Shared Services & New Initiatives Task Force

December 4, 2013

Pooled Purchasing Update

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

Recommendation: None; this is informational.

Discussion: Over the past few months, procurement staff from several jurisdictions in the SACOG region have been discussing the feasibility of jointly purchasing vehicle fuel. Currently, jurisdictions have one of three types of contracts: directly with a 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. One step further, which may allow more competitive pricing, is a regional contract that has multiple jurisdictions committing to buy a set amount of fuel, and then allowing other jurisdictions to opt-in.

Staff from the counties of Placer and Sacramento, as well as SACOG, are working together to develop a draft request for proposals that would be regional, with some jurisdictions issuing it jointly, and the option to allow other jurisdictions to opt-in later on. In the Washington, D.C. area, the Metropolitan Planning Organization has run a fuel purchasing consortium since the 1970s that operates off a similar model.

SACOG staff hopes to bring a draft agreement back to the local agency procurement staff in early 2014, with the goal of a Request for Proposal that could be used for the 2014-15 fiscal year. Staff will report back regularly to the Task Force on the progress on this initiative.

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