

# Agenda Report

December 11, 2023

**TO:** Honorable Mayor and City Council  
**FROM:** Water and Power Department  
**SUBJECT:** **AUTHORIZATION TO ENTER INTO CONTRACTS WITH ALTEC INDUSTRIES, INC. FOR TWO AERIAL BUCKET TRUCKS NOT-TO-EXCEED \$683,265 AND 72 HOUR, LLC FOR TWO ELECTRIC HALF-TON PICKUP TRUCKS NOT-TO-EXCEED \$186,087 FOR THE WATER AND POWER DEPARTMENT**

## **RECOMMENDATION:**

It is recommended that the City Council:

1. Find that the proposed action is not a project subject to the California Environmental Quality Act ("CEQA") pursuant to Section 21065 of CEQA and Sections 15060(c)(2), 15060(c)(3), and 15378 of the State CEQA Guidelines and, as such, no environmental document pursuant to CEQA is required;
2. Authorize the issuance of a Contract to Altec Industries, Inc. ("Altec") for the purchase of two aerial bucket trucks for an amount not-to-exceed \$683,265, which includes the base amount of \$621,150 and a contingency of \$62,115 to provide for any necessary change orders. Competitive Bidding is not required pursuant to City Charter Section 1002(H), contracts with other governmental entities or their contractors;
3. Authorize the issuance of a Contract to 72 Hour, LLC ("72 Hour") for the purchase two Chevrolet Silverado EV Trucks (or Ford Lightning EV trucks contingent on availability) for an amount not-to-exceed \$186,087, which includes the base contract amount of \$169,170 and a contingency of \$16,917 to provide for any necessary change orders. Competitive Bidding is not required pursuant to City Charter Section 1002(H), contracts with other governmental entities or their contractors; and,
4. Reject all bids received in response to Bid Specification 2023-IFB-MS-264 for Articulated/Telescopic Bucket Trucks.

## **BACKGROUND:**

The Pasadena Water and Power Department ("PWP") performs maintenance, construction, and emergency operations on the City's electrical transmission and distribution systems. Power Delivery crews require specialized vehicles to transport

technical staff, heavy equipment, specialty tools, and construction material essential to completing activities critical to electric system reliability, resilience, and safety.

**Recommended Aerial Bucket Truck Replacements:**

PWP has determined that two aerial bucket trucks require immediate replacement. The normal replacement schedule for this type of vehicle is 10 years, however the two trucks currently listed for replacement have been in operation for more than 20 years. These outdated units are no longer reliable or economical to maintain, and frequently out of service. Due to their age, finding replacement parts has become increasingly difficult and costly. The prolonged repair times has also forced PWP to rent bucket trucks, for approximately \$5,000 per month per truck, to be able to maintain service reliability. These rental and repair costs and vehicle downtimes have reached unacceptable levels.

The Table I below summarizes the bucket trucks targeted for replacement:

**Table I – Recommended Bucket Trucks for Replacement**

Vehicle ID	Vehicle Type	Model Year	Mileage	Lifetime Maintenance Repair Costs
1723	Bucket Truck	2001	54,000	\$161,147
1743	Bucket Truck	2002	52,500	\$157,445

The fiscal year 2024 capital budget approved by the City Council does not include funds to replace the bucket trucks. However, PWP has funding available due to a previously budgeted vehicle purchase that it plans to use for the bucket trucks, which are higher priority.

On March 30, 2023, a Notice Inviting Bids for the Specifications of Articulated/Telescopic Bucket Trucks was published in the Pasadena Press and Pasadena Journal. The invitation was also published on OpenGov, which generated notices to all vendors previously registered with the City for this particular commodity class. A total of 10 vendors downloaded the Specifications, none of which were local. A total of two bids were received by the bid due date of May 17, 2023, with no bids received from local firms.

Due to the excessive lead times of two to five years to receive customized bucket trucks, staff respectfully requests that the City Council reject all bids received in response to Bid Specification 2023-IFB-MS-264 for Articulated/Telescopic Bucket Trucks, so that staff may purchase two standard aerial bucket trucks which currently have a lead time of six to 12 months.

PWP is aware of compressed natural gas (“CNG”) and all-electric bucket truck alternatives. However, the CNG unit has a severely prolonged lead time (72 months) making it an unsuitable replacement given the immediate needs. The all-electric unit also has a long lead time (24 months), as well as a 36% lower maximum payload vs.

clean diesel counterparts. PWP requires a payload capacity of approximately 7,000 lbs. and the all-electric option is well below that threshold at approximately 5,000 lbs. Additionally the all-electric option does not have any towing functionality at all. Furthermore, both the CNG and electric options are substantially more expensive than the new clean diesel options.

PWP intends to procure two aftermarket plug-in battery pack units which will power the truck booms and power tools at job sites, so the truck engines do not have to be running idle to allow for work.

On August 2, 2023, PWP filed a Technical Infeasibility Certification Request (TICR) with South Coast Air Quality Management District (“SCAQMD”) to support the purchase of two diesel-fueled bucket trucks. Understanding PWP’s urgency and the various alternatives, SCAQMD approved that request on October 26, 2023 provided the following requirements are met:

1. The new diesel vehicles are powered with the cleanest California Air Resources Board (“CARB”) certified diesel engine available.
2. PWP executes purchase agreement(s) to acquire the trucks referenced above within 90 days of this approval letter; and
3. PWP provides SCAQMD with the vehicle identification numbers (VIN), make, model, and GVWR of the new vehicles within 30 days of taking delivery.

At this time PWP has approximately 45 days left to meet the 90-day purchase agreement requirements stipulated in item #2 above.

#### **Half-ton Pickup Truck Replacements:**

PWP has also identified a need to replace two half-ton pickup trucks. As with the bucket trucks, these vehicles have experienced consistent and expensive maintenance problems and sourcing replacement parts is a challenge. The Table II below summarizes the pickup trucks targeted for replacement:

**Table II – Recommended Pickup Trucks for Replacement**

<b>Vehicle ID</b>	<b>Vehicle Type</b>	<b>Model Year</b>	<b>Mileage</b>	<b>Lifetime Maintenance Repair Costs</b>
1859	Pickup Truck	2003	123,000	\$56,134
1861	Pickup Truck	2003	145,000	\$32,238

The fiscal year 2024 capital budget approved by the City Council includes funds to replace the two pickup trucks.

For the half-ton pickup trucks, all-electric alternatives exist and are therefore desired by PWP in an effort towards transitioning PWP’s fleet to an eventual 100% zero-emissions vehicle (ZEV) future. By acquiring these electric vehicles and replacing internal combustion engine (ICE) predecessors, PWP will be making significant progress towards achieving Pasadena’s carbon reduction goals.

**Competitive Bidding Not Required (Sourcewell):**

Sourcewell, a local government unit, public corporation, and public agency under the laws of the state of Minnesota (formerly the National Joint Powers Alliance), is a national service cooperative that combines the purchasing power of more than 50,000 member agencies and streamlines the purchasing process. It awards contracts at the manufacturing level, but local area distributors sell the equipment.

In July of 2021, Sourcewell issued a Request for Proposals for Automobiles, SUVs, Vans, and Light Trucks with Related Equipment and Accessories. Thirteen submissions were received and evaluated by the Sourcewell selection committee. Submissions were scored on criteria such as pricing, warranty coverage, variety of products offered, and bidders' ability to service the contract nationally. The process undergone by Sourcewell has resulted in competitive pricing. 72 Hour earned the highest score out of 13 respondents with a total score of 878 points out of a possible 1,000 and was awarded a contract through November 2025.

In September of 2021, Sourcewell issued a Request for Proposals for Public Utility Equipment with Related Accessories and Supplies. Ten submissions were received and evaluated by the Sourcewell selection committee. Submissions were scored on criteria such as pricing, warranty coverage, variety of products offered, and bidders' ability to service the contract nationally. Altec was one of the vendors awarded a contract which extends through December 2025.

Staff recommends that the City Council authorize the issuance of a Contract to Altec for the purchase of two aerial bucket trucks in an amount not-to-exceed \$683,265. Staff also recommends that the City Council authorize the issuance of a Contract to 72 Hour for the purchase of two all-electric pick-up trucks in an amount not-to-exceed \$186,087. The PWP General Manager, or his designee, will manage any change order authorization. Additionally, staff recommends that the City Council grant an exemption for these Contracts from the Competitive Selection process pursuant to Pasadena City Charter Section 1002(H), contracts with other governmental entities or their contractors.

The highly competitive and low inventory procurement marketplace has made it critical for PWP to place orders quickly to secure pricing and begin production or delivery processes. Utilizing the Sourcewell contracts, which are competitively bid, saves time and locks in pricing that would be volatile in the open market based on demand and availability.

A 10% contingency has been added to the requested Contract amounts to combat supply chain issues and account for final design adjustments. Order placement and delivery delays can extend beyond the current manufacturers order window. Sourcewell vehicle orders are not final until the vendor receives the purchase order. If the price increases slightly when the order window reopens, PWP must be able to adjust accordingly. In addition, bucket trucks typically have a design review and approval phase before final assembly is completed. This process can sometimes have a slight impact on the final price.

The City of Pasadena has awarded more than 50 POs to Altec for a total amount of approximately \$7.5 million since 2016 and has awarded more than 90 POs to 72 Hour for a total amount of approximately \$15.7 million since 2016. It is in the best interests of the City to purchase the requested equipment utilizing the Sourcewell contracts, as it reduces the amount of time required to take delivery of new equipment and eliminates the need to solicit for items that are already competitively priced. Additionally, the highly competitive marketplace for vehicles makes it advantageous for manufacturers to avoid bidding on public bid contracts as vehicles are selling quickly for high prices in the open marketplace.

**COUNCIL POLICY CONSIDERATION:**

The proposed Contract is consistent with the City Council's goals to maintain fiscal responsibility and stability, and PWP's strategic initiatives to enhance customer satisfaction and confidence, improve efficiency and business continuity, and maintain PWP's fiscal health and stability.

**ENVIRONMENTAL ANALYSIS:**

The action proposed herein is not subject to the California Environmental Quality Act ("CEQA") in accordance with Section 21065 of CEQA and State CEQA Guidelines Sections 15060 (c)(2), 15060 (c)(3), and 15378. The purchase of these trucks is a continuing administrative and maintenance activity (i.e., purchasing of supplies). This action would not cause either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment. Therefore, the proposed action is not a "project" subject to CEQA, as defined in Section 21065 of CEQA and Section 15378 of the State CEQA Guidelines. Since the action is not a project subject to CEQA, no environmental document is required.

**FISCAL IMPACT:**

The maximum cost of this action will be \$869,352, which includes the combined base contract amounts of \$790,320 and a 10% contingency of \$79,032 to cover unforeseen change orders that may result from ongoing supply chain challenges. In addition, this contingency allows for price adjustments during the final design review and acceptance phase for the bucket trucks. Funding for this action will be addressed by the utilization of existing appropriations in Power Capital Fund 411 in account number 850500 (Automotive Equipment). Sufficient funds will be requested annually in the operating budget accounts to pay the cost of operating and maintaining the vehicles. The contracts summary is shown below in Table III.

**Table III: PO Contract Summary**

<b>Vendor Name</b>	<b>PO Contract Base Amount</b>	<b>Contingency (10%)</b>	<b>Total Not to Exceed Contract Amount</b>
Altec	\$621,150	\$62,115	\$683,265
72 Hour	\$169,170	\$16,917	\$186,087
<b>Total Not-to-Exceed Amount</b>			<b>\$869,352</b>

Respectfully submitted,



SIDNEY JACKSON  
General Manager  
Water and Power Department

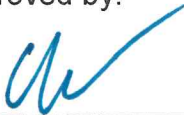
Prepared by:

*For Marvin D. Moon*



Marvin D. Moon  
Assistant General Manager  
Water and Power Department

Approved by:



*For* MIGUEL MÁRQUEZ  
City Manager

NICHOLAS G. RODRIGUEZ  
Assistant City Manager