

# City of Sacramento

## Legislation Text

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File #: 2020-00630, Version: 1

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**Title:**

**Cooperative Purchase Contract: Fleet Tires and Tire Services**

File ID: 2020-00630

**Location:** Citywide

**Recommendation:**

Pass a Motion: 1) approving the use of the County of Sacramento cooperative purchase contract (Contract No. WA00038868) for the purchase of fleet tires and tire services in a total amount not to exceed \$600,000 until the agreement 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-Contract

**Description/Analysis**

**Issue Detail:** The Department of Public Works, Fleet Management Division, has an ongoing requirement to purchase tires and provide tire services to support City departments. The contract allows for the purchase of new tires as well as tires services such as re-treading the tire, mounting, dismounting, balancing and emergency roadside tire services.

**Policy Considerations:** The recommendations in this report are in accordance with City Code Chapter 3.56 and Administrative Policy 4001 regarding purchase of supplies.

**Economic Impacts:** None

**Environmental Considerations:** No environmental review is necessary because the recommendations in this report involve the purchasing of parts and services and are not considered to be a project in accordance with Section 15378(b)(2) of the California Environmental

Quality Act guidelines.

**Sustainability:** Not applicable

**Commission/Committee Action:** None

**Rationale for Recommendation:** Using the cooperative purchase agreement with the County of Sacramento and Morgan Tire Co. represents the most advantageous purchasing strategy. The contract was competitively bid, and the County of Sacramento receives greater discounts 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:** Sufficient funds are available in the Department of Public Works, Fleet Management Division's Fiscal Year (FY) 2020/21 operating budget (Fleet Fund, Fund 6501) to make purchases through June 30, 2021. Purchases made after June 30, 2021, are subject to funding availability in the adopted budget of the applicable fiscal year.

**Local Business Enterprise (LBE):** Morgan Tire Co. is an LBE.