28, 2012 or until the contract is no longer available for use; and 2) authorizing the City Manager or the City Manager's designee to execute purchase orders totaling 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: 13001311

Description/Analysis:

Issue: The Department of General Services, Fleet Management Division has ongoing needs to purchase heavy duty fleet tires 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 fleet parts 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 agreement is necessary to purchase new and retreaded heavy duty tires 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.

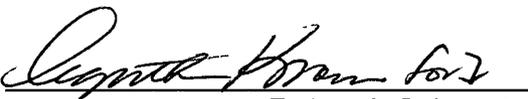
Financial Considerations: Sufficient funds are available in the Department of General Services, Fleet Management Division, FY2009/10 operating budget (Fleet Fund, Fund 6501) to purchase heavy duty fleet tires. Purchases after June 30, 2009 and through the duration of the contracts are subject to funding availability in the adopted budget of the applicable fiscal year(s).

The estimated annual amounts are as follows:

Vendor	Year 1 Estimate	Year 2 Estimate	Year 3 Estimate	Contract Total
Morgan Tire Company	\$650,000	\$680,000	\$715,000	\$2,045,000

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:


 Ray Kerridge
 City Manager

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RESOLUTION NO. 2009-XXXX

Adopted by the Sacramento City Council

July 14, 2009

**APPROVING THE USE OF A COOPERATIVE PURCHASING AGREEMENT FOR
HEAVY DUTY FLEET TIRES**

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. Using the existing cooperative purchasing agreement available from the County of Sacramento to purchase heavy duty fleet tires for City vehicles and equipment is advantageous to the City as the agreement meets 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. County of Sacramento contract number WA00024636 with Morgan Tire Company of Sacramento is hereby approved for the purchase of heavy duty fleet tires in an amount not to exceed \$2,045,000 through April 28, 2012, or until the contract is no longer available for use.
- Section 2. The City Manager or the City Manager's designee is authorized to execute the necessary purchase orders totaling the amount specified above provided that sufficient funds are available in the budget adopted for the applicable fiscal year(s).

