

City of Sacramento

Legislation Text

File #: 2019-01571, **Version:** 1

Title:

Cooperative Purchase Agreement: Replacement 14-Yard Dump Trucks

File ID: 2019-01571

Location: Citywide

Recommendation:

Pass a Motion: 1) approving the use of the Houston-Galveston Area Council (HGAC) cooperative purchase agreement with Houston Freightliner (Contract No. HT06-18) for the purchase of three replacement dump trucks in an amount not to exceed \$416,953; and 2) authorizing the City Manager or the City Manager's designee to execute the purchase 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 a customer requirement to purchase three dump trucks for the Department of Utilities, Wastewater and Storm Drainage Division. The dump trucks will be used to haul dirt and spoils to and from job sites.

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 of vehicles and are not considered to be a

project in accordance with Section 15378(b)(2) of the California Environmental Quality Act 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, Fleet Management has determined that the Houston-Galveston Area Council (HGAC) cooperative purchase agreement with Houston Freightliner represents the most advantageous purchasing strategy. The contract was competitively bid nationally, and HGAC 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: The recommended purchase in a total amount not to exceed \$416,953 will be made from the Department of Public Works Fiscal Year (FY) 2019/20 operating budget (Fleet Fund, Fund 6501) and will be charged to the appropriate Fleet Project as shown in the table below.

Description	Fleet Project	Fund	Amount
Wastewater Fleet Project	106146000	6006	\$138,984
Storm Drainage Fleet Project	106141000	6011	\$277,969
Grand Total			\$416,953

Sufficient funding exists in the Department of Public Works FY2019/20 operating budget and the Fleet Projects listed above to support the recommended purchases.

Local Business Enterprise (LBE): Houston Freightliner is not a Local Business Enterprise. 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.