



REPORT TO COUNCIL City of Sacramento

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

CONSENT
April 22, 2008

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

Title: Purchase: Parts for Fleet Equipment –Two Thirds Vote Required

Location/Council District: Citywide

Recommendation: Adopt a **Resolution:** 1) suspending competitive bidding in the best interests of the City; 2) authorizing the City Manager or the City Manager's designee to award and execute a contract to United Rotary Brush Corporation for the purchase of street sweeper brooms in a total amount not to exceed \$240,000 through August 31, 2008; 3) approving the use of a County of Sacramento (County) contract with Cell Energy, Inc. to purchase automotive batteries in a total amount not to exceed \$190,000 per fiscal year beginning in FY2007/08 and continuing for as long as the contract is available for use; 4) approving the use of a County contract with Western Truck Parts and Equipment to purchase heavy duty truck parts in a total amount not to exceed \$425,000 through June 14, 2008; 5) approving the use of a County contract with Sacramento Truck Center to purchase heavy duty equipment parts in a total amount not to exceed \$270,000 through June 14, 2008; 6) 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; and 7) ratifying prior purchases with United Rotary Brush Corporation and Parts Plus in a combined amount of \$54,000.

Contacts: Keith Leech, Fleet Manager, 808-5869

Presenters: Not applicable

Department: General Services

Division: Fleet Management

Organization No: 3259

Description/Analysis:

Issue: The Department of General Services, Fleet Management Division has

ongoing needs to purchase parts for Fleet equipment. In accordance with City Code Section 3.56.230, the City Council may, by a two-thirds vote, suspend competitive bidding for any purchase or contract in the best interests of the City. In accordance with City Code Section 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.

Due to the volume of work that is necessary to keep fleet vehicles and equipment operating safely and efficiently, it is challenging to monitor and control division wide expenditures. In the ongoing effort to provide services in a fair, accountable, and transparent manner, the Department of General Services, Fleet Management Division has committed to identifying areas of concern within its operation and correcting them as soon as possible. In response to recent findings, the Fleet Management Division is implementing the following improvements in its procurement processes to ensure fewer exceptions in the future:

- An electronic contract management program is being implemented which will provide the Fleet shops with “real time” contract status prior to order placement.
- Staff will be dedicated to contract oversight and will perform regularly scheduled status checks and address issues as necessary.
- Staff is currently working to identify any additional issues related to the procurement of parts and services for the Fleet Management Division.

Policy Considerations: The recommendations in this report are in accordance with the provisions of City Code Section 3.56.

Committee/Commission Action: Not applicable

Environmental Considerations: The current project has been determined to be exempt from the requirements of the California Environmental Quality Act (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 purchasing of parts for the repair and maintenance of City vehicles and equipment.

Rationale for Recommendation: The Department of General Services, Fleet Management Division, has identified expenditures with two vendors (United Rotary Brush, and Parts Plus) that have exceeded the authorized amounts and require immediate attention. In addition, in order to meet the ongoing needs for fleet parts, this report recommends increasing the spending authority with four vendors (United Rotary Brush, Cell Energy, Inc., Western Truck Parts and Equipment, and Sacramento Truck Center). The following paragraphs provide the expenditure details with each vendor.

United Rotary Brush

In August 2004, an informal request for quotation (I-4036-R) was administered and an informal, four year contract was awarded in September 2004 to United Rotary Brush Corporation (formerly Nationwide Wire and Brush) for the purchase of heavy duty street sweeping brooms. Expenditures under this contract have exceeded the City Manager's authority by \$35,000. This report recommends ratifying prior purchases in the amount of \$35,000, suspending further competitive bidding in the best interests of the City and awarding a formal contract for additional purchases under the terms and conditions of the bid in a total amount not to exceed \$240,000 through September 30, 2009. Suspending competitive bidding is in the best interest of the City for the following reasons:

- This contract was previously bid on an informal basis
- The vendor will honor the prices originally bid in August 2004 through the end of the contract term
- Staff has determined that conducting a new bid at this time will most result in higher prices

Parts Plus

On June 12, 2007, City Council adopted Resolution No. 2007-373 suspending competitive bidding and awarding a contract to Parts Plus for the purchase of automotive parts in an amount not to exceed \$200,000. Expenditures under this contract have exceeded the authorized amount by \$19,000. This report recommends ratifying prior purchases in the amount of \$19,000. No additional purchases will be made from this vendor.

Cell Energy, Inc.

As of March 1, 2008, purchases totaling \$77,044 with Cell Energy, Inc. have been made under County contract WA00022407 for the purchase of automotive batteries. This report recommends approving the use of this County contract to cover the projected need for automotive batteries in a total amount not to exceed \$190,000 per fiscal year beginning in FY2007/08 and continuing for as long as the contract is available for use.

Western Truck Parts and Equipment

On December 12, 2006, City Council adopted Resolution No. 2006-917 approving the use of County contract WA00018873 for the purchase of heavy duty truck parts in an amount not to exceed \$350,000. This report recommends approving the use of this County contract to cover the projected need for heavy duty truck parts in a total amount not to exceed \$425,000 through June 14, 2008.

Sacramento Truck Center

On December 12, 2006, City Council adopted Resolution No. 2006-917 approving the use of County contract WA00018908 for the purchase of heavy duty equipment parts in an amount not to exceed \$250,000. This report

recommends approving the use of this County contract to cover the projected need for heavy duty equipment parts in a total amount not to exceed \$270,000 through June 14, 2008.

Financial Considerations: Sufficient funds are available in the Department of General Services, Fleet Management Division, FY2007/08 operating budget to purchase the required parts through June 30, 2008. Purchases after June 30, 2008 and up to the expiration date of each contract are subject to funding availability in the adopted budget of the applicable fiscal year.

Emerging Small Business Development (ESBD): Neither United Rotary Brush Corporation nor Parts Plus are certified as emerging/small business firms. 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.

For the most recent complete fiscal year (FY2006/07) the Department of General Services achieved an ESBD percentage of 62%.

Respectfully submitted by: 
Keith Leech
Fleet Manager

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

Recommendation Approved:


Ray Kerridge
City Manager

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RESOLUTION NO. 2008-XXXX

Adopted by the Sacramento City Council

April 22, 2008

**SUSPEND COMPETITIVE BIDDING AND APPROVE THE PURCHASE OF PARTS
FOR FLEET EQUIPMENT**

BACKGROUND

- A. The Department of General Services, Fleet Management Division has ongoing needs to purchase parts for Fleet equipment.

In accordance with City Code Section 3.56.230, the City Council may, by a two-thirds vote, suspend competitive bidding for any purchase or contract in the best interests of the City. Suspending competitive bidding is in the best interest of the City for the following reasons: 1) this contract was previously bid on an informal basis; 2) the vendor will honor the prices originally bid in August 2004 through the end of the contract term; and 3) staff has determined that conducting a new bid at this time will most result in higher prices.

- B. In accordance with City Code Section 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. It is in the best interests of the City to suspend competitive bidding, and competitive bidding is hereby suspended for the purchase of heavy duty street sweeping brooms from United Rotary Brush.

Section 2. The City Manager or the City Manager's designee is authorized to award and execute a contract to United Rotary Brush Corporation for the purchase of heavy duty street sweeper brooms in a total amount not to exceed \$240,000 through August 31, 2008.

Section 3. The use of County of Sacramento contract WA00022407 with Cell Energy, Inc. is approved for the purchase of automotive batteries in a total amount not to exceed \$190,000 per fiscal year beginning in FY2007/08 and continuing for as long as the contract is available for use.

- Section 4. The use of County of Sacramento contract WA00018873 with Western Truck Parts and Equipment is approved for the purchase of heavy duty truck parts in a total amount not to exceed \$425,000 through June 14, 2008.
- Section 5. The use of County of Sacramento contract WA00018908 with Sacramento Truck Center is approved for the purchase of heavy duty equipment parts in a total amount not to exceed \$270,000 through June 14, 2008.
- Section 6. The City Manager or the City Manager's designee is authorized to execute purchases in the amounts specified above provided that sufficient funds are available in the budget adopted for the applicable fiscal year.
- Section 7. Prior purchases with United Rotary Brush Corporation in the amount of \$35,000 and Parts Plus in the amount of \$19,000 are hereby ratified.