



## REPORT TO COUNCIL City of Sacramento

915 I Street, Sacramento, CA 95814-2671  
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CONSENT  
June 20, 2006

Honorable Mayor and  
Members of the City Council

**Subject:** Authorization to Purchase Fuel, Equipment and Parts and Services Using  
Cooperative Contracts

**Location/Council District:** Citywide

**Recommendation:**

Adopt a Resolution: 1) Authorizing the Procurement Services Manager to use State of California, East Bay Municipal Utility District (EBMUD), Sacramento County, and Houston Galveston Area Council (HGAC) contracts to procure fuel, welding services, tires and tire services, original equipment Ford parts, vehicles and equipment with J.H. Petroleum, Clean Energy, Interstate Oil, Hunt & Sons, Elmer's Portable Welding, Morgan Tire Co., Folsom Lake Ford, Coalinga Motors, Downtown Ford Sales, Hoblit Motors, International Truck and Engine Corp., Senator Ford, Pearpoint, Inc., Schwarze Industries and Pape Machinery, and 2) authorizing purchases in a combined amount not to exceed \$13,425,000 through December 31, 2007, or until a contract is no longer available. A list of the proposed vendors, contracts, and commodities are listed in Exhibit 1.

**Contacts:** Reina J. Schwartz, Director, Department of General Services, 808-7195; Marc Robles, Buyer II, 808-6343

**Presenters:** Christopher Stewart, Procurement Services Manager

**Department:** General Services

**Division:** Fleet Management

**Organization No:** 3259

**Summary:**

The City of Sacramento has ongoing requirements for fuel, welding services, tires and tire services, vehicles and equipment and original equipment Ford parts. In accordance with the City Code, the Mayor and the City Council may authorize the use of cooperative government contracts. The use of cooperative contracts is an alternative to



competitive bidding which results in lower operating costs through volume purchasing and combining resources with other government agencies.

This report recommends that the Mayor and the City Council accept the bids obtained competitively by the State of California, EBMUD, Sacramento County, and HGAC, as the basis for awarding City contracts. Further, staff recommends that the Procurement Services Manager be authorized to use those cooperative contracts for the purchase of the aforementioned goods and services when beneficial to participate, in an amount not to exceed \$13,425,000 through December 31, 2007, or until a contract is no longer available.

A list of the proposed vendors, contracts, and commodities is included in this report (Exhibit 1).

**Committee/Commission Action:** None.

### **Background Information:**

In a constant effort to maximize cost savings and staff resources, many government agencies share contracting efforts through cooperative purchasing or piggybacking. These procurement approaches increase pricing competitiveness and lower 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 compliment 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 institutions. Cooperative purchasing also leverages internal and external resources to maximize cost saving opportunities for the City.

### **Financial Considerations:**

There are sufficient funds available in the Fleet Management fund for these purchases.

**Environmental Considerations:** None

### **Policy Considerations:**

The recommendations in this report are in accordance with provisions of the City Code Section 3.56.240, which allows for the use of legal contracts of other government jurisdictions or public agencies without separate competitive bidding by the City upon approval of the City Council.

**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 Division and the Procurement Services Division shall consider other alternatives if it is determined that using cooperative contracts have a negative impact on small businesses.

Reviewed/Approved by:   
Chris Stewart  
Procurement Services Manager

Approved by:   
Reina J. Schwartz  
Director, Department of General Services

Recommendation Approved:

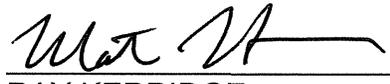
  
RAY KERRIDGE  
City Manager

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**RESOLUTION NO.**

Adopted by the Sacramento City Council

June 20, 2006

**RESOLUTION AUTHORIZING USE OF COOPERATIVE PURCHASE CONTRACTS**

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO THAT:

- A. The City of Sacramento has ongoing requirements to purchase fuel, welding services, tires and tire services and original equipment Ford parts, vehicles and equipment contracts. Through the use of cooperative purchasing contracts with the State of California, East Bay Municipal Utility District (EBMUD), Sacramento County and Houston Galveston Area Council (HGAC), the City has an opportunity to obtain lower pricing on these items and services through volume purchasing; and;
- B. Staff requests that the Mayor and the City Council accept the bids obtained competitively by the State of California, EBMUD, Sacramento County and HGAC as the basis for awarding City contracts, in accordance with City Code Section 3.56.240, which allows for the use of cooperative contracts through other governmental jurisdictions or public agencies without separate competitive bidding.

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

- Section 1. The results of State of California contract numbers 1-05-29-04, 1-06-23-10 and 1-06-23-20; and County of Sacramento contract numbers WA00013505, WA00016830, WA00017078, WA00019279, WA00019302 and WA00019732; and HGAC contract numbers SC01-06 and SW04-06; and EBMUD contract number 216 are hereby accepted for the purchase of fuel, welding services, tires and tire services and original equipment Ford parts, vehicles and equipment contracts; and
- Section 2. The City Manager is hereby authorized to execute the necessary purchases on: contract number WA00016830 with J.H. Petroleum, 5750 S. Watt Ave., Sacramento, CA, in a total amount not to exceed \$200,000; contract number WA00019302 with Hunt & Sons, 5750 S. Watt Ave., Sacramento, CA, in a total amount not to exceed \$4,500,000; contract number WA00017078 with Elmer's Portable Welding, 510 Sunbeam Ave., Sacramento, CA, in a total amount not to exceed \$225,000; contract number WA00013505 with Interstate Oil, 8221 Alpine Ave., Sacramento, CA, in a total amount not to exceed \$3,500,000; contract number

WA00019279 with Clean Energy, 3020 Old Ranch Pkwy., Ste. 200, Seal Beach, CA, in a total amount not to exceed \$400,000; contract number WA00019732 with Morgan Tire Co., 1500 Auburn Blvd., Sacramento, CA, in a total amount not to exceed \$900,000; contract number 1-05-29-04 with Folsom Lake Ford, 12755 Folsom Blvd., Folsom, CA, in a total amount not to exceed \$250,000; contract number 1-06-23-20 with Downtown Ford Sales, 525 N. 16<sup>th</sup> St., Sacramento, CA, in a total amount not to exceed \$200,000; contract number 1-06-23-20 with International Truck and Engine Corp., 3017 Douglas Blvd., Roseville, CA 95661, in a total amount not to exceed \$125,000; contract number 1-06-23-20 with Senator Ford, 3801 Florin Rd., Sacramento, CA, in a total amount not to exceed \$150,000; contract number 1-06-23-20 with Hoblit Motors, 46 5<sup>th</sup> St., Colusa, CA, in a total amount not to exceed \$150,000; contract number 1-06-23-20 with Coalinga Motors, 625 E. Elm St., Coalinga, CA, in a total amount not to exceed \$200,000; contract number 1-06-23-10 with Hoblit Motors, 46 5<sup>th</sup> St., Colusa, CA, in a total amount not to exceed \$150,000; contract number 1-06-23-10 with Coalinga Motors, 625 E. Elm St., Coalinga, CA, in a total amount not to exceed \$250,000; contract number 1-06-23-10 with Hoblit Motors, 46 5<sup>th</sup> St., Colusa, CA, in a total amount number to exceed \$150,000; contract number 1-06-23-10 with Coalinga Motors, 625 E. Elm St., Coalinga, CA, in a total amount not to exceed \$150,000; contract number SW04-06 with Schwarze Industries, 1055 Jordan Rd., Huntsville, AL 35811, in a total amount not to exceed \$475,000; and contract number 216 with Pape Machinery, PO Box 15017, Sacramento, CA 95851, in an amount not to exceed \$650,000, contract number SC01-06 with Pearpoint, Inc., 72055 Corporate Way, Thousand Palms, CA, in a total amount not to exceed \$800,000; through December 2007, or until such date as they are no longer available for use by the City of Sacramento. (See Exhibit 1)

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Exhibit 1: List of Vendors, Contracts and Commodities – Page 6

**Exhibit 1**

Vendor	Contract Number	Description	Governmental Agency	City of Sacramento Using Department(s)	Requested Contract Authority for City Expenditures
J.H. Petroleum	WA00016830	Oil & Lubricants	County of Sacramento	Fleet Management	\$200,000
Hunt and Sons	WA00019302	Motor Fuel & Diesel	County of Sacramento	Fleet Management	\$4,500,000
Elmer's Portable Weld.	WA00017078	Welding Services	County of Sacramento	Fleet Management	\$225,000
Interstate Oil	WA00013505	Low Sulfur Diesel	County of Sacramento	Fleet Management	\$3,500,000
Clean Energy	WA00019279	LNG Fuel	County of Sacramento	Fleet Management	\$400,000
Morgan Tire Co.	WA00019732	Recap/retread and new tires	County of Sacramento	Fleet Management	\$900,000
Folsom Lake Ford	1-05-29-04	OEM Ford Parts	State of California	Fleet Management	\$250,000
Downtown Ford Sales	1-06-23-20	Passenger / Cargo Vans, Light & Medium Duty Trucks	State of California	Fleet Management	\$200,000
International Truck and Engine	1-06-23-20	Medium Duty Trucks	State of California	Fleet Management	\$125,000
Senator Ford	1-06-23-20	Compact Pick ups and Medium Duty Trucks	State of California	Fleet Management	\$150,000
Hoblit Motors	1-06-23-20	Pick ups and Vans	State of California	Fleet Management	\$150,000
Coalinga Motors	1-06-23-20	Pick ups	State of California	Fleet Management	\$200,000
Hoblit Motors	1-06-23-10	Compact Sedans	State of California	Fleet Management	\$150,000
Coalinga Motors	1-06-23-10	Midsize Sedans	State of California	Fleet Management	\$250,000
Hoblit Motors	1-06-23-10	Hybrid Ford Escapes	State of California	Fleet Management	\$150,000
Coalinga Motors	1-06-23-10	Hybrid Pick ups	State of California	Fleet Management	\$150,000
Schwarze Industries	SW04-06	Street Sweepers	Houston Galveston Area Council	Fleet Management	\$475,000
Pape Machinery	216	Backhoe tractors	East Bay Municipal Utility District	Fleet Management	\$650,000
Pearpoint Inc.	SC01-06	Sewer Inspection Vans	Houston Galveston Area Council	Fleet Management	\$800,000
					\$13,425,000

