



## REPORT TO COUNCIL City of Sacramento

915 I Street, Sacramento, CA 95814-2604  
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CONSENT  
October 9, 2007

Honorable Mayor and  
Members of the City Council

**Title: Purchase: John Deere Tractors Using a Cooperative Purchasing Agreement**

**Location/Council District:** Citywide

**Recommendation:** Adopt a **Resolution:** 1) approving the use of a cooperative purchasing agreement (No. EM06-07a) between the Houston-Galveston Area Council (HGAC) and Rush Equipment Centers of Texas, Inc. to purchase eight John Deere tractors; 2) authorizing a purchase of eight John Deere tractors from Pape Machinery (assignee of the obligations of Rush Equipment Centers of Texas, Inc. outside of Texas) in an amount not to exceed \$766,813; and 3) authorizing the City Manager or the City Manager's designee to issue the required purchase order under the referenced cooperative purchasing agreement in an amount not to exceed \$766,813.

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

**Presenters:** Not applicable

**Departments:** General Services

**Divisions:** Fleet Management

**Organization No:** 3259

**Description/Analysis:**

**Issue:** The Department of General Services, Fleet Management Division has a customer requirement to purchase five claw loader tractors and three backhoe tractors for the Department of Utilities and the Department of Convention, Culture and Leisure for garden refuse removal and various infrastructure maintenance and repair projects throughout the City. These tractors are scheduled replacements for older equipment.

**Policy Considerations:** The recommendations in this report are in accordance with City Code section 3.56.240 which provides that the City Manager, where advantageous to the City, may, by cooperative purchasing agreements approved

by the City Council, purchase supplies through legal contracts of other governmental jurisdictions or public agencies without separate competitive bidding by the City.

**Committee/Commission Action:** None

**Environmental Considerations:** The Environmental Services Manager has determined that the action of purchasing equipment 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).

This purchase is consistent with the City's revised Low Emission Vehicle Acquisition Policy (Resolution No. 2004-613) and Fleet Fuel Strategies (Resolution No. 2005-454). These 2007 model year tractors will be California Air Resources Board and United States Environmental Protection Agency certified. Model year 2007 heavy duty off-road engines feature a 66% reduction of particulate matter and a 60% reduction of nitrogen oxides emissions when compared to the older tractors that are to be replaced.

**Rationale for Recommendation:** In an ongoing effort to maximize cost savings and staff resources, many government agencies share contracting efforts through cooperative purchasing. This procurement method 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.

The purchase recommended in this report is a scheduled replacement of existing City equipment.

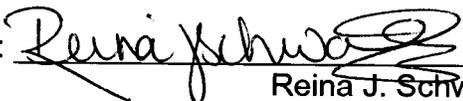
**Financial Considerations:** Sufficient funds are available in the Department of General Services, Fleet Management Division, the Department of Utilities, and the Department of Convention, Culture and Leisure FY2007/08 operating budgets to purchase eight John Deere tractors in a total amount not to exceed \$766,813.

**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 as the City of

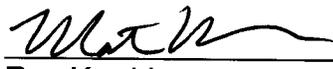
Sacramento. The Department of General Services, Fleet Management Division and the Finance Department, Procurement Services Division will consider other alternatives if it is determined that using cooperative purchasing agreements will have a negative impact on small businesses. For FY2006/07, the Department of General Services achieved an ESD percentage of 62%.

Respectfully submitted by:   
Christopher Stewart  
Procurement Services Manager

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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**RESOLUTION NO. 2007-XXXX**

Adopted by the Sacramento City Council

**October 9, 2007**

**APPROVING THE USE OF A COOPERATIVE PURCHASING AGREEMENT FOR THE PURCHASE OF EIGHT JOHN DEERE TRACTORS**

**BACKGROUND**

- A. The Department of General Services, Fleet Management Division has a customer requirement to purchase five claw loader tractors and three backhoe tractors for the Department of Utilities and the Department of Convention, Culture and Leisure for garden refuse removal and various infrastructure maintenance and repair projects throughout the City. These tractors are scheduled replacements for older equipment.
- B. Staff requests that the City Council approve the use of a cooperative purchasing agreement (No. EM06-07a) between the Houston-Galveston Area Council (HGAC) and Rush Equipment Centers of Texas, Inc. as the basis for purchasing John Deere tractors from Pape Machinery (assignee of the obligations of Rush Equipment Centers of Texas, Inc.) in accordance with City Code 3.56.240, which provides that the City Manager, where advantageous to the City, may, by cooperative purchasing agreements approved by the City Council, purchase supplies through legal contracts of other governmental jurisdictions or public agencies without separate competitive bidding by the City.

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

- Section 1. The HGAC cooperative purchasing agreement (No. EM06-07a) is approved for the purchase of John Deere tractors.
- Section 2. The purchase of eight John Deere tractors from Pape Machinery (assignee of the obligations of Rush Equipment Centers of Texas, Inc. outside of Texas) is authorized in an amount not to exceed \$766,813.
- Section 3. The City Manager or the City Manager's designee is authorized to issue the required purchase order under the referenced cooperative purchasing agreement in an amount not to exceed \$766,813.