



Executive Director's
Report to the
Board of Harbor Commissioners

DATE: FEBRUARY 11, 2014

FROM: CONSTRUCTION AND MAINTENANCE

SUBJECT: RESOLUTION NO. _____ - AWARD OF CONTRACT NO. 39689 TO MAR-CO EQUIPMENT COMPANY FOR THE PURCHASE OF ONE STREET SWEEPER

SUMMARY:

The Construction and Maintenance Division (C&M) requests approval of Contract No. 39689 with Mar-Co Equipment Company of Pomona, CA, for the purchase of one street sweeper in the amount of \$322,944 including sales tax. This equipment will replace a 12 year-old street sweeper in poor condition with a regenerative sweeper that includes a closed-loop system that does not push out polluted air. This replacement was planned and funded in the Fiscal Year 2013-14 capital equipment budget.

RECOMMENDATION:

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

1. Approve Contract No. 39689 with Mar-Co Equipment Company of Pomona, CA in the amount of \$322,944 and authorize said expenditures;
2. Authorize the Executive Director to execute Contract No. 39689; and
3. Adopt Resolution No. _____ .

DISCUSSION:

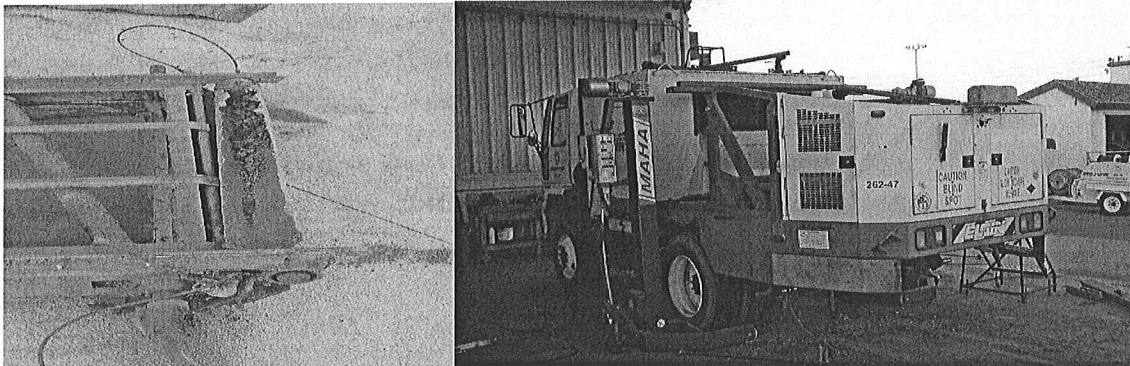
Background/Context – The City of Los Angeles Harbor Department (Harbor Department) regularly replaces vehicles and equipment when they reach the end of their life cycle or if maintenance costs exceed the value of a vehicle or piece of equipment. No vehicle or equipment will be replaced at the Harbor Department if they are still functioning properly and do not incur excessive costs to maintain.

C&M takes into consideration the capital costs associated with purchasing vehicles and equipment and balances this with the repair costs for each vehicle or piece of equipment. C&M always first seeks to extend the life of any vehicle or piece of equipment if it is in good condition, even if guidelines recommend replacement (such as ten years or 100,000 miles for pool cars or 15 years for heavy duty equipment). The Harbor Department vehicle and equipment replacement and selection policy (Transmittal 2) was used to determine the actions requested in this report. The equipment requested has been assessed by C&M fleet staff and supervisors and meets

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the threshold for replacement. This replacement was planned and funded in the Fiscal Year 2013-14 capital budget (Transmittal 1).

C&M purchased the existing street sweeper in fiscal year 2001-02 and it became Vehicle No. 262-47 (see images below). While it has not reached the age of 15 years which is normal for heavy duty equipment life spans, 262-47 is in poor condition and has reached its operational limit. It has logged over 131,000 miles and has considerable wear and tear based on frequent heavy usage over the years. Exposure to the elements, particularly the ocean's salty influence, has increased the level of rust, further degrading the frame of the vehicle. The vehicle is out of service approximately ten to 15 percent of the time due to the age and state of repair. This vehicle is structurally in poor condition and C&M staff has determined that replacement is the most cost effective alternative.



The street sweeper proposed to be purchased by C&M is a TYMCO Model 600 regenerative air sweeper. This is a new and efficient CNG-powered sweeper that provides a closed-loop system in which a controlled blast of air is used to dislodge debris from the surface pushing the debris-laden air into the hopper and a centrifugal dust separator. Unlike vacuum sweepers, the TYMCO unit does not exhaust polluted air into the atmosphere and uses the least amount of water for dust control.

A street sweeper needs to be as maneuverable as possible to clean hard-to-reach areas. The TYMCO is very maneuverable due to a shorter wheel base. The sweeper also has a CNG fuel storage rack that increases fuel capacity while providing a tighter turning radius and maximum rear view visibility. The new sweeper is in compliance with South Coast Air Quality Management District Rule 1196 regarding clean on-road heavy duty public fleet vehicles. In addition, the new street sweeper comes with a one-year or 12,000 mile standard warranty and a five-year or 75,000 mile warranty for the powertrain. The estimated life span of the new street sweeper is 15 years.

Selection Process – C&M submitted a purchase requisition with specifications for a street sweeper in October 2013. The Contracts and Purchasing Division released

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Request for Bid (RFB) F-846 on October 28, 2013 to solicit bids for a street sweeper. It was advertised on the City of Los Angeles Business Assistance Virtual Network (LABAVN) and the Port of Los Angeles website. Two bids were received by the November 18, 2013 deadline (Transmittal 3).

Mar-Co Equipment Company and Haaker Equipment submitted bids and both qualified as a Local Business Enterprise. They received an eight percent bid preference in accordance with the Local Business Preference Program (LBPP). Mar-Co Equipment Company is the low bidder and staff recommends that the Board approve a contract with Mar-Co Equipment Company (Transmittal 4).

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of a contract with Mar-Co Equipment Company for the purchase of one street sweeper. As an administrative activity, the Director of Environmental Management has determined that the proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA) in accordance with Article II Section 2 (f) of the Los Angeles City CEQA Guidelines.

ECONOMIC BENEFITS:

Approval of the proposed contract will have very minor employment impact (less than 1) for the five-county region.

FINANCIAL IMPACT:

The purchase of a street sweeper, including tax, will cost the Harbor Department a total of \$322,944. Total ongoing maintenance costs associated with the new street sweeper is expected to be approximately \$3,200 per year, excluding fuel costs and including warranty provisions. This is a decrease in operations and maintenance costs of \$1,900 per year from the existing street sweeper of approximately \$5,100 per year. The existing street sweeper has fully depreciated in value. For accounting purposes, the useful life of the equipment is seven years.

One alternative to replacing the current equipment would be to make significant structural refurbishments, including frame replacement, at a cost of approximately \$18,000, and continue to spend approximately \$5,100 per year in regular maintenance and repairs. However, the chassis and other parts would continue to deteriorate and replacement provides the only viable solution. Investing \$19,000 in refurbishment and maintenance on a 2002 model year CARB Tier 1 heavy duty vehicle is incongruent with the Harbor Department's vehicle environmental guidelines. The replacement vehicle is equipped with a CARB Tier 4 CNG engine, which complies with current emission standards (post 2010). That standard is (0.01 g/hp-hr PM, .02 g/hp-hr NOx.)

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Funding in the amount of \$450,000 for the proposed street sweeper was budgeted in the Fiscal Year 2013-14 C&M Capital Equipment Budget Account No. 59981, Center No. 0510, and Program No. 000.

CITY ATTORNEY:

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

TRANSMITTALS:

1. FY 2013-14 C&M Capital Equipment List
2. Harbor Department Vehicle/Equipment Replacement/Selection Policy
3. Recap of Bid No. F-846
4. Contract No. 39689

FIS Approval:  (initials)

CA Approval:  (initials)



JIM MORGAN

Director of Port Construction and Maintenance



MOLLY CAMPBELL

Deputy Executive Director

APPROVED:



GARY LEE MOORE, P.E.
Interim Executive Director

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