

CITY OF LONG BEACH

R-28

DEPARTMENT OF FINANCIAL MANAGEMENT

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December 2, 2008

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt the attached Resolution authorizing the City Manager to execute a contract and any amendments thereto with Los Angeles Truck Center, LLC dba Los Angeles Freightliner Western Star-Long Beach for the purchase of two LNG Powered Sterling LT8500 Cab Tractors on the same terms and conditions afforded the Port of Long Beach, in the total amount not to exceed \$299,630 including tax, plus a 10 percent (or \$29,963) contingency if necessary, and if funds are available. (Citywide)

DISCUSSION

City Council approval is being requested authorizing the City Manager to execute a contract for the purchase of two liquefied natural gas (LNG) powered Sterling LT8500 Cab Tractors for the Department of Public Works, Street Maintenance Division, and the Department of Parks, Recreation and Marine, Beach Maintenance Division.

The Department of Public Works, Fleet Services Bureau, is requesting the purchase as part of its multi-year replacement plan. These new trucks will replace existing trucks ranging in age from 25 to 37 years old, which are past their scheduled life cycle of 18 years. These new trucks will be used to transport heavy equipment to jobsites throughout the City and also to pick up supplies and retrieve emergency equipment outside the City when necessary. Two existing 44-foot lowboy trailers will be the prime trailers attached to these truck tractors. These trucks and trailers will also be first responders in the event of an emergency to transport heavy equipment throughout the City or for mutual aid assistance.

The City Charter provides an alternative procurement method which permits the City to purchase services, supplies, materials, equipment and labor with other governmental agencies by purchasing under their contracts on a voluntary and selective basis when authorized by a Resolution of the City Council. The Matrix Fleet Review Study also supports the use of cooperative purchase agreements and adherence to a long-term replacement plan.

The Department of Public Works, Fleet Services Bureau, investigated procurement options and learned that the Port of Long Beach had completed a competitive bid process in June 2008 for truck tractors and has a contract with Los Angeles Truck Center, LLC of Long Beach, CA (a local business) that meets the City's needs. This

cooperative purchase agreement will facilitate the timely acquisition of these truck tractors and provide cost benefits to the City. Los Angeles Truck Center, LLC has agreed to sell two Sterling LNG LT8500 Cab Tractors to the City of Long Beach under the same terms and conditions as are afforded to the Port of Long Beach.

This matter was reviewed by Deputy City Attorney Amy R. Burton and Budget Management Officer Victoria Bell on November 13, 2008.

SUSTAINABILITY

With the addition of LNG fuel to the City's supply chain, we have achieved a number of sustainable benefits:

- **Environmental benefits**—use of LNG results in a 23 percent reduction in nitrogen oxides emissions, 20-40 percent reduction in carbon monoxide and 80-90 percent reduction in particulate matter emissions compared to petroleum diesel.
- **Energy security benefits**—utilization of domestic supplies of alternative fuels reduces Long Beach's dependence on foreign oil and provides immediate environmental benefits as the City continues to implement alternative fuel options into our fleet.
- **Economic benefits**—the cooperative purchasing agreement will provide several cost benefits to the City by securing pricing at a previous bid to another agency. In addition, LNG fuel costs \$1.202 per gallon as compared to a cost of \$3.538 per gallon for diesel fuel.
- **Quality benefits**—LNG is registered as an approved alternative to diesel fuel and meets clean fuel standards established by the California Air Resources Board (CARB). Both, CARB and the South Coast Air Quality Management District (AQMD) have officially approved its use.

TIMING CONSIDERATIONS

City Council action to adopt the attached Resolution is requested on December 2, 2008 to ensure that the contract is in place expeditiously to minimize delivery turnaround time.

FISCAL IMPACT

The cost of this contract is \$299,630 including tax, and is budgeted in the Fleet Services Fund (IS 386) in the Department of Public Works (PW). The City will have the option of adding expenditures up to 10 percent (or \$29,963) above the contract amount, if necessary and if funds are available.

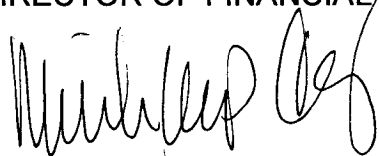
SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



LORI ANN FARRELL
DIRECTOR OF FINANCIAL MANAGEMENT/CFO



MICHAEL P. CONWAY
DIRECTOR OF PUBLIC WORKS

FM:LAF\MPC\ES\MK
K:\EXEC\COUNCIL LETTERS\PURCHASING\12-02-08 CCL - ADOPT RESO - LA FREIGHLINER STERLING CAB TRACTORS.DOC

ATTACHMENT

APPROVED:



PATRICK H. WEST
CITY MANAGER

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RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH AUTHORIZING THE CITY MANAGER TO PURCHASE TWO (2) 2009 LNG POWERED STERLING LT8500 CAB TRACTORS THROUGH THE PURCHASE AGREEMENT BETWEEN THE PORT OF LONG BEACH AND LOS ANGELES TRUCK CENTERS, LLC

WHEREAS, the Charter of the City of Long Beach (the "City"), Section 1802, permits the City to purchase services, supplies, materials, equipment and labor with other government agencies by purchasing under their contracts on a voluntary and selective basis when authorized by resolution; and

WHEREAS, the City desires to purchase two (2) 2009 LNG powered Sterling LT8500 cab tractors; and

WHEREAS, the Port of Long Beach has an Agreement for the purchase of these tractors from Los Angeles Truck Centers, LLC, ("POLB Agreement"); and

WHEREAS, the City's participation in the POLB Agreement will facilitate acquisition of these tractors as well as provide considerable cost benefits to the City; and

WHEREAS, if the City had to go to formal bid rather than participate in the POLB Agreement considerably more funds would be required;

NOW, THEREFORE, the City Council of the City of Long Beach resolves as follows:

1. The above recitals are true and correct and are incorporated herein by this reference.
2. The City Manager of the City is hereby authorized to enter an agreement with Los Angeles Truck Centers, LLC to purchase two (2) 2009 LNG powered

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