



## Legislation Text

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**File #:** 09-0785, **Version:** 1

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Recommendation to adopt resolution authorizing City Manager to execute a contract and any amendments thereto with Los Angeles Truck Centers, LLC, dba Los Angeles Freightliner Western Star-Long Beach (Los Angeles Freightliner) for the purchase of 18 McNeilus liquefied natural gas powered rear-loader refuse trucks on the same terms and conditions afforded the Long Beach Unified School District, in a total amount not to exceed \$4,817,800 including tax, plus a 5 percent contingency (or \$240,887), if necessary and if funds are available. (Citywide)

City Council approval is requested authorizing the City Manager to execute a contract for the purchase of 18 McNeil us liquefied natural gas (LNG) rear-loader refuse trucks for the Department of Public Works, Environmental Services Bureau (ESB). This purchase will be replacing 18 existing diesel-fueled rear loader refuse trucks with clean burning LNG-fueled vehicles further reaching the City's goal of a refuse fleet consisting of alternative fueled vehicles. This proposed acquisition will also assist the City of Long Beach in further complying with the California Environmental Protections Agency's, Air Resource Board's (ARB) Diesel Risk Reduction Plan.

The Department of Public Works, Fleet Services Bureau, is requesting to purchase 18 LNG powered refuse trucks as part of the Fiscal Year 2009 replacement plan. Discount terms have also been offered for early payment as units are delivered. The existing units within the fleet have reached their full life of nine years of service. The requested 18 units are funded within the Fleet Fund that has been collecting a monthly scheduled replacement cost from the Refuse Fund. The discount is an estimated \$75,000.

ESB provides refuse collection services to most of the residents and many businesses in the City of Long Beach. ESB serves approximately 125,000 residential and commercial customers and picks up nearly 200,000 tons of refuse per year. To provide these services, ESB utilizes automated side-loading refuse trucks for residential street pickup and rearloading refuse trucks for alleyway and commercial collection. It is critical that these trucks are replaced in a timely manner so they remain operationally effective, and ESB can maintain uninterrupted service to its customers and maintain the City's leadership in the use of alternative fuel vehicles.

The Department of Public Works, Fleet Services Bureau, in conjunction with the Department of Financial Management, Purchasing Division, investigated procurement options and learned that the Long Beach Unified School District had completed a competitive bid process in October 2008 for refuse trucks and has a contract with Los Angeles Freightliner of Long Beach, CA (local) that meets the Fleet Services Bureau's needs. Los Angeles Freightliner has recently opened a new sales office at the Port of Long Beach, and this cooperative purchasing agreement will allow the City of Long Beach to purchase the proposed units at this location and generate local sales tax revenue.

The City Charter 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.

Los Angeles Freightliner has agreed to sell 18 McNeil us LNG refuse trucks to the City of Long Beach under the same terms and conditions as are afforded to the Long Beach Unified School District. The Matrix Fleet Review Study also supports the use of cooperative purchase agreements and adherence to a long-term replacement plan.

## SUSTAINABILITY

The City of Long Beach has been utilizing diesel refuse trucks since 2000. With the integration of these requested trucks, the City's goal to have a 100 percent LNG-powered refuse fleet will be 85 percent met, as well as all the South Coast Air Quality Management District (AQMD) requirements, and achieves a number of sustainable benefits from its use:

- **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 renewable 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**-LNG fuel cost \$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 AQMD have officially approved its use.

This matter was reviewed by Deputy City Attorney Amy R. Burton on June 30, 2009 and Budget and Performance Management Bureau Manager David Wodynski on July 6, 2009.

City Council action to adopt the attached Resolution is requested on July 21, 2009 to ensure that the contract is in place expeditiously to minimize delivery turnaround time and avoid a 10-12 percent cost increase due to manufacturer model year order deadlines. These acquisition costs have the potential to be offset by grant funds by entering into a contract immediately and by meeting project completion timelines.

The cost of this contract is \$4,817,800 including tax, and is budgeted in the Fleet Services Fund (IS 386) in the Department of Public Works (PW). Costs are recovered from the Refuse Fund (EF 330) in the Department of Public Works (PW) through monthly capital replacement charges. The City will have the option of adding expenditures up to 5 percent (or \$240,887) above the contract amount, if necessary and if funds are available. In addition, the City has applied and is eligible to receive up to an estimated amount of \$1,000,000 in grant funding from ARRA Stimulus Package funds administered by the EPA and the MSRC Local Government Match Program administered by the AQMD, which will reimburse the Refuse Fund for purchase costs.

Approve recommendation.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH AUTHORIZING THE CITY MANAGER TO PURCHASE EIGHTEEN REAR LOADER REFUSE TRUCKS THROUGH THE

PURCHASE ORDER BETWEEN THE LONG BEACH UNIFIED SCHOOL DISTRICT AND LOS ANGELES TRUCK CENTERS, LLC DBA LOS ANGELES FREIGHTLINER WESTERN STAR LONG BEACH

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APPROVED:

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PATRICK H. WEST  
CITY MANAGER