



## CITY COUNCIL STAFF REPORT

**From: City Manager**

**Report Type: CONSENT CALENDAR**

**Lead Department: Public Works**

**Meeting Date: February 13, 2023**

### **TITLE**

Approval of a Purchase Order with Interstate Truck Center in an Amount Not to Exceed \$297,244 for the Purchase of Two 2023 International CV Chipper Body Trucks, Utilizing a Cooperative Purchase Agreement, Funded by Capital Improvement Program Project VR-23000

### **RECOMMENDATION**

Staff recommends that Council approve and authorize the City Manager or their designee to execute a purchase order with Interstate Truck Center LLC dba Valley Peterbilt in the amount of \$270,244 and an approximate 10% contingency in the amount of \$27,000 for potential price increases, for a total not to exceed amount of \$297,244 for the purchase of two (2) 2023 International CV515 trucks with chipper bodies, utilizing a cooperative purchase agreement via Sourcewell, a cooperative purchasing agency serving government and not-for-profit organizations.

### **BACKGROUND**

The Vehicle and Equipment Use, Maintenance, and Replacement Policy section 4-1 provides for the on-going replacement of City fleet vehicles and equipment. Replacements are scheduled using guidelines based on age, mileage accumulation, and obsolescence. Policy 4-1 prescribes a replacement interval for trucks with service bodies of ten years or 100,000 miles. The replacement of the two (2) chipper body trucks recommended in this report was programmed in the FY 2023 Scheduled Vehicle and Equipment Replacement Capital Improvement Program project (VR-23000).

### **ANALYSIS**

Urban Forestry operates a total of four Ford F-550 trucks with chipper bodies. Two of these trucks, both 2001 Ford F-550s, are now scheduled for replacement. Vehicle 3520 has 71,218 miles, with lifetime maintenance and operation costs exceeding \$146,000, of which \$60,189 (41 percent) has been incurred in the last 5 years. Approximately 60 percent of the total downtime for this vehicle has occurred in the last 5 years. Vehicle 3521 had similar mileage and

maintenance and operation costs but was totaled in an accident in March 2022. These trucks do not have hour meters that would indicate additional engine wear while they are in use but not traveling. These are specialty vehicles used by the department primarily for towing brush chippers and transporting wood chips and large pieces of wood. Other daily functions include towing a tree planting trailer, towing a spray rig, and towing arrow boards for traffic control purposes. The chipper trucks are also relied upon frequently to respond to emergency calls after hours, weekends, and on holidays in response to downed trees or limbs on the public right-of-way, structures, and electrical power lines.

### Procurement Process

Palo Alto Municipal Code section 2.30.360 (j) allows the use of cooperative purchasing agreements in lieu of conducting a competitive solicitation. Navistar, Inc. dba International Truck was awarded a contract by Sourcewell, a cooperative purchasing agency serving governmental, higher education, K-12 education, not-for-profit, tribal government, and other public agencies. Sourcewell conducted a Request for Proposals under which Navistar, Inc. dba International Truck was an awarded vendor (Sourcewell Contract) through which Interstate Truck Center LLC dba Valley Peterbilt is an authorized dealer.

To participate under the cooperative agreement, a Request for Quotation was sent to Sourcewell, and staff received a quote from Interstate Truck Center LLC dba Valley Peterbilt on January 17, 2023 (Attachment A).

If this request is not approved, these replacements would have to be worked into a future year's replacement schedule, and staff would have to request a new specification and quote for a later model chassis and return to Council for approval. Delaying the replacement of these vehicles would lead to increased maintenance costs and downtime, and result in a higher replacement cost.

The purchase order version provided in Attachment B (Purchase Order 4523000156<sup>1</sup>) has been reduced for printing purposes and does not include all exhibits. The full contract with all exhibits can be found here.

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<sup>1</sup> <https://www.cityofpaloalto.org/files/assets/public/public-works/fleet/contractpo/po-4523000156-final-po-packet.pdf>

**FISCAL/RESOURCE IMPACT**

As approved in the FY 2023 Adopted Capital Budget, funding is available in the FY 2023 Scheduled Vehicle and Equipment Replacement capital project (VR-23000) for the purchase of two 2022 International CV515 trucks with chipper bodies recommended in this report.

**STAKEHOLDER ENGAGEMENT**

Requests for vehicle replacements are presented to the Fleet Review Committee (FRC) for approval. FRC approved the replacement of these two vehicles through the FY 2023 Adopted Capital Budget and review of the scheduled five-year vehicle replacement plan.

**ENVIRONMENTAL REVIEW**

Council action on this item is not a project as defined by CEQA because the purchase of fleet vehicles is a continuing administrative or maintenance activity. CEQA Guidelines section 15378(b)(2).

**ATTACHMENTS**

Attachment A: Quote from Interstate Truck Center LLC dba Valley Peterbilt

Attachment B: Excerpt from Purchase Order #4523000156

**APPROVED BY:**

Brad Eggleston, Director Public Works/City Engineer

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