



Agenda Report

June 18, 2018

TO: Honorable Mayor and City Council
FROM: Department of Public Works
SUBJECT: AUTHORIZE PURCHASE ORDER WITH LOS ANGELES FREIGHTLINER FOR PURCHASE OF TWO REPLACEMENT AUTOCAR FREEDOM COMPRESSED NATURAL GAS POWERED FRONT LOADING REFUSE PACKERS FOR AN AMOUNT NOT TO EXCEED \$751,360

RECOMMENDATION:

It is recommended that the City Council:

1. Find that this action is exempt under 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;
2. Authorize a purchase order contract with Los Angeles Freightliner for the purchase of two Autocar Freedom compressed natural gas (CNG) powered front loading refuse packers in an amount not-to-exceed \$751,360. Competitive Bidding is not required pursuant to City Charter Section 1002(H) contracts with other governmental entities or their contractors; and
3. Grant the proposed purchase order contract an exemption from the Competitive Selection process pursuant to Pasadena Municipal Code Section 4.08.049(B) contracts for which the City's best interests are served.

BACKGROUND:

The Department of Public Works, Street Maintenance and Integrated Waste Management (SWIWM) Division uses front loading refuse packers to collect mixed waste, yard waste, and recyclable materials from more than 1,500 commercial customers on a weekly basis. Two front loading refuse packers (equipment numbers 2251 and 2252) are in need of replacement. The vehicles being replaced are 11 years old with 117,410 and 127,351 miles respectively, and have reached the end of their useful life of ten years. Upon delivery of the replacement refuse vehicles, these vehicles will be sent to auction per City policy. The estimated total salvage value of

\$60,000 will be returned to the Refuse Collection Fund. Attachment A contains the vehicle condition report.

On June 21, 2010, the City Council adopted the 2010 Integrated Waste Management Operations Plan which outlines six goals to be achieved to ensure the City provides quality, cost-effective, and innovative services. Goal one calls for the City to provide effective vehicular assets through the management of repairs and timely vehicle replacements with alternative-fuel vehicles to ensure the availability of service to residents. The new vehicles will be powered by CNG in compliance with the South Coast Air Quality Management District (SCAQMD) Fleet Rule 1193 and with California Air Resource Board rules. These purchases will also help the City maintain an effective ultra-low emission and cost-efficient fleet essential for successful and timely delivery of waste collection services.

In March of 2017, the City of Burbank, California completed a competitive bidding process for the purchase of one CNG front loading refuse packer and received proposals from two vendors (McNeilus Truck and Manufacturing of Colton, CA, and Los Angeles Freightliner of Whittier, CA). The bid award was made to the lowest responsible/responsive bidder, Los Angeles Freightliner (LA Freightliner). The City of Burbank executed a purchase order (Number 150380) with LA Freightliner for the purchase of one Autocar Freedom front loading refuse packer for a purchase price of \$334,587. LA Freightliner has offered to extend the pricing of the Burbank bid to the City of Pasadena for two Autocar Freedom front loading refuse packers. The City of Pasadena will take advantage of an option offered in the original bid proposal that LA Freightliner provided to Burbank – the Cummins ISL G Near Zero Engine at an additional cost of \$8,500 per vehicle. The full purchase price to the City including applicable sales tax is \$375,680 per vehicle, for a total of \$751,360. Los Angeles Freightliner will deliver the vehicles within 210 days after the receipt of the order. The build time for these vehicles is longer than other vehicles due to the highly specialized nature of these vehicles. These vehicles are only made when they are ordered and take this long to manufacture.

The City of Pasadena has done business with this vendor since 2001, including issuance of purchase orders for vehicles, parts, and supplies, for a total amount of approximately \$7.1 million. This includes the purchase of four side loading refuse packers for \$1,293,340 in 2016, one water tanker truck for \$197,000 in 2016, three side loading refuse packers for \$896,396 in 2013, and a refuse roll-off truck for \$197,182 in 2010.

Purchasing the requested vehicles from Los Angeles Freightliner is in the City's best interest as the City is receiving the lowest price as these vehicles were competitively bid by the City of Burbank. By reducing the amount of time needed for a formal bid, the City will receive these vehicles sooner reducing the cost of on-going maintenance for the existing vehicles.

ENVIRONMENTAL IMPACT:

This purchase complies with all SCAQMD rules and regulations for engine emissions and clean air standards in the South Coast Air Basin.

FISCAL IMPACT:

The cost of this action is \$751,360. Funding will be addressed by the utilization of existing budgeted appropriations in the Refuse Collection Fund (account 850500-40622020). Indirect and support costs such as maintenance and repair are anticipated to be \$300,000 per vehicle over the life of the vehicles and will be addressed annually by utilization of existing budgeted appropriations in the Department of Public Works – SMIWM operating budget account 861600-40622020.

Respectfully submitted,



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Director of Public Works

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Approved by:



EWL STEVE MERMELL
City Manager

Attachment A – Vehicle Condition Report