



Agenda Report

March 13, 2017

TO: Honorable Mayor and City Council
FROM: Water and Power Department
SUBJECT: AUTHORIZATION TO ENTER INTO A PURCHASE ORDER CONTRACT WITH LOS ANGELES FREIGHTLINER IN AN AMOUNT NOT TO EXCEED \$360,063.98 TO FURNISH AND DELIVER TWO DUMP TRUCKS

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the proposed action is exempt from the California Environmental Quality Act ("CEQA") in accordance with Section 15061(b)(3), the General Rule that CEQA only applies to projects that may have an effect on the environment; and
2. Accept the bid dated January 23, 2017, submitted by Los Angeles Freightliner in response to specifications to furnish and deliver 2017 Model Year, Compressed Natural Gas ("CNG") Powered Dump Trucks for the Water and Power Department ("PWP") and authorize the City Manager to enter into a purchase order contract with Los Angeles Freightliner for an amount not to exceed \$360,063.98.

BACKGROUND:

The PWP Water Division performs routine and emergency operations, maintenance, and construction on PWP's water storage, disinfection, and distribution systems. In addition to towing heavy construction equipment and materials, the crews require dump trucks to haul debris from construction sites. The two (2) proposed new CNG powered dump trucks will improve efficiency and timely completion of water construction projects.

The Fiscal Year 2017 operating budget includes funds to replace two dump trucks for the Water Construction Section. The new vehicles will replace vehicle numbers 0576 and 0577, each of which has been driven approximately 100,000 miles and with accrued maintenance costs of over \$120,000.

The dump trucks currently in service are approximately 20 years old, have far exceeded their useful lives, and are expected to be salvaged according to City policy. They are unreliable and are often out of service. Reliable dump trucks will allow the crews the capability to haul debris in an efficient manner. The new dump trucks will also serve the City well during emergencies when dump trucks are needed for the removal of debris or for towing. The new vehicles will be equipped with a clean burning fuel, CNG engine

and be in compliance with all South Coast Air Quality Management District (“SCAQMD”) rules and regulations for heavy duty vehicle engine emissions and clean air standards.

A notice inviting bids was published and the bid specification was advertised in the Pasadena Journal. The bid results are as follows:

<u>One Bid Submitted</u>	<u>Total</u>
Los Angeles Truck Centers, doing business as Los Angeles Freightliner, Whittier, CA	\$360,063.98

Number of Vendors Notified	Number of Local Vendors Notified	Number of Vendors That Downloaded Bid
438	27	17 (non-local)

Los Angeles Freightliner is the only bidder and is therefore the lowest responsive and responsible bidder. No local vendors downloaded the bid specification or submitted a bid for these vehicles. Staff believes Los Angeles Freightliner is the only bidder because there are a limited number of compressed natural gas chassis providers. The dump trucks are unique because they are large and have compressed natural gas chassis.

Los Angeles Freightliner has previously participated in the City’s competitive bidding processes and has been awarded seven purchase order contracts by Public Works and PWP totaling approximately \$2,200,000 since 2002. A 2014 PWP purchase order in the amount of \$184,419.04 for a one 10-yard dump truck was awarded to Los Angeles Freightliner. This current bid totals \$180,031.99 per dump truck and suggests that this pricing is within reason compared with the 2014 purchase order. The bid is also within the budgeted amount.

Staff recommends that the City Council accept the bid submitted by Los Angeles Freightliner and award a purchase order contract for an amount not to exceed \$360,063.98. The proposed purchase order contract complies with Competitive Bidding and Purchasing Ordinance P.M.C. 4.08 and the rules and regulations promulgated thereunder.

COUNCIL POLICY CONSIDERATION:

The proposed contract is consistent with the Public Facilities Element of the General Plan and supports the City Council’s goal to improve, maintain and enhance public facilities infrastructure and to implement capital improvements that will maintain and rehabilitate infrastructure.

ENVIRONMENTAL ANALYSIS:

The proposed purchase order has been determined to be exempt from environmental review pursuant to State CEQA Guidelines Section 15061(b)(3), the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. The purchase of the trucks would have no adverse impact on the

environment. Conversely, by providing trucks with better fuel efficiency than the City's current trucks used for the same purpose, the proposed purchase has the potential to reduce the air pollutant and greenhouse gas emissions that such trips generate. Furthermore, the purchase complies with the SCAQMD fleet vehicle rule 1196, which requires all government agencies to purchase clean heavy-duty dedicated gasoline or alternative-fueled vehicles to reduce air toxic and pollutant emissions and with the California Air Resources Board rules.

FISCAL IMPACT:

The cost of this action will be \$360,063.98. Funding for this action will be addressed by the utilization of existing budgeted appropriations in Water Capital Project Fund (412) Automotive Equipment account number 49506732-850510-01500-53417-49506732-850513.

It is anticipated that \$360,063.98 will be expended in the current fiscal year. Indirect and support costs such as maintenance, repair, and fuel costs are anticipated to be approximately \$60,000 over the life span of each vehicle. Sufficient funds will be requested annually in the annual operating budget account to pay the cost of operating and maintaining these vehicles.

Respectfully submitted,



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