

# City of Sacramento

## Legislation Text

---

**File #:** 2021-00358, **Version:** 1

---

**Title:**

**Cooperative Purchase Contract, Acceptance of Grant, and Budgetary Adjustments: Electric Refuse Truck**

File ID: 2021-00358

**Location:** Citywide

**Recommendation:**

Adopt a Resolution: 1) approving the use of the State of California cooperative purchase contract with The Lion Electric Co. (Contract No.1-19-23-22D) for the purchase of one electric refuse truck, not to exceed \$661,514; 2) authorizing the City Manager or the City Manager's designee to execute the purchase specified above; 3) authorizing the City Manager or the City Manager's designee to sign any necessary documents to accept reimbursements from the California Air Resource Board (CARB) Hybrid Voucher Incentive Project (HVIP) in an amount up to \$100,000, the Sacramento Air Quality Management District (SMAQMD) Sacramento Emergency Clean Air Transportation (SECAT) Grant in an amount up to \$120,000, and SMAQMD Funding in an amount up to \$40,000; and 4) authorizing the City Manager or the City Manager's designee to increase the revenue and expenditure budgets of the Solid Waste Fleet Replacement Project (I06147000) by up to \$260,000 (Fund 3702).

**Contact:** Alison Kerstetter, Program Specialist, (916) 808-1163; Kindelberg Morales, Program Specialist, (916) 808-6631; Mark Stevens, Fleet Manager, (916) 808-5869, Department of Public Works

**Presenter:** None

**Attachments:**

- 1-Description/Analysis
- 2-Contract
- 3-Resolution

### Description/Analysis

**Issue Detail:** The Department of Public Works, Fleet Management Division, has a customer requirement to replace one Compressed Natural Gas (CNG) powered refuse truck with an electric powered refuse truck for the Department of Public Works, Solid Waste Division. The electric refuse

truck will be used to pick up and transport refuse and recycling materials to facilities for processing and serve as a test vehicle to determine the feasibility of electric refuse trucks within the Solid Waste fleet.

The Department of Public Works, Fleet Management Division requests approval to accept up to \$100,000 in grant funding from the HVIP, up to \$120,000 from SECAT, and up to \$40,000 from SMAQMD grants to serve as reimbursable funding for the purchase of the refuse truck.

**Policy Considerations:** The recommendations in this report are in accordance with City Code Chapter 3.56 and support the City's Electric Vehicle Strategy

**Economic Impacts:** None

**Environmental Considerations:**

**California Environmental Quality Act:** No environmental review is necessary because the recommendations in this report involve the purchase of vehicles and are not considered to be a project in accordance with Section 15378(b)(2) of the California Environmental Quality Act guidelines.

**Sustainability:** The recommended purchase is consistent with the updated Fleet Sustainability Policy adopted by City Council on December 12, 2017 (Resolution No. 2017-0478).

**Commission/Committee Action:** None

**Rationale for Recommendation:** After reviewing the available purchase options, the Fleet Management Division has determined that the State of California cooperative purchase contract with the Lion Electric Co. represents the most advantageous purchasing strategy. The contract was competitively bid nationally, and the State of California receives greater discounts from the manufacturer due to a higher purchase volume.

In an ongoing effort to maximize cost savings and staff resources, many government agencies share contracting efforts through cooperative purchasing. This procurement approach increases pricing competitiveness and lowers operating costs through volume buying. When comparing the administrative costs of procurement, staff considers product research, source selection, specifications, advertising, staff reports, awarding, protest, and administration of the contract.

The City has used both regional and national cooperative purchase contracts to complement its own contracting initiatives. Cooperative purchasing enables City departments to evaluate a broader range of contracting opportunities and to share resources with other jurisdictions. Cooperative

purchasing also leverages internal and external resources to maximize cost savings opportunities for the City.

The Fleet Management Division has applied for HVIP and SECAT reimbursements and recommends accepting the grants in order to reduce the purchase cost of the electric refuse truck for the Department of Public Works, Solid Waste Division and allow the department to test new technology.

**Financial Considerations:** The recommended purchase, in a total amount not to exceed \$661,514 will be made from the Department of Public Works Fiscal Year (FY) 2020/21 operating budget (Fleet Fund, Fund 6501) and billed to the Solid Waste Fleet Replacement Project (I06147000). The Solid Waste Fleet Replacement Project (I06147000) will receive up to \$260,000 in reimbursements once the grant funding is awarded.

**Local Business Enterprise (LBE):** The minimum LBE participation requirement is waived for the City's use of cooperative purchase agreements that have been competitively bid, evaluated, and awarded by other governmental agencies that may or may not have similar LBE programs.