



Administrative Report

H.14., File # 21-2528

Meeting Date: 6/1/2021

To: MAYOR AND CITY COUNCIL
From: TED SEMAAN, PUBLIC WORKS DIRECTOR

TITLE

APPROVE THE PURCHASE OF TEN PUBLIC WORKS VEHICLES FROM NATIONAL AUTO FLEET GROUP FOR USE BY THE PUBLIC WORKS OPERATIONS AND ENGINEERING DIVISIONS FOR A TOTAL COST OF \$712,211.

ADOPT BY 4/5 VOTE AND BY TITLE ONLY RESOLUTION NO. CC-2106-048, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, AUTHORIZING A FISCAL YEAR 2020-2021 BUDGET MODIFICATION TO TRANSFER \$173,701 IN WASTEWATER MAINTENANCE AND OPERATIONS FUNDS AND APPROPRIATE \$183,569 IN VEHICLE REPLACEMENT FUNDS TO THE CITY PUBLIC WORKS DEPARTMENT 2020-2021 FISCAL YEAR OPERATING BUDGET, FLEET SERVICES DIVISION VEHICLE EQUIPMENT ACCOUNT.

EXECUTIVE SUMMARY

Staff is seeking authorization from the City Council to purchase ten vehicles for the Public Works Department to be utilized by various Public Works divisions, including the sewer, parks, harbor, engineering, and streets divisions. These vehicles are part of the approved FY 2020-21 vehicles for replacement as part of decision package #44. They were also part of the vehicles deferred from purchase in FY 2019-2020 as part of decision package #25 in the FY 2019-20 Adopted Budget, which extended the life of most City vehicles by ten percent.

Staff is also recommending the adoption of a budget resolution that will transfer available Wastewater maintenance and operations funds and appropriate available vehicle replacement funds (VRF) to cover the funding gap for the purchase of these vehicles. The monies accrued for these vehicles is not sufficient to cover the total costs of the new vehicles due to increased costs of compressed natural gas (CNG) trucks and changes to operational needs, such as outfitting and utilizing certain trucks with a crane to pull sewer pumps and the necessity for lift gates to safely load, transport and unload equipment in a safer and efficient manner. The recommended transferred Wastewater funds will be utilized for the two Wastewater vehicles, units #323 and #324, while the recommended appropriated VRF funds will be utilized to cover the gap of the remaining eight Public Works' vehicles. Aside from the increased costs associated with CNG vehicles, the gap in funding is also associated with changing operational needs and the method in which vehicles are purchased. When the recommended vehicles were initially replaced in either 2007 or 2008 they were not fully equipped

at the time of purchase, and therefore the purchase price only considered the price of the vehicle and not the required equipment. Over the last decade, the purchase price now accounts for a fully equipped vehicle and therefore large funding shortfalls should not occur, due to this reason, when these vehicles are replaced in the future.

It's important to note that while there is a significant upfront capital costs associated with CNG vehicles, the costs of fueling CNG vehicles is significantly less than regular unleaded or diesel gasoline, since CNG vehicles fuel at the City's CNG station. For instance, over the last year the average cost per gallon of unleaded fuel has been \$2.75 compared to \$1.20 per gasoline gallon equivalent (GGE) for CNG. At an average of 1,000 gallons fueled per vehicle per year this equates to an estimated annual savings of \$1,550 per CNG vehicle. Over the lifespan of the vehicle the savings in fueling costs outweighs the upfront capital cost of CNG vehicles. Furthermore, according to the Alternative Fuels Data Center, CNG light duty vehicles are categorized as low emission vehicles (LEV's) and emit approximately 15% less Greenhouse gases (GHG) in comparison to unleaded gasoline over the fuel's total life cycle and 84% less GHGs when renewable natural gas (RNG) is utilized.

Competitive pricing for the vehicle/equipment has been secured through the City's regular purchasing procedures. Funding for these purchases would be made with available budgeted VRF monies, along with the funds transferred from the Public Works' Wastewater maintenance and operations budget and the VRF fund balance as detailed in the budget resolution.

BACKGROUND

In June 2020, the City Council Approved Decision Package #44 - *Regularly Scheduled Vehicle Replacement Purchases*, which set aside \$796,003 for the replacement of 22 City vehicles/equipment in the FY 2020-2021 Budget.

The vehicle/equipment approved for replacement as part of the 2020-2021 FY Budget and the status of their acquisition including zero emission vehicles/low emission vehicles (ZEV/LEV) is as follows:

Unit #	Year	Type	Assignment	Replacement Budget	ZEV/LEV	Status
605	2008	DODGE CHARGER	INVESTIGATION	\$ 30,580	LEV	Purchased
608	2008	CHEVROLET IMPALA	INVESTIGATION	\$ 30,580	N/A	Purchased
611	2014	FORD F-150 PICKUP	INVESTIGATION	\$SIU 39,707	N/A	Purchased
612	2008	CHEVROLET IMPALA	INVESTIGATION	\$ 36,068	N/A	Purchased
634	2008	FORD F-250 PICKUP	ADM SERV	\$ 46,434	N/A	Purchased
682	2015	HONDA ODYSSEY VAN	INVESTIGATION	\$SIU 46,700	N/A	Purchased
683	2015	NISSAN PATHFINDER	INVESTIGATION	\$SIU 47,770	N/A	Purchased
685	2015	FORD EXPLORER	INVESTIGATION	\$SIU 41,511	N/A	Purchased
391	2007	INGERSOLL RAND COMPRESSORS	SPORTS	\$ 20,927	N/A	In Process
392	2007	INGERSOLL RAND COMPRESSORS	SPORTS	\$ 21,688	N/A	In Process
202	2008	FORD F-350 1-TON PICKUP	STREETS	\$ 36,400	LEV	Recommended
203	2008	FORD F-350 1-TON PICKUP	STREETS	\$ 36,400	LEV	Recommended
211-08	2008	FORD F-350 1-TON PICKUP	STREETS	\$ 36,400	LEV	Recommended
240-08	2008	DODGE RAM 3/4 TON PICKUP	PARKS	\$ 25,789	LEV	Recommended
242-08	2008	DODGE RAM 3/4 TON PICKUP	PARKS	\$ 25,789	LEV	Recommended
324-08	2008	FORD F-350 1-TON PICKUP	SEWER	\$ 36,400	LEV	Recommended
325	2008	DODGE RAM 3/4 TON PICKUP	HARBOR	\$ 65,789	LEV	Recommended
353-08	2008	DODGE RAM 3/4 TON PICKUP	STREETS	\$ 27,059	LEV	Recommended
56-07	2007	GMC CANYON P/U XTRA CAB	ENGINEERING	\$ 28,515	ZEV	Recommended
806	2013	TENANT SWEEPER	UPLANDS	\$ 52,182	LEV	Purchased
G-3	2000	MQ POWER DCA-25SSIU	SEWER	\$ 26,920	N/A	In Process
323-08	2008	FORD F-350 1-TON PICKUP	SEWER	\$ 36,400	LEV	Recommended

The vehicles recommended for approval for the Public Works Department include six 2022 Ford F-250 CNG (units 202, 203, 240, 242, 325, and 353), two 2022 Ford F-350 CNG (units 211 and 324), one Ford F-450 CNG (unit 323), and one electric 2022 Chevrolet Bolt (unit 56) for Engineering. There is potentially a \$2,000 rebate through the California Clean Vehicle Rebate Project that staff will apply for and potentially receive pending funding availability. The new vehicles will replace existing vehicles that are at the end of their replacement cycles and were identified for replacement in the FY 2020-2021 Budget. The vehicle/equipment would be purchased and delivered to the City in the next ten to twelve months.

The vehicles/equipment recommended for purchase would be acquired through the City's regular purchasing procedures. The procedures contain a number of competitive purchasing options including the use of a "Piggyback" Bid which is a procedure of procuring goods or services by utilizing another public entity's recent Request for Proposal or Bid, or the Sourcewell Cooperative Purchasing Program. Cooperative purchasing programs provide valuable benefits to state and local governments. By attaching to national or regional cooperatives, an agency has immediate access to legitimately solicited contracts and guaranteed pricing and delivery options without expending staff resources on the preparation of its own RFB. Pricing is often attractive because of the purchasing power of these cooperatives.

If approved, the ten recommended vehicles in this report would be acquired via Sourcewell master vehicle contract #120716-NAF.

COORDINATION

The Public Works Department coordinated with the Finance Department and the City Attorney's Office approved the resolution as to form.

FISCAL IMPACT

The total cost of the ten vehicles is \$712,211. As part of the FY 2020-2021 Adopted Budget, Decision Package #44 titled *Regularly Scheduled Vehicle Replacement Purchases*, the balance of funds collected to replace these vehicles is \$354,941. The remaining balance of \$357,270 would be covered by the adoption of the budget resolution utilizing both Wastewater maintenance and operation funds and VRF fund balance.

Funding

VRF Budgeted Allocation	\$354,941
Wastewater Transfer	\$173,701
VRF Appropriation	\$183,569
Total	\$712,211

Expenditures

Public Works Vehicles	\$712,211
Total	\$712,211

APPROVED BY:

Joe Hoefgen, City Manager

ATTACHMENTS

- Budget Resolution
- Quotes from National Auto Fleet Group