Shared Services & New Initiatives Task Force

August 12, 2013

Pooled Purchasing Update

Issue: Staff is exploring the feasibility of fuel purchasing among a subset of member jurisdictions

Recommendation: None, this is for information only.

Discussion: One of the eight shared services concepts is pooled purchasing and pooled risk. One early action suggested by the City of Sacramento is pooled purchasing of vehicle fuel. Currently, the City of Sacramento and County of Sacramento have a pooled purchasing agreement for fuel with several other public agencies. SACOG staff is interested in focusing on fuel as a pilot area for pooled purchasing. Over the summer, SACOG staff surveyed eight member jurisdictions about their current fuel procurement processes, and their interest in joining with other jurisdictions to purchase fuel in the future.

Fuel is typically purchased either through bulk delivery to a corporation yard, or through access to a commercial cardlock fueling station. Of the jurisdictions surveyed, all but one have all or some of their fuel delivered in bulk. Jurisdictions have one of three types of contracts: directly with the vendor, indirectly through another jurisdiction, or indirectly through the California Department of General Services. Based on available information, the lowest prices are available to those jurisdictions working off of a single local agency contract.

Jurisdictions interested in joint procurement may wish to do one of three things:

- Identify a jurisdiction willing to have others piggyback on their agreement;
- Have SACOG provide standard RFP/contract language allowing others to piggyback; or
- Identify a lead agency to release an RFP for fuel procurement that specifies the fuel to be purchased.

In the course of talking with local agencies about fuel, staff will also ask whether there are other logical areas for pooled purchasing agreements. Staff will report back regularly to the Task Force on the progress on this initiative.

Approved by:

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