

# Agenda Report

**TO:** CITY COUNCIL

**DATE:** November 6, 2000

**FROM:** CITY MANAGER

**SUBJECT:** Authorization to Issue a Purchase Order for a Not To Exceed Amount of \$300,931.00 to purchase Two New 2000 Front Loading Refuse Packers.

## RECOMMENDATION

It is recommended that the City Council:

- 1) Authorize the Purchasing Administrator to issue a Purchase Order for a not to exceed amount of \$300,931 to Southwest Peterbilt for the purchase of two new 2000 Front Loading Refuse Packers.
- 2) Grant this contract a partial exemption (vendor outreach only) from the Affirmative Action in Contracting Ordinance pursuant to P.M.C. 4.09.060(C) contracts for which the City's best interests are served. The proposed purchase is exempt from competitive bidding pursuant to City Charter section 1002(H), contracts with other governmental entities or their contractors for labor, material, supplies or services.
- 3) Approve a journal voucher in the amount of \$150,465.50 from Equipment Lease Financing, approved by City Council on May 10, 1999, to Budget Account 406-764120, Residential Solid Waste Operations for the purchase of one of the packers.

## BACKGROUND

The Public Works and Transportation Department is in need of replacing a total of two front-loading refuse packers. Front loading refuse packers are used for the City's commercial bin collection service. These vehicles service over 1,400 customers including commercial businesses, apartments, and single-family homes located on large properties. These vehicles also provide refuse collection for over 125 City facilities and parks. They are crucial to refuse collection for special events such as the Rose Parade and Fourth of July, as well as emergency collection in the event of a rain or windstorm. This collection service picks up approximately 10,000 tons of waste per year. Due to the type of service these vehicles provide, the refuse collected is unusually heavy and bulky, which contributes to the excessive wear and tear on these trucks.

The current vehicles were purchased with lightweight bodies with a lifecycle of only three (3) years. Both packers being replaced are at least eleven (11) years old and are no longer

economical to maintain.

On May 10, 1999, the City Council approved \$4.9 million for Solid Waste to purchase new collection equipment, which included front-loading automated refuse packers. The new equipment will improve productivity and help reduce vehicle downtime related to maintenance and repairs. An efficient operation is needed to help the City comply with AB939, which mandates a 50% diversion of landfill waste.

In addition to the front-loader being replaced by Solid Waste, Street Cleaning is also replacing vehicle #0865, which is currently used for bulky item disposal, clean up of wind and rain storm related debris, and collections of abandoned items. Much of this material will be redirected from 100% trash to recyclables, further helping to meet the AB939 mandates.

In January of 2000, the City of Santa Fe, New Mexico undertook a competitive bidding process for the purchase of six Peterbilt front-loading refuse packers. As a result of the bid process, Santa Fe awarded a contract to Southwest Peterbilt. Southwest Peterbilt has offered to extend this 2000 bid price to the City of Pasadena. Purchasing the requested packers from Peterbilt would be in the City's best interests for two reasons. Were the City to undertake its own bid process, the time involved in preparing the necessary bid documents and obtaining the required approvals would most likely result in the City purchasing at 2001 model year prices, as well as incurring associated staff costs. The time necessary to prepare bid specifications, review proposals and award a competitive bid would add at least three months to the process and delay the delivery of new vehicles until the end of the calendar year 2001. Additionally, these trucks will be equipped with the Caterpillar C-10 dual fuel engine. This is the same engine running in the twelve side-loading refuse packers the City recently purchased. This engine is the only one available capable of running on diesel fuel, which can be later converted to natural gas. Purchasing the two front-loaders with the same engine will both standardize the packer fleet and position the City favorably to meet the recently adopted AQMD rule 1193 requiring the purchase of alternative fuel refuse packers beginning in July 2002.

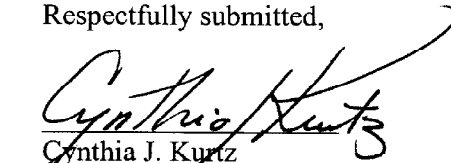
#### FISCAL IMPACT

The funding for the solid waste packer was approved on May 10<sup>th</sup>, 1999, when Council authorized the Finance Director to solicit lease financing in the amount of \$4.9 million for rolling stock, containers, and cubic yard bins.

The annual payback to lease financing will be \$754,808 from Refuse Revenue once all of the equipment has been purchased, with a lease payment line item for \$350,000 included in the current fiscal year 2001 Budget.

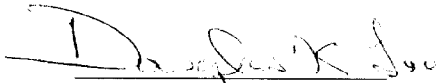
The second front loader refuse packer will be assigned to street sweeping and is a budgeted replacement. Funds in the amount of \$150,465.50 are available for this purchase in the Equipment Replacement Fund, Account #503-766300.

Respectfully submitted,




Cynthia J. Kurtz  
City Manager

Prepared by:



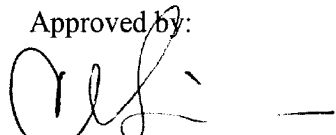
Douglas K. Lee  
Management Analyst III

Reviewed by:



Jimmy Berryhill  
SMIWM Administrator

Approved by:



C. Bernard Gilpin  
Director of Public Works  
and Transportation