



REPORT TO COUNCIL

City of Sacramento

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

CONSENT
May 4, 2010

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

Title: Agreements: Fleet Services and Related Parts

Location/Council District: Citywide

Recommendation: Adopt a **Resolution:** 1) approving the use of County of Sacramento Contract No. MA00025631 with Maita Chevrolet for the purchase of automotive services and related parts in an amount not to exceed \$330,000 through January 26, 2013, or until the contract is no longer available for use; 2) authorizing the City Manager or the City Manager's designee to execute Contract Supplement No. 1 to Contract No. CO2007-219 with Harrold Ford in an amount not to exceed \$325,000 for a revised total contract amount not to exceed \$1 million and extending the expiration date to September 17, 2011; and 3) authorizing the City Manager or the City Manager's designee to execute purchases in the amounts specified above provided that sufficient funds are available in the budget adopted for the applicable fiscal year(s).

Contacts: Keith Leech, Fleet Manager, 808-5869

Presenters: Not applicable

Department: General Services

Division: Fleet Management

Organization No: 13001311

Description/Analysis:

Issue: The Department of General Services, Fleet Management Division has ongoing needs to purchase automotive services and related parts to support City departments. Using existing or cooperative purchasing agreements for these purchases is advantageous to the City as the agreements meet the needs of the City's fleet specifications and will result in cost and time savings.

Policy Considerations: In accordance with City Code 3.56.240, the City

Manager may, by cooperative purchasing agreements approved by City Council, purchase supplies or nonprofessional services through contracts of other governmental jurisdictions without separate competitive bidding, where it is advantageous to the City.

Committee/Commission Action: Not applicable

Environmental Considerations:

California Environmental Quality Act (CEQA): The current project has been determined to be exempt from the requirements of CEQA, under Section 15061(b)(3) which states that CEQA applies only to projects which have the potential for causing a significant effect on the environment. The current proposal involves the purchase of automotive services and related parts in support of City departments. Therefore, as determined by the City's Environmental Services Planning Manager, no environmental review is necessary.

Sustainability Considerations: Not applicable

Rationale for Recommendation: The Department of General Services, Fleet Management Division has ongoing needs to purchase automotive services and related parts to support City departments. Using a cooperative purchasing agreement and amending an existing City contract for these purchases is advantageous to the City as the agreements meet the needs of the City's fleet specifications and will result in cost and time savings.

In an ongoing effort to maximize cost savings and staff resources, many government agencies share contracting efforts through cooperative purchasing. This procurement approach 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, 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.

On September 18, 2007, City Council adopted Resolution No. 2007-688, awarding Contract No. CO2007-219 for repair parts and services to Harrold Ford as a one-year contract with two one-year renewal options. Due to an

unanticipated volume of work performed under this contract, expenses are approaching the dollar limit of the original award. Staff has determined that it is in the City's best interest to amend the contract by increasing the not-to-exceed amount and extending the term of this contract at the current contract pricing.

Financial Considerations: In determining the recommended spending authorities, Fleet Management staff reviewed the expenditure history by vendor, type of commodity, part or service, and also considered future needs. Annual expenditure estimates are listed in Attachment 1. Sufficient funds are available in the Department of General Services, Fleet Management Division, FY2009/10 operating budget (Fleet Fund, Fund 6501) to purchase parts and services through June 30, 2010. Purchases after June 30, 2010, and through the duration of the contracts are subject to funding availability in the adopted budget of the applicable fiscal year(s).

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 and Procurement Services divisions will consider other alternatives if it is determined that using cooperative contracts may have a negative impact on small businesses.

Harrold Ford is not certified as an emerging/small business.

Respectfully submitted by: 
Keith Leech
Fleet Manager

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

Recommendation Approved:



Gus Vina
City Manager

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Attachment 1

Estimated Contract Expenditures

County of Sacramento Cooperative Contract						
Company	Contract No.	Commodity	Estimated Expenditure Amounts (thousands)			
			Year 1	Year 2	Year 3	Total
Maita Chevrolet	MA00025631	Automotive services and related parts	\$100	\$110	\$120	\$330
			\$100	\$110	\$120	\$330

City of Sacramento Contract					
Company	Contract No.	Commodity	Estimated Expenditure Amount (thousands)		
			Prior contract award (Yrs 1-3)	Year 4	Total
Harrold Ford	CO2007-219	Automotive services and related parts	\$675	\$325	\$1,000
			\$675	\$325	\$1,000

RESOLUTION NO. 2010-XXXX

Adopted by the Sacramento City Council

May 4, 2010

**APPROVING THE USE OF A COOPERATIVE PURCHASING AGREEMENT AND
CONTRACT SUPPLEMENT TO CITY CONTRACT FOR FLEET
SERVICES AND RELATED PARTS**

BACKGROUND

- A. The Department of General Services, Fleet Management Division has ongoing requirements to purchase automotive services and related parts to support City departments. The City has an opportunity to obtain lower pricing for these items through the use of a County of Sacramento cooperative purchasing agreement, and a contract supplement to an existing City contract.
- B. In accordance with City Code 3.56.240, the City Manager may, by cooperative purchasing agreements approved by City Council, purchase supplies through contracts of other governmental jurisdictions without separate competitive bidding, where it is advantageous to the City.

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

- Section 1. County of Sacramento Contract No. MA00025631 with Maita Chevrolet is hereby approved for the purchase of automotive services and related parts in an amount not to exceed \$330,000 through January 26, 2013, or until the contract is no longer available for use.
- Section 2. The City Manager or the City Manager's designee is authorized to execute Contract Supplement No. 1 to Contract No. CO2007-219 with Harrold Ford in an amount not to exceed \$325,000 for a revised total contract amount not to exceed \$1 million and extending the expiration date to September 17, 2011.
- Section 3. The City Manager or the City Manager's designee is authorized to execute the necessary purchases in the amounts specified above provided that sufficient funds are available in the budget adopted for the applicable fiscal year(s).