



# 2.7

DEPARTMENT OF  
FINANCE

CITY OF SACRAMENTO  
CALIFORNIA

5730 24TH STREET  
BUILDING FOUR  
SACRAMENTO, CA  
95822-3699

PROCUREMENT SERVICES DIVISION

February 4, 2005  
PS:Admin:05-10:CS:MR:mh

PH 916-433-6240  
FAX 916-399-0263

City Council  
Sacramento, California

Honorable Members in Session

**SUBJECT: AUTHORIZATION TO PURCHASE VEHICLES THROUGH THE USE OF  
COMPETITIVELY BID STATE CONTRACTS**

**LOCATION AND COUNCIL DISTRICT: D-All**

**RECOMMENDATION:**

Staff recommends that City Council authorize the Procurement Services Manager to use state contracts that were competitively bid by the State of California, to procure vehicles for various City operations.

These state contracts will be utilized through December 31, 2005, or until such date the contract is no longer available for use by the City of Sacramento. Based on previous years estimates, it is projected that the combined procurement total for utilizing the recommended contracts will not exceed \$3,500,000.00.

**CONTACT PERSON:** Dennis Kerhulas, Sr. Buyer, Procurement Services, 808-6242

**FOR COUNCIL MEETING:** February 15, 2005

**SUMMARY:**

It is projected that the City of Sacramento will purchase many of same vehicles that are offered through the competitively bid State of California contract, which local government agencies have the authority to use. This report recommends that Council authorize the use of these contracts when beneficial for the City to participate. The utilization of governmental cooperative agreements is an alternative to competitive bidding on behalf of the City, that lowers operating cost through volume purchasing by



combining resources with other governmental entities. It is further recommended that City Council accept the results obtained through the competitive processes of the State of California as a basis for award in a combined amount not to exceed \$3,500,000.00. A list of proposed vehicles to be purchased through the State of California is included in this report. (See Attachment 1.)

### **BACKGROUND:**

The City of Sacramento has ongoing requirements for items such as fuel, vehicles, chemicals and many other commodities and services, which are similarly purchased by other government agencies and consortiums, such as the State of California, the County of Sacramento and U.S. Communities. In a constant effort to maximize cost savings and staff resources, many government agencies share the contracting effort through cooperative purchasing or piggybacking. The procurement concept exist when governmental entities join together to increase the competitiveness in contracting and lower operating cost through volume purchasing. When comparing the administrative cost of procurement, we include product research, source selection, writing specifications, advertising solutions, staff reports, awarding, protest, and administering the contract, often it is more cost-effective to eliminate the cost and time for these administrative processes and purchase the needed items or services through a cooperative purchasing program. The City has utilized regional and national cooperative purchasing agreements in prior years to compliment its own contracting initiatives. Cooperative buying enables City departments and the Procurement Services Division to evaluate a broader range of contracting opportunities and to share resources with other participating institutions. Cooperative buying also allows for leveraging internal and external resources to maximize cost saving opportunities for the City. Through the use of these and other cooperative agreements the City of Sacramento has the potential to save time and money, in addition to improving the overall effectiveness of its purchasing process.

Staff requests that the City Council approve the use of the contracts as listed, which were developed by the State of California for various purchases, through December 31, 2005, in a combined total amount not to exceed \$3,500,000.00. This total represents the maximum request, should the Procurement Services Division exercise the use of all contracts listed in Attachment 1. Formal bidding will be conducted if it is determined to be more advantageous to solicit bids on behalf of the City.

### **FINANCIAL CONSIDERATIONS:**

All purchases involving the use of cooperative contracts must have prior departmental approval and have sufficient funds available in their operating or CIP budgets.

### **ENVIRONMENTAL CONSIDERATIONS:**

None

**POLICY CONSIDERATIONS:**

The recommendations in this report are in accordance with provisions of the City Code section 3.56.240, which allows for the use of legal contracts of other governmental jurisdictions or public agencies without separate competitive bidding by the City upon approval of the City Council.

The purchases proposed through the use of the recommended contracts are consistent with the requirements of the City's low emission policy. In addition, efforts will be made to consider the purchase of alternative fuel vehicles when practical and available for purchase through vehicle manufacturers. Utilizing the recommended contracts will not affect this policy.

**ESBE CONSIDERATIONS:**

Cooperative Purchasing Agreements are created, evaluated and awarded by other governmental agencies that may or may not have similar emerging and small business programs. However, the Procurement Services Division shall consider other alternatives if it is determined that using cooperative contracts have a negative impact on small businesses.

Respectfully Submitted,

Approved:



Chris Stewart  
Procurement Services Manager



Gus F. Vina  
Director of Finance

**RECOMMENDATION APPROVED:**



ROBERT P. THOMAS  
City Manager

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2005 State Vehicle Contracts

Vendor	Contract Number	Description	Agency	Using Department(s)	Estimated Annual City Expenditures
Multiple	1-05-23-10	2005 Model Sedans	State of California	Fleet	\$500,000.00
Multiple	1-05-23-14	2005 CHP Class E Vehicles	State of California	Fleet	\$1,500,000.00
Multiple	1-05-23-20	Trucks, Vans & Utility Vehicles	State of California	Fleet	\$1,500,000.00
Total					\$3,500,000.00

**RESOLUTION NO.**

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF \_\_\_\_\_

**RESOLUTION AUTHORIZING THE PURCHASE OF VEHICLES THROUGH THE  
STATE OF CALIFORNIA CONTRACT**

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO THAT:

1. In the best interest of the City of Sacramento in accordance with City Code section 3.56.240, for various purchases and;
2. The Procurement Services Manager is hereby authorized to execute the necessary purchases, through the use of Cooperative Purchase Agreements in an amount not to exceed \$3,500,000.00 through December 31, 2005

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

\_\_\_\_\_  
**FOR CITY CLERK USE ONLY**

RESOLUTION NO. \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_