

Council Meeting of  
September 14, 2010

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

**Members of the Council:**

**SUBJECT: General Services – Authorize the cancellation of purchase order #2009-1075 and award a purchase order for One (1) CNG-fueled Street Sweeper and Two (2) Propane-fueled Street Sweepers as a cooperative purchase with the City of Glendale, CA**

**Ref: City of Glendale Bid # 6000015440**

**Expenditure: \$827,003.57 (including sales tax)**

**RECOMMENDATION**

Recommendation of the General Services Director that the City Council:

- a) Cancel City of Torrance Purchase Order # 2009-1075 in the amount of \$236,225.90 to Haaker Equipment Company of La Verne, CA for one (1) Propane-fueled Street Sweeper.
- b) Authorize issuance of a purchase order to Haaker Equipment Company in the amount of \$827,003.57 (\$275,667.85 each) including sales tax, to furnish two (2) new and unused Propane-fueled Elgin "Crosswind J" Street Sweeper Trucks and one (1) new and unused CNG-fueled Elgin "Crosswind J" Street Sweeper Truck as a cooperative purchase with the City of Glendale, CA.
- c) Appropriate and transfer \$48,206.60 from the Sanitation Enterprise Fund to the Fleet Services Vehicle Replacement Fund.
- d) Appropriate \$778,796.97 from the Fleet Services Vehicle Replacement Fund balance.

**Funding**

Funding is available from the Sanitation Enterprise Fund and the Fleet Services Vehicle Replacement Fund balance.

**BACKGROUND**

This item is continued from the August 10, 2010 Council meeting. During the discussion of this item, Council raised several concerns with regards to who the responsible party for the cost differences should be and requested clarification on the pricing differences between chassis types and the bid specifications. The item before you provides further detail on the background and analysis of the original and proposed purchases.

On July 7, 2009 your Honorable Body approved a purchase order to Haaker Equipment Company of La Verne, California, in the amount of \$215,240.00 plus sales tax for a total of \$236,225.90, to furnish one (1) new and unused Propane-fueled Elgin "Crosswind J" Street Sweeper Truck as a cooperative purchase with the City of Arcadia.

Prior to the purchase of this truck, the sales representative from Haaker Equipment Company showed the Public Works Sanitation staff a Nissan UD3300 Propane Elgin Street Sweeper with a cab-over style chassis. After evaluation of this truck, staff determined that it met the functional needs of the division. The Elgin brand Street Sweeper mounted on a cab-over style chassis provides a shorter wheelbase than a conventional chassis, which allows better maneuverability and a tighter turning radius in residential neighborhoods. The cab-over chassis allows greater access to the curb and gutter for better removal of water and debris, especially where there are many parked vehicles.

The sales representative offered price information for this truck based on a cooperative purchase with the City of Arcadia, CA and provided General Services with the vehicle specifications, which were forwarded to the Finance Department to issue the purchase order for the vehicle.

Just prior to delivery of the aforementioned truck in July 2010, staff discovered that the truck ordered was a conventional cab and chassis and not the cab-over style chassis as was shown to staff by Haaker Equipment Company. Staff immediately contacted Haaker Equipment Company and a meeting was held to better understand what had transpired. It was discovered that the specifications of the Arcadia Bid were not the same as the specifications of the actual truck that was shown to City staff. The problem is two-fold:

- 1) The vendor mistakenly provided City staff (as a cooperative purchase with the City of Arcadia) a set of specifications and pricing for a conventional cab truck, which was not the same as the cab-over Street Sweeper that the Public Works Sanitation Division had evaluated.
- 2) City staff took the vendor specifications at face value without verification and issued a purchase order for a conventional cab truck instead of the intended cab-over truck. Policy has now changed to verify all bid specifications for cooperative purchases with the user department.

Haaker is motivated to resolve this issue and openly admits that the sales person forwarded the City incorrect vehicle specifications which the City relied on. In order to proceed with the purchase as originally intended, the City can take advantage of a cooperative purchase with the City of Glendale, CA, who recently awarded a bid to Haaker Equipment Company for a CNG-fueled Elgin "Crosswind J" Street Sweeper Truck with a Nissan UD3300 Cab-Over Chassis. The bid price for that truck is \$258,178.00 plus tax. The bid by Glendale is valid and meets all the requirements for a cooperative purchase and the pricing reflects current market conditions.

Haaker Equipment Company has offered to substitute the CNG fuel engine to a propane configuration and to lower the bid price by \$7,000 to \$251,178.00 plus sales tax, totaling \$275,668. This will allow the City of Torrance to purchase the same truck (propane engine with cab-over style chassis) that was originally evaluated.

The price differential between the City's original purchase order of \$236,226 in 2009 for the conventional body and the current Glendale bid (revised) of \$275,668 in 2010 for a cab-over body is as follows (also see Attachment A):

Cab-over vs. conventional.....	\$23,275
GM engine vs. Ford engine (no longer in production)..	13,158
3% cost increase for body.....	3,123
Factory discount.....	< 3,618>
Sales taxes.....	<u>3,504</u>
Total.....	\$39,442

At this time, staff is also recommending the purchase of two (2) additional Street Sweeper trucks for the following reasons:

1) The City's normal replacement criterion for Street Sweeper vehicles is eight (8) years or 90,000 miles. Currently, there are a total of three (3) City vehicles which exceed this criteria and are need of replacement. All of the vehicles being replaced have a model year of 2000 and were placed into service October 2001:

Veh. #	Year	Make	Model	Mileage	Vehicle Condition
9134	2000	Johnson	7000 Vacuum Street Sweeper	98,587	Poor
9135	2000	Johnson	7000 Vacuum Street Sweeper	118,274	Poor
9136	2000	Johnson	7000 Vacuum Street Sweeper	115,611	Poor

All three of the above sweepers are powered by diesel engines. In accordance with restrictions outlined in South Coast Air Quality Management District's (AQMD) "Fleet Rule 1186.1, Less Polluting Sweepers", the City is prohibited from purchasing diesel powered Street Sweepers when replacing existing vehicles. Instead, the rule requires us to purchase replacements powered by one of AQMD's "Alternative Fuels", which include Propane, Natural Gas, Fuel Cells, Gasoline, Ethanol or Battery-Electric.

In accordance with AQMD Fleet Rule 1186.1, and the City's "Alternative Fuel Strategy" as approved by the City Council on March 21, 2006, staff is recommending the use of both Propane and CNG with the new Street Sweepers which will ensure our compliance with the AQMD Rule and further contribute to the "greening" of the City's fleet.

2) The Cummins Engine Company has recently stopped manufacturing their small block (5.9 liter) engines in a propane configuration and will now focus exclusively on large block (8.9 liter) CNG engines for sales in California.

There are two (2) small block Cummins propane engines left, one of which will be used to build the City's replacement Sweeper for the truck that was built on the wrong chassis. The City has an opportunity to acquire that last Cummins propane engine, which staff feels prudent due to significant cost-savings running propane when compared to CNG. The City currently pays \$1.50 per gallon for propane versus \$2.23 per gallon for CNG. Propane vehicles are also less maintenance-intensive than comparable CNG vehicles.

3) Haaker Equipment Company is also offering a third truck at the same pricing as the small block propane trucks, though it will be outfitted with the larger 8.9 liter CNG engine. The cost savings achieved by taking advantage of this offer represents a \$7,000.00 discount from the City of Glendale bid.

## ANALYSIS

The Sanitation Division of Public Works performs routine Street Sweeping services throughout the City. In order to accomplish this ongoing task, a reliable, efficient fleet of Street Sweepers is needed at all times.

Staff has determined that the Elgin brand Street Sweeper best meets the needs of the City. Haaker Equipment Company was recently awarded the bid on a similar truck for the City of Glendale, CA. Accordingly, staff recommends acquisition of these vehicles via the cooperative purchase provisions provided for in the City's Municipal Code.

Vendor	Description	Bid Price
*Haaker Equipment Company La Verne, CA	Chassis: Nissan UD3300 Sweeper Body: Elgin Sweeper Co	City of Glendale Unit Price: \$258,178.00 Discount to City of Torrance: -\$7,000.00 Unit Price Sub Total: \$251,178.00 Sales Tax (9.75%) \$24,489.86 Unit Price Total \$275,667.86
Kelly Equipment Company Upland, CA	Chassis: Nissan UD 3300 Sweeper Body: Schwarze Industries	Unit Price: \$322,000.00 Tax (9.75%) \$31,395.00 Unit Price Total: \$353,395.00

\*lowest responsible bidder

The Torrance Municipal Code, (Section 22.3.15), (EXCEPTIONS COOPERATIVE PURCHASES) states;

a) The provisions of this Article will not apply to purchases made pursuant to any cooperative governmental purchase program, which purchases will be made in accordance with such procedures and regulations as shall be established by the City Manager.

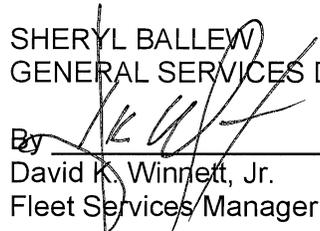
b) For the purposes of this Section, the term cooperative governmental purchase program means any combination between the City of Torrance and any other public agency or public agencies for the joint purchase of property or services”.

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

Attachments:

- A. Price differential between the two bids
- B. Council item 12B dated August 10, 2010

ATTACHMENT A

THIS UNIT IS FOR: TORRANCE

<p>2008 104,084.00</p>	<p><b>CROSSWIND SERIES</b></p>	<p>2010 120,375.00</p>
<p><b>LPG CROSSWIND J PLUS BODY PRICE</b></p> <p>08" Body price Included Ford Aux engine no longer in production.</p> <p>Price Includes 3% Body increase of \$3,122.82. The remaining \$13,188.18 is the new GM Aux engine "Industry standard". Includes all engineering, upgraded electronics system.</p>		
<p>2008 Freightliner M2 100,725.00</p>	<p><b>CHASSIS TYPE &amp; DEALER</b></p>	<p>2010 Nissan UD 124,000.00</p>
<p>CHASSIS: <b>Freightliner M2</b></p> <p>Conventional M2 Chassis is ordered as a "glider" comes with no engine then is sent to Cummins for LPG/CNG Front engine installation. Keeps cost down</p> <p>The 2010 Nissan UD cabover chassis comes with a diesel engine then is sent to Cummins for the CNG/LPG engine retrofit. Chassis is OEM equipped with 2010 Emission level diesel engine. Then has to be retrofitted with LPG/CNG.</p>		
<p><b>***ACCESSORIES &amp; OPTIONS**</b></p>		
<p>730.00</p>	<p><b>HOPPER</b></p> <p>6" HOPPER DOOR DRAIN.....</p>	<p>730.00</p>
<p>5,330.00</p>	<p><b>HOPPER LINER</b></p> <p>LIFELINER HOPPER LINER w/WARRANTY.....</p>	<p>5,330.00</p>
<p>1,085.00 650.00</p>	<p><b>HYDRAULICS</b></p> <p>AUXILIARY HYDRAULIC PUMP.....</p> <p>IN CAB HOPPER DUMP - NEED TO ORDER FOR CNG ONLY</p>	<p>1,085.00 650.00</p>
<p>30.00 50.00 110.00 125.00</p>	<p><b>INSTRUCTIONS</b></p> <p>ADDITIONAL J CNG OPERATION MANUAL.....</p> <p>ADDITIONAL J CNG PARTS BOOK.....</p> <p>ADDITIONAL J CNG SERVICE MANUAL.....</p> <p>SUPPLY TRAINING DVD FOR OPER/MAINT</p>	<p>30.00 50.00 110.00 125.00</p>
<p>555.00 1,500.00 875.00</p>	<p><b>LIGHTS</b></p> <p>(2) REAR ALTERNATING FLASHERS.....LED.....</p> <p>LED TA870L</p> <p>2 FRONT/REAR ROTATING LED BEACONS</p>	<p>555.00 1,500.00 875.00</p>
<p>2,855.00</p>	<p><b>PM10</b></p> <p>PM10 COMPLIANT J</p>	<p>2,855.00</p>
<p>100.00 108.00</p>	<p><b>SAFETY</b></p> <p>SLOW MOVING VEHICLE EMBLEM.....</p> <p>10# FIRE EXTINGUISHER</p>	<p>100.00 108.00</p>
<p>775.00 0.00 800.00</p>	<p><b>SIDE BROOM TILT</b></p> <p>SB TILT RHS .....</p> <p>OUTER POSITION STOP</p> <p>CARBIDE DIRT SHOES .....</p>	<p>775.00 0.00 800.00</p>
<p>150.00</p>	<p><b>WATER SYSTEM</b></p> <p>25" WATER FILL HOSE.....</p>	<p>150.00</p>
<p>1,000.00 438.00 685.00 685.00 500.00 470.00 870.00 185.00</p>	<p><b>Freightliner M2 chassis 2009</b></p> <p>2" HORIZONTAL STRIPES-SHERMAN WILLIAMS #42109 BLUE/60835 Gold</p> <p>AM/FM/CD RADIO.....</p> <p>RH SIDE MIRROR - HEATED REMOTE.....</p> <p>LH SIDE MIRROR-HEATED REMOTE.....</p> <p>SERVICE MANUAL CD.....</p> <p>FRONT SPRAY BAR.....</p> <p>SPARE TIRE/WHEEL</p> <p>STD TANK W/ ANTI-SIPHON 2 1/2" AIR GAP.....</p>	<p>1,000.00 438.00 685.00 685.00 500.00 470.00 870.00 185.00</p>
<p>1,708.00 4,056.00</p>	<p>CHASSIS MOUNTING FEE</p> <p>FREIGHT</p>	<p>1,708.00 4,056.00</p>
<p>230,962.00 (15,722.00)</p>	<p>EXTENDED LIST PRICE</p>	<p>270,518.00</p>
<p>215,240.00 Plus tax</p>	<p>factory dealer discount</p>	<p>270,518.00</p>
<p>2009 Torrance Purchase Price with Freightliner M2 Chassis</p>		
<p>Factory dealer discount</p>		
<p>2010 Torrance Purchase Price with UD Chassis</p>		
<p>(18,340.00) Plus Tax</p>		

Council Meeting of  
August 10, 2010

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

**Members of the Council:**

**SUBJECT: General Services – Authorize cancellation of PO #2009-00001075 and authorize new PO to same vendor for Cooperative Purchase with City of Glendale for Three (3) New Street Sweepers; Two (2) of them Propane-fueled, and One (1) CNG-fueled.**

**Ref: City of Glendale PO # 6000015440 dated Jan. 2, 2010**

**Expenditure: \$827,003.57 (including sales tax and tire fees)**

**RECOMMENDATION**

Recommendation of the General Services Director that the City Council:

- a) Cancel City of Torrance PO # 2009-00001075 in the amount of \$236,225.90 to Haaker Equipment Company of La Verne, CA for one (1) Propane-fueled Street Sweeper.
- b) Authorize issuance of a purchase order to Haaker Equipment Company in the amount of \$827,003.57 including sales tax and tire fees, to furnish two (2) new and unused Propane-fueled Elgin "Crosswind J" Street Sweeper Trucks and one (1) new and unused CNG-fueled Elgin "Crosswind J" Street Sweeper Truck as a cooperative purchase with the City of Glendale, CA.
- c) Appropriate and transfer \$48,206.60 from the Sanitation Enterprise Fund balance to the Fleet Services Vehicle Replacement Fund Vehicles Acquisition account.
- d) Appropriate \$778,796.97 from the Fleet Services Vehicle Replacement Fund balance to the Fleet Vehicle Replacement Fund Vehicles Acquisition account.

**Funding**

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

## BACKGROUND

On July 7, 2009 your honorable body approved a purchase order to Haaker Equipment Company of La Verne, California, in the amount of \$236,225.90 including sales tax and tire fees, to furnish one (1) new and unused Propane-fueled Elgin "Crosswind J" Street Sweeper Truck as a cooperative purchase with the City of Arcadia.

During early July 2010, just prior to delivery of the aforementioned truck, staff discovered that the vendor had mistakenly ordered the sweeper built onto a conventional cab and chassis, not the "cab-over" style cab and chassis that the Sanitation Division had requested. Staff met with Haaker representatives in mid-July and they have agreed to re-do the order. The truck they had built will be sold to another entity.

During the course of discussions with Haaker it was revealed that the Cummins Engine Company has stopped manufacturing their small block (5.9 liter) engines in a propane configuration and will now focus exclusively on large block (8.9 liter) CNG engines for sales in California. Cummins finds it cost-prohibitive to have the California Air Resources Board certify their large block engine for propane use.

There are two (2) small block Cummins propane engines left, one of which will be used to build the City's replacement Sweeper for the truck that was built on the wrong chassis. The City has an opportunity to acquire that last Cummins propane engine if we add another Sweeper to our order. Staff feels it prudent to do so due to significant cost-savings running propane when compared to CNG. The City currently pays \$1.50 per gallon for propane versus \$2.23 per gallon for CNG. Propane vehicles are also less maintenance-intensive than comparable CNG vehicles.

Haaker is also offering yet a third truck at the same pricing as the propane trucks, though it will be outfitted with the larger 8.9 liter CNG engine. The cost savings achieved by taking advantage of this offer represents a \$7,000.00 discount.

The Sanitation Division of Public Works performs routine Street Sweeping services throughout the City. In order to accomplish this ongoing task, a fleet of seven (7) Street Sweepers is utilized. The City's normal replacement criterion for these vehicles is eight (8) years.

The Street Sweepers being replaced:

<b>Veh. #</b>	<b>Year</b>	<b>Make</b>	<b>Model</b>	<b>Mileage</b>	<b>Vehicle Condition</b>
9134	2000	Johnson	7000 Vacuum Street Sweeper	98,587	Poor
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### ANALYSIS

Staff has determined that the Elgin brand Street Sweeper best meets the needs of the City. Haaker Equipment Company was recently awarded the bid on a similar truck for the City of Glendale. Accordingly, staff recommends acquisition of this vehicle via the cooperative purchase provisions provided for in the City's Municipal Code.

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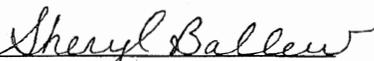
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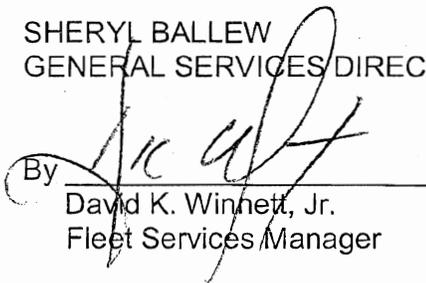
b) For the purposes of this Section, the term cooperative governmental purchase program means any combination between the City of Torrance and any other public agency or public agencies for the joint purchase of property or services".

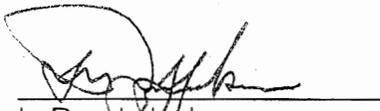
Respectfully Submitted,

SHERYL BALLEW  
GENERAL SERVICES DIRECTOR

CONCUR:

  
Sheryl Ballew  
General Services Director

By   
David K. Winnett, Jr.  
Fleet Services Manager

  
LeRoy J. Jackson  
City Manager