



# City of San Antonio

## Agenda Memorandum

**File Number:**15-5535

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**Agenda Item Number:** 5.

**Agenda Date:** 11/19/2015

**In Control:** City Council A Session

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**DEPARTMENT:** Finance

**DEPARTMENT HEAD:** Troy Elliott

**COUNCIL DISTRICTS IMPACTED:** CityWide

**SUBJECT:**

Automated Side Load Refuse Trucks

**SUMMARY:**

An ordinance accepting the offer from Grande Truck Center of San Antonio to provide 31 replacement and 12 additional automated side load refuse trucks to the City of San Antonio for a total cost of \$13,167,715.00. Funding in the amount of \$3,855,360.00 will be paid through a Tax-Exempt Lease Purchase Agreement, or other financial obligations, contingent on the execution of a lease program schedule or other issuance approved by subsequent Ordinance and funding in the amount of \$9,312,355.00 is available from the Equipment Renewal and Replacement Fund (ERRF). Funding for these vehicles will be supported by the Solid Waste Operating Fund and no general fund dollars will be used for this purchase.

**BACKGROUND INFORMATION:**

Submitted for City Council consideration and action is the offer from Grande Truck Center for the purchase of 43 automated side load refuse trucks. This purchase includes 31 trucks that are replacements for trucks that have reached the end of the life cycle. There also are 12 new trucks included to handle increased capacity required for organics services provided through the Pay As You Throw (PAYT) program. PAYT is a key component to help reach the City's 60% residential recycling goal by 2025, as outlined in the Recycling and Resource Recovery Plan.

All of the trucks being purchased utilize diesel powered engines. Today, SWMD has 30 compressed natural gas (CNG) powered garbage trucks that were purchased in 2008. Since that time, because of federal mandates on emissions beginning in 2010, the environmental impact from diesel engines is equal to those of CNG engines.

As proven by the tests conducted by the California Air Resource Board, there will be no greater environmental impact because today's diesel powered engine is as clean as or cleaner than today's CNG powered engine. This purchase will replace 12 of the CNG powered trucks with diesel powered trucks.

In 2013, the Office of Innovation and Reform in coordination with the Building and Equipment Services Department and the Solid Waste Management Department conducted an analysis comparing the financial and environmental benefits of diesel and CNG powered refuse trucks. The results of the analysis indicated that the life cycle costs of the CNG powered refuse trucks are significantly higher than comparable diesel powered refuse trucks. These costs include higher cost for maintenance of the fueling facilities and maintenance of the trucks.

Twenty-one of the trucks will consist of a Mack LR633 cab and chassis with a Scorpion 30 cubic yard capacity automated side loader refuse collection body. Twenty-two of the trucks will consist of an Autocar ACX 64 Xpeditor cab and chassis with a Heil Durapak Python 28 plus cubic yard capacity, high compaction, automated side loader refuse body. These refuse trucks will be placed in service by the Solid Waste Management Department (SWMD) for collections of curbside refuse and recyclables from City residences. SWMD currently operates 161 side load refuse trucks in its fleet. This purchase will increase the City's fleet to 173 automated side load refuse trucks.

Vehicles and equipment that meet their expected life cycle are usually sold at auction but are sometimes traded-in to the selling dealer. If the Fleet asset is in the City's fleet replacement program then the proceeds are returned to the ERRF. The proceeds are then used to purchase new similar vehicles and equipment.

#### **ISSUE:**

This contract will provide a total of 43 automated side load refuse trucks for SWMD. Thirty-one trucks are replacement automated side load refuse trucks and 12 are additional automated side load refuse trucks necessary for the Organics and PAYT programs. All of the trucks being purchased utilize a diesel powered engine, with 12 trucks replacing trucks with CNG powered engines. There will be no environmental impact from this purchase, as today's diesel powered engine is as clean as or cleaner than today's CNG powered engine.

Of the 43 turnkey automated side load refuse trucks, 21 will consist of a Mack cab and chassis with an automated side loader refuse body and 22 will consist of a Autocar cab and chassis with an automated side loader refuse body.

The life expectancy for these vehicles is 72 months.

The side load refuse truck's cab and chassis has a one year warranty, the engine has a two year warranty, the transmission has a five year warranty, the side load refuse bodies have a three year complete warranty.

Due to the lack of small, minority, and/or women businesses available to provide these goods, the SBEDA Program did not apply to this solicitation.

The recommended award is to Grande Truck Center of San Antonio, which is also a local business. Therefore, application of the Local Preference Program was not required.

The Veteran-Owned Business Program does not apply to good/supplies contract, so no preference was applied to this contract.

**ALTERNATIVES:**

Should this contract not be approved, the SWMD's ability to provide essential services to the residents of San Antonio could be affected. All of the replaced equipment has met or will meet its age or mileage requirement cycles before replacement. The replacement date is considered the optimum time for replacement as delaying the acquisition could make the vehicles no longer economically feasible to repair and could lead to the SWMD's inability to provide essential services to the residents of San Antonio. The twelve additional units will be utilized for the expansion the organic materials collection program.

**FISCAL IMPACT:**

The total cost of this contract is \$13,167,715.00 of which \$3,855,360.00 will be paid through a Tax-Exempt Lease Purchase Agreement, or other financial obligations, contingent on the execution of a lease program schedule or other issuance approved by subsequent Ordinance, and the balance of \$9,312,355.00 will be funded from Equipment Renewal and Replacement Fund. Debt payments for this Tax-Exempt Lease Purchase Agreement will be made from the Solid Waste Operating Fund.

**RECOMMENDATION:**

Staff recommends the approval of this contract with Grande Truck Center of San Antonio to provide 43 automated side load refuse trucks for a total cost of \$13,167,715.00.

This contract was procured on the basis of a Public Health or Safety exemption and Contract Disclosure Forms are not required.