



# REPORT TO COUNCIL

## City of Sacramento

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

CONSENT  
June 26, 2007

Honorable Mayor and  
Members of the City Council

**Title: Agreement: Suspension of Competitive Bidding and Authorization to Enter into an Agreement for Bi-fuel Vehicles—Two Thirds Vote Required**

**Location/Council District:** Citywide

**Recommendation:** Adopt a **Resolution:** (1) suspending competitive bidding in the best interest of the City; and (2) authorizing the City Manager to enter into an agreement with Coalinga Motors, Inc., for bi-fuel vehicles at previously bid pricing through the State of California in an amount not to exceed \$250,000.

**Contact:** Chris Stewart, Procurement Services Manager, 808-6202

Marc Robles, Program Analyst, Procurement Services, 808-6343

Keith Leech, Fleet Manager, General Services, 808-6309

**Presenters:** None

**Department:** Finance/General Services

**Division:** Fleet

**Organization No:** 3259

### **Description/Analysis**

**Issue:** The Department of General Services, Fleet Management Division has an ongoing need for replacement and new vehicles. The City has historically purchased passenger vehicles and light duty trucks via cooperative purchase agreements through State of California contracts, which are made available to local government agencies. However, several State contracts have expired, and the new State vehicle contracts may not be available until September 2007. Therefore, in the best interest of the City, this report recommends award of a contract for bi-fuel vehicles for the purchase of 2008 model year vehicles under the same pricing as the expired state contracts. Specifically, the City will accept the competitive bid pricing obtained by the State of California (Contract No. 1-07-23-22) as the basis for entering into a contract with Coalinga Motors, Inc., to purchase Chevrolet Tahoe and Chevrolet Uplander bi-fuel vehicles through

September 30, 2007, in an amount not to exceed \$250,000. Coalinga Motors has agreed to honor the contract pricing through September 2007.

Bi-fuel vehicle engines can utilize either unleaded gasoline or E85 (a combination of 85% ethanol and 15% unleaded gasoline). These vehicles are primarily replacements for older fleet vehicles. Their use in various capacities throughout the City of Sacramento helps to reduce vehicle emissions and dependence on non-renewable energy resources.

**Policy Considerations:** This recommendation is consistent with the requirements for competitive bidding as detailed in Sacramento City Code 3.56. The Equal Benefits Ordinance (EBO) is applicable to this agreement and the vendor has affirmed its intent to comply. Award of a contract, per staff recommendation, will exceed the City Manager's contracting authority of \$100,000, thus City Council approval is required.

This purchase is consistent with the City's Low Emission Vehicle Acquisition Policy (Resolution No. 2004-613), and Fleet Management fuel strategies.

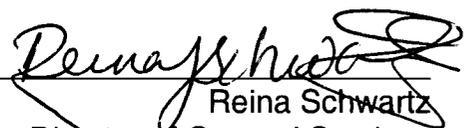
**Environmental Considerations:** None

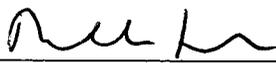
**Rationale for Recommendation:** Most passenger car and light duty truck purchases for the City are made through competitively bid state contracts, as the City may take advantage of the combined volume purchasing power of the state and many local agencies. In an ongoing effort to maximize cost savings and staff resources, many governmental agencies share contracting efforts through cooperative purchasing.

**Financial Considerations:** There are sufficient funds available in the Department of General Services, Fleet Management operating budget in FY2006/07 to purchase up to five Chevrolet Tahoe and four Chevrolet Uplanders in an amount not to exceed \$250,000 from Coalinga Motors, Inc.

**Emerging Small Business Development (ESBD):** Coalinga Motors, Inc., is not certified as a small business enterprise.

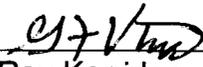
Respectfully submitted by:   
Chris Stewart  
Procurement Services Manager

Approved by:   
Reina Schwartz  
Director of General Services

Approved by: 

Russell Fehr  
Director of Finance

Recommendation Approved:

*for*   
Ray Kerridge  
City Manager

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**Background:** On May 15, 2007, the Mayor and City Council authorized the use of a cooperative purchase agreement (State contract no. 1-07-23-22) for the purchase of Chevrolet bi-fuel vehicles. Very shortly after Council approval, staff discovered that the contract on which the cooperative purchase agreement was premised had expired. Although staff relied on the State of California website to ascertain the validity of the contract, the website was in error and staff subsequently realized that the contract could not be used as a cooperative purchase. However, the vendor has made arrangements with General Motors to offer 2008 model year vehicles at the same 2007 model year competitively bid pricing in the contract to state and local government agencies.

In past years, state contracts were available to state and local government agencies through the end of the manufacturer's model year. In addition, manufacturers were given the option to replace a given model year vehicle with the new model year version at no additional cost to the agency. However, the contracts developed for this fiscal year did not contain the above stated provisions. As a result, the contract itself may not be utilized, but the vendor is willing to allow purchases of 2008 model year vehicles under the same pricing as the expired state contracts. Staff recommends the City Manager authorize a contract with Coalinga Motors, Inc., in an amount not to exceed \$250,000 in order to take advantage of 2007 model year pricing.

**RESOLUTION NO. 2007-XXXX**

Adopted by the Sacramento City Council

**June 26, 2007**

**SUSPEND COMPETITIVE BIDDING IN THE BEST INTEREST OF THE CITY AND  
AUTHORIZE THE CITY MANAGER TO ENTER INTO A CONTRACT FOR BI-FUEL  
VEHICLES THROUGH SEPTEMBER 30, 2007**

**BACKGROUND**

- A. The Department of General Services, Fleet Management Division, has a customer requirement to purchase bi-fuel vehicles for various departments within the City of Sacramento. These vehicles are primarily replacements for older fleet vehicles.
- B. Fleet Management is continually seeking opportunities to reduce emissions and dependence on non-renewable energy resources, and has recently applied for grant funding for E85 fueling infrastructure.
- C. Staff recommends that it is in the best interest of the City to suspend competitive bidding and authorize the City Manager to enter into a contract for bi-fuel vehicles in an amount not to exceed \$250,000 through September 30, 2007.

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

- Section 1. In the best interest of the City, competitive bidding is hereby suspended for the procurements set forth in section 2 of this resolution and;
- Section 2. The City Manager is authorized to enter into a contract for bi-fuel vehicles with Coalinga Motors, Inc., 625 Elm Street, Coalinga, CA, under the same contract pricing resulting from State of California Bid no. 1-07-23-22 , through September 30, 2007, in an amount not to exceed \$250,000.