



AGENDA REPORT


TO: Jestin D. Johnson
City Administrator

FROM: G. Harold Duffey
Director, Oakland Public
Works

SUBJECT: Internal Services Cooperative
Agreements

DATE: June 29, 2023

City Administrator Approval


Jestin Johnson (Jun 30, 2023 10:16 PDT)

Date: Jun 30, 2023

RECOMMENDATION

Staff Recommends That City Council Adopt A Resolution Approving Ongoing Cooperative Agreements Exceeding \$250,000 For Commodities And Service Contracts For Public Works Department's Internal Services (Fleet Services and Facility Maintenance) As Set Forth In Table 1 In Accordance With City Council Budget Appropriations And Allocations As Adopted By The Fiscal Year 2023-25 Budget.

EXECUTIVE SUMMARY

The Oakland Public Works Department's (OPW's) Bureau of Maintenance and Internal Services (BMIS) is responsible for the maintenance of the City of Oakland (City) fleet and facilities. The acquisition of fuel, parts and other commodities needed to ensure continual operations of OPW's emergency and nonemergency equipment is vital. BMIS by necessity has entered into many commodity and service contracts through cooperative agreements over the past 6-7 years. BMIS currently utilizes eighty-six (86) cooperative agreements that are valued at \$250,000 or more (**Attachment A**) to acquire commodities, such as repair replacement parts and fuel, and to secure professional services for the outsourcing of repair work which allows the City to sustain services for its many libraries, community centers and all other assets.

The Fiscal Year (FY) 2023-25 Adopted Budget appropriated and allocated funds for these uses; now staff seeks to obtain City Council approval for these ongoing cooperative agreements that exceed \$250,000 in value as listed in **Attachment A**.

BACKGROUND / LEGISLATIVE HISTORY

City Council adopted the [FY 2023-25 Budget](#) on June 26, 2023, which included appropriation for commodities and services for BMIS. The allocations of operating funds for BMIS to acquire commodities and service contracts ensure the continual maintenance and operations of the City fleet and facilities.

Section 2.04.080 of the Oakland Municipal Code (OMC) allows for the purchasing of supplies or services through legal contracts of other governmental jurisdictions or public agencies that were

awarded pursuant to an appropriate competitive process. The use of cooperative agreements to procure goods and services allows BMIS to access cost effective pricing through economies of scale while ensuring a competitive process and minimizing administrative burden.

From 2021-23, BMIS entered into a variety of cooperative agreements for supplies and services that are necessary for continued operations. **Attachment A** provides a list of the ongoing agreements describing the service or good, the expiration dates of the contract and the value of the contract. Each of the contracts exceed \$250,000, and the 86 cooperative agreements have a total contract value of \$85,500,786. These contracts extend into FY 2023-24, and BMIS now seeks City Council approval for the contracts that exceed \$250,000, pursuant to OMC section 2.04.030.

ANALYSIS AND POLICY ALTERNATIVES

BMIS utilizes cooperative agreements to acquire commodities and services as a cost effective and efficient means to ensure the City services are uninterrupted. The City has 310 facilities with over 2,116,000 square feet of real estate, and large equipment fleets to maintain and service. Cooperative agreements by nature offer volume discounts because the vendor has agreed to offer their bid price to other agencies. Accordingly, use of cooperative agreements allows the City to access commodities and services at lower prices, which results in significant cost savings for the City.

The 86 cooperative agreements in **Attachment A** are mostly hardware, parts and other supply contracts. In addition, there are citywide service contracts for pest control, tree services, fire alarm and elevator services and heating, ventilation and air conditioning (HVAC) services.

These cooperative agreements are ongoing and each exceed \$250,000; therefore, BMIS seeks City Council approval pursuant to OMC section 2.04.030. Staff recommends approval of the proposed resolution to allow for uninterrupted maintenance and service of City facilities and fleets. If the proposed resolution is not approved, staff will need bring new contracts the City Council, and consider cancellation of the existing ongoing contracts, which would be disruptive and potentially dangerous if facilities and fleets cannot be maintained due to BMIS's limited staff (i.e. 3 plumbers, 5 carpenters, and 20 construction and maintenance mechanics).

Approval of the proposed resolution would advance Citywide priorities including **holistic community safety** and **vibrant, sustainable infrastructure** by allowing for continuous maintenance of City facilities and fleets.

FISCAL IMPACT

Funding is available in the FY 2023-25 Budget in various operations, maintenance, and capital outlay accounts across multiple funds managed by BMIS. While the total contract value of all the cooperative agreements is \$85,500,786, the current budget for the types of goods and services for OPW is \$44 million across all funds and the budget is the limitation.

PUBLIC OUTREACH / INTEREST

No outreach was deemed necessary for the proposed policy action other than what was already conducted during the FY 2023-25 Budget process.

COORDINATION

OPW worked with City Administrator's Office and Finance Department in preparing the funds allocated in the FY 2023-25 Budget and in administering the various procurement processes. This report and resolution were reviewed by the Office of the City Attorney and Budget Bureau.

SUSTAINABLE OPPORTUNITIES

Economic: There are no significant economic impacts associated with approving this resolution, but the recommended action is the most efficient way to carry out the City's service needs for FY 2023-25.

Environmental: There are no significant environmental opportunities associated with this report.

Race & Equity: Resources gained from cooperative agreements will protect public spaces that often provide important center points and democratic space for neighborhoods, particularly in areas where residents have less individual ownership. Sustained maintenance and upkeep will continue to allow neighborhood parks and community centers to create connections through "place attachment", resulting in stronger neighborhood communities.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

The agreements and the action being undertaken to implement are exempt from the California Environmental Quality Act (CEQA) under the following CEQA Guideline Sections: Section 15060(c)(2) (no direct or reasonably foreseeable indirect physical change in the environment); Section 15061(b)(3) (no significant effect on the environment); Section 15301 (existing facilities), and Section 15309 (inspections), each of which provides a separate and independent basis for CEQA clearance and when viewed collectively provide an overall basis for CEQA clearance.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That City Council Adopt A Resolution Approving Ongoing Cooperative Agreements Exceeding \$250,000 for Commodities and Service Contracts for Public Works Department's Internal Services (Fleet Services and Facility Maintenance) as Set Forth in Table

1 In Accordance With City Council Budget Appropriations And Allocations As Adopted By The Fiscal Year 2023-25 Budget.

For questions regarding this report, please contact G. Harold Duffey, Oakland Public Works Director at 415- 930-2937.

Respectfully submitted,



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Prepared by:
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Attachments (1):
A: Table 1: Department of Public Works Cooperation Agreements Over \$250,000