



REPORT TO COUNCIL

City of Sacramento

915 I Street, Sacramento, CA 95814-2604
www.CityofSacramento.org

CONSENT
June 5, 2007

Honorable Mayor and
Members of the City Council

Title: Purchase: BMW Police Motorcycles Using a Cooperative Purchase Agreement

Location/Council District: Citywide

Recommendation: Adopt a **Resolution:** 1) Approving the use of the Cooperative Purchase Agreement between the City of San Diego and A&S Motorcycle Parts, Inc. to purchase up to ten BMW police motorcycles; and 2) authorizing the City Manager or his authorized designee, if advantageous to the City, to issue the required purchase orders under the Agreement for up to ten BMW police motorcycles in an amount not to exceed \$250,000 from A&S Motorcycle Parts, Inc.

Contacts: 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:

Issue: The Department of General Services, Fleet Management Division, has a customer requirement to purchase patrol motorcycles for the Sacramento Police Department. These motorcycles are primarily replacements for older fleet units that will be used for law enforcement activities. The quantities requested are based on the FY2006/07 approved vehicle replacement budget and FY2007/08 forecasted requirements.

Under City Code 3.56.240, the City Council may approve the use of cooperative purchasing agreements, and authorize the City Manager, where advantageous to the City, to utilize such agreements to purchase supplies and non-professional

services. Cooperative purchasing agreements allow the City to rely upon a competitive bidding process already utilized by another public agency, 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 the City Code Section 3.56.240 which allows for use of legal contracts from other jurisdictions or public agencies without separate competitive bidding by the City upon approval of the purchasing agreement by the City Council.

Committee/Commission Action: Not Applicable

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).

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.

Using the existing cooperative agreement between the City of San Diego (Request for Proposal No. 6757-04-Z-RFP) and A&S Motorcycle Parts, Inc. is in the best interest of the City as the agreement meets the needs of the City's fleet equipment specifications for patrol motorcycles and utilizing this agreement will result in cost and time savings.

Financial Considerations: There are sufficient funds available in the Department of General Services, Fleet Management operating budget in FY2006/07 to purchase up to six BMW police motorcycles in an amount not to exceed \$150,000 from A&S Motorcycle Parts, Inc. Additional purchases for the remaining quantities will be at the current bid

price and will be contingent on FY2007/08 budget appropriation for these types of vehicles.

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 by: Craig B. Symons for
Christopher Stewart
Procurement Services Manager

Respectfully submitted by: Keith Leech
Keith Leech
Fleet Manager

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

Recommendation Approved:

for Mat
Ray Kerridge
City Manager

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RESOLUTION NO. 2007-XXXX

Adopted by the Sacramento City Council

June 5, 2007

APPROVE THE COOPERATIVE PURCHASE AGREEMENT BETWEEN THE CITY OF SAN DIEGO AND A&S MOTORCYCLE PARTS, INC. AND AUTHORIZE THE CITY MANAGER OR HIS AUTHORIZED DESIGNEE, IF ADVANTAGEOUS TO THE CITY, TO ISSUE THE REQUIRED PURCHASE ORDERS UNDER THE AGREEMENT FOR UP TO TEN BMW MOTORCYCLES IN AN AMOUNT NOT TO EXCEED \$250,000 FROM A&S MOTORCYCLE PARTS, INC.

BACKGROUND

- A. The Department of General Services, Fleet Management Division, has a customer requirement to purchase patrol motorcycles for the Sacramento Police Department. These motorcycles are primarily replacements for older fleet units that will be used for law enforcement activities.
- B. 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.
- C. The competitive bids obtained by the City of San Diego (Request for Proposal No. 6757-04-Z-RFP) as the basis for authorizing a purchase from A&S Motorcycle Parts, Inc. to purchase up to ten BMW police motorcycles is in accordance with City Code 3.56.240, which allows for the use of cooperative contracts through other governmental jurisdictions or public agencies without separate competitive bidding.
- D. Using the existing cooperative agreement between the City of San Diego (Request for Proposal No. 6757-04-Z-RFP) and A&S Motorcycle Parts, Inc. is in the best interest of the City as the agreement meets the needs of the City's fleet equipment specifications for patrol motorcycles and utilizing this agreement will result in cost and time savings.

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

- Section 1. The use of the Cooperative Purchase Agreement between the City of San Diego and A&S Motorcycle Parts, Inc. is approved.

- Section 2. The City Manager or his designee is authorized to purchase, if advantageous to the City, up to ten BMW police motorcycles in an amount not to exceed \$250,000 from A&S Motorcycle Parts, Inc., 1125 Orlando Avenue, Roseville, CA.
- Section 3. Fleet Management is authorized to utilize this contract for the purchase of up to six BMW police motorcycles in an amount not to exceed \$150,000 in FY2006/07.
- Section 4. Additional purchases for the remaining quantities will be at the current bid price and will be contingent on FY2007/08 budget appropriation for these types of vehicles.