

Council Meeting of
November 18, 2008

Honorable Mayor and Members
of the City Council
City Hall
Torrance, California

Members of the Council:

**SUBJECT: General Services – Authorize Purchase Order to furnish three (3)
2009 GMC TC5C042 Propane-fueled Asphalt Patch Trucks**

Ref: Bid # B2008-43

Expenditure: \$351,968.46 (including sales tax and tire fees)

RECOMMENDATION

Recommendation of the General Services Director that City Council:

- a) Authorize the purchase of three (3) 2009 GMC TC5C042 Propane-fueled Asphalt Patch Trucks from Tom's Truck Center of Santa Ana, California, in the amount of \$351,968.46 including sales tax and tire fees.
- b) Appropriate \$70,400.00 from the General Fund Reserve for Alternative Fuel Vehicles to offset the cost premium of the propane fuel system on these trucks.

Funding

Funding is available from the Fleet Services Vehicle and Equipment Replacement Fund and the General Fund Reserve for Alternative Fuel Vehicles.

BACKGROUND

The Street Maintenance Division of Public Works utilizes a variety of specialized vehicles and equipment in their efforts to maintain City streets, including pothole repairs and other asphalt resurfacing projects. The Asphalt Patch truck plays an integral role in this endeavor, providing a mobile work platform from which asphalt street repairs can be accomplished safely and efficiently.

In the City's ongoing efforts to improve air quality, alternative fuels are being used more and more to achieve emissions reductions in our medium and heavy-duty vehicle fleet. Where practical, older diesel vehicles are being replaced with vehicles able to run on alternative fuels. Propane is an AQMD-approved alternative fuel per their published "Fleet Rules".

With this purchase, the City will have a total of eleven (11) vehicles in the fleet that are fueled by propane. The breakdown is as follows: four (4) Flat Bed Dump Trucks, three (3) Asphalt Patch Trucks, two (2) Street Sweepers, one (1) Five-Yard Dump Truck, and one (1) Chipper Truck.

The City's experience thus far with propane vehicles has demonstrated that they are as reliable as vehicles fueled by gasoline or diesel, and unlike natural gas fueled vehicles that require specially modified maintenance facilities, our propane vehicles can be worked on within our existing maintenance facilities without restrictions.

Although there is an approximate 20% cost-premium associated with purchasing the propane fuel systems on these trucks as compared to gasoline or diesel trucks, the fuel itself (propane) is currently 40% cheaper than gasoline or diesel. In addition, current tax law allows the City to recoup a fifty-cent per gallon Federal Excise Tax Credit for each gallon of propane we dispense into our vehicles, in the form of a quarterly rebate check from the IRS. This alternative fuel tax incentive is effective through calendar year 2010 and efforts are currently underway to have the incentive extended beyond 2010.

The three diesel-fueled Asphalt Patch Trucks listed below have exceeded their useful life criteria and need to be replaced.

Vehicle #	Year	Make	Model	Mileage	Condition
8985	1991	International	4600	86,104	Poor
8986	1991	International	4700	84,786	Poor
8998	1998	International	4900	63,488	Poor

ANALYSIS

Formal bids were opened on September 11, 2008. Bid results are listed below.

Vendor	Total Bid Price
Tom's Truck Center, Inc. * Santa Ana, CA	\$351,968.46
Western Truck Exchange Los Angeles, CA	\$382,291.08
Reynolds GMC Covina, CA	\$422,721.75

* Lowest Responsible Bidder

Staff contacted Martin Chevrolet in Torrance to inquire as to why they did not submit a bid. The Fleet Sales Manager indicated that Martin's franchise agreement with General Motors does not permit them to sell medium and heavy-duty trucks.

Respectfully submitted,

SHERYL BALLEW
General Services Director



By David K. Winnett, Jr.
Fleet Services Manager

CONCUR:



Sheryl Ballew
General Services Director



LeRoy J. Jackson
City Manager