

Council Meeting of
November 25, 2008

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

Members of the Council:

SUBJECT: General Services/Public Works – Authorize a Sole-source Purchase Order to furnish one (1) 2009 CNG-fueled Peterbilt 320 Cab and Chassis, with a Heil 7000 Automated Side-Loader Refuse Collection Body attached

Expenditure: \$329,185.81 (including sales tax and tire fees)

RECOMMENDATION

Recommendation of the General Services Director and Public Works Director that City Council:

- a) Authorize the sole-source purchase of one (1) 2009 Compressed Natural Gas (CNG) fueled Peterbilt 320 Cab and Chassis with a Heil 7000 Automated Side-Loader Refuse Collection Body from Rush Peterbilt Truck Center of Pico Rivera, CA in the amount of \$329,185.81, including sales tax and tire fees.
- b) Appropriate and transfer \$329,185.81 from the Sanitation Enterprise Fund to the Fleet Services Vehicle and Equipment Replacement Fund.

Funding

Funding is available from the Sanitation Enterprise fund balance.

BACKGROUND

On November 21, 2006, the City Council approved a number of recommendations made by the Finance and Governmental Operations Committee, one of which was to begin a Curbside Green Waste Recycling Pilot Program in selected neighborhoods within the City. In order to accomplish this, staff determined that at least one (1) additional Automated Side-Loader Refuse Collection Truck was needed to augment existing fleet assets. As a result, the City entered into a lease-purchase agreement to acquire a 2007 CNG-fueled Peterbilt 320 Cab and Chassis, with a Heil 7000 Automated Side-Loader Refuse Collection Body. At the end of this lease the City has the option of purchasing this truck for \$1.

The Green Waste Program has proven to be a great success. Staff therefore now recommends expanding the program to include the addition of a second CNG-fueled truck.

South Coast Air Quality Management District's (AQMD) Fleet Rule # 1193 prohibits the City from purchasing new diesel-powered Refuse Trucks. Because of this rule, staff again recommends acquisition of a truck powered by CNG. CNG is an approved alternative fuel, per AQMD guidelines.

If approved, this vehicle will be built in early 2009 and delivered to the City in mid-June of 2009. Maintenance and replacement cost will be added to the 2009-10 budget for the new CNG-fueled truck. Annual maintenance for the CNG-fueled truck is expected to be \$35,675 and replacement costs are \$46,394. By comparison, a diesel fueled truck would have maintenance costs of \$29,639 and replacement cost of \$31,050.

ANALYSIS

Considering the success of the Green Waste Program and the intent to further expand it over time, staff recommends that this and subsequent trucks be acquired through a purchase, instead of lease.

Acquisition of this truck will give the City a total of two (2) natural gas fueled vehicles. The maintenance issues unique to this technology will for the time being continue to be dealt with through best practices already in place at Fleet Services. Until the Fleet Services facility is upgraded to meet fire and safety standards required for indoor maintenance of natural gas vehicles, staff will continue to perform maintenance services outdoors, and when necessary, outsource certain tasks to qualified commercial establishments.

As the Green Waste Program expands further, and assuming the natural gas fleet grows, staff will evaluate the cost-benefit of facility conversion to provide for at least one Fleet Services work bay in which these vehicles can be maintained entirely with in-house resources. Staff anticipates that that decision should not be considered until the CNG fleet consists of at least five (5) vehicles.

Given that the City does not currently have a refueling facility for CNG fueled vehicles, this truck, along with our existing CNG truck will refuel daily at a local CNG refueling station operated by Clean Energy, Inc. The CNG fuel station is located approximately five (5) miles from the City Yard, at 23924 Figueroa Street in the City of Carson.

SECTION 22.3.17 of the City's Municipal Code; EXCEPTION; SOLE-SOURCE PURCHASES states:

"a) The provisions of this Article will not apply to purchases of sole-source services or property, which purchases will be made in accordance with such procedures and regulations as will be established by the City Manager.

b) For purposes of this Section, "sole-source purchases" means those purchases where it would be undesirable or impossible for the City to advertise for bids for particular work or for patented items, or experimental or unique services or products, or where competitive purchases would be unavailable or would not prove advantageous for the City. No sole-source purchases may be made where to do so would show favoritism, improvidence, extravagance, fraud or corruption, or result in the waste of public funds, but may be used only to obtain the best economic result for the public."

Respectfully submitted,
SHERYL BALLEW
General Services Director



By David K. Winnett, Jr.
Fleet Services Manager

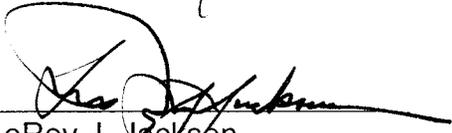
CONCUR:



Sheryl Ballew
General Services Director



Rob Beste
Public Works Director



LeRoy J. Jackson
City Manager