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DEPARTMENT OF
FINANCE

PROCUREMENT SERVICES DIVISION

City Council
Sacramento, California

CITY OF SACRAMENTO
CALIFORNIA

June 16, 2000

PS:Admin:00-33:RBH:SA:bd

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BUILDING FOUR
SACRAMENTO, CA
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Honorable Members in Session:

SUBJECT: ADOPTION OF SPECIFICATIONS AND AWARD OF BID NO. 1824 FOR FIVE AUTOMATED SIDE-LOADING REFUSE TRUCKS IN A TOTAL AMOUNT OF \$774,458.51

LOCATION AND COUNCIL DISTRICT: Citywide

RECOMMENDATION:

Staff recommends that the City Council adopt specifications and accept the lowest responsible bid for the contract resulting from Bid No.1824 for five Automated Side-Loading Refuse Trucks. Award is recommended to Arata Equipment Company, 1160 Industrial Road, Suite 12, San Carlos, CA 94070, in a total amount of \$774,458.51.

CONTACT PERSONS: Robert Summersett, Fleet Management Superintendent, 433-6309
Steve Alstrom, Senior Buyer, 433-6343

FOR COUNCIL MEETING: June 27, 2000

SUMMARY:

Attached is a tabulation of sealed proposals received by the City Clerk for furnishing vehicles in accordance with the specifications used in the bidding process, and recommendation for award of Bid No. 1824 for five automated side-loading refuse trucks.

BACKGROUND:

These refuse trucks are to be purchased by the Maintenance Services Division, Fleet Operations, Department of Public Works, for use by the Solid Waste Division. This recommendation is for the purchase of five diesel-powered units. Bids were solicited for both diesel-powered trucks and trucks powered by low emission engines, in accordance with the City's Heavy Duty Low Emission Vehicle (LEV) Acquisition Policy adopted on October 5, 1999.

At this time, staff recommends the purchase of five diesel-fueled units and no low emission units for the following reasons:



- Solid Waste requires side-loading refuse trucks as quickly as possible for the implementation of the co-mingled recycling program and normal replacement. The low emission units require a longer lead-time to be manufactured and do not meet all of the requirements of the Solid Waste Division. Purchase of the diesel-fueled units currently manufactured will still provide emission reductions, since they are replacing older units built to less stringent NOx standards (4grams/bhp/hr verses 5 grams/bhp/hr - a 20% reduction).
- The low emission units are not cost-effective at this time. The incremental cost increase to purchase low emission engine units is \$88,327.00 each. This compares with an incremental cost increase of approximately \$33,000.00 each for the two 1997 liquified natural gas (LNG) fueled units that are currently in operation in the City fleet. Without securing alternate sources of funding, the increase in purchase cost will force an increase in the operational costs of these units of approximately \$1.80 per mile over and above comparable diesel units.
- No sources of alternate funding are currently available. The Steinburg Bill, AB2511, is anticipated to provide for incremental cost funding. However, the legislation has not been finalized and passed as yet. Staff is pursuing other sources of alternate funding that may be available through the Federal and/or State governments and the Sacramento Metropolitan Air Quality Management District.
- Currently, truck manufacturers are not offering the correct configuration of the truck required for the side-loading application. Staff is expecting an announcement in the near future from Peterbilt regarding their possible partnership with John Deere to provide a low emission engine in a truck that will work in the City application. Also, Volvo is in the midst of a truck model re-design, and will be incorporating low emission engines into their offerings to be available within the next year. These changes will create a more competitive environment, lowering prices and broadening the product lines into truck configurations more appropriate for Solid Waste operations.
- Technology is also emerging that may provide less costly alternatives to reduce emissions, including retrofit diesel NOx reduction kits that may allow for greater emission reductions at less cost, and that can be installed on existing trucks within the City fleet.

For the above reasons, staff recommends that the purchase be awarded to Arata Equipment Company, 1160 Industrial Road, Suite 12, San Carlos, CA 94070, in a total amount not exceed \$774,458.51 for five side-loading refuse trucks with diesel engines. Theirs was the lowest responsible bid received, as shown on the attached bid tabulation sheet (Attachment 1).

FINANCIAL CONSIDERATIONS:

Sufficient funds are available in the Maintenance Services Division's FY99/00 budget for new and replacement vehicles/equipment for the purchase of these five units.

ENVIRONMENTAL CONSIDERATIONS:

Ongoing administrative and maintenance activities, such as purchases of supplies, equipment or materials which are not made for purposes of a public works construction project, do not constitute a "project" and are exempt from the California Environmental Quality Act (CEQA). CEQA Guidelines, Sections 15061(b)(1), 15378(b)(3).

POLICY CONSIDERATIONS:

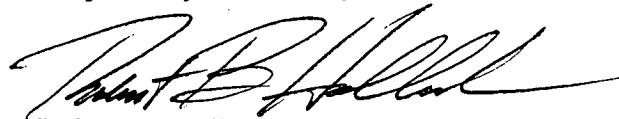
This recommendation is consistent with the requirements for competitive bidding as detailed in Title 57 of the Sacramento City Code.

The FY2000-01 Fleet budget will include approximately ten side-loading refuse trucks for replacement. Fleet Operations may be able to increase the number of low emission units in these purchases to meet or exceed the implementation goals as outlined in the Heavy Duty Low Emission (LEV) Acquisition Policy. By the time these units are purchased, it is anticipated there will be more offerings from truck manufacturers, the prices may be more competitive with diesel, and sources of incremental cost funding will be finalized and available.

ESBE CONSIDERATIONS:

Requests for bid were sent to fifteen vendors, one of which was certified as an Emerging or Small Business Enterprise. A search in both the City and State ESBE bid directories yielded no other E/SBE vendors that provide this type of specialty vehicle. Arata Equipment Company, the firm recommended for award, is a certified SBE firm.

Respectfully Submitted,



Robert B. Holbrook
Procurement Services Manager

RECOMMENDATION APPROVED:



ROBERT P. THOMAS
City Manager

1 Attachment

**BID TABULATION SHEET FOR BID No. 1824
FIVE AUTOMATED SIDE-LOADING REFUSE TRUCKS**

<u>Bidder</u>	<u>Group I Unit Price (Diesel Engine)</u>	<u>Group II Unit Price (Low Emission Engine)</u>	<u>Total, Diesel Only, Less Sales Tax</u>	<u>E/SBE Preference</u>	<u>Prompt Payment Discount</u>	<u>City Tax Preference</u>	<u>Evaluation Total</u>
Arata Equipment Co.	\$143,751.00	\$225,725.00	\$718,755.00	Yes - 5% <\$35,937.75>	Net 30 Days	None	<u>\$682,817.25⁽¹⁾</u>
Western Truck Parts & Equipment Co.	\$139,251.00	\$218,225.00	\$696,255.00	None	\$500 Ea-20 days <\$2,500.00>	Yes - 1% <\$6,962.55>	\$686,792.45
Delta Truck Center	\$157,199.50	\$157,199.50 ⁽²⁾	\$785,997.50	None	Net 30 Days	None	\$785,997.50
Diesel Performance Inc.	\$162,900.00	\$201,299.00 ⁽³⁾	\$814,500.00	None	Net 30 Days	None	\$814,500.00

⁽¹⁾ Recommended award is based on diesel powered units only, Group I.

⁽²⁾ Vendor did not bid a certified low emission engine for Group II.

⁽³⁾ The refuse truck offered is left hand drive and does not comply with specifications.

Total Award of Contract To: Arata Equipment Company
1160 Industrial Road, Ste. 12
San Carlos, CA 94070

Total Amount of Contract: \$774,458.51 (Includes Sales Tax)

Using Department: Public Works

Original Estimated Cost: \$830,000.00

Due Date: May 31, 2000

Total Bid Amount: \$774,458.51 (Includes Sales Tax)

**Total No. of
Bids Solicited**

15

**No. of E/SBE
Bids Solicited**

1

**No. of E/SBE
Responses**

1

**Award to
E/SBE Vendor?**

Yes

7

