



City of Sunnyvale

Agenda Item-No Attachments (PDF)

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REPORT TO COUNCIL

SUBJECT

Modify a Purchase Order with Interstate Auto Sales for Purchase of Car Broker Services (F20-073)

REPORT IN BRIEF

Approval is requested to amend an existing blanket purchase order with Interstate Auto Sales of Fresno, CA, increasing the not-exceed amount by \$120,000 for a new total not-to-exceed amount of \$200,000. Additionally, approval is requested to authorize the City Manager to modify the purchase order, subject to budgeted amounts.

EXISTING POLICY

Pursuant to Chapter 2.08.040 of the Sunnyvale Municipal Code, City Council approval is required for the procurement of goods and/or services exceeding \$100,000 in any one transaction.

Further, Section 2.08.070(b)(3) of the Sunnyvale Municipal Code exempts from competitive bidding those purchases in which solicitations of bids or proposals would be impractical, unavailing or impossible.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(a) as it has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

BACKGROUND AND DISCUSSION

Economical operation of the City's fleet requires that vehicles and equipment be replaced before operating costs become excessive. As one method to provide replacement vehicles that meet the City's need, the City contracts with Interstate Auto Sales (Interstate) to provide car broker services for the purchase of used vehicles which are typically utilized for the Department of Public Safety. Interstate identifies vehicles that meet the City's expectations and conducts bidding on behalf of the City up to an identified limit for each vehicle.

Interstate's initial contract amount was established at \$50,000, under the City Manager's award authority with the expectation that two vehicles would be purchased during the term of the contract. The contract was increased by \$30,000 for a not-to-exceed amount of \$80,000, under the City Manager's authority, to purchase an SUV included on the replacement schedule. Staff is now requesting an increase in the contract amount by \$120,000, for a new not-to-exceed amount of \$200,000. This will provide flexibility to readily obtain used replacement vehicles citywide while reducing the downtime for subrogation claims for the Department of Public Safety following accidents. Concurrently, the City will be conducting a procurement for auto broker services that will

meet this need going forward.

FISCAL IMPACT

Funding for the purchase order is available in the Fleet, Fuel and Equipment Program, in the Department of Public Works. This program is funded by the General Services Fund-Fleet Services Sub-Fund. Funding is provided through internal service charges from the various affected departments based on the equipment used.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's website.

RECOMMENDATION

Take the following actions:

- Authorize the City Manager to amend an existing blanket purchase order with Interstate Auto Sales, increasing the not-exceed amount by \$120,000 for a new total not-to-exceed amount of \$200,000
- Authorize the City Manager to modify the purchase order subject to budgeted amounts

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Reviewed by: Teri Silva, Assistant City Manager
Approved by: Kent Steffens, City Manager

ATTACHMENTS

1. Draft Change Order to Blanket Purchase Order