



DATE: FEBRUARY 11, 2014

FROM: CONSTRUCTION AND MAINTENANCE

SUBJECT: RESOLUTION NO. _____ - AWARD OF CONTRACT NO. 39688 TO LOS ANGELES TRUCK CENTER, LLC DBA LOS ANGELES FREIGHTLINER FOR THE PURCHASE OF ONE POTHOLE PATCHER TRUCK

SUMMARY:

The Construction and Maintenance Division (C&M) requests approval of Contract No. 39688 with Los Angeles Truck Center, LLC dba Los Angeles Freightliner of Whittier, CA, for the purchase of one pothole patcher truck in the amount of \$227,004 including sales tax. This equipment will replace a 14 year-old pothole patcher truck in poor condition with a new truck. 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. 39688 with Los Angeles Truck Center, LLC dba Los Angeles Freightliner of Pomona, CA in the amount of \$227,004 and authorize said expenditures;
2. Authorize the Executive Director to execute Contract No. 39688; 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. As in all vehicle or equipment replacements at the Harbor Department, they will not be replaced 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 that 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 the threshold for replacement. This replacement was planned and funded in the Fiscal Year 2013-14 capital budget (Transmittal 1).

DATE: FEBRUARY 11, 2014

PAGE 2 OF 4

SUBJECT: AWARD OF CONTRACT NO. 39688 TO L.A. FREIGHTLINER

C&M purchased the existing pothole patcher truck in fiscal year 1999-2000 and it became Vehicle No. 262-35 (see images below). While it has not reached the age of 15 years normal for heavy duty equipment life spans, 262-35 is in poor condition and has reached its operational limit. It has logged over 62,500 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 and hopper of the vehicle. This is the key factor in determining replacement since the body and dump bed are the focus of the pothole repair function. The engine also has excessive wear. The vehicle is out of service approximately ten 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 new pothole patcher truck proposed to be purchased by C&M has a Freightliner M2 112 chassis with a turbo-charged, CNG fueled Cummins engine certified by CARB, and is in compliance with South Coast Air Quality Management District Rule 1196 regarding clean on-road heavy duty public fleet vehicles.

The pothole patcher truck is a specialized dump truck that allows for the hauling and laying of hot mix asphalt. Its dump bed has burner features that maintain the asphalt heat while the material is in transit and on location. The truck supports terminal maintenance and construction projects for repaving after utility repairs or street work in repairing damaged sections of roadways. The new truck can carry 5.1 cubic yards of hot mix asphalt with a tilt dump functionality and has a trench gate opening for specialized trench pours. In addition, the new pothole patcher truck comes with a one-year or 12,000 mile standard warranty, a two-year warranty for the truck body, and a five-year or 150,000 mile warranty for the powertrain. The estimated life span of the new pothole patcher truck is 15 years.

C&M is continually striving to reduce costs involved with the maintenance and repair of all Harbor Department owned vehicles and equipment. Standardizing the fleet is key to making that happen. Service and repair costs are reduced to a minimum by not having to acquire multiple parts from multiple brands of vehicles and equipment. In addition, training costs are reduced by only needing to train C&M staff on a few brands.

DATE: FEBRUARY 11, 2014

PAGE 3 OF 4

SUBJECT: AWARD OF CONTRACT NO. 39688 TO L.A. FREIGHTLINER

Selection Process – C&M submitted a purchase requisition with specifications for a pothole patcher truck in October 2013. The Contracts and Purchasing Division released Request for Bid (RFB) F-845 on October 28, 2013 to solicit bids for a pothole patcher truck. 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).

Los Angeles Truck Center, LLC dba Los Angeles Freightliner 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). Los Angeles Truck Center, LLC dba Los Angeles Freightliner is the low bidder and staff recommends that the Board approve a contract with Los Angeles Truck Center, LLC dba Los Angeles Freightliner (Transmittal 4).

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of a contract with Los Angeles Truck Center, LLC dba Los Angeles Freightliner for the purchase of one pothole patcher truck. 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 pothole patcher truck, including tax, will cost the Harbor Department a total of \$227,004. Total ongoing maintenance costs associated with the new pothole patcher truck is expected to be approximately \$2,200 per year, excluding fuel costs and including warranty provisions. This is a decrease in operations and maintenance costs of \$1,000 from the existing pothole patcher truck of approximately \$3,200 per year. The existing pothole patcher truck 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 at a cost of approximately \$17,500 for the equipment, and continue to spend approximately \$3,200 per item per year in regular maintenance and repairs. But even those repairs would only extend the life of the vehicle a few years at best. The chassis and other parts would continue to deteriorate and replacement provides the only viable solution. Investing \$20,000 in refurbishment and maintenance on a 2000 model year CARB Tier 1 heavy duty vehicle is incongruent with the Harbor Department's vehicle environmental

DATE: FEBRUARY 11, 2014

PAGE 4 OF 4

SUBJECT: AWARD OF CONTRACT NO. 39688 TO L.A. FREIGHTLINER

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.)

Funding in the amount of \$250,000 for the proposed pothole patcher truck 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 City Attorney has reviewed and approved the transmitted 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-845
4. Contract No. 39688


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

S:/Share/Clerical Documents/Board Items/C&M_Pothole Patcher Truck 021114

File No. MGT-3-3
HAR-9-1

Author: D. Young