



Agenda Report

July 21, 2025

TO: Honorable Mayor and City Council

THROUGH: Finance Committee

FROM: Department of Public Works

SUBJECT: **AUTHORIZE THE CITY MANAGER TO ENTER INTO A CONTRACT WITH LOS ANGELES TRUCK CENTERS, LLC DBA VELOCITY VEHICLE GROUP TO PURCHASE NINE BATTLE MOTORS LET2 ELECTRIC HEAVY-DUTY TRUCKS, FOR A TOTAL AMOUNT NOT-TO-EXCEED \$5,116,060 AND AMEND THE FISCAL YEAR 2026 PUBLIC WORKS OPERATING BUDGET BY APPROPRIATING \$2,340,000 FROM THE EPA CLEAN HEAVY-DUTY GRANT PROGRAM**

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the proposed actions are not “projects” as defined in 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, are not subject to environmental review;
2. Authorize the City Manager to enter into a contract, without competitive bidding pursuant to City Charter Section 1002(H), contracts with other governmental entities or their contractors for labor, materials, supplies, or services, with Los Angeles Truck Centers, LLC dba Velocity Vehicle Group for the purchase of nine Battle Motors LET2 electric heavy-duty trucks in an amount not-to-exceed \$5,116,060, which includes the base contract amount of \$4,650,964 and a contingency of \$465,096 to provide for any necessary change orders;
3. Grant the recommended 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;
4. Amend the Fiscal Year (FY) 2026 Public Works Operating Budget to recognize and appropriate \$2,340,000 from the United States Environmental Protection Agency (EPA)’s Clean Heavy-Duty Vehicles (CHDV) Grant Program; and

5. Authorize the City Manager to approve no-cost amendments to the subject contract including durational extensions.

BACKGROUND:

The Department of Public Works (PW), Building Systems and Fleet Management Division (BSFMD) is tasked with providing vehicle replacement for various City departments based on a scoring system including factors such as the vehicle's age, mileage, condition, usage, need, maintenance, and repair history. In alignment with the City's conservation and sustainability initiatives and in advance compliance with expanding regulatory mandates or requirements, BSFMD continues to focus on the procurement of 100% zero emission vehicles (ZEVs).

BSFMD has identified nine 2026 Battle Motors LET2 electric heavy-duty trucks as a comparable model to replace one Ford F650 truck, two GMC C7500 stake bed dump truck, five GMC C7500 13 cubic yard dump trucks, and one Chevrolet C7500 dump truck currently in the department's fleet. Battle Motors LET2 trucks are currently used in other cities such as Santa Monica and Plano, Texas. Attachment A provides the information of the current and replacement vehicles.

Use of Sourcewell National Service Cooperative

Sourcewell, formerly known as 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. Sourcewell operates as a service cooperative and acts as a national municipal contracting agency which establishes and provides nationally leveraged and competitively solicited purchasing contracts that can be utilized by member agencies, such as the City of Pasadena.

On February 8, 2024, Sourcewell issued a Request for Proposal for Class 4-8 chassis and cabs with related equipment, accessories, and services. Submissions were scored on criteria such as pricing, financial viability and marketplace success, ability to sell and deliver services, marketing plan, value-added attributes, warranty and performance standards or guarantees, and depth and breadth of offered equipment, products, or services. Battle Motors Company scored 826 out of 1,000 points and was awarded a contract through July 2028.

Los Angeles Truck Centers, LLC dba Velocity Vehicle Group is the exclusive seller of Battle Motors vehicles in Southern California. They have agreed to extend the contract prices, terms, and conditions under Sourcewell contract #032824-CRN for the nine 2026 Battle Motors LET2 electric heavy-duty trucks. Attachment A includes a price breakdown of each replacement vehicle. Purchasing from this vendor would be in the best interest of the City as the approval of recommended actions eliminates the need for City staff to solicit items that are already competitively priced and expedites the time required to take delivery of new vehicles. These vehicles are expected to be delivered by December 2026.

Staff recommends the City Manager enter into a contract with Velocity Vehicle Group. The proposed contract with this vendor fully complies with the Competitive Bidding and Living Wage Ordinances. The City has previously done business with this vendor, paying invoices totaling over \$8 million since FY 2016.

The proposed contract with Velocity Vehicle Group will be established as follows:

Base Price for Nine ZEV Battle Motors LET2 Trucks	\$4,650,964
Contingency Allowance	\$465,096
Contract Not-To-Exceed Amount	\$5,116,060

Staff recommends adding a 10% contingency to mitigate any negative impacts of current unstable market conditions faced by the manufacturers and their supply chain.

PW received \$2,340,000 from the EPA's Clean Heavy-Duty Vehicles (CHDV) Grant Program to replace 9 in-use, non-zero-emission heavy-duty vehicles with new ZEVs. In addition, this purchase qualifies for the State of California's Hybrid and Zero-Emission Truck and Bus Voucher Incentive Program (HVIP). This program provides point-of-sale vouchers to assist fleet owners with transitioning to zero emissions heavy-duty vehicles and offers \$70,000 per replacement Class 7 trucks. If approved by the California Air Resources Board, the HVIP vouchers would reduce the net cost of the nine Battle Motors LET2 trucks by \$630,000. The EPA's CHDV Grant Program allows the City to also receive funding from other non-federal grant programs.

The following table illustrates the potential grant and voucher funding:

Contract Not-To-Exceed Amount	\$5,116,060
EPA's CHDV Program Grant	\$2,340,000
California's HVIP (if received)	\$630,000
Total Cost to City	\$2,146,060

Cost of Comparable Compressed Natural Gas (CNG) Trucks

As a point of comparison, staff evaluated the cost of purchasing CNG versions of these same trucks. The following table highlights the replacement cost if the City was to purchase CNG versions of the trucks:

Base Price for CNG Trucks	\$3,701,543
Contingency Allowance	\$370,154
Contract Not-To-Exceed Amount	\$4,071,697

The purchase of nine CNG equivalent vehicles is \$949,421 less than the equivalent electric vehicles. However, the EPA grant makes these electric vehicles \$1,390,579 less expensive and there is an additional potential \$630,000 HVIP grant.

Additional Considerations

Electric vehicles require a charging station of approximately \$25,000 each. Under routine operations, three or four stations could likely provide sufficient charging for these nine vehicles. However, in times of emergencies, such as the Eaton Fire event, these vehicles could not be used for extended periods of time, especially if there was a power outage. If needed, the City could rent replacement trucks as an alternative.

COUNCIL POLICY CONSIDERATION:

The proposed actions are consistent with the City Council's strategic goals to maintain fiscal responsibility and stability and increase conservations and sustainability. It also supports the City's values and goals as laid out in the Pasadena Climate Action Plan (CAP) and demonstrates PW's commitment to electrify its fleet, promoting the adoption of alternative fuel vehicles citywide.

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 vehicles 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:

This action will increase the Department of Public Works' FY 2026 Operating Budget by appropriating \$2,340,000 in EPA CHDV Program grant funds towards the purchase of nine Battle Motors LET2 trucks. The cost of the contract including contingency is a not-to-exceed amount of \$5,116,060. Funding for this action will be addressed by utilization of the EPA CHDV Program grant funding and existing budgeted appropriations in the Fleet Replacement Fund (Fund 503). If the City receives the California's HVIP vouchers, these funds will be appropriated at a later date. There is no impact to the General Fund.

The following table represents the contract summary:

Base Price for Nine Battle Motors LET2 Trucks	\$4,650,964
Contingency	\$465,096
Contract Not-To-Exceed Amount	\$5,116,060

Respectfully submitted,



GREG DE VINCK, P.E.
Director of Public Works

Prepared by:



Thanos Gauthier
Deputy Director of Public Works

Approved by:



MIGUEL MÁRQUEZ
City Manager

Attachment A – Table of Existing and Replacement Vehicles