

R-27

June 6, 2023

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 Centers, LLC, dba Velocity Truck Centers, of Whittier, CA, an authorized distributor of Crane Carrier trucks, for the purchase of 10 CNG Crane Carrier, Roto-Pac side loader refuse trucks, with related equipment and accessories, on the same terms and conditions afforded to Sourcewell, in a total amount not to exceed \$4,765,507, inclusive of taxes and fees; and,

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 Roto-Pac refuse trucks, payable over a seven-year period at an interest rate to be determined when the agreement is executed.
(Citywide)

DISCUSSION

City Council approval is requested to enter into a contract with Los Angeles Truck Centers, LLC, dba Velocity Truck Centers, for the purchase and delivery of 10 CNG Crane Carrier, Roto-Pac side loader refuse trucks, for use by the Public Works Department (Public Works), and execute a lease-purchase agreement through the City of Long Beach's (City) Master Lease Agreement with Banc of America Public Capital Corp, for the financing of refuse trucks payable over a seven-year period.

The 10 Roto-Pac side loaders will be used by the Environmental Services Bureau (ESB) of Public Works for residential organics collection. Collection and diversion of organic material was mandated in 2016 when Governor Brown signed into law California Senate Bill (SB) 1383, effective January 1, 2022. These side loaders are specially designed for the collection and transportation of organic waste and will support Refuse Operations with the new statewide mandatory organic waste collection program.

With the passage of SB 1383, the City utilizes a third bin to collect the organic material (yard debris and food scraps) from commercial and residential accounts to be processed separately from municipal solid waste. These 10 vehicles will be used upon delivery to expand the current organics collection program implemented in June 2021 to account for additional City-serviced commercial and residential accounts. Additional trucks may be

added in the future to meet the full Organics Collection program needs of all City-serviced accounts.

The Fleet Services Bureau of the Department of Financial Management researched procurement options for purchase of organics-capable side loader refuse trucks and discovered other agencies had completed an open, fair, transparent, and competitive procurement process. The City reviewed the cooperative agreement options and determined that the contract between Sourcewell and Crane Carrier, through their local distributor, Los Angeles Truck Centers, provided the best value to the City. Crane Carrier was selected based on their competitive pricing, best overall quality, and selection of equipment/product offerings to meet the needs of cooperative members and other governmental authorities.

City Charter Section 1802 provides an alternative procurement method by permitting the City to purchase or otherwise obtain services, supplies, materials, equipment, and labor using existing contracts from other governmental agencies. This alternative procurement method can save time and reduce costs through economies of scale by purchasing under existing contracts from other government agencies on a voluntary and selective basis, when authorized by a Resolution adopted by the City Council.

This matter was reviewed by Deputy City Attorney Taylor Anderson on May 11, 2023, Purchasing Agent Michelle Wilson on May 12, 2023, and by Revenue Management Officer Geraldine Alejo on May 18, 2023.

SUSTAINABILITY

The City is a recognized leader in the use of alternative fuels, having been named number two municipal Green Fleet in the nation by the National Association of Fleet Administrators (NAFA) in 2022. The City is embracing zero-emission vehicles (ZEVs) as quickly as they become available (along with funding and infrastructure support). The fleet includes 81 ZEVs (including its first fully electric pickup) and 90 plug-in hybrids. On March 21, 2023, the City Council authorized the purchase of two heavy-duty fully electric refuse trucks for long-term piloting of range and capacity in actual working conditions. The City will be evaluating this technology once those units are delivered, in its pursuit of a viable zero-emissions refuse truck fleet, to enable future purchases such as this to be fully ZEV.

These new refuse trucks use “near-zero” CNG-powered engines that are significantly below Nitrogen Oxide (NOx) standards and are fully compliant with the State of California and local district air quality regulations. They will be using clean burning renewable natural gas fuel to further reduce air toxic and pollutant emissions.

TIMING CONSIDERATIONS

City Council action to adopt a Resolution and award a contract concurrently is requested on June 6, 2023, to ensure the contract is in place expeditiously.

FISCAL IMPACT

The total contract amount will not exceed \$4,765,507, inclusive of fees and taxes. Based on an indicative interest of 3.70 percent as of April 10, 2023, the total amount for the lease-purchase agreement with Banc of America Public Capital Corp is estimated at \$5,416,552, which includes principal, interest, and escrow fees. The annual debt service cost for the seven-year life of the financing is approximately \$773,793. This amount is subject to change and will be finalized when the agreement is executed. The annual debt service amount will be included in the FY 24 Fleet Services Memorandum of Understanding (MOU) and will be billed through charges to the Refuse and Recycling Fund Group in the Public Works Department. The annual maintenance, fuel, and lease-purchase payment costs for each unit is estimated at \$208,717, and will also be charged to the Refuse and Recycling Fund Group in the Public Works Department through the Fleet Services MOU process. This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with City Council priorities. There is no local job impact associated with this recommendation.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



KEVIN RIPER
DIRECTOR
FINANCIAL MANAGEMENT

APPROVED:



THOMAS B. MODICA
CITY MANAGER

1 RESOLUTION NO.
2

3 A RESOLUTION OF THE CITY COUNCIL OF THE
4 CITY OF LONG BEACH AUTHORIZING THE CITY
5 MANAGER TO EXECUTE AN AGREEMENT WITH LOS
6 ANGELES TRUCK CENTERS, LLC DBA VELOCITY TRUCK
7 CENTER OF WHITTIER, CA (VELOCITY), FOR THE
8 PURCHASE OF TEN CNG POWERED CRANE CARRIER
9 ROTO-PAC SIDE LOADER REFUSE TRUCKS ON THE
10 SAME TERMS AND CONDITIONS THROUGH THEIR
11 CONTRACT WITH SOURCEWELL, OF STAPLES, MN,
12 WITH CRANE CARRIER COMPANY, LLC AND SCRANTON
13 MANUFACTURING COMPANY, INC. TO BE PROVIDED BY
14 LOCAL DEALER VELOCITY TRUCK CENTERS, IN A
15 TOTAL AMOUNT NOT TO EXCEED \$4,765,507, INCLUSIVE
16 OF TAXES AND FEES
17

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

22 WHEREAS, the City desires to purchase ten (10) CNG powered Crane
23 Carrier Roto-Pac Side Loader refuse trucks with New Way rear loader refuse bodies,
24 designated for collecting refuse and removing litter and debris in public rights-of-way; and

25 WHEREAS, Sourcewell is a State of Minnesota local government agency
26 and service cooperative created under the laws of the State of Minnesota (Minnesota
27 Statutes Section 123A.21) that offers cooperative procurement solutions to its members;
28 and

1 WHEREAS, collection and diversion of organic material was mandated in
2 2016 when Governor Brown signed into law California Senate Bill SB1383, effective
3 January 1, 2022; and

4 WHEREAS, currently refuse and recycling are collected in their own separate
5 bins, however, with the passage of SB1383, the City will now utilize a third bin to collect
6 the organic material (yard debris and food scraps) from commercial accounts to be
7 processed separately from municipal solid waste; and

8 WHEREAS, these seven high capacity rear-loading refuse trucks are
9 specialized to pick up large refuse bins, and are critical in servicing the City's commercial
10 refuse accounts; and

11 WHEREAS, the truck chassis and service bodies are similar to what is in the
12 current refuse fleet, enabling more efficient and cost-effective service; and

13 WHEREAS, the Fleet Services Bureau and the Purchasing Division for the
14 Department of Financial Management researched procurement options, for CNG refuse
15 trucks and discovered other agencies had completed an open, fair, transparent, and
16 competitive procurement process; and

17 WHEREAS, the City reviewed Sourcewell agreement options and
18 determined that Sourcewell's contract with Crane Carrier and Scranton Manufacturing
19 through their local dealer, Velocity Truck Centers, who will assemble the trucks to meet the
20 City's needs and specifications provided the best value to the City while allowing for timely
21 acquisition and delivery; and

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

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

27 WHEREAS, Sourcewell has a Contract for the purchase of the seven CNG
28 powered Crane Carrier LNT-26 trucks with New Way rear loader refuse bodies, Contract

1 No. 060920-CRN with Crane Carrier Company, LLC and Contract No. 091219-NWY with
2 Scranton Manufacturing Company/New Way Trucks (collectively "Sourcewell Contracts");
3 and

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

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

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

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

13 Section 2. The City Manager or designee is hereby authorized to enter an
14 agreement with Scranton Manufacturing Company/New Way Trucks and Crane Carrier
15 Company, LLC, via their local dealer, Los Angeles Truck Centers, LLC dba Velocity Truck
16 Center to purchase ten (10) CNG powered Crane Carrier Roto-Pac Side Loader refuse
17 trucks with New Way rear loader refuse bodies, of the same type and kind identified in the
18 Sourcewell Contracts except as modified by mutual agreement of the City and Velocity,
19 and the purchase by the City shall be on the same terms and conditions afforded to
20 Sourcewell in an amount not to exceed Four Million Seven Hundred Sixty Five Thousand
21 Five Hundred Seven Dollars (\$4,765,507) including taxes and fees.

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

I hereby certify that the foregoing resolution was adopted by the City Council of the City of Long Beach at its meeting of _____, 2023, by the following vote:

Ayes: Councilmembers: _____

Noes: Councilmembers: _____

Absent: Councilmembers: _____

Recusal(s): Councilmembers: _____

City Clerk