

City of Sacramento

Legislation Text

File #: 2019-01393, **Version:** 1

Title:

Cooperative Purchase Agreement: Various Types of Fuels [Published for 10-Day Review 10/03/2019]

File ID: 2019-01393

Location: Citywide

Recommendation:

Pass a Motion: 1) approving the use of the cooperative purchase agreement between the Sacramento Area Council of Governments (SACOG) and Hunt & Sons, Inc. (Contract No. 1920029) for the purchase of various types of fuel for a total amount not to exceed \$37,000,000, effective October 1, 2019, through September 1, 2022, or until the contract is no longer available for use; and 2) authorizing the City Manager or the City Manager's designee to execute the purchases specified above.

Contact: Alison Kerstetter, Program Specialist, (916) 808-1163; Mark Stevens, Fleet Manager, (916) 808-5869, Department of Public Works

Presenter: None

Attachments:

- 1-Description/Analysis
- 2-Agreement

Description/Analysis

Issue Detail: The Department of Public Works, Fleet Management Division, has an ongoing requirement to purchase various types of fuel for the City's fleet vehicles and equipment.

Policy Considerations: The recommendations in this report are in accordance with City Code Chapter 3.56 and Sacramento City Council Rules of Procedure, Chapter 7, Section E.2.d, which requires additional posting time for labor agreements and agreements greater than \$1 million. This

item was published for 10-day review on October 3, 2019.

Economic Impacts: None

Environmental Considerations: No environmental review is necessary because the recommendations in this report involve the purchase of various fuels for City vehicles and equipment and is not considered to be a project in accordance with Section 15378(b)(2) of the California Environmental Quality Act (CEQA) guidelines.

Sustainability: The recommended purchases are consistent with the updated Fleet Sustainability Policy adopted by City Council on December 12, 2017 (Resolution No. 2017-0478).

Commission/Committee Action: None

Rationale for Recommendation: After reviewing the available purchase options, the Fleet Management Division has determined that the SACOG cooperative purchase agreement with Hunt & Sons, Inc. represents the most advantageous purchasing strategy. The contract was competitively bid and included the City of Sacramento's fuel needs to receive a greater discount from the manufacturer due to a higher purchase volume than the City would receive if issuing its own bid.

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 capital 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.

The City has used both regional and national cooperative purchase agreements to complement its own contracting initiatives. Cooperative purchasing enables City departments 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: Purchases under the recommended cooperative purchase agreement will be made from the Department of Public Works, Fleet Management Division's Fiscal Year (FY) 2019/20 operating budget (Fleet Fund, Fund 6501) and charged to the appropriate Department's operating budget.

Sufficient funds are available in the Department of Public Works FY2019/20 operating budget for the fuel purchases made through June 30, 2020. Purchases made after June 30, 2020, are subject to funding availability in the adopted budget of the applicable fiscal year.

Local Business Enterprise (LBE): The minimum LBE participation requirement is waived for the City's use of cooperative purchase agreements that have been competitively bid, evaluated, and awarded by other governmental agencies that may or may not have similar LBE programs.