

City of Sacramento

Legislation Text

File #: 2020-00301, **Version:** 1

Title:

Cooperative Purchase Contract: Excavation Trailers [Continued from 03/24/2020]

File ID: 2020-00301

Location: Citywide

Recommendation:

Pass a Motion: 1) approving the use of the Sourcewell cooperative purchase contract with Vermeer Corporation (Contract No. 012481-VRM) for the purchase of two excavation trailers from an authorized dealer, RDO Vermeer, for an amount not to exceed \$174,821; 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-Contract

Description/Analysis

Issue Detail: The Department of Public Works, Fleet Management Division, has a customer requirement to purchase two excavation trailers for the Department of Utilities, Water Division. These units will be used to dig and excavate in areas where it is not feasible to use a larger piece of equipment such as a backhoe.

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 equipment 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 using the cooperative purchase agreement with Sourcewell and Vermeer Corporation represents the most advantageous purchasing strategy. The contract was competitively bid, and Sourcewell 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 an amount not to exceed \$174,821, will be made from the Department of Public Works Fiscal Year (FY) 2019/20 operating budget (Fleet Fund, Fund 6501) and charged to the Department of Utilities Fleet Project (I06145000). Sufficient funding exists in the Department's FY2019/20 operating budget and the Department of Utilities Fleet Project (I06145000) to support the recommended purchase.

Local Business Enterprise (LBE): Vermeer Corporation is not an 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.