

Council Meeting of
April 20, 2010

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

Members of the Council:

SUBJECT: General Services – Authorize “Special Opportunity Purchase” of two (2) new and unused 2009 Model year GMC TC7500 Propane-fueled Cab and Chassis’ with 5-Cubic Yard Dump Truck Bodies

Expenditure: \$254,620.00

RECOMMENDATION

Recommendation of the General Services Director that City Council authorize issuance of a “Special Opportunity” purchase order to Reynolds GMC of Covina, California in the amount of \$254,620.00 including sales tax and tire fees, to furnish two (2) new and unused 2009 Model year GMC TC7500 Propane-fueled Cab and Chassis with 5-Cubic Yard Dump Truck Bodies.

Funding

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

BACKGROUND

The proposed vehicle purchases are scheduled replacements for the two (2) vehicles listed below, both of which are assigned to the Asphalt Patch Division of Public Works.

Veh. #	Year	Make	Model	Mileage	Condition
8970	1987	GMC Dump Truck	7000	100,220	Poor
8981	1990	International Dump Truck	4600	108,219	Poor

ANALYSIS

The proposed vehicle purchases represent the last available GMC 7500 series cab and chassis'. Model year 2009 was the final year of production for this truck due to cutbacks by General Motors. Reynolds GMC purchased extra inventory of these trucks from a Wisconsin dealership as production came to a close because of the strong demand in Southern California for propane and gasoline-fueled trucks in this size range. There are no other California dealerships that have these trucks in stock, and no other truck manufacturers offer trucks in this size range that include gasoline or propane-fueled engines. All other competing trucks have diesel engines. Per South Coast Air Quality Management District (AQMD) "Fleet Rules" for public agencies, the City is prohibited from purchasing diesel fueled vehicles weighing 14,000 pounds gross vehicle weight and larger. The only other alternative for the City are much costlier natural gas fueled trucks. Propane is less expensive than CNG, and is considered an approved alternative fuel per AQMD.

The cost of these vehicles is \$12,000 per truck higher than the last 2009 Propane Dump Truck we purchased, also from Reynolds GMC in 2008. This is due to increases in the cost of the propane conversions, manufacture of truck bodies, and freight costs associated with transport of the cab and chassis' from Wisconsin. Staff believes these additional costs will be fully offset by future fuel cost savings and further justified by reductions in diesel particulate emissions within the City.

Section 22.3.18 of the City's Municipal Code – Exception; Special Opportunity Purchase states: "Special opportunity purchases may be made by the City Manager where:

a) The City Council finds that a proposed purchase that is subject to this Article is either below the current market price and will result in a significant cost savings to the City, or that the proposed purchase is not more than the current market price, and that significant time will be saved in delivery or installation of the equipment by such a purchase; and

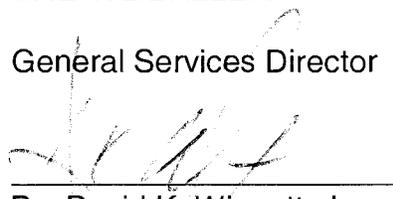
b) The City has a current need for the item or items of property to be purchased."

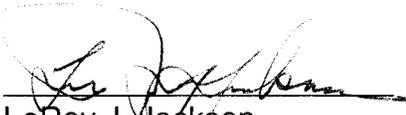
Respectfully submitted,
SHERYL BALLEW

General Services Director

CONCUR:


Sheryl Ballew
General Services Director


By: David K. Winnett, Jr.
Fleet Services Manager


LeRoy J. Jackson
City Manager