



**THE PORT
OF LOS ANGELES**
Executive Director's
Report to the

Board of Harbor Commissioners

DATE: MARCH 9, 2011

FROM: CONSTRUCTION AND MAINTENANCE DIVISION

SUBJECT: RESOLUTION NO. _____ - AWARD OF CONTRACT NO. 39565 TO THEODORE ROBINS, INC. FOR THE PURCHASE OF ELEVEN FORD ESCAPE HYBRID POOL AND STAFF VEHICLES

SUMMARY:

The Construction and Maintenance Division (C&M) requests approval of Contract No. 39565 with Theodore Robins, Inc. of Costa Mesa, CA for the purchase of eleven (11) Ford Escape Hybrids in the amount of \$368,902, including sales tax. These new vehicles will provide carbon efficient replacements for the oldest and least efficient of the current pool and staff vehicles. The replacement of pool and staff vehicles was planned and is funded in the Fiscal Year 2010-11 capital equipment budget.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners:

1. Approve Contract No. 39565 with Theodore Robins, Inc. in the amount of \$368,902 and authorize said expenditures;
2. Authorize the Executive Director to execute and Board Secretary to attest to Contract No. 39565; and
3. Adopt Resolution No. _____.

DISCUSSION:

Background – The Harbor Department maintains a fleet of 68 pool and staff vehicles (see Transmittal No. 3). Certain larger divisions and those with constant travel by employees throughout the Port are assigned a specific number of pool vehicles. C&M maintains and repairs all department pool and staff vehicles and is responsible for determining the status of all vehicles, including when a vehicle is no longer cost effective to maintain in the fleet.

Four of the new vehicles are to replace leased 2001 Toyota RAV4 electric vehicles that have recently been returned to Toyota (temporary rentals are in place now). These were maintained by C&M and they had been having multiple mechanical problems that reduced the department's ability to economically use them as pool vehicles. The seven other new vehicles will replace the oldest and least efficient of the Honda Civics and other pool vehicles currently assigned throughout the department. These vehicles were

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as a result of an assessment of carbon efficiency and operational needs that determined hybrids would be the best overall choice.

The current Honda Civics – vehicle numbers 253-49, 253-50, 253-54, 253-56, 253-57, and 253-58 - are all 1999 model year cars and have been used more than 100,000 miles. The other pool vehicle to be replaced is 253-59 assigned to the executive office. Many of the Harbor Department's pool and staff cars – based on a regular maintenance schedule - are now facing extensive and expensive overhauls of their major systems. It has become more cost effective from a maintenance perspective to replace the vehicles rather than continue costly system maintenance. As in all vehicle replacements at the Harbor Department, no vehicle will be replaced if it is still functioning properly and does not incur excessive costs to maintain.

C&M is specifically requesting Ford model pool and staff vehicles – Escape Hybrids in this request – to provide consistency for the fleet repair function at the Harbor Department. After analyzing all fleet maintenance factors (including repair, training, parts inventory) C&M has determined that maintaining a single make of vehicle ensures that garage mechanic training, parts, and other repair costs achieves the most efficiencies. The majority of existing C&M light-, medium-, and heavy-duty trucks are Ford makes and the majority of Port Police vehicles are Ford makes. For this reason, C&M aims to keep as many vehicles in the Ford line as possible. This will not impact other specialized vehicle and equipment in the Harbor Department where Ford replacements are not available.

The 2011 Ford Escape Hybrid has a 2.5 liter four-cylinder gasoline engine with a permanent-magnet AC-synchronous electric motor. The vehicles should achieve approximately 34 miles per gallon (fuelconomy.gov) during regular city travel. This is an increase of 30 percent from the 1999 Honda Civic. The Harbor Department has requested standard equipment and features for the vehicles, including cloth seats, along with a 3-year/36,000-mile standard warranty and 5-year/75,000-mile extended "power train only" warranty.

Selection Process – C&M submitted a purchase requisition for eleven (11) Ford Escape Hybrid vehicles. The Contracts and Purchasing Division released a Request for Bid (RFB) on December 9, 2010 to solicit bids for new vehicles. Bids received by the December 29, 2010 deadline have been tabulated as detailed in Transmittal No. 1. Based on the bid tabulation, staff is recommending approval by the Board of Harbor Commissioners (Board) of Theodore Robins, Inc., the lowest, responsive bidder.

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ENVIRONMENTAL ASSESSMENT:

The proposed action is the approval of a contract for the purchase of 11 Ford Escape Hybrid pool and staff vehicles. As an administrative action, the Director of Environmental Management has determined that the proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II Section 2(f) of the Los Angeles City CEQA Guidelines.

ECONOMIC BENEFITS:

Spending under this contract will have approximately 2 direct and 2 secondary one-year equivalent job impacts in the five-county region.

FINANCIAL IMPACT:

The purchase of eleven Ford Escape Hybrid vehicles will cost the Harbor Department a total of \$368,902. Total ongoing maintenance costs associated with the new pool and staff vehicles is expected to be approximately \$900 per vehicle per year, excluding fuel costs and including warranty provisions. This is a decrease in operations and maintenance costs from the existing vehicles of approximately \$1,500 per vehicle per year, or \$16,500 per year for the 11 vehicles to be replaced. In addition, the current pool and staff vehicles will be salvaged through the City of Los Angeles General Services Department (GSD). There is no estimate available on the value of the current CNG fueled vehicles. After a ten percent salvage fee kept by GSD, all funds generated by the salvage process are returned to the Harbor Revenue Fund.

One alternative to replacing the current pool and staff vehicles would be to continue repairing the existing vehicles. That would cost more than \$2,400 per year and may go much higher if transmissions or other systems fail. Another alternative is to lease vehicles. The department explored this option and determined that purchasing vehicles is more cost effective given the available staffing for the maintenance function.

If the purchase of the new pool and staff vehicles is not approved, the Harbor Department will not spend a total of \$368,902 on replacement vehicles and that additional funding will be available in the capital equipment budget. Costs to maintain the existing fleet would continue to increase.

Funding in the amount of \$368,902 is available in the C&M Capital Equipment Budget Account No. 13240, Center No. 0510, and Program No. 000.

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CITY ATTORNEY:

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

TRANSMITTALS:

1. Recap of Bid No. F-722
2. Contract No. 39565
3. Harbor Department Pool and Staff Vehicles

FIS Approval: KB (Initials)


JIM MORGAN
Director of Port Construction and Maintenance


JOHN M. HOLMES
Deputy Executive Director

APPROVED:


GERALDINE KNATZ, Ph.D.
Executive Director

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