RESOLUTION NO. 2007-637

Adopted by the Sacramento City Council

August 28, 2007

APPROVING FIRE APPARATUS ACQUISITION USING A COOPERATIVE PURCHASING AGREEMENT

BACKGROUND

A. In March of 2007, a City fire engine was involved in a non-fault accident. The estimated repair cost accompanied by its costly repair history has led Fleet Management and the Fire Department to determine that repair is unfeasible.

B. The damaged unit is scheduled for replacement in FY2009/10. The accelerated replacement of this vehicle will result in a savings, based on the manufacturer's estimated annual increase of 3%, of approximately $29,000 versus a purchase for the same unit in FY2009/10.

C. The City Treasurer's Office worked with staff to provide financing options for a previous $6.3 million fire apparatus acquisition for 12 vehicles, which was approved by Council on March 6, 2007, Resolution 2007-129. This purchase of one additional unit will be added to the existing financing agreement under the same terms and conditions. The financing agreement will allow an amount not to exceed $700,000 to be borrowed at a rate of 4.09% interest. Additionally, this unit will be added to the previous order, under the same pricing structure, and delivered as a part of the same group.

D. The source of repayment for the lease financing will be from the Fire Equipment/Apparatus Capital Improvement Project (FB87). Funding for the initial payments due in FY2007/08 will be transferred from the City's General Fund non-fault accident reimbursement budget line. Additionally, the five-year General Fund forecast and the Approved 2007-2012 Capital Improvement Program include continued funding for fire apparatus replacement.

E. Staff requests that the City Council approve the cooperative purchasing agreement between the Houston-Galveston Area Council (H-GAC) and

Martin Apparatus, Inc. as the basis for entering into a contract with Golden State Fire Apparatus, Inc. (assignee of the obligations of Martin outside Texas) in accordance with City Code 3.56.240, which, where advantageous to the City, allows for the use of cooperative contracts through other governmental jurisdictions or public agencies without separate competitive bidding. Because of feasibility, cost saving, and the other reasons identified above, it is advantageous to the city make this purchase through the cooperative purchase agreement between H-GAC and Martin Apparatus, Inc. and Golden State Fire Apparatus, Inc., assignee of the obligations of Martin outside Texas.

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

Section 1. The Houston-Galveston Area Council cooperative purchase agreements are approved for the purchase of Pierce fire apparatus.

Section 2. The City Manager is authorized to purchase one Pierce fire engine for a total amount not to exceed $490,000 through a contract with Golden State Fire Apparatus, 1237 Doker Drive, Modesto, CA.

Section 3. The City Treasurer is hereby authorized to execute and deliver the required documents on behalf of the City in substantially the form now on file with the City Clerk, with such changes the City Treasurer may require or approve after consultation with the City Attorney.

Section 4. The Finance Director is authorized to amend the revenue and expenditure budget for the Fire Apparatus/Equipment (FB87) Capital Improvement Project and the Fleet Operations budget (Fund 420) to reflect the fire apparatus financing as secured by the City Treasurer.

Adopted by the City of Sacramento City Council on August 28, 2007 by the following vote:

Ayes: Councilmembers, Cohn, Fong, Hammond, McCarty, Pannell, Sheedy, Tretheway, Waters and Mayor Fargo.

Noes: None.

Abstain: None.

Absent: None.

Heather Fargo

Mayor Heather Fargo

Attest:

Dawn Bullwinkel

for Shirley Concolino, City Clerk