



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Adopt a Resolution Authorizing the Purchasing Agent to Purchase Vehicles and Equipment Approved as Part of the FY 2019/20 Budget through Two (2) Cooperative Procurement Contracts with Sourcewell for a Total Amount of \$627,552.97
Category:	Consent Calendar-Community Services and Sustainable Infrastructure
Meeting Date:	12/3/2019
Staff Contact:	Tony Ndah, Public Works Director, 408-586-2602
Recommendation:	<p>Adopt a Resolution Authorizing the Purchasing Agent to Purchase Vehicles and Equipment Approved as Part of the FY 2019/20 Budget through Two (2) Cooperative Procurement Contracts with Sourcewell as follows:</p> <ul style="list-style-type: none"> (1) Six (6) Police Department vehicles and Six (6) Public Works vehicles from the National Auto Fleet Group for \$458,684.53; and (2) One (1) Caterpillar 430F2 HRC Backhoe Loader with Caterpillar WT-BHL Work Tools for the Public Works Department from Peterson Cat for \$168,868.44.

Background:

As part of the Fiscal Year 2019/20 budget, Council approved the purchase of six (6) vehicles for the Police Department and six (6) pick-up trucks and one (1) heavy equipment for the Public Works Department to replace existing vehicles. The approved purchase of the vehicles and equipment supports the ongoing and enhanced operational needs for the City.

The City of Milpitas Municipal Code Section I-2-3.08 (“Cooperative Procurement”) specifically authorizes the Purchasing Agent to make such purchases based on an agreement or cooperative purchasing program entered into by a public agency, as defined by Government Code Section 6500, regardless of whether the City is a named party to the agreement or an actual participant in such a program, provided that the underlying purchase was made using competitive negotiation or bidding procedures at least as restrictive as the City’s, and that the supplies or general services purchased must be the same and be offered at the same price as the supplies and general services subject to the agreement or program.

Staff recommends acquiring the vehicles through Sourcewell (previously National Joint Powers Alliance) as part the City’s cooperative procurement program. Sourcewell is a local government unit, public corporation and public agency under the laws of the state of Minnesota. 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 and on June 6, 2018, NJPA changed its organization name to Sourcewell and all prior agreements entered into with NJPA have continued without impact.

Analysis:

The table below provides a list of the vehicles and equipment that were approved by Council for the Police and Public Works Department, as part of the FY 2019/20 budget.

Table 1. FY 2019/20 Approved Vehicles and Equipment

Police and Public Works Department

Number	Department	Description	Cost
1.	Police	2020 Ford Explorer XLT RWD	\$37,992.15
2.	Police	2020 Toyota Tacoma 2WD SR5 Double Cab 5' Bed I4 AT	\$31,575.37
3.	Police	2020 Toyota Camry Hybrid SE CVT	\$34,178.35
4.	Police	2020 Ford Police Interceptor Utility AWD	\$51,524.13
5.	Police	2020 Ford Police Interceptor Utility AWD	\$51,524.13
6.	Police	2020 Ford Police Interceptor Utility AWD	\$51,524.13
7.	Public Works	2020 F250 Regular Cab with Tommy Gate Lift	\$33,378.01
8.	Public Works	2020 F250 Regular Cab with Tommy Gate Lift	\$33,378.01
9.	Public Works	2020 F250 Regular Cab with Tommy Gate Lift	\$33,378.01
10.	Public Works	2020 F250 Regular Cab with Tommy Gate Lift	\$33,378.01
11.	Public Works	2020 F250 Regular Cab with Tommy Gate Lift	\$33,378.01
12.	Public Works	2020 T250 Transit Connect Regular Cab	\$33,476.22
13.	Public Works	Caterpillar 430F2 HRC Backhoe Loader and Caterpillar WT-BHL Work Tools	\$168,868.44
TOTAL AMOUNT			\$627,552.97

The Purchasing Agent reviewed all of the documentation from the Sourcewell Request for Proposal No. 120716 entitled “Vehicles, Cars, Vans, SUVs, and Light Trucks with Related Equipment, Accessories, and Services” and has determined that the underlying purchase was made using competitive bidding procedures at least as restrictive as the City of Milpitas’ Purchasing Division. Contract #120716-NAF is current through January 17, 2021. The purchase of the police vehicles and pick-up trucks would be made through the National Auto Fleet Group.

In addition, the Purchasing Agent reviewed all of the documentation from the Sourcewell Request for Proposal No. #032119-CAT entitled “Heavy Construction Equipment with Related Accessories, Attachments and Supplies” and has determined that the underlying purchase was made using competitive bidding procedures at least as restrictive as the City of Milpitas’ Purchasing Division. Contract #032119-CAT is current through May 13, 2023. The purchase of the Caterpillar 430F2 HRC Backhoe Loader with Caterpillar WT-BHL Work would be made through Peterson Cat.

Six (6) Police Department vehicles and Six (6) Public Works Department vehicles would be purchased from the National Auto Fleet Group for \$458,684.53. One (1) Caterpillar 430F2 HRC Backhoe Loader with Caterpillar WT-BHL Work Tools would be purchased from Peterson Cat for \$168,868.44 for the Public Works Department.

Policy Alternative:

Alternative: Purchase vehicles and equipment using a request for proposal (RFP).

Pros: Allows City to test the market for pricing

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

Reason for Not Recommending: Pricing under the cooperative procurement have 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 and equipment under the two cooperative procurement contracts is \$627,552.97. Cost for Public Works’ vehicles is \$369,234.71 with a replacement fund allocation of \$337,134.00. The balance of \$32,100.71 will come from the Public Works General Fund generated through vacancy savings. Cost for the Police Department vehicles is \$258,318.26 with sufficient funds in the City’s equipment replacement fund.

California Environmental Quality Act:

By the definition provided in the California Environmental Quality Act (CEQA) Guidelines Section 15378, this action does not qualify as a “project” for the purpose of CEQA as this action has no potential to result in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

Recommendation:

Adopt a Resolution Authorizing the Purchasing Agent to Purchase Vehicles and Equipment Approved as Part of the FY 2019/20 Budget, through Two (2) Cooperative Procurement Contracts with Sourcewell as follows:

- (1) Six (6) Police Department vehicles and Six (6) Public Works vehicles from the National Auto Fleet Group for \$458,684.53; and
- (2) One (1) Caterpillar 430F2 HRC Backhoe Loader with Caterpillar WT-BHL Work Tools for Public Works from Peterson Cat for \$168,868.44

Attachment:

1. Resolution Authorizing Purchase of Vehicles and Equipment from Sourcewell