



REPORT TO COUNCIL

City of Sacramento

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

CONSENT
December 18, 2007

Honorable Mayor and
Members of the City Council

Title: Purchase: Flex Fuel Vans Using a Cooperative Purchasing Agreement

Location/Council District: Citywide

Recommendation: Adopt a **Resolution:** 1) approving the use of a cooperative purchasing agreement between the State of California (State contract 1-08-23-22) and Coalinga Motors Inc., to purchase 14 Chevrolet vans; 2) authorizing a purchase of 14 Chevrolet vans from Coalinga Motors Inc., in an amount not to exceed \$236,840; 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 \$236,840.

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 14 vans for the Police Department, the Department of General Services and the Department of Parks and Recreation for various transportation needs throughout the City. These vans will be used primarily for the replacement of older City vehicles.

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 Fleet Sustainability Policy adopted by City Council (Resolution No. 2007-771) on October 23, 2007. These model year 2008 flex fuel vans are designated “SmartWay” by the United States Environmental Protection Agency (USEPA), when operated on E85 ethanol fuel. “SmartWay” is a designation for vehicles that score at least 6 on the Air Pollution and Greenhouse Gas Scores and achieve a combined score of at least 13. Higher air pollution scores indicate vehicles with reduced levels of emissions. Higher greenhouse gas scores indicate vehicles with reduced levels of emissions and improved fuel economy. The actual “SmartWay” score for these vans are:

Fuel Type	Air Pollution Score (maximum score 10)	Greenhouse Gas Score (maximum score 10)
E85 Ethanol	6	7
Gasoline	6	5

Flex Fuel vehicles are capable of running on the alternative fuel E85 ethanol, gasoline or a mixture of both. No other manufacturer of this vehicle type exceeded the Greenhouse Gas Score of the Chevrolet van when operated on E85 ethanol fuel.

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.

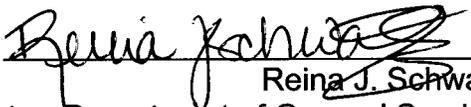
eliminate the cost and time spent on these administrative processes and purchase items and services through a cooperative purchasing program. The City has used both regional and national cooperative purchasing agreements to complement its own contracting initiatives. Cooperative purchasing enables City 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 purchases recommended in this report will be used primarily for the replacement of older City vehicles.

Financial Considerations: Sufficient funds are available in the Police Department, the Department of General Services, Fleet Management Division and the Department of Parks and Recreation FY2007/08 operating budgets to purchase fourteen Chevrolet vans in a total amount not to exceed \$236,840.

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 and Procurement Services Divisions 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 ESBD percentage of 62%.

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

December 18, 2007

APPROVING THE USE OF A COOPERATIVE PURCHASING AGREEMENT FOR THE PURCHASE OF FOURTEEN FLEX FUEL VANS.

BACKGROUND

- A. The Department of General Services, Fleet Management Division has a customer requirement to purchase 14 Chevrolet Flex Fuel vans for the Police Department, the Department of General Services and the Department of Parks and Recreation, for various staff transportation needs throughout the City. These vans will be used primarily for the replacement of older City vehicles.
- B. Staff requests that the City Council approve the use of a cooperative purchasing agreement between the State of California (State contract 1-08-23-22) and Coalinga Motors Inc., as the basis for purchasing 14 Chevrolet vans from Coalinga Motors 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 State of California cooperative purchasing agreement 1-08-23-22 is approved for the purchase of Chevrolet Flex Fuel vans.
- Section 2. The purchase of 14 Chevrolet vans from Coalinga Motors Inc., is authorized in an amount not to exceed \$236,840.
- 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 \$236,840.