

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

Members of the Council:

SUBJECT: General Services/Public Works – Authorize Sole-source Purchase Order to furnish one (1) 2010 CNG-fueled Peterbilt/Heil Front-Loader Refuse Truck

Expenditure: \$299,845.36 (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) 2010 Compressed Natural Gas (CNG) fueled Peterbilt 320/Heil Front-Loader Refuse Truck from Rush Peterbilt Truck Center of Pico Rivera, CA in the amount of \$299,845.36 including sales tax and tire fees.
- b) Appropriate \$299,845.36 from the Fleet Services Vehicle and Equipment Replacement fund balance to the Fleet Services Vehicle and Equipment Revolving Replacement Fund.

Funding

Funding is available from the Fleet Services Vehicle and Equipment Replacement fund balance.

BACKGROUND

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 recommends acquisition of new Refuse Trucks fueled by CNG.

Staff recommends replacement of one (1) Front Loader truck. Front Loader trucks are used for large item pickup around the City, emptying of large bins at City Hall, City Yard and other City facilities, as well as pickup and recycling of Christmas Trees.

ANALYSIS

Truck to be replaced:

Vehicle #	Year	Make	Model	Mileage	Condition
9085	1992	Peterbilt/Heil	Front Loader	107,177	Poor

Acquisition of this truck will give the City a total of five (5) natural gas fueled vehicles, including two (2) CNG-fueled Automated Side-Loader Refuse Trucks proposed on a separate Agenda Item this evening.

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."

Staff recommends Sole-Source Purchase (Rush Truck Center) and Brand-Specific (Peterbilt/Heil) for the following reasons:

- a. Standardization; The City's established Refuse Truck standard over the last two decades has been the Peterbilt brand chassis and Heil brand truck body combination. Both are industry giants. There are other brand names in the industry, but none as strong as these brands. Historically, in the Sanitation industry, many truck manufacturers have come and gone, leaving customers with trucks that cannot be supported with original equipment manufacturer (OEM) resources.
- b. Maintenance and Support: Parts inventories for a mixed fleet result in higher maintenance expenditures by increasing on-hand stock requirements as well as placing more demands on warehouse management resources. Also, local factory authorized warranty and repair services through Rush Truck Center reduce equipment down time.
- c. Operational Safety; Sanitation Vehicle Operators switch trucks frequently. Different controls and operating systems between different makes/models of trucks could create safety problems.

- d. Competitive Pricing: Pricing for this truck is based on a pricing match with the City of Los Angeles RFQ # 1312 dated March 24, 2008. This RFQ was open to multiple brands, with the Peterbilt/Heil proposal identified by the City of Los Angeles as the lowest responsible quote.

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 CNG fleet expands further, 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.

The City does not currently have a CNG refueling facility, although talks are currently underway with a major natural gas fuel supplier that could soon result in the installation of a CNG dispenser on City property. Until then, this truck, along with our other CNG trucks 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.

If approved, this truck will be built and delivered to the City in March of 2010.

Respectfully submitted,
 SHERYL BALLEW
 General Services Director



By David K. Winnett, Jr.
 Fleet Services Manager

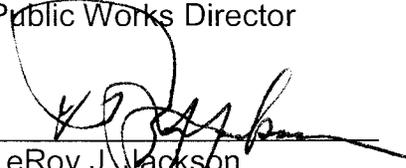
CONCUR:



Sheryl Ballew
 General Services Director



Rob Beste
 Public Works Director



LeRoy J. Jackson
 City Manager