

Agenda Report

August 28, 2017

TO: Honorable Mayor and City Council
FROM: Water and Power Department
SUBJECT: **AUTHORIZATION TO INCREASE PURCHASE ORDER CONTRACT 1171952 WITH LOS ANGELES FREIGHTLINER BY \$361,719.35 FOR A TOTAL AMOUNT NOT TO EXCEED \$723,438.70 FOR TWO ADDITIONAL 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. Authorize an increase to purchase order contract 1171952 with Los Angeles Freightliner by \$361,719.35 for two additional Compressed Natural Gas ("CNG") Powered Dump Trucks for a total purchase order amount not to exceed \$723,438.70. The purchase of the additional vehicles complies with the Competitive Bidding and Purchasing Ordinance P.M.C. 4.08 and the rules and regulations promulgated thereunder.

BACKGROUND:

The Pasadena Water and Power Department ("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 additional proposed new CNG powered dump trucks will improve efficiency and timely completion of water construction projects.

The Fiscal Year ("FY") 2018 operating budget includes funds to replace two dump trucks for the Water Construction Section. The new vehicles will replace vehicle numbers 0565 and 0566, each of which has been driven approximately 100,000 miles and with accrued maintenance costs averaging over \$125,000.

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, a 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.

On January 24, 2017, the City undertook a competitive bidding process for the purchase of two CNG powered dump trucks. On March 13, 2017, the City Council approved a purchase order contract with Los Angeles Freightliner located in Whittier, California for the purchase of two vehicles. Section 3.1 of the bid specification allows for the purchase of additional vehicles at the unit bid price of \$165,537 plus applicable taxes and a tire fee of \$21.00 per vehicle. Staff recommends that the City Council approve an amendment to this purchase order contract 1171952 with Los Angeles Freightliner in an amount not to exceed \$361,719.35 for two additional CNG powered dump trucks. There will be a total of four dump trucks purchased in FY 2018, including two trucks from purchase order 1171952. This purchase order is in the approvals stages of being carried forward from FY 2017 to FY 2018. The carry forward amount reflects a sales tax increase of \$1,655.37. The initial City Council approval for two trucks in March 2017 was based on the available budget for FY 2017 at that time. Subsequently, in the budget for FY 2018 two additional trucks were approved.

Los Angeles Freightliner has previously participated in the City's competitive bidding processes and has been awarded eight purchase order contracts by Public Works and PWP totaling approximately \$2,500,000 since 2002.

COUNCIL POLICY CONSIDERATION:

The proposed contract amendment 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 \$361,719.35. 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.

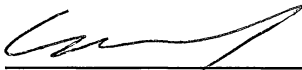
It is anticipated that \$361,719.35 will be expended in the current fiscal year. Indirect and support costs such as maintenance, repair, and fuel costs are anticipated to be approximately \$60,000 over the life span of each vehicle. Sufficient funds will be requested annually in the annual operating budget account to pay the cost of operating and maintaining these vehicles.

Respectfully submitted,



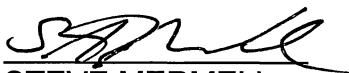
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