



REPORT TO COUNCIL

City of Sacramento

915 I Street, Sacramento, CA 95814-2604
www.CityofSacramento.org

CONSENT
April 22, 2010

Honorable Mayor and
Members of the City Council

Title: Contracts and Cooperative Purchase Agreement: Refuse Trucks

Location/Council District: Citywide

Recommendation: Adopt a **Resolution:** 1) awarding a one-year contract to Western Truck Parts and Equipment, Inc. for the purchase of 7 refuse truck chassis in an amount not to exceed \$1,065,246; 2) awarding a one-year contract to Sacramento Truck Center for the purchase of up to 16 refuse truck chassis in an amount not to exceed \$2,818,246; 3) approving the use of Texas Buy Board cooperative purchasing agreement (Contract No. 280-7) for the purchase of up to 23 side loading refuse truck bodies from Equipment Southwest, Inc. in an amount not to exceed \$2,895,482 through September 30, 2010 or until the contract is no longer available for use; and 4) authorizing the City Manager or the City Manager's designee to execute the contract and purchases specified above provided that sufficient funds are available in the budget adopted for the applicable fiscal year(s).

Contact: Keith Leech, Fleet Manager, 808-5869

Presenters: Not applicable

Department: General Services

Division: Fleet Management

Organization No: 13001311

Description/Analysis:

Issue: The Department of General Services, Fleet Management Division has a customer requirement to purchase refuse trucks chassis and bodies for the Department of Utilities, Solid Waste Division. These purchases will provide the division with the side loading refuse trucks that are necessary to service the complete distribution of containers for the voluntary containerized green waste program. Additionally, the new

trucks will reduce maintenance costs by replacing older refuse trucks that have been kept in service beyond their recommended useful lives.

Policy Considerations: The recommendations in this report are in accordance with City Code Section 3.56.

Committee/Commission Action: None

Environmental Considerations:

California Environmental Quality Act (CEQA): The recommendations in this report involve the purchase of City vehicles, and are not considered to be a 'project' in accordance with Section 15378 (b) (2) of the CEQA Guidelines. Therefore, as determined by the City's Environmental Services Planning Manager, no environmental review is necessary.

Sustainability Considerations: The recommended purchases are consistent with the Fleet Sustainability Policy adopted by City Council on February 16, 2010 (Resolution No. 2010-083).

The 2010 or newer model year refuse truck chassis to be purchased will be California Air Resources Board and United States Environmental Protection Agency certified. Model year 2010 or newer refuse truck chassis feature 98% reduction of particulate matter and 99% reduction of nitrogen oxides.

Rationale for Recommendation: The Department of General Services, Fleet Management Division has a customer requirement to purchase refuse trucks chassis and bodies for the Department of Utilities, Solid Waste Division. These purchases will provide the division with the side loading refuse trucks that are necessary to service the complete distribution of containers for the voluntary containerized green waste program. Additionally, these new trucks will reduce maintenance costs by replacing older refuse trucks that have been kept in service beyond their recommended useful lives. Fleet Management staff determined that the most cost effective purchasing strategy for these trucks is to use a City contract for the truck chassis in conjunction with a cooperative purchasing agreement for the truck bodies.

In March 2010, Procurement Services, in accordance with City Code Section 3.56, issued Invitation for Bid No. B10131061022 for two groups of refuse truck chassis. Group One consisted of 2010 certified diesel engines. Generally, alternative fueled vehicles take longer to manufacture. Diesel trucks were bid in an effort to meet Solid Waste Division's implementation schedule for the containerized green waste program. Group Two consisted of 2010 certified liquefied natural gas (LNG) engines and hydraulic hybrid option. Although funding is not currently available to cover the cost of LNG engines and the

hydraulic hybrid option, Fleet Management staff is actively working with local air districts to seek available grant funding to help offset the cost of LNG engines and hydraulic hybrids. An option for LNG engines was included in the bid to give potential bidders more flexibility in their response since model year 2010 diesel and LNG engines meet the same standards. Two bids were received. The lowest responsive and responsible bidder for group one (diesel engines) was determined to be Western Truck Parts and Equipment, Inc. The lowest responsive and responsible bidder for group two (LNG fuel engines and hydraulic hybrid option) was determined to be Sacramento Truck Center. A summary of the bid results is provided in Attachment 1.

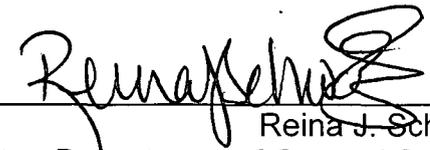
Additionally, Fleet Management staff is requesting approval to use the Texas Buy Board cooperative purchasing agreement (Contract No. 280-7) for the purchase of up to 23 side loading refuse truck bodies from Equipment Southwest, Inc. In an ongoing effort to maximize cost savings and staff resources, many government agencies share contracting efforts through cooperative purchasing. This procurement method increases pricing competitiveness and lowers operating costs through volume buying. When comparing the administrative costs of procurement, staff considers product research, source selection, specifications, advertising, staff reports, awarding, protest, and administration of the contract. It is often more cost-effective to eliminate the cost and time spent on these administrative processes and purchase items and services through a cooperative purchasing program.

The City has used both regional and national cooperative purchasing agreements to complement its own contracting initiatives. Cooperative purchasing enables City departments and Procurement Services to evaluate a broader range of contracting opportunities and to share resources with other jurisdictions. Cooperative purchasing also leverages internal and external resources to maximize cost savings opportunities for the City.

Financial Considerations: The Department of Utilities, Solid Waste Division has an immediate need to purchase seven refuse truck chassis and bodies. The cost of these seven complete refuse trucks is estimated to be \$1.9 million. Sufficient funds are available in the FY2009/10 operating budgets of the Department of General Services (Fleet Fund, Fund 6501) and Department of Utilities (Solid Waste Fund, Fund 6007) to purchase these seven trucks. Purchases made after June 30, 2010 are subject to funding availability in the adopted budget of the applicable fiscal year(s).

Emerging Small Business Development (ESBD): Neither Western Trucks Parts and Equipment, Inc. nor Sacramento Truck Center are certified as emerging/small businesses.

Respectfully submitted by: 
Keith Leech
Fleet Manager

Approved by: 
Reina J. Schwartz
Director, Department of General Services

Recommendation Approved:

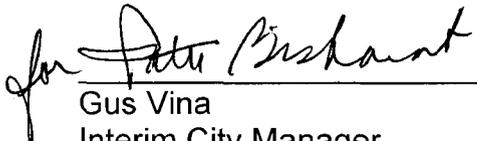

Gus Vina
Interim City Manager

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Attachment 1

Bid Results – Bid No. B10131061022

	Western Truck Parts & Equipment Co.	Sacramento Truck Center
Group I – Immediate Requirement (7 units)	\$1,065,245.74	\$1,153,905.46
Alternative Vehicle Credit	0.00	0.00
Prompt Payment Discount	(14,000.00)	0.00
Group 1 Total	\$1,051,245.74	\$1,153,905.46
Group II – Estimated 2011 Requirement (16 units)	\$2,469,620.40	\$2,637,442.20
Additional cost for LNG 16 units	\$520,192.00	credit<83,744.00>
Additional cost hydraulic hybrid option 4 units	\$380,000.00	\$250,000.00
Alternative Vehicle Credit	0.00	0.00
Prompt Payment Discount	(32,000.00)	0.00
Group II Total	\$3,337,812.40	\$2,803,698.20

RESOLUTION NO. 2010-XXXX

Adopted by the Sacramento City Council

April 22, 2010

BACKGROUND

- A. The Department of General Services, Fleet Management Division has a customer requirement to purchase refuse trucks chassis and bodies for the Department of Utilities, Solid Waste Division. Fleet Management staff determined that the most cost effective purchasing strategy for these trucks is to use a City contract for the truck chassis in conjunction with a cooperative purchasing agreement for the truck bodies.
- B. In March 2010, Procurement Services, in accordance with City Code Section 3.56, issued Invitation for Bid No. B10131061022 for two groups of refuse truck chassis, one with 2010 certified diesel engines and one with an option for 2010 certified liquefied natural gas (LNG) engines and hydraulic hybrid option. Two responses were received. The lowest responsive and responsible bidder for group one (diesel engines) was determined to be Western Truck Parts and Equipment, Inc. The lowest responsive and responsible bidder for group two (LNG fuel engines and hydraulic hybrid option) for 4 units was determined to be Sacramento Truck Center.
- C. In accordance with City Code Section 3.56.240, the City Manager may, by cooperative purchasing approved by City Council, purchase supplies through contracts of other governmental jurisdictions without separate competitive bidding, where it is advantageous to the City.
- D. Using the Texas Buy Board cooperative purchasing agreement (Contract No. 280-7) to purchase side loading refuse truck bodies from Equipment Southwest, Inc. is advantageous to the City as the agreements meet the needs of the City's fleet equipment specifications and will result in cost and time savings.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. Western Truck Parts and Equipment, Inc. is awarded a one-year contract for the purchase of up to 7 refuse truck chassis in an amount not to exceed \$1,065,246.
- Section 2. Sacramento Truck Center is awarded a one-year contract for the purchase of up to 16 refuse truck chassis in an amount not to exceed \$2,818,246.
- Section 3. The use of Texas Buy Board cooperative purchasing agreement (Contract

No. 280 -7) for the purchase of up to 23 side loading refuse truck bodies from Equipment Southwest, Inc. in an amount not to exceed \$2,895,482 through September 30, 2010 or until the contract is no longer available for use is approved.

Section 4. The City Manager or the City Manager's designee is authorized to execute the contract and purchases specified above provided that sufficient funds are available in the budget adopted for the applicable fiscal year(s).