

REPORT TO THE CITY COUNCIL



DATE: November 19, 2019

TITLE: Purchase of Public Works Heavy Equipment

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Reviewed by: Daniel Porras, Public Works Director

RECOMMENDATION

- 1) Authorize the purchase of new public works heavy equipment, replacing non-compliant diesel heavy equipment in an amount not to exceed \$ 482,334.07; and
- 2) Appropriate \$482,334.07 in spending authority from the General Fund Balance Reserve for Future Operational and Capital Uses for the one-time purchase of new heavy equipment.

DISCUSSION

The State of California Air Resources Board (ARB) issued regulations to reduce emissions of oxides of nitrogen (NOx) and particulate matter (PM). On January 1, 2020, The City's heavy equipment fleet will be in violation of two regulations: (1) the In-Use Off-Road Diesel-Fueled Fleet Regulation; and (2) the Truck and Bus Regulation.

The In-Use Off-Road Diesel-Fuel Fleet Regulations:

All self-propelled off-road diesel vehicles 25 horse power (hp) or greater used in California and most two-engine vehicles are subject to the Regulation for In-Use Off-Road Diesel Fueled Fleets. The regulations include:

- Imposing limits on idling, requiring a written idling policy, and requiring a disclosure when selling vehicles;
- Requiring all vehicles to be reported to ARB (using the Diesel Off-Road Online Reporting System, DOORS) and labeled;
- Restricting the adding of older vehicles into fleets starting on January 1, 2014; and
- Requiring fleets to reduce their emission by retiring, replacing, or repowering older engines, or installing exhaust retrofits (Verified Diesel Emission Control Strategies - VDECS).

The Truck and Bus Regulations are as follows:

- The affected individuals, private companies, and Federal agencies that own diesel vehicles with a Gross Vehicle Weight Rating (GVWR) greater than 14,000 lbs. that operate in California.
- Lighter trucks and buses with a GVWR of 14,001 to 26,000 lbs. have replacement requirements starting January 1, 2015.
- Starting January 1, 2020, all remaining vehicles need to be replaced so that they all have 2010 model year engines or equivalent emissions by January 1, 2023.
- Vehicle Model Years 2004 and older and 14,000-26,000 lbs. GVWR, DMV begins compliance verification and fines on January 1, 2020
- Vehicle Model Years 2000 and older and greater than 26,000 lbs. GVWR, DMV begins compliance verification and fines on January 1, 2020

Based on the In-Use Off-Road Diesel-Fueled Fleet Regulation, and the Truck and Bus Regulation described above, the City's current heavy equipment listed below will be non-compliant with California Air Resources Board (ARB) as of January 1, 2020.

CURRENT CITY EQUIPMENT				
EQUIPMENT TYPE	MAKE	YEAR	MODEL	Horse Power
FRONT LOADER	JOHN DEER	1995	544G LOADER	125
FRONT LOADER WITH GANNON	JOHN DEER	2006	210LE	84.5
EQUIPMENT TYPE	MAKE	YEAR	MODEL	GVWR
WATER TRUCK	FORD	1990	F 700 WATER TRUCK	24,500
DUMP TRUCK	FORD	1990	F 700 DUMP TRUCK	20,000
BOOM/LIFT TRUCK	FORD	1999	F 350 CHERRY PICKER	9,900

In order to be in compliance and avoid any immediate and on-going fines in future years, City Staff met with various heavy equipment manufacturers and retailers and discussed all available options. The boom/lift truck had the option to upgrade the emission system to meet regulations, but the truck itself is currently in need of other safety upgrades and mechanical upgrades to bring it up to proper operating status. All other heavy equipment required replacement due to year, make, and model. Therefore, in order to replace all equipment City Staff compared manufacturers specifications with City needs, then requested pricing for purchasing and replacement. The list below shows the new heavy equipment that was selected to be purchased based on the best available specifications, performance, and pricing that meet the City's needs.

In the equipment selection process, the CAT manufacturer provided a credit to the City as a trade-in-value for the Front Loader and Front Loader with Gannon. The trade-in-value for both was found to be acceptable, since the City would not be able to sell/auction the heavy equipment in California and would need to ship to another state or country for auction (with an unknow return value). The credit trade-in-value is shown in Exhibit 1 and Exhibit 2.

All quotes received for new equipment were priced using SourceWell (NJPA) pricing. SourceWell's cooperative purchasing is "Procurement conducted by, or on behalf of, one or more Public Procurement Units" as defined by the American Bar Association Model Procurement Code for State and Local Governments. The Water Trailer is a proprietary item and quotes followed competitive quoting.

EQUIPMENT TYPE	MAKE	YEAR	MODEL	COST
FRONT LOADER	CAT	2019	926 M WHEEL LOADER	\$ 167,283.80
FRONT LOADER WITH GANNON	CAT	2019	415F2 IL BACKHOE LOADER	\$ 91,718.09
WATER TRAILER	WYLIE	2019	1,025 GAL. EXPRESS W.W.	\$ 9,732.18
DUMP TRUCK	FORD	2019	F650 REG. CAB. 4X2	\$ 97,295.00
BOOM/LIFT TRUCK	ALTEC	2019	AT37G	\$ 116,305.00
				\$ 482,334.07

FISCAL IMPACT

The funding for this equipment is coming from the General Fund Reserve for Future Operational and Capital Use. The reserve was established as 5% of the General Fund budgeted operational appropriations to provide funding for future operational and capital uses such as equipment replacement. The current balance of the Reserve for Future Operational and Capital Uses is \$955,954. This reserve was approved by Council on August 21, 2018 as part of the updated Comprehensive Financial Management Policies.

EXHIBIT(S)

- 1) Quote for Wheel Loader - CAT 926 M
- 2) Quote for Backhoe Loader - CAT 415F2IL
- 3) Quote for Boom/Lift Truck - Altec AT37G
- 4) Quote for Water Trailer
- 5) Quote for Dump Truck - Ford F650 Reg. Cab. 4x2