City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To: Matthew J. Fertal From: Keith G. Jones

Dept: City Manager Dept: Public Works

Subject: PURCHASE OF TWO (2) CNG Date: November 27, 2007

DUMP TRUCKS

<u>OBJECTIVE</u>

To secure City Council authorization to purchase two (2) heavy-duty compressed natural gas (CNG) dump trucks.

BACKGROUND

The Public Works Department, Streets division has two heavy-duty dump trucks that are primarily used for roadway construction projects. The vehicles are 20 years old, fully depreciated and qualify for replacement under current departmental guidelines. In addition, the vehicles do not satisfy the present South Coast Air Quality Management District's (AQMD) diesel emissions qualifications for operation within our district. Public Works has acknowledged the need to replace the depreciated, non-compliant vehicles with environmentally compliant, heavy-duty, compressed natural gas (CNG) vehicles.

ANALYSIS

Specifications were prepared and sent to prospective bidders. In response to the prescribed bidding procedures, the following five (5) bids were received:

Carmenita Truck Center Santa Fe Springs, CA.	\$354,629.46
Diversified Truck Center Mira Loma, CA.	\$363,882.52

Boerner Truck Center Huntington Park, CA. \$367,616.58

Peck Road Truck Center
City of Industry, CA. \$426,392.46

Inland Kenworth
Montebello, CA. \$464,919.70

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FINANCIAL IMPACT

The financial impact is \$354,629.46 to the Vehicle Maintenance Replacement Fund. The amount for this purchase is provided by funding assessed over the last twenty (20) years from the General Fund and deposited into the Vehicle Maintenance Replacement Fund. This fund was developed to ensure funding for equipment when the equipment has fully depreciated and is no longer cost effective to maintain. In addition, the AQMD Rideshare Fund will finance \$80,000.00 of the vehicle purchase. The AQMD Rideshare Fund provides capital for purchasing low emission vehicles. Therefore, there is no direct impact to the General Fund. The vehicles being replaced will be sold at public auction.

COMMUNITY VISION IMPLEMENTATION

Environmentally compliant natural gas vehicles are essential for a high quality of life, as outlined in the City of Garden Grove's Strategic Plan.

RECOMMENDATION

It is recommended that City Council:

 Authorize the Finance Director to issue a purchase order in the amount of \$354,629.46 to Carmenita Truck Center in Santa Fe Springs for the purchase of two (2) environmentally compliant, CNG heavy-duty dump trucks.

KEITH G. JONES Director of Public Works

By: Phillip Carter

Equipment Maintenance Supervisor