



# CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

# R-22

333 West Ocean Boulevard 6<sup>th</sup> Floor • Long Beach, CA 90802 • (562) 570-5400 • Fax (562) 570 -5414

October 10, 2017

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

## RECOMMENDATION:

Adopt a Resolution authorizing the City Manager, or designee, to execute a contract with Haaker Equipment Company, of La Verne, CA, for the purchase of three CNG-powered street sweepers, with related equipment and accessories, on the same terms and conditions afforded to the National Joint Powers Alliance (NJPA), of Staples, MN, in an amount not to exceed \$974,805, inclusive of taxes and fees; and,

Authorize the City Manager, or designee, to execute a five-year lease-purchase agreement, and related financing documents, with Banc of America Public Capital Corporation, a Kansas Corporation, for the financing of street sweepers, in an amount not to exceed \$1,040,000 including capital purchase, interest, and fees. (Citywide)

## DISCUSSION

City Council approval is requested to enter into a contract with Haaker Equipment Company for the purchase of three Elgin Pelican P Dual street sweepers, with CNG fuel system, for use by the Department of Public Works (Public Works).

Public Works and Fleet Services staff performed extensive research on new sweepers with various technologies, including mechanical broom, vacuum, and regenerative air, for use in the City. Public Works has requested use of the new Elgin Pelican P Dual street sweeper as it is the best suited for the City's operational needs. These units are replacing the current Elgin Pelican sweepers, as authorized in the approved FY 16 replacement plan.

City Charter Section 1802 provides an alternative procurement method by permitting the City to purchase or otherwise obtain 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 Fleet Services Bureau and the Purchasing Division of the Department of Financial Management investigated procurement options, and the National Joint Powers Alliance's (NJPA) agreement with Haaker Equipment Company, of La Verne, CA (not a SBE, DBE, MBE, WBE, or Local), was determined to provide the best discounted price while allowing for timely acquisition and delivery. All NJPA contracts are competitively bid and offer the best available pricing. There are no dealers for this type of equipment in Long Beach. Service, parts, and warranty support will be provided by Haaker Equipment Company.

City Council approval is also requested to authorize the City Manager to execute a five-year lease-purchase agreement through the City's Master Lease Agreement with Banc of America Public Capital Corporation for the financing of street sweepers. The Master Lease Agreement was approved by the City Council on May 10, 2011.

In March 2011, the Department of Financial Management conducted a Request for Proposals (RFP) FM11-031 for a Master Lease Agreement Program in which Banc of America Public Capital Corporation was selected. The Master Lease Agreement Program provides lease financing for a variety of capital equipment purchases. The program was established to streamline the purchasing and financing process. Lease financing provides a cost-effective approach to facilitate the purchase of essential capital assets and allows the City to meet immediate service demands.

This matter was reviewed by Deputy City Attorney Monica Kilaita and by Assistant Finance Director Lea Eriksen on September 21, 2017.

### SUSTAINABILITY

These new street sweepers are compliant with the State of California and local district air quality regulations, which require use of alternative fuel sweepers to reduce air toxic and criteria pollutant emissions. Additionally, these sweepers meet local air quality regulations for particulate matter reduction and control.

### TIMING CONSIDERATIONS

City Council action to adopt a Resolution and execute a contract concurrently is requested on October 10, 2017, to ensure that the contract is in place expeditiously.

### FISCAL IMPACT

The lease-purchase agreement for the street sweepers, including sales tax, escrow fees, and principal and interest, will not exceed \$1,040,000. The estimated annual lease payment will be approximately \$210,000 over the next five years. Lease payments are budgeted in the Fleet Services Fund (IS 386) in the Financial Management Department (FM) and will be paid for by funds collected through regular capital replacement charges in addition to continued collections from the Public Works Department (PW) through Fleet Services' regular monthly billing process. There is no local job impact associated with this recommendation.

HONORABLE MAYOR AND CITY COUNCIL

October 10, 2017

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SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



JOHN GROSS  
DIRECTOR OF FINANCIAL MANAGEMENT

JG:DB:PM  
K:\EXEC\COUNCIL LETTERS\FLEET SERVICES\2017\10-10-17 CCL - HAAKER EQUIPMENT CO ELGIN PELICAN STREET SWEEPERS TREASURY COMMENTS.DOCX

ATTACHMENT

APPROVED:



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PATRICK H. WEST  
CITY MANAGER

RESOLUTION NO.

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A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH AUTHORIZING THE CITY MANAGER TO PURCHASE THREE CNG-POWERED STREET SWEEPERS, WITH RELATED EQUIPMENT AND ACCESSORIES THROUGH THE CONTRACT BETWEEN NATIONAL JOINT POWERS ALLIANCE AND HAAKER EQUIPMENT COMPANY

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 three (3) CNG-powered Street Sweepers, with related equipment and accessories ("Street Sweepers"); and

WHEREAS, the National Joint Powers Alliance has a Contract for the purchase of these Street Sweepers, Contract No. 022014-FSC (" NJPA Contract"); and

WHEREAS, the City's participation in the NJPA Contract will facilitate acquisition of these Street Sweepers 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 NJPA Contract considerably more funds would be required;

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

Section 1. The above recitals are true and correct and are incorporated herein by this reference.

Section 2. The City Manager or designee of the City is hereby authorized

OFFICE OF THE CITY ATTORNEY  
CHARLES PARKIN, City Attorney  
333 West Ocean Boulevard, 11th Floor  
Long Beach, CA 90802-4664

1 to enter an agreement with Haaker Equipment Company to purchase three (3) CNG-  
2 powered Street Sweepers, with related equipment and accessories of substantially the  
3 same type and kind purchased by the National Joint Powers Alliance pursuant to the  
4 Contract No. 022014-FSC except as modified by mutual agreement of the City and  
5 Haaker Equipment Company, and the purchase by the City shall be on the same terms  
6 and conditions afforded to the National Joint Powers Alliance in an amount not to exceed  
7 Nine Hundred Seventy Four Thousand Eight Hundred Five Dollars (\$974,805) including  
8 tax and fees.

9 Section 3. This resolution shall take effect immediately upon its adoption  
10 by the City Council, and the City Clerk shall certify the vote adopting this resolution.

11 I hereby certify that the foregoing resolution was adopted by the City  
12 Council of the City of Long Beach at its meeting of \_\_\_\_\_, 2017  
13 by the following vote:

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15 Ayes: Councilmembers: \_\_\_\_\_

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19 Noes: Councilmembers: \_\_\_\_\_

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21 Absent: Councilmembers: \_\_\_\_\_

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City Clerk

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