



REPORT TO COUNCIL

City of Sacramento

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

CONSENT
February 23, 2010

Honorable Mayor and
Members of the City Council

Title: Agreements: Fleet Vehicles, Parts, Services, and Fuel

Location/Council District: Citywide

Recommendation: Adopt a **Resolution:** 1) approving the use of State of California contracts with: a) InterState Oil Co. for the purchase of E85 fuel in an amount not to exceed \$465,000 through December 21, 2012, or until the contract is no longer available for use; b) Wondries Fleet Group for the purchase of Ford hybrid vehicles in an amount not to exceed \$100,000 through September 30, 2010, or until the contract is no longer available for use; c) Coalinga Motors for the purchase of Chevrolet sport utility vehicles in an amount not to exceed \$100,000 through September 30, 2010, or until the contract is no longer available for use; d) Coalinga Motors for the purchase of Chevrolet alternative fuel vehicles in an amount not to exceed \$800,000 through September 30, 2010, or until the contract is no longer available for use; e) Downtown Ford for the purchase of Ford police enforcement sport utility vehicles in an amount not to exceed \$275,000 through October 30, 2010, or until the contract is no longer available for use; and f) Downtown Ford for the purchase of Ford trucks, vans, and utility vehicles in an amount not to exceed \$250,000 through September 30, 2010, or until the contract is no longer available for use; 2) approving the use of a U.S. Communities Contract with Hertz Equipment Rentals for the rental of vehicles and equipment in an amount not to exceed \$480,000 through March 31, 2014, or until the contract is no longer available for use; 3) approving the use of County of Sacramento contracts with: a) K&T Truck Repair for the purchase of heavy duty vehicle parts and services in an amount not to exceed \$1,700,000 through May 30, 2012, or until the contract is no longer available for use; b) Mattle's Welding for the purchase of welding and metal fabrication services in an amount not to exceed \$500,000 through November 30, 2012, or until the contract is no longer available for use; and c) Safety Kleen for the purchase of parts washers and related services in an amount not to exceed \$315,000 through January 20, 2013, or until the contract is no longer available for use; and 4) approving an amendment to City of Sacramento contract with Burton's Fire Apparatus for fire apparatus parts and repair services for a revised amount not to exceed \$750,000 through February 13, 2011; and

5) 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 year(s).

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 vehicles, parts, services, and fuel to support City departments. Using existing cooperative purchasing agreements for these purchases 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.

Policy Considerations: 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.

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 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 purchase of fleet parts, services, and fuel 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: The Department of General Services, Fleet Management Division has ongoing needs to purchase replacement vehicles, parts, services, and fuel to support City departments. Using existing cooperative purchasing agreements for these purchases 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.

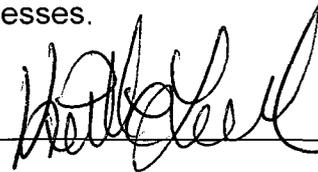
In an ongoing effort to maximize cost savings and staff resources, many government agencies share contracting efforts through cooperative purchasing. This procurement approach increases pricing competitiveness and lowers operating costs through volume buying. When comparing the administrative costs of 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, FY2009/10 operating budget (Fleet Fund, Fund 6501) to purchase vehicles, parts, services, and fuel through June 30, 2010. Purchases after June 30, 2010, and through the duration of the contracts are subject to funding availability in the adopted budget of the applicable fiscal year(s).

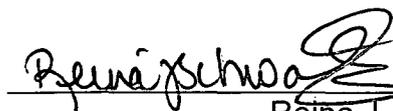
Emerging Small Business Development (ESBD): Cooperative purchasing agreements are created, evaluated and awarded by other government agencies that may or may not have similar emerging and small business programs. However, the Department of General Services, Fleet Management and Procurement Services divisions 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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Attachment 1

Estimated Annual Expenditures

City of Sacramento Contract					
Company	Contract No.	Commodity	Estimated Expenditure Amounts (thousands)		
			Prior contract award	Year 4	Total
Burton's Fire Apparatus	CO2007-037	Fire apparatus parts and repair services	\$600	\$150	\$750
			\$600	\$150	\$750

State of California Cooperative Contracts						
Company	Contract No.	Commodity	Estimated Expenditure Amounts (thousands)			
			Year 1	Year 2	Year 3	Total
InterState Oil Co.	1-09-91-04-B	E85 fuel	\$145	\$155	\$165	\$465
Wondries Fleet Group	1-10-23-11	Ford hybrid vehicles	\$100	\$0	\$0	\$100
Coalinga Motors	1-10-23-11	Chevrolet sport utility vehicles	\$100	\$0	\$0	\$100
Coalinga Motors	1-10-23-22	Chevrolet alternative fuel vehicles	\$800	\$0	\$0	\$800
Downtown Ford	1-09-23-14	Police enforcement sport utility vehicles	\$275	\$0	\$0	\$275
Downtown Ford	1-10-23-20	Trucks, vans, utility vehicles	\$250	\$0	\$0	\$250
			\$1,670	\$155	\$165	\$1,990

County of Sacramento Cooperative Contracts						
Company	Contract No.	Commodity	Estimated Expenditure Amounts (thousands)			
			Year 1	Year 2	Year 3	Total
K & T Truck Repair	WA00024399	Heavy duty vehicle parts and services	\$540	\$565	\$595	\$1,700
Mattle's Welding	WA00025438	Welding and metal fabrication services	\$155	\$165	\$180	\$500
Safety Kleen	WA00025612	Parts washers and related services	\$100	\$105	\$110	\$315
			\$795	\$835	\$885	\$2,515

U.S. Communities Cooperative Contract							
Company	Contract No.	Commodity	Estimated Expenditure Amounts (thousands)				
			Year 1	Year 2	Year 3	Year 4	Total
Hertz Equipment Rentals	11624	Vehicle and equipment rental	\$150	\$160	\$170	\$180	\$660
			\$150	\$160	\$170	\$180	\$660

RESOLUTION NO. 2010-XXXX

Adopted by the Sacramento City Council

February 23, 2010

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

BACKGROUND

- A. The Department of General Services, Fleet Management Division has ongoing requirements to purchase fleet vehicles, parts, services, and fuel to support City departments. The City has an opportunity to obtain lower pricing for these items through the use of State of California, U.S. Communities, 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, U.S. Communities, and the County of Sacramento to purchase fleet vehicles, parts, services, and fuel 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 1-09-91-04-B with InterState Oil Co. is hereby approved for the purchase of E85 fuel in an amount not to exceed \$465,000 through December 21, 2012, or until the contract is no longer available for use.
- Section 2. State of California contract number 1-10-23-11 with Wondries Fleet Group is hereby approved for the purchase of Ford hybrid vehicles in an amount not to exceed \$100,000 through September 30, 2010, or until the contract is no longer available for use.
- Section 3. State of California contract number 1-10-23-11 with Coalinga Motors is hereby approved for the purchase of Chevrolet sport utility vehicles in an amount not to exceed \$100,000 through September 30, 2010, or until the

contract is no longer available for use.

- Section 4. State of California contract number 1-10-23-22 with Coalinga Motors is hereby approved for the purchase of Chevrolet alternative fuel vehicles in an amount not to exceed \$800,000 through September 30, 2010, or until the contract is no longer available for use.
- Section 5. State of California contract number 1-09-23-14 with Downtown Ford is hereby approved for the purchase of Ford police enforcement sport utility vehicles in an amount not to exceed \$275,000 through October 30, 2010, or until the contract is no longer available for use.
- Section 6. State of California contract number 1-10-23-20 with Downtown Ford is hereby approved for the purchase of Ford trucks, vans, and utility vehicles in an amount not to exceed \$250,000 through September 30, 2010, or until the contract is no longer available for use.
- Section 7. U.S. Communities contract number 11624 with Hertz Equipment Rentals is hereby approved for the rental of vehicles and equipment in an amount not to exceed \$150,000 through March 31, 2014, or until the contract is no longer available for use.
- Section 8. County of Sacramento contract number WA00024399 with K&T Truck Repair is hereby approved for the purchase of heavy duty vehicle parts and services in an amount not to exceed \$1,700,000 through May 30, 2012, or until the contract is no longer available for use.
- Section 9. County of Sacramento contract number WA00025438 with Mattle's Welding is hereby approved for welding and metal fabrication services in an amount not to exceed \$500,000 through November 30, 2012, or until the contract is no longer available for use.
- Section 10. County of Sacramento contract number WA00025612 with Safety Kleen is hereby approved for the purchase of parts washers and related services in an amount not to exceed \$315,000 through January 20, 2013, or until the contract is no longer available for use.
- Section 11. City of Sacramento contract number CO2007-037 with Burton's Fire Apparatus for fire apparatus parts and repair services is hereby amended for a revised amount not to exceed \$750,000 through February 13, 2011.
- Section 12. 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).