



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Approve and Authorize the City Manager to Issue a Purchase Order for the Purchase of Six Police Vehicles from the National Auto Fleet Group through a Cooperative Procurement Contract with Sourcewell and related Budget Amendment
Category:	Consent Calendar-Public Safety
Meeting Date:	3/2/2021
Staff Contact:	Captain Frank Morales, 408-586-2434; Chris Schroeder, 408-586-3161
Recommendation:	Approve and authorize the City Manager to Issue a Purchase Order for the Purchase of Six Police Vehicles from the National Auto Fleet Group through a Cooperative Procurement Contract with Sourcewell and Appropriate \$107,842 from the Equipment Fund

Background:

On June 2, 2020 as part of the fiscal year 2020-21 operating budget, City Council approved the purchase of three (3) vehicles for the Police Department to replace existing vehicles. For next fiscal year, another three (3) vehicles are scheduled for replacement consistent with Section 30.00 of the Memorandum of Understanding between the City and the Milpitas Police Officers Association, which states in part that “reasonable efforts shall be made to replace Police patrol vehicles before such vehicles have acquired 75,000 miles, provided that if said vehicles are safe and suitable for patrol purposes after 75,000 miles, they may remain in service for another 15,000 miles or a total of 90,000 miles.” All six vehicles recommended for replacement have a mileage balance in excess of 75,000 miles.

In accordance with the City of Milpitas Municipal Code Section I-2-3.05 titled “Public Agency Purchases,” it states in part that the Purchasing Agent may purchase supplies and services without complying with the quotation or bidding requirements of this Chapter, if such purchases are based on an agreement or entered into by any public agency or cooperative purchasing program utilizing public agency procurements as the basis for contracts offered, regardless of whether the City is a named party to the agreement or an actual participant in such a program, provided that:

- i. The underlying purchase was made using competitive negotiation or procurement procedures, and may include a nationally bid cooperative contract; and
- ii. The public agency is a “public agency” as defined in Government Code section 6500.

The referenced Government Code section defines “public agency” as including, but is not limited to, the federal government or any federal department or agency, this state, another state or any state department or agency, a county, county board of education, county superintendent of schools, city, public corporation, public district, regional transportation commission of this state or another state, a federally recognized Indian tribe, or any joint powers authority formed pursuant to this article by any of these agencies

On December 8, 2016 the National Joint Powers Alliance (NJPA) solicited Request for Proposal (RFP) No. 120716 for “Vehicles, Cars, Vans, SUV’s, and Light Trucks with Related Equipment, Accessories and Services”. On January 16, 2017 contract No. 120716-NAF was awarded by NJPA to National Auto Fleet Group pursuant to the aforementioned RFP. The contract period runs from January 17, 2017 to January 17, 2021. On June 17, 2020 Sourcewell (formerly NJPA) exercised its option and extended the contract for a fifth year to January 17, 2022. On June 6, 2018, NJPA changed its organization’s name to Sourcewell, and all prior agreements entered

into with NJPA will continue in full force and effect in accordance with their respective contract terms and conditions.

Analysis:

Staff recommends a cooperative purchase for the vehicles through Sourcewell (formerly National Joint Powers Alliance). The Purchasing Agent reviewed all of the documentation from Sourcewell regarding RFP No. 120716 and has determined that the underlying purchase was made using competitive bidding procedures. Further, Sourcewell is a local government unit, public corporation and public agency under the legislative authority of Minnesota Statute 123A.21.Feb 24, 2017. Sourcewell is authorized to establish competitively awarded cooperative purchasing contracts on behalf of itself and its member agencies. The City of Milpitas has been a member of National Joint Powers Alliance (NJPA) since 2008.

The purchase of the six police vehicle in the amount of \$303,821 will be made through the National Auto Fleet Group funded through the Equipment Fund (\$208,416) and from the Police Department operating budget (\$95,405.30).

Policy Alternatives:

Alternative 1: Purchase vehicles using a request for proposal (RFP)

Pros: An RFP allows the City to test the market for pricing.

Cons: Alternatively, a cooperative purchase allows for economies of scale by bringing together multiple organizations and their purchasing requirements, allow for more buying and negotiating power, and enables the City to obtain a better commercial deal than through a City RFP process.

Reason not recommended: Pricing under the cooperative procurement has already been negotiated under an RFP and reviewed by the Purchasing Agent as the best option for the City. Additionally, the acquisition would be delayed if the City issues its own solicitation.

Fiscal Impact:

The total cost for the purchase of the vehicles under the cooperative procurement contract is \$303,821. The equipment replacement fund allocation is \$208,416 of which staff recommends appropriating \$107,842. The difference between the total cost for the purchase and the equipment replacement fund allocation in the amount of \$95,405 is available in the Police Department's FY 2020-21 operating budget.

California Environmental Quality Act:

N/A

Recommendation:

Approve and Authorize the City Manager to Issue a Purchase Order for the Purchase of Six Police Vehicles from the National Auto Fleet Group through a Cooperative Procurement Contract with Sourcewell and Appropriate \$107,842 from the Equipment Fund.

Attachments:

Budget Change Form