



Memorandum

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

DATE: January 7, 2022

TO: General Manager

FROM: Director of Operations

SUBJECT: Purchase of One New Peterbilt Heavy-Duty CNG Water Truck
Purchase of Two New Peterbilt Heavy-Duty CNG Hook Lift (Roll-Off) Trucks
Purchase of Two New Peterbilt 3 Axle CNG Tractor (Semi)Truck

Reviewed by: AM Date: 1-14-22
General Manager

RECOMMENDATION: That the Board of Directors 1) Adopt Resolution 2022-06 authorizing the purchase of one new Peterbilt Heavy-Duty CNG Water Truck, two new Peterbilt Heavy-Duty CNG Hook Lift (Roll-Off) Trucks, and two New Peterbilt 3 Axle CNG Tractor (Semi) Trucks using the preferential competitive pricing offered through Sourcewell (formally known as National Joint Powers Alliance, NJPA); 2) Accept the three proposals (attached) by Coast Counties Peterbilt of Salinas, CA, dated November 12, 2021 and November 30, 2021, to provide a Peterbilt Heavy-Duty CNG Water Truck for the total price of \$354,779.86; two Peterbilt Heavy-Duty CNG Hook Lift (Roll-Off) Trucks for the total price of \$702,433.68; and two new Peterbilt 3 Axle CNG Tractor (Semi) Trucks for the total price of \$458,687.42. Purchase total for all five trucks to be \$1,515,900.96 including sales tax, freight.

BACKGROUND

Several Heavy-Duty Truck purchases were postponed in FY 20/21 due to Covid-19 pandemic uncertainties. Now that the District is more confident with its revenue streams, Staff is looking to replace several older trucks used in daily operations. The District operates a small fleet of On-Road Heavy-Duty Trucks utilized for various activities throughout the Site. Replacement of On-Road Heavy-Duty Trucks powered by a 2010 or older diesel engine, is required to meet emission standards set forth by the California Air Resources Board (CARB) by January 1, 2023.

Unit SI58, a 2010 Volvo Water Truck with a 2009 diesel engine. This truck with 59,725 miles, will be designated "low use" and parked within the MRF footprint for quick access and response to emergency situations as needed. The water truck is utilized by the District's site operations for dust control over District roadways, leachate management, as well as fire protection, and other related tasks. Funds in the amount of \$320,000 were included in the FY 2021/22 Capital Outlay Budget for this purchase.

Unit MR37 and Unit MR38 are both 2009 Volvo Roll-Off Trucks with a 2009 diesel engine. These trucks with over 93,000 miles are critical in MRF operations, primarily utilized to transfer commodities, as well as construction and demolition materials from Tip Floor secondary pile. Funds in the amount of \$650,000 were included in the FY 2021/22 Capital Outlay Budget for this purchase.

Unit MR44 and Unit MR45 are both 2009 International Transtar 8600 Semi-Trucks with over 228,000 miles, powered by a 2009 diesel engine. These Semi-Trucks (with attached walking floor trailer) are utilized for MRF transfer operations to the active Landfill face for disposal of residue from both Construction and Demolition (C&D) and Single Stream (SS) processing lines. Funds in the amount of \$300,000 were included in the FY 2021/22 Capital Outlay Budget for this purchase.

DISCUSSION

Beginning January 1, 2023, On-Road Heavy-Duty Trucks powered by a 2010 or older diesel engine will not be permitted to operate in the State of California due to revisions in emission standards set forth by the California Air Resources Board (CARB). Staff recommends replacing unit SI58, a 2010 Volvo Water Truck (2009 diesel engine) with a new 2023 Peterbilt Heavy-Duty CNG Water Truck. Staff also recommends moving to CNG (Compressed Natural Gas) as an alternate clean burning fuel, widely used by commercial waste haulers in the industry.

In addition, Staff recommends replacing unit MR37 and unit MR38, both are 2009 Volvo Roll-Off Trucks (2009 diesel engine) with new 2023 Peterbilt Heavy-Duty CNG Hook Lift (Roll-Off) Trucks. Staff also recommends moving to CNG as an alternate clean burning fuel.

Moreover, Staff recommends replacing unit MR44 and unit MR45, both are 2009 International Transtar 8600 Semi-Trucks (2009 diesel engine) with new 2023 Peterbilt 3 Axle CNG Tractor (Semi)Trucks. Staff also recommends moving to CNG as an alternate clean burning fuel. Staff had included \$300,000 in the current FY 21/22 budget for the purchase of two (2) used CNG semi-tractors. During the budgeting process staff did indicate that these vehicles would be difficult to find and procure and that staff would most likely be returning to the board to authorize the purchase of two (2) new CNG semi-tractors.

Staff is coming to the Board at this time to authorize entering into agreements at this time, which will be moving funds approved from FY 21/22 capital funds to the FY 22/23 capital budget. An order is required at this time to meet the long procurement times that the global supply chain issues have created, and for the District to meet the CARB standards by January, 2023.

Staff is choosing to purchase CNG fueled vehicles as opposed to electric vehicles for two reasons. First, we have our own capacity to process LFG into RCNG, utilizing our own resources to supply a renewable fuel source to our own fleet. Secondly, electric heavy-duty vehicles are not yet widely available, or their reliability and performance generally understood. Staff feels it would be prudent to evaluate after this generation of mobile equipment purchases once there is wider acceptance and understanding of their performance.

Finally, Staff recommends sourcing Heavy-Duty Trucks from one single truck manufacturer. This will accomplish the standardization of the District's On-Road fleet to realize savings in operating cost relative to driver efficiencies, as well as parts inventory, technical training, tools, and diagnostic equipment for equipment maintenance personnel. Peterbilt has been selected for their durability and reliability and is commonly preferred by commercial waste haulers in the industry such as Waste Management and GreenWaste Recovery.

PURCHASE CONTRACT

The District is a member of Sourcewell (formally NJPA). Sourcewell is a public agency serving member agencies across the country as a municipal contracting agency. Sourcewell establishes and provides nationally leveraged and competitively solicited purchasing contracts under the guidance of the Uniform Municipal Contracting Law (M.S. 471.345 Subd. 15). The Joint Exercise of Power Law (M. S. 471.59) allows its members to legally purchase through its contracts without duplicating their own competitive bidding process and requirements. The result of this cooperative effort is a high-quality selection of nationally leveraged, competitively bid contract solutions to allow member agencies access to top national contract volume pricing.

FINANCIAL IMPACT

Funds totaling \$1,275,000 were included in the FY 2021/22 Capital outlay portion of the budget for these purchases. Staff is asking the Board to not spend those funds in FY 21/22 and instead authorize the pre-authorization of FY 22/23 Capital outlay of \$1,515,901 for the five (5) new CNG fueled vehicles. This is an increase of \$240,900.96.

STRATEGIC PLAN

The purchase of these new Peterbilt Heavy-Duty Trucks is not related to the District's Strategic Plan, although it facilitates compliance with Federal and State mandated emission regulations.

CONCLUSION

It is therefore recommended that the Board of Directors: 1) Adopt Resolution 2021-XX authorizing the purchase of new Peterbilt Trucks without competitive bidding using the preferential competitive pricing offered through the Sourcewell program; and 2) Accept proposals by Coast Counties Peterbilt Salinas, CA, to provide a new Peterbilt Heavy-Duty CNG Water Truck for a total price of \$354,779.86; two new Peterbilt Heavy-Duty CNG Hook Trucks for a total price of \$702,433.68; and two new Peterbilt 3 Axle CNG Tractor Trucks for a total price of \$458,687.42 (all including freight and sales tax). Estimated delivery of new equipment is currently 8 to 10 months from time of order placement.

Tim Brownell
Director Of Operations