

# City of Sacramento

## Legislation Details (With Text)

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**File created:** 5/20/2020    **In control:** City Council - 2PM  
**On agenda:** 6/30/2020    **Final action:**  
**Title:** Cooperative Purchase Contracts: Replacement Vehicles [Published for 10-Day Review 06/19/2020]  
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Date	Ver.	Action By	Action	Result
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**Title:**  
**Cooperative Purchase Contracts: Replacement Vehicles [Published for 10-Day Review 06/19/2020]**

File ID: 2020-00628

**Location:** Citywide

**Recommendation:**

Pass a Motion: 1) approving the use of cooperative purchase contracts from the State of California, the County of Alameda, and Sourcewell with various vendors for the purchase of sedans, vans, sport utility vehicles, and trucks in a total amount not to exceed \$5,032,400 (as shown on the Cooperative Purchase Contracts Summary) during the terms of each respective contract or until the contracts are 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-Cooperative Purchase Contracts Summary
- 3-Contracts

### Description/Analysis

**Issue Detail:** The Department of Public Works, Fleet Management Division, has an ongoing requirement to purchase replacement vehicles to support mission critical operations performed by City departments. Time is of the essence when replacing vehicles to prevent interruptions in service and avoid higher repair and maintenance costs associated with keeping assets beyond their scheduled replacement. To expedite this process, this report recommends using the cooperative purchase agreements identified in the Cooperative Purchase Contracts Summary to purchase the needed sedans, vans, sport utility vehicles, and trucks.

**Policy Considerations:** The recommendations in this report are in accordance with the Sacramento City Code Section 4.04.020 and Council Rules of Procedure (Chapter 7, Section E.2.d) which mandate that unless waived by a two-thirds vote of the City Council, all labor agreements and all agreements greater than \$1,000,000 shall be made available to the public at least ten (10) days prior to council action. This item was published for 10-day review on June 19, 2020 as required.

**Economic Impacts:** None

**Environmental Considerations:** No environmental review is necessary because the recommendations in this report involve the purchase of 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).

**Commission/Committee Action:** None

**Rationale for Recommendation:** Each of the recommended cooperative purchase contracts has been competitively bid, meets the needs of the City's fleet, offers better pricing than the City would receive through its own bid process due to a higher purchase volume, and eliminates the lengthy process of bidding and executing individual City contracts. The quantities listed in the Cooperative Purchase Agreements Summary are estimates based on the historical and anticipated needs of City departments. Actual purchases may vary based on department needs at the time of the purchase. The sum of all purchases under the 32 agreements shall not exceed \$5,032,400.

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, protests, 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 contracts will be made from the Department of Public Works Fiscal Year (FY) 2020/21 operating budget (Fleet Fund, Fund 6501) and charged to the using department's Fleet Projects for replacement vehicles and equipment. Sufficient funding is available in the Department's FY2020/21 operating budget and customer department Fleet Projects to support the recommended purchases for FY2020/21.

In determining the recommended spending authorization in the not-to-exceed amount of \$5,032,400, Fleet Management compared the replacement vehicles and equipment to be purchased against available cooperative purchase agreements. The information provided in Cooperative Purchase Contracts Summary is the best estimate of the replacement vehicles and equipment that can be purchased from these agreements. This recommended spending authorization includes a fifteen percent increase of \$656,400 for contingency purposes and flexibility of vehicle manufacturer and vendor selection. This will allow Fleet Management to respond quickly to the changing operational needs of City departments, and indeterminate events such as vehicle accidents, or augmented quantities due to grant funding or increased service demands. Customer departments are required to obtain Finance Department approval, and provide funding for, purchases above and beyond what is included in the planned replacement schedule.

**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.