



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: JANUARY 16, 2018**

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

SUBJECT: AWARD BID NO. 7518 TO FRITTS FORD OF RIVERSIDE, CALIFORNIA FOR THE PURCHASE OF TEN (10) REPLACEMENT, ETHANOL (E85) FUEL, FORD F150 VEHICLES FOR PUBLIC UTILITIES, PUBLIC WORKS AND THE GENERAL SERVICES FLEET MANAGEMENT MOTOR POOL DIVISION, IN THE TOTAL AMOUNT OF \$286,272.60

ISSUE:

Award Bid No. 7518 to Fritts Ford of Riverside, California for the purchase of ten (10) replacement, ethanol (E85) fuel, Ford F150 trucks for Public Utilities, Public Works and the General Services Department Fleet Management Motor Pool Division, in the total amount of \$286,272.60.

RECOMMENDATIONS:

That the City Council:

1. Award Bid No. 7518 to Fritts Ford of Riverside, California for the purchase of ten (10) replacement, ethanol (E85) fuel, Ford F150 trucks for Public Utilities, Public Works and the General Services Department Fleet Management Motor Pool Division, in the total amount of \$286,272.60; and,
2. Authorize the Purchasing Services Manager to issue a Purchase Order upon approval of the bids.

LEGISLATIVE HISTORY:

Compressed Natural Gas (CNG) vehicle fuel storage containers are regulated by Assembly Bill 1314. Assembly Bill 1314 requires removal and replacement of a CNG vehicle cylinder once the labeled expiration date has passed.

BACKGROUND:

Riverside's fleet consists of vehicles using a variety of alternative fuels, including CNG. Until recently, CNG cylinders typically had a 15-year service life whereas modern cylinders often have a 20-year life. CNG cylinders cannot be requalified or refurbished and must be removed from service and destroyed upon reaching the expiration date identified in the cylinder manufacturer's instructions.

In lieu of replacing the expired CNG tanks or replacing them with vehicles using new CNG tanks, Fleet is recommending an E85 flexible fuel option for replacement of trucks with a 15-year service life. E85 fuel blends ethanol with regular unleaded gasoline. Flex fuel vehicles can operate using a blend of ethanol and regular unleaded gasoline or regular unleaded gasoline only. The purchase of flexible fuel vehicles provides fueling flexibility, avoids CNG fuel tank expiration requirements, and allows the City to keep older vehicles longer in our fleet.

On October 6, 2017, the Purchasing Division posted Bid No. 7518 for the purchase of ten (10) replacement, ethanol (E85) fuel, Ford F150 trucks. On October 31, 2017, three (3) bids were received and Fritts Ford of Riverside was the lowest responsible bidder. The bid meets the South Coast Air Quality Management District Rule 1191 (Clean On-Road Light- and Medium-Duty Public Fleet Vehicles), which requires that public fleets procure alternative-fuel vehicles to “reduce air toxic and criteria pollutant emissions.”

Each of the ten (10) vehicles proposed for replacement are fourteen (14) years old with expiring CNG fuel tanks. Replacement of CNG fuel tanks for these trucks is approximately \$5,000 per vehicle and due to the age of the trucks and excessive maintenance costs, it is not cost effective to replace the CNG fuel tanks and extend the life of the vehicles.

DISCUSSION:

The Fleet Management division of the General Services Department purchases, maintains, and repairs vehicles; purchases fuels and parts; and disposes of vehicles and equipment for City Departments. Fleet Management also evaluates vehicles to ensure the efficient management and replacement of vehicles based on current replacement criteria of fifteen (15) years of service and/or 150,000 miles. Fleet Management makes purchasing recommendations to maintain the City's Green Fleet status and complies with State air quality regulations. In the case of the ten (10) vehicles proposed for replacement, CNG is not available as a factory option. Therefore, Fleet recommends purchasing vehicles fueled by ethanol (E85) to comply with State air quality regulations.

The vehicles proposed for replacement have exceeded their CNG tank expected service life and require extensive repairs to be made serviceable. These vehicles were originally purchased for \$22,348.20. Over the ten year life of these vehicles, the average maintenance cost to date is \$21,312.74 per vehicle, or 95% of the original cost, exceeding the average maintenance cost for this type of vehicle. If a \$5,000 replacement tank were installed, the average lifetime maintenance cost would exceed the original vehicle cost. In addition, once the expired tanks are removed, the vehicles cannot be sold at public auction. There is very little value for an inoperable vehicle other than selling to dealers for parts.

Due to the age of vehicles, excessive maintenance costs, and CNG vehicle tank recovery costs, staff has determined it is not feasible to replace the CNG vehicle tanks and recommends replacing the vehicles noted below with ten (10) new F150 vehicles. Staff recommends awarding Bid No. 7518 to Fritts Ford in the amount of \$286,272.60 for the purchase of ten (10) replacement, ethanol (E85) fuel, Ford F150 trucks.

The Purchasing Services Manager concurs that the recommendations above comply with the City of Riverside's current Purchasing Resolution.

Asset No.	Year Make Model	Mileage	Unit Price	LTD Repair Cost	Replacement Reason
C876	2003 Ford F150	74,783	\$28,214.15	\$25,784.17	Expired CNG tank, excessive maintenance cost transmission failure.
C877	2003 Ford F150 Super Cab	80,566	\$28,823.77 ¹	\$16,584.84	Expired CNG tank, excessive maintenance cost.
C880	2003 Ford F150	77,696	\$28,214.15	\$19,707.58	Expired CNG tank, excessive maintenance cost, engine failure.
C881	2003 Ford F150	84,365	\$28,214.15	\$24,606.26	Expired CNG tank, excessive maintenance cost.
C883	2003 Ford F150	85,713	\$28,214.15	\$24,633.76	Expired CNG tank, excessive maintenance cost, engine failure.
C884	2003 Ford F150 Super Cab	57,163	\$29,974.89 ¹	\$9,982.78	Expired CNG fuel tank. Meets replacement criteria – fifteen (15) years of service.
C888	2003 Ford F150	100,723	\$28,214.15	\$33,869.28	Expired CNG fuel tank, excessive maintenance cost.
C889	2003 Ford F150	85,160	\$28,214.15	\$20,212.77	Expired CNG fuel tank, excessive maintenance cost.
C891	2003 Ford F150 Super Cab	48,301	\$29,974.89 ¹	\$22,682.73	Expired CNG fuel tank, excessive maintenance cost.
C892	2003 Ford F150	80,991	\$28,214.15	\$15,063.29	Expired CNG fuel tank, excessive maintenance cost.

¹Additional options requested from department.

FISCAL IMPACT:

The total fiscal impact of this action is \$282,272.60. Sufficient funds are available in FY 2017-18 General Services Department Motor Pool budget Account No. 2215200-462100 for the purchase and delivery of ten (10) flex fuel replacement trucks.

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. Guess, City Attorney

Attachment: Bid Recommendation