

April 19, 2022

**R-21**

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

**RECOMMENDATION:**

Adopt a Resolution authorizing the City Manager, or designee, to execute a contract, and any necessary documents including any necessary subsequent amendments, with Los Angeles Truck Center, LLC dba Velocity Truck Center of Whittier, CA, (Velocity) for the purchase of eight Roto-Pak side loader refuse trucks, on the same terms and conditions afforded to Sourcewell (formerly the NJPA), of Staples, MN, with Crane Carrier Company, LLC, and Scranton Manufacturing Company, Inc., to be provided by local dealer, Velocity, in a total amount not to exceed \$3,259,651, inclusive of taxes and fees;

Authorize the City Manager, or designee, to execute a lease-purchase agreement, and related financing documents, with Banc of America Public Capital Corp., of San Francisco, CA, for the financing of eight Roto-Pak, side loader refuse trucks, in an amount not to exceed \$3,556,571, inclusive of capital purchase, interest, and fees, payable over a seven-year period; and,

Increase appropriations in the Fleet Services Fund Group in the Financial Management Department by \$3,556,571, offset by payments from the Refuse Fund Group in the Public Works Department. (Citywide)

**DISCUSSION**

City Council approval is requested to enter into a contract with Velocity for the purchase of eight Roto-Pak side loader refuse trucks, designated for the collection and transportation of organic waste. Collection and diversion of organic material was mandated in 2016 when Governor Brown signed into law California Senate Bill SB1383, effective January 1, 2022. Currently, refuse and recycling are collected in their own separate bins. With the passage of SB1383, the City of Long Beach (City) will now utilize a third bin to collect the organic material (yard debris and food scraps) from commercial accounts to be processed separately from municipal solid waste. These eight vehicles will be used upon delivery to expand the current pilot commercial organics collection program implemented in June 2021 to include all City serviced commercial accounts. Equipment needs for residential collection are currently being studied and a request for additional vehicles for that purpose will come at a later date.

The Fleet Services Bureau and the Purchasing Division of the Department of Financial Management researched procurement options for side loader refuse trucks and discovered other agencies had completed an open, fair, transparent, and competitive procurement process. The City reviewed the Sourcewell agreement options and determined that the contract with Crane Carrier and Scranton Manufacturing, through their local dealer, Velocity, who will assemble the trucks to meet the City's needs and specifications provided the best value to the City while allowing for timely acquisition and delivery. There are currently no dealers or manufacturers of refuse trucks of these specifications in Long Beach.

Crane Carrier and Scranton Manufacturing were selected based on their competitive pricing, service level, and ability to deliver a product that meets City quality standards and the Public Works Department's implementation timeline. The truck chassis and service bodies are similar to what's in the current refuse fleet, enabling more efficient and cost-effective service. The Fleet Services Bureau and Public Works Department have a long history working with Velocity, whose understanding of the City's refuse fleet allows for smoother operations. The local dealer's reliability, expertise in building and delivering heavy duty fleet vehicles, and their responsiveness to the needs of the City make them the best choice for obtaining these refuse trucks quickly.

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 contract on a voluntary and selective basis when authorized by a Resolution adopted by the City Council.

City Council approval is also requested to authorize the City Manager to execute a seven-year lease-purchase agreement through the City's Master Lease Agreement with Banc of America Public Capital Corporation for the financing of eight organic waste disposal trucks. The Master Lease Agreement was approved by the City Council on September 18, 2018.

The Master Lease Agreement program was established to streamline the purchasing and financing process. Lease financing provides a cost-effect 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 Taylor M. Anderson on March 31, 2022, Purchasing Agent Michelle Wilson on March 28, 2022, and by Revenue Management Officer Geraldine Alejo on April 4, 2022.

### SUSTAINABILITY

The side loader refuse trucks are compliant with California state and local environmental regulations for air toxins and pollutant emissions, and are fueled by renewable, compressed natural gas.

TIMING CONSIDERATIONS

City Council action to adopt a Resolution and award a contract concurrently is requested on April 19, 2022 to ensure the contract is in place expeditiously. Any delay in procuring these units could result in a failure to meet regulatory requirements, resulting in fines.

FISCAL IMPACT

The lease-purchase agreement will not exceed \$3,556,571 for the eight Roto-Pak side loading refuse trucks. The total lease-purchase agreement amount includes sales tax, escrow fees, principal, and interest at a rate of 2.5 percent. The estimated annual lease payment will be approximately \$508,081 over the next seven years. An appropriation increase in the amount of \$3,556,571 for the principal and interest payments is needed in the Fleet Services Fund Group in the Financial Management Department, offset by revenues from the Refuse Fund Group in the Public Works Department. Over the next seven years, annual lease payments estimated at \$508,081, will be budgeted in the Refuse Fund Group in the Public Works Department though the regular Fleet Services Memorandum of Understanding (MOU). Annual ongoing maintenance and fuel expenses is estimated at \$590,976 and will also be collected through the regular Fleet Services Memorandum of Understanding (MOU) monthly billing process. This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. There is no local job impact associated with this recommendation.


SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



KEVIN RIPER  
DIRECTOR OF FINANCIAL MANAGEMENT



ERIC LOPEZ  
DIRECTOR OF PUBLIC WORKS

ATTACHMENT – RESOLUTION

APPROVED:



THOMAS B. MODICA  
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 LOS ANGELES TRUCK CENTERS, LLC DBA VELOCITY TRUCK CENTER OF WHITTIER, CA (VELOCITY), FOR THE PURCHASE EIGHT ROTO-PAK SIDE LOADER REFUSE TRUCKS ON THE SAME TERMS AND CONDITIONS THROUGH THEIR CONTRACT WITH SOURCEWELL (FORMERLY THE NJPA), OF STAPLES, MN, WITH CRANE CARRIER COMPANY, LLC AND SCRANTON MANUFACTURING COMPANY, INC. TO BE PROVIDED BY LOCAL DEALER VELOCITY, IN A TOTAL AMOUNT NOT TO EXCEED \$3,259,652, INCLUSIVE OF 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 eight (8) Roto-Pak side loader refuse trucks, designated for the collection and transportation of organic waste; and

WHEREAS, collection and diversion of organic material was mandated in 2016 when Governor Brown signed into law California Senate Bill SB1383, effective January 1, 2022; and

WHEREAS, currently refuse and recycling are collected in their own separate bins, however, with the passage of SB1383, the City will now utilize a third bin to collect the organic material (yard debris and food scraps) from commercial accounts to

1 be processed separately from municipal solid waste; and

2 WHEREAS, these eight vehicles will be used to expand the current pilot  
3 commercial organics collection program implemented in June 2021 to include all City  
4 serviced commercial accounts; and

5 WHEREAS, equipment needs for residential collection are currently being  
6 studied and a request for additional vehicles for that purpose will come at a later date;  
7 and

8 WHEREAS, the Fleet Services Bureau and the Purchasing Division for the  
9 Department of Financial Management researched procurement options, for side loaders  
10 refuse trucks and discovered other agencies had completed an open, fair, transparent,  
11 and competitive procurement process; and

12 WHEREAS, the City reviewed the Sourcewell agreement options and  
13 determined that the contract with Crane Carrier and Scranton Manufacturing through their  
14 local dealer, Velocity, who will assemble the trucks to meet the City's needs and  
15 specifications provided the best value to the City while allowing for timely acquisition and  
16 delivery; and

17 WHEREAS, there are currently no dealers or manufacturers of refuse  
18 trucks with these specifications; and

19 WHEREAS, Crane Carrier and Scranton Manufacturing were selected  
20 based on their competitive pricing, service level, and ability to deliver a produce that  
21 meets City quality standards and the Public Works Department's implementation timeline;  
22 and

23 WHEREAS, the truck chassis and service bodies are similar to what's in the  
24 current refuse fleet, enabling more efficient and cost-effective service; and

25 WHEREAS, the Fleet Services Bureau and Public Works Department have  
26 a long history working with Velocity, who's understanding of the City's refuse fleet allows  
27 for smoother operations; and

28 WHEREAS, the local dealer's reliability, expertise in building and delivering

1 heavy duty vehicles, and their responsiveness to the needs of the City make them the  
2 best choice for obtaining these refuse trucks quickly; and

3 WHEREAS, Sourcewell (formerly the NJPA) has a CONTRACT for the  
4 purchase of the Roto-Pak side loader refuse trucks, Contract No. 060920-CRN with  
5 Crane Carrier Company, LLC and 091219-NWY with Scranton Manufacturing  
6 Company/New way Trucks (collectively "Sourcewell Contracts"); and

7 WHEREAS, the City's participation in these Sourcewell Contracts will  
8 facilitate the City's ability to purchase as well as provide considerable cost benefits to the  
9 City; and

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

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

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

16 Section 2. The City Manager or designee is hereby authorized to enter  
17 an agreement with Sranton Manufacturing Company/New Way Trucks and Crane Carrier  
18 Company, LLC, via their local dealer, Los Angeles Truck Centers, LLC dba Velocity  
19 Truck Center to purchase eight (8) Roto-Pak side loader refuse trucks, of the same type  
20 and kind identified in the Sourcewell Contracts except as modified by mutual agreement  
21 of the City and Velocity, and the purchase by the City shall be on the same terms and  
22 conditions afforded to Sourcewell in an amount not to exceed Three Million Two Hundred  
23 Fifty-Nine Thousand Six Hundred Fifty-Two Dollars (\$3,259,652) including taxes and  
24 fees.

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

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OFFICE OF THE CITY ATTORNEY  
CHARLES PARKIN, City Attorney  
411 West Ocean Boulevard, 9th Floor  
Long Beach, CA 90802-4664

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I hereby certify that the foregoing resolution was adopted by the City Council of the City of Long Beach at its meeting of \_\_\_\_\_, 2022, by the following vote:

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

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

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

\_\_\_\_\_

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

\_\_\_\_\_

Recusal(s): Councilmembers: \_\_\_\_\_

\_\_\_\_\_

City Clerk