



# City Council Memorandum

*City of Arts & Innovation*

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**TO: HONORABLE MAYOR AND CITY COUNCIL      DATE: NOVEMBER 14, 2017**

**FROM: GENERAL SERVICES DEPARTMENT      WARDS: ALL**

**SUBJECT: APPROVE A PURCHASE ORDER WITH LOS ANGELES TRUCK CENTER, LLC FOR THE PURCHASE OF THREE (3) REPLACEMENT COMPRESSED NATURAL GAS AUTOMATED SIDE-LOADING REFUSE TRUCKS FOR THE PUBLIC WORKS SOLID WASTE DIVISION IN ACCORDANCE WITH PURCHASING RESOLUTION 22576, SECTION 201 (G) IN THE TOTAL AMOUNT OF \$1,101,807.75**

**ISSUE:**

Approve a Purchase Order with Los Angeles Truck Center, LLC, Whittier, California for the purchase of three (3) replacement compressed natural gas automated side-loading refuse trucks for the Public Works Solid Waste Division in accordance with Purchasing Resolution 22576, Section 201 (g) in the total amount of \$1,101,807.75.

**RECOMMENDATION:**

That the City Council approve a Purchase Order with Los Angeles Truck Center, LLC, Whittier, California for the purchase of three (3) replacement compressed natural gas automated side-loading refuse trucks for the Public Works Solid Waste Division in the total amount of \$1,101,807.75.

**BACKGROUND:**

The Public Works Solid Waste Division operates a fleet of automated refuse trucks to pick up residential trash, recycling and green waste from residences throughout the City. Each year, the Solid Waste Division replaces three or four automated refuse trucks (based on vehicle age, mileage, and maintenance cost) in accordance with the division's equipment replacement plan and federal, state and local environmental regulations. This year, three (3) automated side-loader refuse trucks are being purchased.

On September 20, 2016, the City of Riverside Purchasing Division posted Bid No.7444 for the purchase of two (2) compressed natural gas automated side-loading refuse trucks for the Public Works Solid Waste Division. Bid No. 7444 also requested optional pricing for new clean air engine specifications then under consideration by the California Air Resources Board (CARB).

Los Angeles Truck Center, LLC was determined to be the lowest responsive bidder with a bid of \$350,804.48 per truck (base price, fees and taxes), and optional pricing for the clean (reduced emissions) engine in the amount of \$12,900. The City Council awarded Bid No. 7444 to Los Angeles Truck Center, LLC on November 15, 2016 in the amount of \$350,804.48 per truck for a total purchase order amount of \$701,608.96. Because CARB had not yet made its final determination on the new clean engine specifications at the time of the bid award, the City was not required to include the optional clean engine specifications in its 2016 refuse truck purchases.

Since that time, CARB has approved the newer clean engine requirements and the City must purchase trucks with the clean engine option outlined in Bid No. 7444. Los Angeles Truck Center, LLC has agreed to extend Bid No. 7444 pricing under the same terms and conditions, and to honor the \$12,900 clean engine pricing. The table below details Los Angeles Truck Center, LLC pricing under Bid No. 7444 and minor price changes for 2017 due to regulatory and tax rate changes. The base price remains unchanged.

	2016 Pricing		2017 Pricing	
	Unit Price	Extended Price (x2 trucks)	Unit Price	Extended Price (x 3 trucks)
Base Price	\$324,737.76	\$649,475.52	\$324,737.76	\$974,213.28
Fees	\$82.50	\$165.00	\$82.50	\$247.50
Clean Engine <sup>1</sup>	\$0	\$0	\$12,900	\$38,700.00
Taxes <sup>2</sup>	\$25,984.22	\$51,968.44	\$29,548.99	\$88,646.97
<b>Totals</b>	<b>\$350,804.48</b>	<b>\$701,608.96</b>	<b>\$367,269.25</b>	<b>\$1,101,807.75</b>

<sup>1</sup> Clean Engine required by CARB in 2017

<sup>2</sup> 2016 Tax Rate (8%); 2017 Tax Rate (8.75%)

**DISCUSSION:**

The Fleet Division evaluates all vehicle replacement criteria to ensure the efficient management and replacement of vehicles. The refuse trucks being replaced have exceeded their expected service life and require extensive repairs to be made serviceable as outlined in the table below.

Asset No.	Year	In-Service Date	Mileage	Replacement Reason
J141	1996	12/19/1995	225,641	Replacing this diesel unit with a clean air CNG unit.
J147	1996	6/03/1996	254,307	Replacing this diesel unit with a clean air CNG unit.
J151	1997	12/02/1996	269,688	Replacing this diesel unit with a clean air CNG unit.

These vehicles meet the requirements of South Coast Air Quality Management District (SCAQMD) Rule 1191 (clean on-road light-and medium-duty public fleet vehicles) which requires that public fleets acquire alternative-fuel vehicles to reduce pollutant emissions.

Purchasing Resolution 22576, Section 201(g) states that competitive procurement shall not be required when goods or services can be procured from a contractor who offers the same or better price, terms and conditions as the contractor previously offered as the lowest responsive bidder under competitive procurement or negotiations conducted by the City or another public agency,

provided that, in the opinion of the City's Purchasing Services Manager, it is in the best interest of the City to do so. LA Truck Center, LLC has agreed to maintain the terms, conditions and pricing awarded under Bid No. 7444.

The Public Works Director concurs with the above recommendations and the Purchasing Services Manager concurs that the recommendations are in compliance with the City's Purchasing Resolution 22576, Section 201(g).

**FISCAL IMPACT:**

The total fiscal impact of the requested action is \$1,101,807.75. Sufficient funds are available in the Public Works Refuse Fund (540) using operational savings from the fiscal year ending June 30, 2017. Project funds will be transferred from Public Works Automotive Equipment account 4130100-462100 to a "Refuse Truck Replacement" project account to be assigned by the Finance Department.

Prepared by:	Carl Carey, General Services Director
Certified as to	
Availability of funds:	Adam Raymond, Chief Financial Officer/City Treasurer
Approved by:	Marianna Marysheva, Assistant City Manager
Approved as to form:	Gary G. Geuss, City Attorney