REPORT TO COUNCIL
City of Sacramento

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

CONSENT
June 12, 2007

Honorable Mayor and
Members of the City Council

Title: Purchases: Rental Car Services, Equipment Parts, and Repair Services Using Cooperative Purchasing Agreements

Location/Council District: Citywide

Recommendation: Adopt a **Resolution:** 1) Approving the use of a Cooperative Purchase Agreement between the State of California and Enterprise Rent-A-Car for rental car services; 2) approving the use of a Cooperative Purchase Agreement between the County of Sacramento and K&T Truck Repair, Inc. for equipment parts and repair services; and 3) authorizing the City Manager to issue FY2007/08 purchase orders under these agreements for rental car services with Enterprise Rent-A-Car in an amount not to exceed $375,000, and equipment replacement parts and repair services with K&T Truck Repair, Inc. in an amount not to exceed $700,000 through December 31, 2007.

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 a customer requirement to purchase rental car services, and equipment parts and repair services. Under City Code 3.56.240, the City Council may approve the use of cooperative purchase agreements, and authorize the City Manager, where advantageous to the City, to utilize such agreements to purchase supplies, and

non-professional services. Cooperative purchasing agreements allow the City to rely upon a competitive bidding process already utilized by another public agency, which results in lower operating costs through volume purchasing, and combining resources with other government agencies.

Policy Considerations: The recommendations in this report are in accordance with the provisions of the City Code Section 3.56.240 which allow for the use of legal contracts from other jurisdictions or public agencies without separate competitive bidding by the City upon approval of the purchasing agreement by the City Council.

Committee/Commission Action: Not Applicable

Environmental Considerations: The Environmental Services Manager has determined that the action of purchasing rental car services, and equipment parts and repair services does not have the potential for causing a significant effect on the environment and is therefore exempt under California Environmental Quality Act (CEQA) Guidelines, Categorical Exemption Section 15061(b)(3).

Rationale for Recommendation: 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 savings opportunities for the City. In an on-going effort to maximize cost savings and staff resources, many government agencies share contracting efforts through cooperative purchasing.

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.

Using the existing cooperative agreements between the State of California and Enterprise-Rent-A-Car (contract no. DGSOFAOENT), and the County of Sacramento and K&T Truck Repair, Inc. (contract no. WA00018894) is in the best interests of the City as this will result in cost and time savings.

Financial Considerations: Purchasing the recommended rental car services, and equipment parts and repair services is contingent upon FY2007/08 budget appropriations in the Department of General Services, Fleet Management operating budget. Staff will verify adequate budget resources prior to authorizing purchases against these cooperative agreements.

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.

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

Respectfully submitted by:
Keith Leech
Fleet Manager

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

Recommendation Approved:

for Ray Kerridge
City Manager

Table of Contents:

	Report	Pg 1
Attachments		
1	Resolution	Pg 4
2	Exhibit A – Vendors and Commodities	Pg 6

RESOLUTION NO. 2007-XXXX

Adopted by the Sacramento City Council

June 12, 2007

APPROVE THE USE OF A COOPERATIVE PURCHASE AGREEMENT BETWEEN THE STATE OF CALIFORNIA AND ENTERPRISE RENT-A-CAR FOR RENTAL CAR SERVICES; APPROVE THE USE OF A COOPERATIVE PURCHASE AGREEMENT BETWEEN THE COUNTY OF SACRAMENTO AND K&T TRUCK REPAIR, INC. FOR EQUIPMENT PARTS AND REPAIR SERVICES; AND AUTHORIZE THE CITY MANAGER OR THE CITY MANAGER'S AUTHORIZED DESIGNEE TO ISSUE FY2007/08 PURCHASE ORDERS UNDER THESE AGREEMENTS FOR RENTAL CAR SERVICES WITH ENTERPRISE RENT-A-CAR IN AN AMOUNT NOT TO EXCEED $375,000, AND EQUIPMENT REPLACEMENT PARTS AND REPAIR SERVICES WITH K&T TRUCK REPAIR, INC. IN AN AMOUNT NOT TO EXCEED $700,000 THROUGH DECEMBER 31, 2007

BACKGROUND

A. Department of General Services, Fleet Management Division has ongoing requirements to purchase rental car services, and equipment parts and repair services.

B. 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.

C. The competitive bids obtained by the State of California (contract number DGSOFAOENT) and the County of Sacramento (contract number WA00018894) as the basis for authorizing purchases from Enterprise Rent-A-Car and K&T Truck Repair, Inc. to purchase rental car services, and equipment parts and repair services is in accordance with City Code 3.56.240, which allows for the use of cooperative contracts through other governmental jurisdictions or public agencies without separate competitive bidding.

D. Using the existing cooperative agreements between the State of California and Enterprise-Rent-A-Car (contract number DGSOFAOENT), and the County of Sacramento and K&T Truck Repair, Inc. (contract number WA00018894) is in the best interest of the City as this will result in cost and time savings.

E City Council previously approved on December 12, 2006 (Resolution No. 2006-917) purchases of rental car services, and equipment parts and repair services for a total amount of $525,000 with Enterprise Rent-A-Car and K&T Truck Inc.

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

Section 1. The use of the Cooperative Purchase Agreements between the State of California and Enterprise Rent-A-Car is approved.

Section 2. The use of the Cooperative Purchase Agreement between the County of Sacramento and K&T Truck Repair, Inc. is approved.

Section 3. The City Manager or his authorized designee is hereby authorized to purchase rental car services, if advantageous to the City, in an amount not to exceed $375,000 from Enterprise Rent-A-Car.

Section 4. The City Manager or his authorized designee is hereby authorized to purchase equipment parts and repair services, if advantageous to the City, in an amount not to exceed $700,000 from K&T Truck Repair, Inc.

Attachments

Exhibit A – Vendors and Commodities Pg 6

Exhibit A

Vendors and Commodities List

Vendor	Contract #	Gov't. Agency	Item / Service	Total
K&T Truck Repair	WA00018894	County of Sacramento	Equipment Parts & Services	$700,000
Enterprise Rent-A-Car	DGSOFAOENT	State of California	Rental Cars	$375,000

Total: $1,075,000