

City of Sacramento

Legislation Text

File #: 2019-01207, **Version:** 1

Title:

Cooperative Purchase Agreement: Renewable Liquefied Natural Gas (RLNG)

File ID: 2019-01207

Location: Citywide

Recommendation:

Pass a Motion: 1) approving the use of the cooperative purchase agreement from the County of Sacramento with Clean Energy (Contract No. WA00038567) for the purchase of renewable liquefied natural gas (RLNG) in a total amount not to exceed \$950,000 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 renewable liquefied natural gas (RLNG) for the Department of Public Works, Solid Waste and Recycling Division. The clean burning fuel is used for refuse trucks and allows the City to be less dependent on diesel fuel.

Policy Considerations: The recommendations in this report are in accordance with City Code Chapter 3.56.

Economic Impacts: None

Environmental Considerations: No environmental review is necessary because the recommendations in this report involve the purchase RLNG for City vehicles 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).

The County's cooperative purchase agreement with Clean Energy is for the purchase of RLNG, which is a type fuel that is generated from solid waste material, the most common which is methane gas generated from landfills. Renewable liquified natural gas is more environmentally friendly than liquified natural gas (LNG) which is generated from fossil (non-renewable) sources. RLNG captures harmful greenhouse gas (GHG) emissions and uses them as a fuel source.

Commission/Committee Action: None

Rationale for Recommendation: After reviewing the available purchase options, the Fleet Management Division has determined that the County of Sacramento cooperative purchase agreement with Clean Energy represents the most advantageous purchasing strategy. The contract was competitively bid, and the County of Sacramento included the City of Sacramento's RLNG 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 operating budget (Fleet Fund, Fund 6501) and charged to the Department of Public Works, Recycling and Solid Waste Division's operating budget (Solid Waste Fund, Fund 6007).

Sufficient funds are available in the Department of Public Works Fiscal Year (FY) 2019/20 operating

budget for RLNG 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.