



CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

R-35

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March 5, 2019

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 11 CNG-powered street sweepers, with related equipment and accessories, on the same terms and conditions afforded to Sourcewell (formerly the National Joint Powers Alliance), of Staples, MN, in an amount not to exceed \$4,377,361, 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 Corp., of San Francisco, CA, for the financing of street sweepers, in an amount not to exceed \$4,770,000, inclusive of 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 11 CNG-powered Elgin Pelican P Dual street sweepers, for use by the Public Works Department.

The current sweepers have exceeded their lifecycle and due to their age and condition, are experiencing significant downtime and repair costs. These units are replacing our current Elgin Pelican sweepers, as authorized in the approved replacement plans of FY 16 through FY 18. Final issuance of the purchase order will be contingent upon factory engine certification and fuel range certification.

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 Financial Management Department investigated procurement options, and Sourcewell's 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 of Sourcewell's 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, or designee, to execute a five-year lease-purchase agreement through the City's Master Lease Agreement with Banc of America Public Capital Corp., for the financing of eleven street sweepers. The Master Lease Agreement was approved by the City Council on September 18, 2018.

This matter was reviewed by Deputy City Attorney Taylor M. Anderson on February 13, 2019, by Purchasing and Business Services Manager Sandy Tsang-Palmer on February 8, 2019, and by Budget Management Officer Rhutu Amin Gharib on February 13, 2019.

SUSTAINABILITY

These new street sweepers are compliant with the State of California and local district air quality regulations.

TIMING CONSIDERATIONS

City Council action to adopt the attached Resolution and execute a contract concurrently is requested on March 5, 2019, 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 \$4,770,000. The estimated annual lease payment will be approximately \$954,000 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 charges to the Public Works Department (PW) through the regular Fleet Services Memorandum of Understanding monthly billing process. There is no local job impact associated with this recommendation.

HONORABLE MAYOR AND CITY COUNCIL

March 5, 2019

Page 3

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED:


PATRICK H. WEST
CITY MANAGER

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF LONG BEACH AUTHORIZING THE CITY
MANAGER TO EXECUTE AN AGREEMENT WITH HAAKER
EQUIPMENT COMPANY TO PURCHASE ELEVEN CNG-
POWERED STREET SWEEPERS, THROUGH THEIR
CONTRACT WITH SOURCEWELL (FORMERLY THE
NATIONAL JOINT POWERS ALLIANCE) IN AN AMOUNT
NOT TO EXCEED \$4,377,361, INCLUDING TAXES AND
FEES

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 eleven (11) CNG-powered Street
Sweepers, with related equipment and accessories ("Street Sweepers"); and

WHEREAS, Sourcewell (formerly the National Joint Powers Alliance) has a
Contract with HAAKER EQUIPMENT COMPANY ("Haaker") for the purchase of these
Street Sweepers, Contract No. 122017-FSC ("Sourcewell Contract"); and

WHEREAS, the City's participation in the Sourcewell Contract will facilitate
the City's ability to purchase these Street Sweepers as well as provide considerable cost
benefits to the City; and

WHEREAS, if the City had to utilize a formal bid process rather than
participate in the Sourcewell Contract considerably more funds would be required;

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

1 follows:

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

4 Section 2. The City Manager or designee is hereby authorized to enter
5 an agreement with Haaker to purchase Street Weepers, of the same type and kind
6 identified in the Sourcewell Contract except as modified by mutual agreement of the City
7 and Haaker, and the purchase by the City shall be on the same terms and conditions
8 afforded to Sourcewell (formerly the National Joint Powers Alliance) in an amount not to
9 exceed Four Million Three Hundred Seventy Seven Thousand Three Hundred Sixty One
10 Dollars (\$4,377,361) including taxes and fees.

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

13 I hereby certify that the foregoing resolution was adopted by the City
14 Council of the City of Long Beach at its meeting of _____, 2019,
15 by the following vote:

16
17 Ayes: Councilmembers: _____

18 _____

19 _____

20 _____

21 Noes: Councilmembers: _____

22 _____

23 Absent: Councilmembers: _____

24 _____

25
26
27 _____
28 City Clerk