



Item #15-10-1 Information

Innovation Task Force

October 22, 2015

Shared Services Update

Issue: Update on SACOG's Shared Services Initiatives.

Discussion: In 2012, SACOG surveyed board members and local government managers about shared services. The respondents indicated high or very high interest in pooled purchasing of services, equipment, and material. The smaller-to medium-sized jurisdictions displayed the highest levels of interest.

Building on that interest, in May 2014, SACOG released a proposal for procurement of fuel and lubricants. With the help of several jurisdictions, including the County of Sacramento, County of Placer, City of Roseville, and the City of Woodland, SACOG selected Hunt & Sons Inc. as the vendor with a contract that extends through December of 2017, with the option to extend two additional years into 2019.

As of August, six local government agencies are using the contract including Sacramento County, City of Sacramento, City of Rocklin, City of Galt, San Juan Unified School District, and Los Rios Community College District. SACOG staff has not aggressively marketed the program due to limited staff resources to date, but the participation to date is promising. As part of the 2015-16 Budget, SACOG added a full-time employee dedicated to working on shared services. This is allowing SACOG to move more quickly on shared services opportunities and provide more support to member jurisdictions.

Several new shared services are still under development. At its October meeting, the Board of Directors is considering release of an RFP for cooperative purchase of human resources consulting services. Staff is also exploring a similar arrangement for planning-related services. SACOG was also approached by jurisdictions to also coordinate other cooperative purchases for commodities. Staff is studying the market for those and will report back if there is sufficient interest to move forward, and recommend optimum contracting, whether joint or through piggyback provisions. With a piggyback structure, contract language would allow other local governments to use some or all of the terms of a contract, and avoid an entirely separate procurement process.

SACOG is still in the startup phase of a shared services program, and is working to build relationships with local governments. Looking ahead, the successes to date should allow for the program to grow over time. The interest in our region is also reflected nationally: a recent survey by the National Institute of Governmental Purchasing found that nearly half of governmental entities anticipate their use of cooperative purchasing increasing over the next three years.

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