

RESOLUTION NO. 2010-090

Adopted by the Sacramento City Council

February 23, 2010

APPROVING FIRE APPARATUS ACQUISITION USING A COOPERATIVE PURCHASING AGREEMENT

BACKGROUND

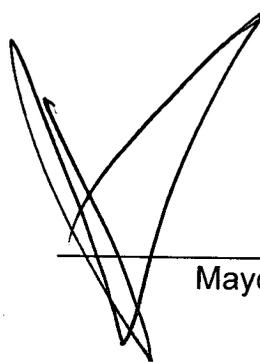
- A. The Department of General Services, Fleet Management Division has a customer requirement to purchase replacement fire apparatus for the Fire Department.
- B. In accordance with City Code 3.56.240 the City Manager may, by cooperative purchasing agreements approved by the City Council, purchase supplies through contracts of other governmental jurisdictions, without separate competitive bidding where it is advantageous to the City. The use of cooperative contracts results in lower operating costs through volume purchasing and combining resources with other governmental agencies.
- C. On June 23, 2009 the City Council adopted Resolution 2009-421, authorizing the establishment of the North Natomas fire station (Station 43) capital improvement project (F13000700) with a budget of \$9.6 million in North Natomas Community Improvement Funds (Fund 3201) for the construction of the fire station and purchase of related equipment (truck, engine and ambulance).
- D. The terms of the North Natomas Financing plan limit use of the North Natomas funding to equipment for operations that are non-revenue generating. This limits the funding in the capital project to the station truck and engine purchases.
- E. A risk assessment by the Fire Department of the North Natomas community indicates that the community would currently be better served by two grass rigs (one for Station 30 and one for Station 43) in lieu of the proposed truck.
- F. On July 14, 2009, City Council adopted Resolution 2009-465, authorizing the Office of the City Treasurer to enter into an amendment to the Master Lease Equipment Acquisition agreement with Bank of America Public Capital Corporation to secure a \$10 million credit line.
- G. The Master Lease Equipment agreement approved by Council has been used to fund one liquefied natural gas mobile trailer and 60,000 green-waste containers. Approximately \$6.7 million remains unspent. Upon approval of the recommendations in this report approximately \$4.8 million of the line of credit will be used to acquire seven proposed replacement fire apparatus, leaving a balance of approximately \$1.9 million for future considerations approved by City Council.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. The use of Houston-Galveston Area Council (HGAC) cooperative purchasing agreement (Contract No. FS12-07) with Golden State Fire Apparatus, Inc. to purchase up to ten Pierce fire apparatus in an amount not to exceed \$6.3 million (\$4.8 million in lease financing and up to \$1.5 million in North Natomas Improvement funds (Fund 3201) is approved.
- Section 2. The Office of the City Treasurer is authorized to execute lease-financing documents with Bank of America NA to secure funding for the acquisition of fire apparatus in the estimated amount of \$4.8 Million through the ratified Master Equipment Lease / Purchase Agreement, dated March 16, 2004 and the Amended Master Agreement dated November 18, 2009.
- Section 3. The City Manager or the City Manager's designee is authorized to execute the purchase specified above.
- Section 4. The Finance Director is authorized to amend the revenue and expenditure budget for the Fire Apparatus/Equipment capital improvement project (F12000300) to reflect the fire apparatus financing as secured by the City Treasurer.

Adopted by the City of Sacramento City Council on February 23, 2010 by the following vote:

- Ayes: Councilmembers Cohn, Fong, Hammond, McCarty, Pannell, Sheedy, Tretheway, Waters, and Mayor Johnson.
- Noes: None.
- Abstain: None.
- Absent: None.



Mayor Kevin Johnson

Attest:

Shirley Concolino, City Clerk