



## Item #14-11-2A Information

### Innovation Task Force

November 6, 2014

#### **Pooled Purchasing Contracting**

**Issue:** Update on pooled purchasing initiatives.

**Discussion:** In August, the SACOG Board authorized the CEO to execute an agreement with Hunt & Sons, Inc. to provide vehicle fuel, oils, and lubricants to public agencies in the Sacramento region and in adjacent counties. After negotiations with the contractor, SACOG signed an agreement that was effective October 1. Cities, counties and other public agencies are in the process of reviewing the terms. As of this writing, nine agencies are in the process of joining the contract. For another seven agencies, they declined to join because they are currently receiving better pricing in their current agreements. However, some of these contracts are expiring in the next six months, including Sacramento County, Placer County, and the Town of Truckee. These agencies are interested in comparing the pricing at that time to other bids they receive on the market.

Staff has learned, since starting its shared services initiative, that there is a narrow set of purchases that work on the regional scale, including fuel. Other agencies and associations have well-established pooled purchasing operations at the state or national scale. Some high-value goods that are already moved and purchased throughout the country, such as computers and vehicles, are scalable, and the greatest value is available in a larger pool. Staff is continuing to research whether there is any advantage to partnering with those state and national pools to bring value to SACOG members.

Once the contracting is complete for these contracts, staff will be contacting participating agencies to see if there are other pooled purchasing opportunities.

Approved by:

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