



Office of the City Manager

CONSENT CALENDAR
February 23, 2021

To: Honorable Mayor and Members of the City Council
 From: Dee Williams-Ridley, City Manager
 Submitted by: Liam Garland, Director, Public Works
 Subject: Purchase Order: National Auto Fleet Group for Four (4) Tractor Trucks and Trailers

RECOMMENDATION

Adopt a Resolution satisfying requirements of City Charter Article XI Section 67.2 allowing the City to participate in Sourcewell (formerly NJPA) bid procedures, and authorizing the City Manager to execute a purchase order for four (4) Tractor Trucks and Trailers with National Auto Fleet Group in an amount not to exceed \$1,200,000.

FISCAL IMPACTS OF RECOMMENDATION

The purchase of four (4) Tractor Trucks and Trailers will not exceed \$1,200,000 and includes CA tire fees, extended warranty and sales tax. Funding will be recommended for appropriation through the Second Amendment to the FY 2021 Annual Appropriation Ordinance (AAO2) in the Equipment Replacement Fund (671-54-626-723-0000-000-473-664120).

CURRENT SITUATION AND ITS EFFECTS

The purchase of four Tractor Trucks will replace four (4) existing Tractor Trucks (Unit Nos. 6048, 6049, 6050, 6051), and their corresponding Trailers (Unit Nos. 6008, 6009, 6010 and 6011). These Tractor Trucks and Trailers are utilized by Zero Waste Division of Public Works Department for transporting refuse to a landfill and recyclable materials to recycling facilities for secondary sort. The existing four (4) Tractor Trucks and Trailers currently in operation have reached the end of their economic and useful life and are due for replacement.

Electric/Hybrid Electric Evaluation

With all fleet purchases, Public Works staff research the feasibility and availability of fully electric vehicles and hybrid-electric powertrains to support the City's transition from fossil fuels to renewable energy resources. Staff research and conversations with vehicle manufacturing representative found that multiple companies are at this time either testing prototypes or planning to test heavy-duty electric truck models in California. These are nationally and well known manufacturers, including Freightliner, Volvo, Peterbilt, and BYD.

Freightliner and Volvo are running pilot programs in Southern California, testing a variety of applications, including short distance freight, regional and local delivery, food and beverage distribution and parcel delivery. BYD will add four Heavy Duty EV's in Southern California early in 2021. Peterbilt intends to operate eight Heavy Duty EV trucks to run shipper transports out of Oakland in early/mid 2021. All the models currently being tested have a range between 125 to 250 miles. The City's long haul tractor trucks and trailers are averaging 300 miles per day. This volume of miles per day per tractor truck and trailer ensure the Transfer Station meets its CalRecycle permit requirements for removal of refuse and other materials daily. Additionally, the Transfer Station current electrical infrastructure cannot support a charging system without significant and costly improvements to a Transfer Station due for replacement.

These heavy-duty tractor truck and trailer vehicles have a projected useful life of 8-10 years. At the end of this lifecycle, the Transfer Station replacement will include sufficient electrical infrastructure to fully support the commercially-manufactured electric Heavy-Duty trucks that will be available by then.

The Transfer Station replacement project completed a Feasibility Study in late 2019 and began the CEQA permitting process in January 2021 for the facilities replacement of its 7.4 acre site, which will include infrastructure for future electrification of the Zero Waste Division's entire heavy-duty truck fleet. In addition, the Feasibility Study was presented at a November 5, 2019 City Council Work Session and highlighted the electrical infrastructure needed and to meet GHG emission reduction targets as part of the City's 2009 Climate Action Goals.

With completion of the CEQA compliance, the final design and engineering for construction specifications and City permitting requirements are projected for FY2026/2027 completion. Public Works is also applying for assistance from Pacific Gas & Electric, Co. to provide electric charging infrastructure for future medium and heavy-duty vehicle applications.

Renewable Fuel

The tractor trucks being replaced will be powered by 100% renewable diesel that reduces greenhouse gas emission by as much as 50-80%. Usage of renewable diesel also complies with the City's Fossil Free Recommendations. This purchase is in alignment with the 2020 Municipal Fleet Electrification Assessment that recognized the lack of commercially available and viable heavy-duty vehicles.

This purchase will support the City's Strategic Plan Goal of creating a resilient, safe, connected, and prepared City. In addition, the 2020 Municipal Fleet Electrification

Assessment¹ recognizes that cost-effective electric heavy duty vehicles in these classes are not available at this time.

BACKGROUND

Throughout the year, the Department of Public Works purchases vehicles and equipment for City's operating departments that are paid through the Equipment Replacement Fund. City departments that use fleet vehicles pay into the equipment replacement fund, which funds vehicle replacement as they reach the end of their life. If a purchase request exceeds \$25,000, the Department of Finance, General Services Division, solicits bids or "piggybacks" off competitively bid contracts to ensure the City's departments receive the best pricing.

The City of Berkeley is a no-cost member and participant of Sourcewell (formerly National Joint Powers Alliance (NJPA), a municipal contracting agency operation under the legislative authority of Minnesota Statute 123A.21. The original statute was revised in 1995 to allow government clients to better meet their specific needs through participation in a service cooperative, rather than paying the higher cost associated with individual procurement. Sourcewell allows participating municipal agencies to leverage the benefits of cooperative purchasing and reduces procurement costs. Sourcewell serves all educational, government, and non-profit agencies nationwide, and offers cooperatively contracted products, equipment and service opportunities to government entities throughout the U.S.

All Sourcewell contracts have been competitively solicited nationwide. On April 16, 2020 NJPA released Request for Proposal No. 060920 for Class 4-8 Chassis with Related Equipment, Accessories, and Services. The solicitation was released for approximately fifty-five days. On June 9, 2020, twenty-five (25) proposals were submitted and upon their review, NJPA selected National Auto Fleet Group as the best most responsive proposer to meet the specifications thusly awarding Contract No. 060920-NAF.

For all contracts, Sourcewell charges an administrative fee based upon a percentage of the sale, and that fee is paid by the Contractor directly to Sourcewell. For this purchase the fee will be paid by Contract holder National Auto Fleet Group and this cost will not be passed on to the City.

ENVIRONMENTAL SUSTAINABILITY

Public Works Equipment Maintenance endeavors to procure the most fuel-efficient vehicles and equipment that are suitable for the required tasks. At present, the Solid Waste & Recycling Transfer Station is undergoing a replacement project that will

¹ https://www.cityofberkeley.info/Clerk/City_Council/2020/07_Jul/Documents/2020-07-28_Item_26_Referral_Response_An_Action_Plan.aspx

include electric vehicle charging capabilities that do not exist at this time. Electric heavy-duty trucks are in development and expected to be commercially available when site construction is completed.

The replacement tractor trucks for purchase now will be powered by 100% renewable diesel fuel designed to reduce greenhouse gas emission by 50-80%; they meet the 2018 EPA and California Air Resources Board (CARB) requirements.

RATIONALE FOR RECOMMENDATION

Equipment must be replaced on a reasonable schedule to ensure the Public Works equipment operators can efficiently, safely, and effectively carry out their duties.

ALTERNATIVE ACTIONS CONSIDERED

Consideration was given to purchasing electric vehicles, but they do not currently exist in models that meet the City's mileage needs nor does the city's electric charging infrastructure exist to support the vehicles if they did exist. Keeping equipment longer than its useful life results in higher maintenance costs and excessive downtime in order to keep it operating in a safe and serviceable manner.

CONTACT PERSON

Greg Ellington, Superintendent, Department of Public Works (510) 981-6469

Attachment:

1: Resolution

RESOLUTION NO. ##,###-N.S.

PURCHASE ORDER: NATIONAL AUTO FLEET GROUP FOR FOUR (4) TRACTOR TRUCKS AND TRAILER TRUCKS

WHEREAS, four (4) Tractor Trucks and Trailers are needed by City of Berkeley Zero Waste Division for transporting refuse to a landfill and recyclable materials to recycling facilities for secondary sort; and

WHEREAS, equipment must be replaced upon a reasonable schedule that allows operators to efficiently and effectively carry out their duties; and

WHEREAS, City Charter XI Section 67.2 allows the City to purchase goods without undergoing a competitive bid process if the City uses pricing obtained by another entity through a competitive bid process; and

WHEREAS, on April 16, 2020 NJPA released Request for Proposal No. 060920 for Class 4-8 Chassis with Related Equipment, Accessories, and Services. The solicitation was released for approximately fifty-five days. On June 9, 2020 twenty-five proposals were submitted and upon their review NJPA selected National Auto Fleet Group as the best most responsive proposer to meet the specifications, thusly awarding Contract No. 060920-NAF; and

WHEREAS, Sourcewell bid procedures satisfy the procurement requirements of the City of Berkeley; and

WHEREAS, funds in the amount of \$1,200,000 will be recommended for appropriation through the Second Amendment to the FY2021 Annual Appropriation Ordinance (AAO2) in the Equipment Replacement Fund (671).

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the City Manager is authorized to execute a purchase order for four Tractor Trucks and Trailers with National Auto Fleet Group in an amount not to exceed \$1,200,000.

