

# Agenda Report

February 26, 2001

**TO:** City Council  
**THROUGH:** Deregulation Committee

**FROM:** City Manager

**SUBJECT:** PUBLIC BENEFIT CHARGE (PBC) CONTRACTS FOR THE PURCHASE OF HIGH-EFFICIENCY REFRIGERATORS, RECYCLING OF INEFFICIENT REFRIGERATORS AND LEASE OF ELECTRIC VEHICLES UNDER THE WATER AND POWER DEPARTMENT'S (DEPARTMENT) APPROVED PBC LOW-INCOME, RESIDENTIAL AND ELECTRIC VEHICLE PROGRAMS.

## RECOMMENDATION

It is recommended that the City Council:

1. Authorize the Purchasing Administrator to issue a Purchase Order Contract to Maytag Appliance Sales Company for two years in the amount of \$975,000 for the procurement of 2,200 super-energy-efficient refrigerators for Pasadena's low-income customers. The new contract total shall not exceed \$1,495,000. This Purchase Order is exempt from Competitive Bidding pursuant to City Charter Section 1002(h), contracts with other governmental entities or their contractors. It is further recommended that this Purchase Order Contract be granted an exemption from the Competitive Selection Process of the Affirmative Action in Contracting Ordinance pursuant to section 4.09.060 (C), contracts from which the City's best interests are served.
2. Authorize the Water and Power General Manager to extend the Department's PBC Low-Income Customer Contract No. 17161 with Appliance Recycling Centers of America (ARCA) for two years and increase the existing contract amount, for an additional amount of \$325,000. Under this contract, ARCA will be responsible for the warehousing, delivery and installation of new super-efficient refrigerators. ARCA will also pickup from Pasadena low-income customers their old refrigerators and deliver them to an environmentally approved recycling processing center. The new contract amount shall not exceed \$635,400. Competitive bidding is not required

pursuant to City Charter Section 1002(H), contracts with other governmental entities or their contractors.

3. Authorize the Department's General Manager to extend the Department's PBC Residential Customer Contract No. 15454 with Appliance Recycling Centers of America (ARCA) for two (2) years and increase the existing contract amount for an additional amount of \$150,000. Under this contract, ARCA will pick-up, remove and deliver the Pasadena residential customers' old, inefficient refrigerators to an environmentally approved recycling processing center. The total new contract shall not exceed \$311,000.
4. Authorize the Purchasing Administrator to enter into a contract with Toyota Motor Credit Corporation for the lease of two Toyota RAV4 Electric Vehicles (EVs) for an amount not to exceed \$36,000 over three years. This contract is exempt from competitive bidding pursuant to City Charter Section 1002(H), contracts with other governmental entities or their contractors. It is further recommended that the City Council grant this contract an exemption from the competitive selection process of the Affirmative Action in Contracting Ordinance pursuant to Section 4.09.060[C], contracts for which the City's best interest are served.

### **BACKGROUND**

This Agenda Report seeks the appropriate approval to continue the Department's approved PBC programs for Pasadena Lifeline and Low-Income and Residential Customers and the continuation of the Department's Research and Development efforts in the area of electric vehicle technology demonstration. The Department promotes the use of high-energy efficient refrigerators by encouraging Pasadena customers to eliminate the use of the "inefficient second refrigerator in the garage" as part of its overall energy conservation program.

#### **Refrigerator Replacement**

The proposed refrigerator replacement program is a continuation of a planned and budgeted PBC Low-Income program aimed at reducing Pasadena's lifeline and low-income customer's electric energy bills through the use of super-efficient refrigerators. The Department has replaced approximately 1000 of the low income-lifeline customer's old and inefficient refrigerators with super efficient refrigerators. Customers typically use 30 to 40% less energy to refrigerate their food when using a super-efficient refrigerator. The refrigerator is generally the largest energy consuming appliance in the low income-lifeline customer's home. Under the proposed super-efficient refrigerator program, the Department will replace an additional 2,200 lifeline and low-income customer's old and inefficient refrigerators. Further, the customer's old refrigerator will be recycled under a contract with ARCA.

The contract will utilize an existing agreement between the Los Angeles Department of Water and Power (LADWP) and Maytag to purchase the super-energy-efficient refrigerators. The agreement allows other government entities to purchase these refrigerators at \$495 each. In addition to the purchase price, the City must also pay applicable taxes, shipping costs, and any seasonal adjustments.

#### Recycling Programs

The PBC Refrigerator Recycling Program provides free pick-up and delivery services of the customer's old and inefficient refrigerators to an environmentally approved refrigerator-recycling center. The customer also receives a \$25 rebate check for each refrigerator they recycle. Local Pasadena appliance retailers are also informed of this service and are supplied with Water and Power PBC programs material describing energy efficiency appliance rebate programs and refrigerator recycling services.

#### Electric Vehicle Program

Pasadena Water and Power has been actively involved in an on-going electric vehicle (EV) program. Under the PBC EV program, the Department has leased electric pick-up trucks and a minivan and installed associated electric charging stations. The EVs are used in day-to-day operations to test among other things, the overall viability and reliability of electric vehicles in a commercial use setting. The EVs are typically recharged at night, consuming energy produced by generating resources of higher efficiency than those during peak electricity production periods. Other governmental entities such as the LADWP, among others, have also entered into the lease contract with Toyota based on similar selection criteria.

In a joint effort between the Water and Power Department and the Public Works and Transportation Department, the proposed lease of RAV4 EVs, as recommended by this Agenda Report, will be tested and evaluated as to viability and reliability in the day-to-day work environment.

Utilization of EVs in City operations will provide the following additional opportunities in demonstrating advantages or disadvantages of using electric vehicles in the work environment:


- Test the suitability of various types of electric vehicles in daily operations and conditions considering terrain, climatic conditions, vehicle operating range, electric consumption, stop-and-go traffic conditions, meter reading route characteristics and other vehicle operating characteristics, such as recharging time and maneuverability.

- Evaluation of latest battery technology (the RAV4 will use Nickel-Metal Hydride batteries and have an expected range of 125 miles between battery recharges).
- Satisfy the South Coast Air Quality Management District objectives for use of "zero emission vehicles" in commercial fleets.
- Public demonstration of the use and viability of deploying EVs in the commercial applications.
- Statistical data that will be used to support further EV demonstration programs, such as the electric-solar bus demonstration program currently under development.

**FISCAL IMPACT**

The cost of the aforementioned approved PBC programs will be funded through the established Public Benefits Charge funds and were approved as part of the Department's overall PBC program 2001 budget.

Respectfully Submitted:

  
for Cynthia J. Kurtz  
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