



REPORT TO COUNCIL

City of Sacramento

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

CONSENT
January 30, 2007

Honorable Mayor and
Members of the City Council

Title: Contracts: Purchase of Ford Vehicles

Location/Council District: Citywide

Recommendation: Adopt a **Resolution:** 1) Awarding a three-year contract with Downtown Ford Sales, the lowest responsible bidder, for the purchase of up to 145 Ford Crown Victoria Police Interceptors and up to 50 Ford Fusion sedans for a total amount not to exceed \$5 million; and 2) awarding a three-year contract with Senator Ford, Inc., the lowest responsible bidder, for the purchase of up to 35 Ford Focus sedans for a total amount not to exceed \$456,949.

Contacts: Keith Leech, Fleet Manager, 808-5869, Christopher Stewart, Procurement Services Manager, 808-6202

Presenters: Not Applicable.

Department: General Services

Division: Fleet Management

Organization No: 3259

Description/Analysis:

Issue: The Department of General Services, Fleet Management Division, has an ongoing need to purchase Ford Crown Victoria Police Interceptors for the Sacramento Police Department and compact and mid-sized sedans for various departments within the City of Sacramento.

Policy Considerations: The recommendations in this report are in accordance with the provisions of the City Code Section 3.56.

Committee/Commission Action: Not Applicable.

Environmental Considerations: These contracts are consistent with the City's revised Low Emission Vehicle Acquisition Policy, Resolution No. 2004-613 and the Fleet Management fuel strategies. The recommended action is not a project subject to the California Environmental Quality Act.

Rationale for Recommendation: In the past, the Fleet Management has purchased vehicles of these types through cooperative purchasing agreements utilizing the State of California, Department of General Services, vehicle contracts. Fleet Management purchases have been delayed in the past by waiting for contracts to be awarded by the State of California. In addition to delays, the State of California charges local agencies, such as the City of Sacramento, a service charge per purchase order (based on 2006 State vehicle contracts).

As part of an ongoing organizational improvement effort, Fleet Management is planning to participate in competitive bidding for commodities and services wherever practicable rather than generally relying on cooperative agreements with other agencies. Fleet Management staff have worked with Procurement Services to solicit bids for known FY2006/07 vehicle purchasing requirements, as well as the forecasted requirements for fiscal years FY2007/08 and FY2008/09 and successfully located two vendors both were the lowest responsible bidders.

A savings of 2.9% per unit for Crown Victoria Police Interceptors and 2.5% per unit for Focus vehicles can be achieved through the City's competitive bidding process; based on previous purchases utilizing the State of California vehicle contracts and including all applicable discounts and service charges. Additionally, the resulting contract for all three types of vehicles will be carried out over a three-year term providing an avenue for purchasing vehicles over multiple years, thus eliminating staff time associated with annual bids which results in additional savings.

Financial Considerations: There are sufficient funds available to purchase 34 Ford Crown Victoria Police Interceptors, 5 Ford Fusion and 20 Ford Focus sedans in an amount not to exceed \$1.21 million and these funds are available in the Department of General Services, Fleet Management operating budget for FY2006/07. Additional purchases for the remaining quantities will be at the current bid price plus a maximum 5% annual escalation cost, and will be contingent upon budget approval and availability of funding.

Emerging Small Business Development (ESBD): Downtown Ford and Senator Ford are not certified as an Emerging/Small Business Enterprise (ESBE).

Respectfully submitted by: Craig B. Lynum for
Christopher Stewart
Procurement Services Manager

Respectfully submitted by: Keith Leech
Keith Leech
Fleet Manager

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

Recommendation Approved:

Ray Kerridge
Ray Kerridge
City Manager

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RESOLUTION NO. 2007-XXXX

Adopted by the Sacramento City Council

January 30, 2007

AWARDING A THREE-YEAR CONTRACT TO DOWNTOWN FORD SALES FOR THE PURCHASE OF FORD VEHICLES FOR A TOTAL AMOUNT NOT TO EXCEED \$5 MILLION AND AWARDING A THREE-YEAR CONTRACT TO SENATOR FORD, INC., FOR THE PURCHASE OF FORD VEHICLES FOR A TOTAL AMOUNT NOT TO EXCEED \$456,949

BACKGROUND

- A. The Department of General Services, Fleet Management Division, has an on-going need to purchase Crown Victoria Police Interceptors sedans for the Police Department, and compact and mid-sized sedans for various departments within the City of Sacramento.
- B. Fleet Management staff have worked with Procurement Services to solicit bids for the FY2006/07 requirements, as well as the forecasted requirements for FY2007/08 and FY2008/09, and successfully located two vendors, both were the lowest responsible bidders.

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

- Section 1. The contract is awarded to Downtown Ford Sales, 525 North 16th Street, Sacramento, CA 95814 for the purchase of up to 145 Ford Crown Victoria Police Interceptors and up to 50 Ford Fusion sedans for a total amount not to exceed \$5 million.
- Section 2. The contract is awarded to Senator Ford, Inc., 3801 Florin Road, Sacramento, CA 95823 for the purchase of up to 35 Ford Focus sedans for a total amount not to exceed \$456,949.

Section 3. Fleet Management staff are authorized to utilize these contracts to purchase 34 Ford Crown Victoria Police Interceptors, 5 Ford Fusion and 20 Ford Focus sedans in an amount not to exceed \$1.21 million in FY2006/07. Additional purchases for FY2007/08 and FY2008/09 for the remaining quantities will be at the current bid price plus a maximum 5% annual escalation cost, and will be contingent upon budget approval and availability of funding.