



## Legislation Text

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**File #:** 23-0573, **Version:** 1

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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 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 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)

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.

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.

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.

Approve recommendation.

KEVIN RIPER  
DIRECTOR  
FINANCIAL MANAGEMENT

APPROVED:

THOMAS B. MODICA  
CITY MANAGER