

City of Sacramento

Legislation Text

File #: 2019-01534, **Version:** 1

Title:

Cooperative Agreement: Small Package Delivery Service

File ID: 2019-01534

Location: Citywide

Recommendation:

Pass a Motion authorizing the City Manager, or the City Manager's designee, to approve the use of National Association of State Procurement Officials Cooperative Contract MA 454 and California Participating Addendum 7-16-99-28-01 with FedEx Corporate Services, Inc. for small package delivery services in an amount-not-to-exceed \$150,000 through the life of the cooperative services contract, including all extensions.

Contact: Ashley Petralli, Contract & Compliance Specialist, (916) 808-5749, Department of Finance

Presenter: None

Attachments:

1-Description/Analysis

2-Cooperative Contract MA 454 and California Participating Addendum 7-16-99-28-01

Description/Analysis

Issue Detail: Departments throughout the City have been piggybacking on the cooperative agreement with FedEx Corporate Services, Inc. for package delivery since 2013. The overall expenditures and continued use of these services by multiple departments requires a joint citywide spending authority approval from the City Council. City departments have spent approximately \$66,000 to date under this agreement. Expenditures have increased since 2015 with approximately \$15,000 in average annual spending.

The Procurement Services Division is seeking citywide spending authority of \$150,000 to allow for the continued use of these services throughout the life of the contract, which expires November 27, 2021. The amount requested will cover current expenditures, anticipated expenditures through 2021,

and will allow for an additional \$40,000 to address increased usage.

Policy Considerations: City Council approval is required for service and supply contracts in amounts of \$100,000 or more.

Economic Impacts: None.

Environmental Considerations:

California Environmental Quality Act (CEQA): The proposed activity is not a project pursuant to the CEQA. (CEQA Guidelines Section 15378(b)(2).) The activity is a continuing administrative or maintenance activity, such as the purchase of supplies, personnel-related actions, general policy and procedure making and is not subject to CEQA. (CEQA Guidelines Section 15060(c)(3).)

Sustainability: Not Applicable.

Commission/Committee Action: Not Applicable.

Rationale for Recommendation: To maximize cost savings and staff resources, many government agencies share contracting efforts through cooperative purchasing. This procurement method increases pricing competitiveness and lowers operating 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. It is often more cost-effective to eliminate the cost and time spent on these administrative processes and purchase items and services through cooperative purchasing programs.

This agreement was the result of a competitive solicitation conducted by the State of Utah on behalf of NASPO ValuePoint and has been made available to entities in California through a participating addendum. Approving the use of this cooperative contract will allow the City to continue benefiting from significant volume discounts beyond what could be achieved solely by the City of Sacramento.

Financial Considerations: Adequate resources are available in the Approved Budget to support this contract. Departments using these services are charged for the actual costs incurred.

Local Business Enterprise (LBE): FedEx Corporate Services, Inc. qualifies as a Local Business Enterprise.