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DEPARTMENT OF
FINANCE

PROCUREMENT SERVICES DIVISION

CITY OF SACRAMENTO
CALIFORNIA

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May 11, 2004
PS:Admin:04-22:CS:MR:mh

City Council
Sacramento, California

Honorable Members in Session:

**SUBJECT: INCREASE IN CONTRACT AMOUNT FOR ORIGINAL EQUIPMENT
MANUFACTURER VOLVO AND GMC HEAVY DUTY TRUCK PARTS IN
AN AMOUNT NOT TO EXCEED \$125,000.00 PER YEAR**

LOCATION AND COUNCIL DISTRICT: Citywide

RECOMMENDATION:

Staff recommends that the City Council adopt the attached Resolution, which suspends formal competitive bidding for the purchase of original equipment manufacturer (O.E.M.) Volvo and GMC heavy duty parts and authorizes the City Manager to increase the current contract amount with Western Truck Parts and Equipment to \$125,000 through June 30, 2004. The resolution also authorizes the City Manager to issue the necessary contract to this vendor for next fiscal year in a total amount not to exceed \$125,000.00 through June 30th 2005.

CONTACT PERSONS: Robert Summersett, Fleet Manager 433 -6309
Marc Robles, Buyer II, Procurement Services Division, 433-6343

FOR COUNCIL MEETING: June 1, 2004

SUMMARY:

The General Services Fleet Management Division has an ongoing requirement to purchase original equipment manufacturer (O.E.M.) Volvo and GMC heavy duty truck replacement parts. This report recommends that the City Council suspend formal competitive bidding for these purchases and

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authorize an increase in the current contract amount with Western Truck Parts and Equipment, 1441 Richards Blvd., Sacramento, California, 95814, in a total amount not to exceed \$125,000.00, and extend the contract for the period July 1, 2004 through June 30, 2005, in a total amount not to exceed \$125,000.00.

BACKGROUND:

The General Services Fleet Management Division has an ongoing requirement for the purchase of original equipment manufacturer (O.E.M.) Volvo and GMC heavy duty truck replacement parts. In July 2003, a contract was established with Western Truck Parts and Equipment for the purchase of O.E.M. Volvo and GMC heavy duty truck replacement parts not to exceed \$100,000.00 through June 30, 2004. However, fiscal 03/04 purchases are now anticipated to exceed the authorized amount due to the increased usage and cost of these parts. These parts are to repair and maintain refuse trucks used by the Solid Waste Division and other vehicles in the fleet. The majority of these replacement parts are available only from the original manufacturer or their authorized distributor and after market replacement parts are not available. Fleet Operations finds it necessary to increase the current contract amount by \$25,000.00 to cover the anticipated expenditures for the balance of this fiscal year. Furthermore, Western Truck Parts is the only O.E.M. Volvo and GMC heavy duty truck parts distributor in this area. Thus, it is both beneficial and cost effective to obtain these parts from the closest authorized dealer to reduce equipment/vehicle down time and associated expense.

Because this is an ongoing requirement, Fleet Operations also requests that the City Council authorize the City Manager to extend the contract with Western Truck Parts and Equipment for the period July 1, 2004 through June 30, 2005, in a total amount not to exceed \$125,000.00.

FINANCIAL CONSIDERATIONS:

There are sufficient funds available in the General Services Fleet Management Division FY03/04 operating budget and sufficient funds are included in proposed budget for FY04/05.

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 only the purchase of O.E.M. Volvo and GMC heavy duty truck parts. Therefore, it can be seen with certainty that there is no possibility that the activity may have a significant effect on the environment.

POLICY CONSIDERATIONS:

The recommendations in this report are accordance with the provisions of the City Code section 3.56.230(c), which authorizes suspension of formal competitive bidding upon a two-thirds vote of the City Council.

ESBE CONSIDERATIONS:

Western Truck Parts and Equipment is not an Emerging/Small Business Enterprise-certified (ESBE) firm.

Respectfully Submitted,



Chris Stewart
Procurement Services Manager

RECOMMENDATION APPROVED:



ROBERT P. THOMAS
City Manager

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RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

A RESOLUTION SUSPENDING FORMAL COMPETITIVE BIDDING FOR THE PURCHASE OF ORIGINAL EQUIPMENT MANUFACTURER VOLVO AND GMC HEAVY DUTY PARTS AND INCREASE CURRENT CONTRACT AMOUNT

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

1. In the best interest of the City of Sacramento, suspend formal competitive bidding for the purchase of original equipment manufacturer Volvo and GMC heavy duty truck replacement parts, and;
2. The City Manager is hereby authorized to increase the current contract amount with Western Truck Parts, 1441 Richards Blvd., Sacramento, CA 95852, in an amount not to exceed to \$125,000.00 through June 30, 2004 and;
3. Extend the contract with Western Truck Parts for the period July 1, 2004 through June 30, 2005, in a total amount not to exceed \$125,000.00.

Mayor

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO. _____

DATE ADOPTED: _____