



REPORT TO COUNCIL

City of Sacramento

915 I Street, Sacramento, CA 95814-2671
www.CityofSacramento.org

CONSENT
May 8, 2007

**Honorable Mayor and
Members of the City Council**

**Title: Purchases: Truck Cab and Chassis Using Houston-Galveston Area
Council (H-GAC) Cooperative Purchasing Agreements**

Location/Council District: Citywide

Recommendation: Adopt a **Resolution:** 1) Approving the use of the Houston-Galveston Area Council (H-GAC) cooperative purchasing agreement to purchase a truck cab and chassis from Santex Truck Center; and 2) authorizing the City Manager or his designee to purchase a truck cab and chassis from Santex Truck Center in an amount not to exceed \$85,531.

Contact: Keith Leech, Fleet Manager, 808-5869; Christopher Stewart, Procurement Services Manager, 808-6202

Presenters: Not applicable

Department: General Services

Division: Fleet Management

Organization No: 3259

Description/Analysis:

Issues: The City of Sacramento, Department of General Services, Fleet Management Division has a need to purchase budgeted replacement vehicles for the Department of Utilities. In accordance with City Code 3.56.240 the City Council may authorize the use of cooperative government contracts where advantageous to the City. Cooperative contracts are an alternative to City competitive bidding, which results in lower operating costs through volume purchasing and combining resources with other governmental agencies.

Policy Considerations: The recommendations in this report are in accordance with the provisions of City Code Section 3.56.240, which allows for the use of legal contracts from other jurisdictions or public agencies without separate competitive bidding by the City upon approval of the City Council.

Environmental Considerations: The Environmental Services Manager has determined that the action of purchasing vehicles does not have the potential for causing a significant effect on the environment and is therefore exempt under California Environmental Quality Act (CEQA) Guidelines, Categorical Exemption Section 15061(b)(3).

This purchase is consistent with the City's revised Low Emission Vehicle Acquisition Policy (Resolution No. 2004-613) and Fleet Fuel Strategies (Resolution No. 2005-454). This 2008 model year vehicle will be California Air Resources Board and United States Environmental Protection Agency certified. Model year 2008 heavy duty engines feature 90% reduction of particulate matter and 95% reduction of nitrogen oxides when compared to the model year 1999 truck it replaces.

Rationale for Recommendation: In an ongoing effort to maximize cost savings and staff resources, many government agencies share contracting efforts through cooperative purchasing or piggybacking. These procurement approaches increase pricing competitiveness and lower operating 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. It is often more cost-effective to eliminate the cost and time spent on these administrative processes and purchase items and services through a cooperative purchasing program.

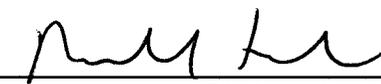
The City has used both regional and national cooperative purchasing agreements to complement its own contracting initiatives. Cooperative purchasing enables City departments and the Procurement Services Division to evaluate a broader range of contracting opportunities and to share resources with other jurisdictions. Cooperative purchasing also leverages internal and external resources to maximize cost savings opportunities for the City.

This report recommends that the City Council approve the utilization of the contracts obtained competitively by H-GAC as the basis for this purchase. Further, staff recommends that the City Manager or his designee be authorized to use these cooperative contracts for the purchase of the aforementioned commodities in an amount not to exceed \$85,531.

This truck cab and chassis will be utilized in conjunction with a Vac-Con combination sewer cleaner, previously approved by Council. Model year 2008 trucks are now available and offer the immediate advantage of low emissions and future advantage of not requiring emission retrofit devices.

Financial Considerations: Sufficient funds are available in the Department of General Services, Fleet Management Division operating budget for FY2006/07 in a total amount not to exceed \$85,531 to purchase one new truck cab and chassis.

Emerging Small Business Development (ESBD): Cooperative Purchasing Agreements are created, evaluated and awarded by other government agencies that may or may not have similar emerging and small business programs. However, the Department of General Services, Fleet Management Division and the Finance Department, Procurement Services Division will consider other alternatives if it is determined that using cooperative contracts may have a negative impact on small businesses.

Respectfully Submitted: 
for Christopher Stewart
Procurement Services Manager

Respectfully Submitted: 
Keith Leech
Fleet Manager

Approved by: 
Reina J. Schwartz
Director, Department of General Services

Recommendation Approved:


for Ray Kerridge
City Manager

Table of Contents:

Report	Pg	1
Attachments		
1 Resolution	Pg	4

RESOLUTION NO. 2007-XXXX

Adopted by the Sacramento City Council

MAY 8, 2007

APPROVE THE USE OF HOUSTON-GALVESTON AREA COUNCIL (H-GAC) COOPERATIVE PURCHASING AGREEMENT TO PURCHASE A TRUCK CAB AND CHASSIS AND AUTHORIZE THE CITY MANAGER OR HIS DESIGNEE TO PURCHASE A TRUCK CAB AND CHASSIS FROM SANTEX TRUCK CENTER IN AN AMOUNT NOT TO EXCEED \$85,531

BACKGROUND

- A. Department of General Services, Fleet Management Division has a need to purchase budgeted replacement vehicles for the Department of Utilities.
- B. The City has an opportunity to obtain lower pricing for these items through the use of the H-GAC agreement, in accordance with City Code Section 3.56.240, which allows for use of cooperative contracts through other governmental jurisdictions or public agencies without separate bidding.
- C. The City Council has adopted policies of acquiring low emission vehicles and fleet fuel strategies to improve air quality. This purchase is consistent with the City's revised Low Emission Vehicle Acquisition Policy (Resolution No. 2004-613) and Fleet Fuel Strategies (Resolution No. 2005-454).
- D. The purchases of a truck cab and chassis will be utilized in conjunction with a Vac-Con combination sewer cleaner, previously approved by City Council on February 2007, Resolution No. 2007-199.

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

- Section 1. The use of the Houston-Galveston Area Council (H-GAC) cooperative purchasing agreements to purchase a truck cab and chassis from Santex Truck Center is approved.
- Section 2. The City Manager or his designee is hereby authorized to purchase a truck cab and chassis in an amount not to exceed \$85,531 in FY2006/07 from Santex Truck Center, 1380 Ackerman Road, San Antonio, Texas, 78219.