



REPORT TO COUNCIL

City of Sacramento

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

CONSENT
 October 16, 2007

Honorable Mayor and
 Members of the City Council

Title: Contract: Sump Cleaning Equipment -- Two Thirds Vote Required

Location/Council District: Citywide

Recommendation: Adopt 1) a **Resolution:** a) suspending competitive bidding as in the best interests of the City; b) awarding a contract to Riverview International Trucks, Inc. to purchase a truck cab and chassis in an amount not to exceed \$106,575; and c) authorizing the City Manager or the City Manager's designee to execute a contract with Riverview International Trucks, Inc. in an amount not to exceed \$106,575; and 2) a **Resolution:** a) approving the use of a cooperative purchasing agreement (No. SC01-06) between the Houston-Galveston Area Council (HGAC) and Vac-Con, Inc. to purchase one sump cleaning body; b) authorizing the purchase of one Vac-Con sump cleaning body from Vac-Con, Inc. in an amount not to exceed \$229,665; and c) 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 \$229,665.

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 a budgeted additional vehicle for the Department of Utilities for infrastructure maintenance and repair.

Policy Considerations: The recommendations in this report are in accordance

with City Code Section 3.56.230 which, upon a two-thirds vote by the City Council, authorizes the suspension of competitive bidding for any purchase or contract when it is in the best interests of the City, and 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 or nonprofessional services 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 vehicles and 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).

Rationale for Recommendation: This report recommends the purchase of a truck cab and chassis, and separate sump cleaning body that will be combined into one specialized piece of equipment for use by the Department of Utilities in cleaning and maintaining the City's sewer and storm water drainage systems to maintain water quality and system functionality.

Riverview International Trucks, Inc. is a local dealer for International Trucks, the preferred truck cab and chassis for this equipment. Riverview International Trucks, Inc. will be responsible for building a specialized truck cab and chassis to match the specifications of the separate sump cleaning body so that the truck and sump cleaning body operate as an integrated unit.

Informal quotes were obtained from three International Truck dealers to confirm that pricing offered by Riverview International Trucks, Inc. was in fact competitive. Riverview International Trucks, Inc. has offered to sell the cab and chassis at a price that is \$12,000 less than the H-GAC vendor in Texas. If the entire unit is procured from Vac-Con Inc. the total cost would be \$348,606. Further, Riverview International Trucks, Inc. is the only source available due to regional manufacturer distribution restrictions, and as a local dealer, parts and factory authorized repairs, as well as training are readily accessible. Therefore, staff believes it is in the best interests of the City to purchase the cab and chassis from the local dealer, Riverview International Trucks, Inc, and the sump cleaning unit through the cooperative agreement with Vac-Con Inc.

This report recommends using a cooperative purchasing agreement to purchase one sump cleaning body. Cooperative purchasing 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.

Financial Considerations: Sufficient funds are available in the Department of General Services, Fleet Management Division, and the Department of Utilities FY2007/08 operating budgets to purchase one new truck cab and chassis and sump cleaning body in a total amount not to exceed \$336,240. This vehicle and equipment purchase is a scheduled addition to the City's fleet.

Emerging Small Business Development (ESBD): Neither Riverview International Trucks, Inc. nor Vac-Con, Inc. are certified as emerging/small businesses. For FY2006/07, the Department of General Services achieved an ESBD 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:


Ray Kerridge
City Manager

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RESOLUTION NO. 2007-XXXX

Adopted by the Sacramento City Council

October 16, 2007

SUSPENDING COMPETITIVE BIDDING AND AWARDING A CONTRACT TO PURCHASE ONE TRUCK CAB AND CHASSIS

BACKGROUND

- A. The Department of General Services, Fleet Management Division has a customer requirement to purchase a truck cab and chassis for the Department of Utilities for infrastructure maintenance and repair.
- B. It is in the City's best interest to suspend competitive bidding in accordance with City Code Section 3.56.230 for the purchase of the truck cab and chassis from Riverview International Trucks, Inc. because Riverview International Trucks, Inc. offers a price that is \$ 12,000 less than what is offered through the cooperative purchase program; is the only source available due to regional manufacturer distribution restrictions, and as a local dealer, parts and factory authorized repairs, as well as training are readily accessible.

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

- Section 1. It is in the best interests of the City to suspend competitive bidding, and competitive bidding is hereby suspended for the contract award to Riverview International Trucks, Inc. for the purchase of one International truck cab and chassis.
- Section 2. The City Manager or the City Manager's designee is authorized to execute a contract with Riverview International Trucks, Inc., in an amount not to exceed \$106,575, for the purchase of one International Truck cab and chassis.

RESOLUTION NO. 2007-XXXX

Adopted by the Sacramento City Council

October 16, 2007

**APPROVING THE USE OF A COOPERATIVE PURCHASING AGREEMENT FOR
THE PURCHASE OF ONE SUMP CLEANING BODY**

BACKGROUND

- A. The Department of General Services, Fleet Management Division has a customer requirement to purchase one sump cleaning body for the Department of Utilities for infrastructure maintenance and repair.
- B. Staff requests that the City Council approve the use of a cooperative purchasing agreement (No. SC01-06) between the Houston-Galveston Area Council (HGAC) and Vac-Con, Inc. 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.

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

- Section 1. The HGAC cooperative purchasing agreement (No. SC01-06) is approved for the purchase of one Vac-Con sump cleaning body.
- Section 2. The purchase of one Vac-Con sump cleaning body from Vac-Con, Inc. is authorized in an amount not to exceed \$229,665.
- 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 \$229,665.

