



**DATE: SEPTEMBER 2, 2025**

**FROM: CONSTRUCTION AND MAINTENANCE**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ - AWARD OF BID NO. F-1238 TO  
72 HOUR LLC FOR PURCHASE OF HEAVY DUTY TRUCKS AND  
EQUIPMENT**

**SUMMARY:**

Staff requests the approval of Bid No. F-1238 (Contract) with 72 Hour LLC dba National Auto Fleet Group (72 Hour) located in Watsonville, California for the purchase and delivery of heavy duty trucks and equipment. The proposed Contract would be for a one-year term with two one-year renewal options and would utilize an existing national cooperative agreement for such services between Sourcewell and 72 Hour. The City of Los Angeles Harbor Department (Harbor Department) Construction and Maintenance Division (C&M) will purchase heavy duty trucks and related equipment as identified in the capital equipment budget approved as part of the Harbor Department's annual budget process. The amount of this proposed Contract shall not exceed \$5,000,000 for the initial year. If the two renewal options are exercised, \$5,000,000 will be authorized for the second year and \$5,000,000 for the third year. The total contract amount would not exceed \$15,000,000 over the three years. The Harbor Department will be financially responsible for the payment of costs incurred under the proposed Contract.

The final decision in purchasing any new equipment would take into consideration the specific operational and regulatory requirements of the Harbor Department and the Mayoral Executive Directive L.A.'s Green New Deal sustainability plan as of 2019 and whether these vehicles can meet these requirements.

**RECOMMENDATION:**

It is recommended that the Board of Harbor Commissioners (Board):

1. Find that the Director of Environmental Management has determined that the proposed action is administratively exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II Section 2(f) of the Los Angeles City CEQA Guidelines;
2. Find that in accordance with City of Los Angeles Administrative Code Division 10, Chapter 1, Article 2, Section 10.15 (a)(8), the Harbor Department may enter into an agreement with 72 Hour utilizing a current agreement for such services with Sourcewell through their Contract No. 032824-NAF, a cooperative purchase agreement;

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3. Approve Bid No. F-1238 with 72 Hour in the amount of \$5,000,000 for the purchase and delivery of heavy duty trucks and related equipment for a period of one year, with two one-year renewal options in the same amount annually for a total compensation amount not to exceed \$15,000,000 if the renewal options are exercised by the Executive Director or his/her designee;
4. Authorize the Executive Director to execute and the Board Secretary to attest to Bid No. F-1238 for and on behalf of the Board; and
5. Adopt Resolution No. \_\_\_\_\_ .

**DISCUSSION:**

Background – C&M is responsible for the procurement and maintenance of approximately 500 department vehicles. As such, C&M has been assigned responsibility for developing an annual budget for the replacement of the equipment it maintains. When making determinations about vehicle replacement, the fleet managers at C&M take several factors into consideration. Fleet replacement planning considers age, mileage or hours, maintenance history, anticipated usage needs, and overall condition/reliability. In addition, environmental regulatory changes may require the replacement of equipment outside of the normal criteria.

Each year as a part of the annual budget process, C&M will compile a list of equipment that meets the replacement criteria depending on the class of equipment involved. For heavy duty equipment, which includes but is not limited to medium duty trucks, heavy duty trucks, sweepers, and other heavy equipment, replacement is considered after 10 to 15 years of service. The replacement list is reviewed and prioritized for submittal as a part of the annual capital equipment budget request. The list is typically pared down, and those pieces which make the final list are replaced after research is undertaken as to what constitutes the most economical, environmentally friendly replacement, including adherence to the Mayor's Los Angeles' Green New Deal plan insofar as it relates to equipment purchases.

As part of the City of Los Angeles' Green New Deal Sustainability plan, incremental goals have been set to expand the City's zero emission (ZE) vehicle fleet with the ultimate goal of 100% of the City fleet being zero emissions by 2050. The Harbor Department must do its part in helping to achieve the plan's ZE goals by prioritizing the purchase of ZE vehicles and equipment.

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C&M must consult the Harbor Department Environmental Management Division (EMD) for any diesel-using equipment purchases or deviations. In some cases, operational necessity may require purchasing vehicles of the same make (manufacturer) that already exists in the fleet to benefit from improved maintenance, training costs, and compatible charging infrastructure. However, the objective is to always purchase the cleanest vehicle feasible.

The requested expenditure of the proposed Contract is an estimate based on current project needs. The proposed Contract will be utilized in conjunction with the ZE goals by purchasing electric vehicles (EV) as opposed to combustion vehicles, if feasible. Although EVs are more expensive, the purchase of these vehicles would line up with the City's goals to obtain zero emissions by 2050. While the future is unpredictable, the following is a list of some of the equipment that has recently been purchased, which can indicate the amount needed for upcoming purchases of heavy trucks and related equipment:

- Crane Truck - \$993,184 (Purchased 2025)
- EV Sweeper - \$956,613 (Awarded, pending delivery 2025)

Entering into proposed Contract, Bid No. F-1238, (Transmittal 1) represents an opportunity to shorten the procurement process by taking advantage of pre-negotiated prices through Sourcewell, a cooperative of more than 50,000 member agencies that has developed competitively bid purchasing contracts for various materials and services. It is estimated that this contract will reduce the procurement process by up to four months for those items that are available through the contract and potentially reduce instances where funds need to be carried over from one fiscal year to the next for the payment of previous year's purchases. Whereas submittal of requisitions for equipment will normally take place over the course of six months once the fiscal year has begun, it is anticipated this contract will shorten the time for processing vehicle orders.

Selection Process – The City of Los Angeles Charter Article III, Section 371(e)(8) and Los Angeles Administrative Code Division 10, Chapter 1, Article 2, Section 10.15 (a)(8) allow for “contracts for cooperative arrangement with other governmental agencies for the utilization of the purchasing contracts and professional, scientific, expert or technical services contracts of those agencies and any implementing agreements, even though the contracts and implementing agreements were not entered into through a competitive bid process.”

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Sourcewell is a self-supporting government organization that holds hundreds of competitively solicited cooperative contracts in various products and services ready for use. The Sourcewell contract is a mechanism for the Harbor Department to utilize 72 Hour at prices that match or are more competitively priced than high volume government discounts. Therefore, in accordance with the City of Los Angeles Charter and Administrative Code, the proposed action by the Board is consistent with City contracting policies and staff recommends approval of the contract with 72 Hour.

**ENVIRONMENTAL ASSESSMENT:**

The proposed action is the approval of a Contract with 72 Hour for the purchase and delivery of heavy duty trucks and equipment, which is an administrative activity. Therefore, the Director of Environmental Management has determined that the proposed action is administratively exempt from the requirements of CEQA in accordance with Article II Section 2(f) of the Los Angeles City CEQA Guidelines.

**FINANCIAL IMPACT:**

Approval of the proposed Contract would authorize expenditures of up to \$5,000,000 per year, or a maximum of \$15,000,000 over three years if all options are exercised for the purchase and delivery of heavy duty trucks and related equipment (Transmittal 2). Fiscal Year (FY) 2025/26 funding in the amount of \$5,000,000 has been budgeted within Account 161210 (Capital Equipment Purchase), Division 32010 (C&M Administration). Funding for future fiscal years will be requested as part of the annual budget process upon Board approval.

Spending under the proposed Contract is anticipated to occur as follows:

<b>Budget Source</b>	<b>Operating Budget (Account 161210 – Capital Equipment Purchase)</b>
FY2025/26	\$5,000,000
FY2026/27	\$5,000,000
FY2027/28	\$5,000,000
<b>Total</b>	<b>\$15,000,000</b>

Equipment replaced as a result of the purchase of new equipment will be salvaged through the Los Angeles City Department of General Services, and the proceeds will be returned to the Harbor Revenue Fund. The Harbor Department will be financially responsible for payment of expenses incurred under the proposed Contract as well as all operational and maintenance costs associated with the newly acquired equipment.

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CITY ATTORNEY:

The Office of the City Attorney has reviewed and approved this Contract as to form and legality.

TRANSMITTALS:

1. Bid No. F-1238
2. Upcoming Vehicle/Equipment List

FIS Approval: JS  
CA Approval: SO



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