



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: APRIL 23, 2019

FROM: GENERAL SERVICES DEPARTMENT WARDS: ALL

SUBJECT: PURCHASE THREE REPLACEMENT NATURAL GAS VACTOR TRUCKS FROM HAAKER EQUIPMENT COMPANY – TWO UNITS FOR SEWER SYSTEM CLEANING AND MAINTENANCE AND ONE UNIT FOR STREETS DIVISION STORM DRAIN MAINTENANCE IN ACCORDANCE WITH PURCHASING RESOLUTION 23256, SECTION 602(E) FOR THE TOTAL AMOUNT OF \$1,595,528.91; APPROVE A SUPPLEMENTAL APPROPRIATION IN THE AMOUNT OF \$813,685.94 FROM THE SEWER ENTERPRISE RESERVE FUND (550) AND A SUPPLEMENTAL APPROPRIATION IN THE AMOUNT OF \$531,842.97 FROM THE AIR QUALITY IMPROVEMENT FUND (240)

ISSUE:

Approve the purchase of three replacement natural gas vactor trucks from Haaker Equipment Company – two units for sewer system cleaning and maintenance and one unit for street storm drain maintenance in accordance with Purchasing Resolution 23256, Section 602(e) for the amount of \$1,595,528.91, and authorize a supplemental appropriation from Sewer Enterprise Reserve Fund (550) in the amount of \$813,685.94 and a supplemental appropriation in the amount of \$531,842.97 from the Public Works Air Quality Improvement Fund (240).

RECOMMENDATIONS:

That the City Council:

1. Approve the purchase of two replacement natural gas 2112 combination sewer cleaner-vacuum trucks to maintain the City of Riverside's sanitary sewer system, from Haaker Equipment Company of La Verne, California, in accordance with Purchasing Resolution 23256, Section 602(e) for an amount of \$1,063,685.94;
2. Approve the purchase of one replacement natural gas vactor truck to maintain the City's storm drain network from Haaker Equipment Company of La Verne, California, in accordance with Purchasing Resolution 23256, Section 602(e) for an amount of \$531,842.97;
3. Authorize the City Manager, or his designee, to execute all documents necessary to complete the purchase including making minor and non-substantive changes;

4. Authorize a supplemental appropriation in the amount of \$813,685.94 from the Sewer Enterprise Reserve fund balance (550) to Automotive Equipment, Account No. 4125100-462100; and
5. Authorize a supplemental appropriation in the amount of \$531,842.97 from available fund balance in the Public Works Air Quality Improvement Fund (240) to Public Works-Sundry-AQMD/Automotive Equipment Account No. 4140100-462100.

BACKGROUND:

Wastewater (Sewer) Division

The City of Riverside Public Works Department, Wastewater Division, is responsible for the collection and treatment of wastewater for over 93,000 customers within the city limits. The facilities consist of over 800 miles of gravity sewers, 19 wastewater lift stations, and the Riverside Regional Water Quality Control Plant (RWQCP) which has the capacity to treat 46 million gallons of wastewater per day. Additionally, the RWQCP provides wastewater treatment for the Edgemont, Jurupa, and Rubidoux Community Services Districts, and the unincorporated community of Highgrove.

The Public Works Department, Wastewater Division (Sewer) performs regular sewer line cleaning and flushing as part of its routine sewer system maintenance program. In addition to being required by the State, and as affirmed in the City Council approved Sewer System Management Plan, maintenance is critical to ensuring uninterrupted sewer service and reducing the potential for sewer overflows. High pressure water “hydro-cleaning” trucks, combination cleaner-vacuum trucks, and other specialized equipment are critical to sewer maintenance efforts.

On November 15, 2016, the City Council adopted a Sewer Enterprise Fund Reserve Policy. The policy was designed in an effort to establish guidelines to ensure the fiscal stability of the Sewer Enterprise Fund and to provide guidance to staff in the financial management of the Wastewater Division. The approved policy provides for the replacement of heavy equipment to achieve operational and regulatory requirements.

Staff had intended to acquire this equipment last fiscal year, but funds were not approved to be carried over and were returned to the Sewer Fund balance. Given the urgent operating need for this equipment, staff is requesting those funds in this fiscal year from the Sewer Fund balance as a supplemental appropriation.

Streets Division

The Public Works Streets Division is responsible for the maintenance and overall care of the storm drain system throughout the City. This maintenance is required by the City's National Pollution Discharge Elimination System (NPDES) Permit covering stormwater activities. Compliance with this permit requires regular cleaning of over 4,800 catch basins. In addition, the City's plan to comply with the State Trash Amendments relies heavily on routine cleaning of catch basins. Compliance with these State mandates is achieved by a year-round systematic maintenance approach utilizing a vactor truck to eliminate trash and dirt debris found within storm pipes and catch basins.

Air Quality Improvement Fund

Since 1991, local governments have received funds from the South Coast Air Quality Management District (AQMD) to implement programs which improve air quality by reducing pollution from motor vehicles. Over the years, the City has allocated these AB 2766 funds toward projects which not only improve air quality, but also provide other community benefits.

AB 2766 funds come from a \$6.00 per vehicle registration surcharge which is collected by the Department of Motor Vehicles for AQMD distribution. AQMD disburses a portion of these monies to cities quarterly in an amount according to population. The City receives approximately \$400,000 – \$420,000 each year.

On June 20, 2017, City Council authorized expenditures for specific projects and authorized the City Manager or his designee to approve use of Public Works Air Quality Improvement Funds for other projects meeting AQMD requirements. Purchase of the alternative fuel vector truck to replace an aging diesel unit for storm drain maintenance is an eligible expense under AB 2766.

DISCUSSION:

The Fleet Division evaluates all vehicle replacement criteria to ensure the efficient management and replacement of vehicles. All three of the vehicles being replaced have exceeded their expected service life of fifteen years, require extensive repairs to be made serviceable, and have excessive life to date (LTD) costs as outlined in the table below:

Asset No.	Year	Hours	Mileage	LTD Repair Cost	Replacement Reason
E333	2004	13,081	109,074	\$260,244	Out of service. CNG fuel tanks expired August 2018, excessive LTD maintenance costs.
E314	2001	11,066	73,165	\$323,133	Diesel unit is being replaced with clean natural gas, excessive LTD maintenance costs..
E297	1996	3,829	22,560	\$371,595	Diesel unit is being replaced with clean natural gas, excessive LTD maintenance costs.

Haaker Equipment Company holds a Cooperative Agreement # 122017-FSC with Sourcewell (formally known as the National Joint Powers Alliance or NJPA). Sourcewell uses cooperative contract purchasing to leverage the national purchasing power of more than 50,000 member agencies while also streamlining the required purchasing process. As a municipal national contracting agency, Sourcewell establishes and provides nationally leveraged and competitively solicited purchasing contracts under the guidance of the Uniform Municipal Contracting Law. Joint Powers laws enable members to purchase through their awarded contracts. The City of Riverside is a member of Sourcewell.

Purchasing Resolution Section 602(e) states that "Competitive Procurement through Informal Procurement and Formal Procurement process shall not be required in any of the following circumstances:...(e) When Cooperative Purchasing is available and undertaken or when Goods can be obtained through Federal, State and/ or other public entity pricing contracts or price agreements..."

These vehicles meet the requirements of South Coast Air Quality Management District (SCAQMD) Rule 1196 (clean on-road heavy-duty public fleet vehicles) which requires that public fleets acquire alternative-fuel vehicles to reduce pollutant emissions.

The Purchasing Manager concurs that the recommendations are in compliance with Purchasing Resolution No. 23256. The Public Works Director concurs with this report.

FISCAL IMPACT:

The total fiscal impact is \$1,595,528.91. The fiscal impact to the Sewer Enterprise Fund is \$1,063,685.94. With the appropriation of \$813,685.94 from the Sewer Enterprise Reserve Fund balance to account Automotive Equipment Account No. 4125100-462100, there will be sufficient funds to complete the purchase of the Vactor trucks. This action is supported by the Sewer Enterprise Fund Reserve policy guidelines.

With the appropriation from the Air Quality Improvement Fund to Public Works-Sundry-AQMD/Automotive Equipment Account No. 4140100-462100 in the amount of \$531,842.97, there will be sufficient funds to complete the purchase of the vactor truck.

Prepared by: Carl Carey, General Services Director
Certified as to
availability of funds: Edward Enriquez, Chief Financial Officer/Treasurer
Approved by: Moises Lopez, Deputy City Manager
Approved as to form: Gary G. Geuss, City Attorney

Attachments:

1. Haaker Equipment Company NJPA Contract High Pressure Vactor Truck Quote
2. Sewer Enterprise Fund Reserve Policy