



Legislation Details (With Text)

**File #:** 22-0436      **Version:** 1      **Name:** FM - Contract w/LA Truck Center for the purchase of eight Roto-Pak side loader refuse trucks

**Type:** Resolution      **Status:** Adopted

**File created:** 3/31/2022      **In control:** City Council

**On agenda:** 4/19/2022      **Final action:** 4/19/2022

**Title:** Recommendation to adopt resolution authorizing 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 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)

**Sponsors:** Financial Management, Public Works

**Indexes:**

**Code sections:**

**Attachments:** 1. 041922-R-21sr&att.pdf, 2. RES-22-0061.pdf

Date	Ver.	Action By	Action	Result
4/19/2022	1	City Council	approve recommendation and adopt	Pass

Recommendation to adopt resolution authorizing 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 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)

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.

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.

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 through 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.

Approve recommendation.

[Enter Body Here]

KEVIN RIPER  
DIRECTOR OF FINANCIAL MANAGEMENT

ERIC LOPEZ  
DIRECTOR OF PUBLIC WORKS

APPROVED:

THOMAS B. MODICA  
CITY MANAGER

