



ALTEC LEASE BUYOUT AND EXTENDED WARRANTY FOR NEW VEHICLES

Riverside Public- Electric Field

Board of Public Utilities

March 10, 2025

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1

BACKGROUND

1. Two leased vehicles, E437 and E438, reached the end of their lease term
2. Electric Field has experienced a shortage in vehicles due to older vehicle repairs
3. Assets E437 and E438 have at least 7 years of life left
4. Leases were entered into in May 2016 for E437 and E438



2

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2

BACKGROUND

1. February 2023, the Board approved the Altec vehicle purchase for 12 vehicles, 6 of these vehicles will be delivered in the upcoming months
2. The average cost in the first five years (2016-2021) for maintenance on model D3060 diggers averages \$13,500, and averages \$30,000 for the model TA60 bucket trucks
 - a. Costs have increased significantly with inflation.
3. The estimated savings with the purchase of the extended warranty is at least \$51,960



3

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3

DISCUSSION – PURCHASE OF LEASED VEHICLES

1. To keep vehicles on hand for Electric Field crews to maintain the electric system, staff recommends RPU purchase the lease buyout of assets E437 and E438 – two bucket trucks already in the fleet inventory
2. These vehicles still have at least 7 years of productive life
3. Because these vehicles are already in RPU's fleet, the Advanced Clean Fleet rule will not apply to them
4. Board approval is required for the lease buyout



4

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4

LEASE BUYOUT COSTS

VEHICLE	ASSET ID	CHASSIS / MODEL	MONTHLY RENTAL PAYMENT	PURCHASE PRICE
2016 Freightliner Bucket Truck	E437	A77-T	\$5,673.08	\$30,673.08
2016 Freightliner Bucket Truck	E438	TA60	\$5,041.28	\$25,041.28
TOTAL PURCHASE PRICE				\$55,714.36



5

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5

DISCUSSION – EXTENDED WARRANTIES

1. After reviewing maintenance costs of Altec vehicles purchased in 2016, it is cost effective to purchase extended warranties for new vehicles
2. Extended warranties cover additional expenses not covered by the limited manufacturers warranty
3. Board approval is requested for the extended warranties



6

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6

EXTENDED WARRANTY COSTS

VEHICLE	CHASSIS / MODEL	5 YEAR AVG MAINT. WITHOUT WARRANTY (2016-2021)	EXTENDED WARRANTY
Freightliner Digger	D3060	\$13,500	\$15,205
Freightliner Digger	D3060	\$13,500	\$15,205
Freightliner Digger	D3060	\$13,500	\$15,205
Freightliner Bucket	TA60	\$30,000	\$10,975
Freightliner Bucket	TA60	\$30,000	\$10,975
Freightliner Bucket	TA60	\$30,000	\$10,975
TOTAL FOR 5 YEARS		\$130,500	\$78,540
TOTAL ESTIMATED SAVINGS			\$51,960



7

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7

STRATEGIC PLAN ALIGNMENT



Strategic Priority 6 - Infrastructure, Mobility and Connectivity

Goal 6.2 – Maintain, protect, and improve assets and infrastructure within the City's built environment to ensure and enhance reliability, resiliency, sustainability, and facilitate connectivity.

Cross-Cutting Threads



Community Trust



Equity



Fiscal Responsibility



Innovation



Sustainability & Resiliency



8

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8

RECOMMENDATIONS

That the Board of Public Utilities:

1. Approve the lease buyout of two vehicles with Altec Capital Services, LLC, in the amount of \$55,714
2. Approve the purchase of the extended warranties for six vehicles with Altec Capital Services, LLC, in the amount of \$78,540



9

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