



REPORT TO COUNCIL

City of Sacramento

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

CONSENT
 October 2, 2008

Honorable Mayor and
 Members of the City Council

Title: Purchase/Cooperative Agreement: Flex Fuel Vehicles

Location/Council District: Citywide

Recommendation: Adopt a **Resolution:** 1) approving the use of State of California Contract No. 1-08-23-22 to purchase a) one Chevrolet Tahoe from Coalinga Motors, Inc., in a total amount not to exceed \$35,100 through October 31, 2008; and b) five Dodge Caravans from Lasher Dodge in a total amount not to exceed \$127,895 through October 31, 2008; and 2) authorizing the City Manager or the City Manager's designee to execute purchases in the amounts specified above.

Contacts: Keith Leech, Fleet Manager, 808-5869, Craig Lymus, Interim Procurement Services Manager, 808-6202.

Presenters: Not applicable

Departments: General Services

Divisions: Fleet Management

Organization No: 3259

Description/Analysis:

Issue: The Department of General Services, Fleet Management Division has a customer requirement to purchase up to six vehicles for the Police and Fire Departments. Four of these vehicles will be additions to the current fleet. Two of the vehicles will be used for the replacement of older City vehicles.

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.

Policy Considerations: The recommendations in this report are in accordance with the provisions of City Code section 3.56.240.

Committee/Commission Action: None

Environmental Considerations:

California Environmental Quality Act (CEQA): 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 CEQA Guidelines, Categorical Exemption Section 15061(b)(3).

Sustainability Considerations: This purchase is consistent with the City's Fleet Sustainability Policy adopted by City Council (Resolution No. 2007-771) on October 23, 2007. These vehicles score higher in the United States Environmental Protection Agency (USEPA) "SmartWay" scoring system when operated on E85 ethanol fuel as compared to the gasoline ratings. Fleet Management is planning to purchase E85 using a State of California contract, which has been extended until December 2008. Additionally, we are nearing completion of a new E85 capable site at 300 Richards Boulevard, and will be pursuing opportunities such as grant funding to expand our infrastructure for fueling these vehicles. The actual "SmartWay" scores for these vehicles are:

SMART WAY SCORES	Air Pollution Score (maximum score 10)		Greenhouse Gas Score (maximum score 10)	
	Chevrolet Tahoe	Dodge Caravan	Chevrolet Tahoe	Dodge Caravan
E85 Ethanol	7	6	6	6
Gasoline	6	4	6	5

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

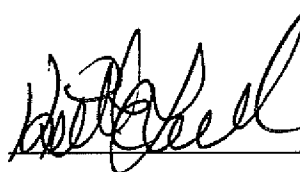
Four of these vehicles will be additions to the current fleet as part of the Magnet School Grant (E11002900) for the Police Department. Two of the vehicles will be used for the replacement of older City vehicles.

Financial Considerations: Sufficient funds are available in the Police Magnet School Grant (E11002900), Fire, and Department of General Services, Fleet Management Division FY2008/09 operating budgets to purchase one Chevrolet Tahoe in a total amount not to exceed \$35,100 and up to five Dodge Caravans in a total amount not to exceed \$127,895.

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.

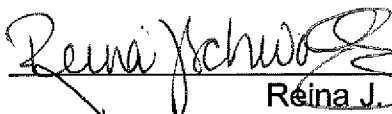
As of May 31, 2008, the Department of General Services achieved an ESBD percentage of 36.84% for FY2007/08.

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

October 2, 2008

APPROVING THE USE OF A COOPERATIVE PURCHASING AGREEMENT FOR THE PURCHASE OF SIX FLEX FUEL VEHICLES

BACKGROUND

- A. Department of General Services, Fleet Management Division has a customer requirement to purchase up to six vehicles for the Police and Fire Departments. Four of these vehicles will be additions to the current fleet. Two of the vehicles will be used for the replacement of older City vehicles.
- B. In accordance with City Code 3.56.240, the City Manager may, by cooperative purchasing approved by City Council, purchase supplies through contracts of other governmental jurisdictions without separate competitive bidding, where it is advantageous to the City.
- C. Using the existing cooperative agreement between the State of California (Contract No. 1-08-23-22) to purchase one Chevrolet Tahoe from Coalinga Motors, Inc., in a total amount not to exceed \$35,100 and five Dodge Caravans from Lasher Dodge in a total amount not to exceed \$127,895 is in the best interest of the City as the agreement meets the needs of the City's fleet equipment specifications as related to the City's Fleet Sustainability Policy adopted by City Council (Resolution No. 2007-771) on October 23, 2007. This agreement will also 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 State of California Contract No. 1-08-23-22 with Coalinga Motors, Inc. is approved for the purchase of one Chevrolet Tahoe in a total amount not to exceed \$35,100 through October 31, 2008.
- Section 2. The use of State of California Contract No. 1-08-23-22 with Lasher Dodge is approved for the purchase of up to five Dodge Caravans in a total amount not to exceed \$127,895 through October 31, 2008.
- Section 3. The City Manager or the City Manager's designee is authorized to execute the necessary purchases in the amounts specified above.