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OAKLAND

2016 NOV 22 PM 5: 26

AGENDA REPORT

TO: Sabrina B. Landreth
City Administrator

FROM: Brooke A. Levin
Director, Public Works

SUBJECT: Refuse Compactor Truck Lease

DATE: November 16, 2016

City Administrator Approval

Date:

11/22/16

RECOMMENDATION

Staff Recommends That City Council Approve A Resolution Authorizing The City Administrator Or Her Designee To: (1) Waive Advertising And Competitive Bidding And Negotiate And Execute A One-Year Lease Service Contract With New Way, Inc. In An Amount Not To Exceed One Hundred Thousand Dollars (\$100,000.00) For The Lease Of One Refuse Compactor (Packer) Truck For The Keep Oakland Clean And Beautiful Division To Support Illegal Dumping Removal Using Fund Balance; With Two Additional One-Year Contract Extensions If Needed In An Amount Not To Exceed One Hundred Thousand Dollars (\$100,000.00) Per Year, Without Returning To Council; And (2) Appropriate One Hundred Thousand Dollars (\$100,000.00) Per Year In Fiscal Year 2016-17 And Fiscal Year 2017-18 From Fund 1720 Comprehensive Clean-Up Fund Balance To Fund The Lease Agreement And Operational Costs

EXECUTIVE SUMMARY

The Keep Oakland Clean and Beautiful Division (KOCB) of the Oakland Public Works Department (OPW) is charged with clearing illegal dumping from the streets of Oakland. In Fiscal Year 2015-16 OPW received over 29,000 requests for illegal dumping removal. KOCB has eight commercial vehicles in its fleet for illegal dumping removal; four of the commercial vehicles are refuse compactor trucks (packer). The four refuse compactor trucks remove large items such as furniture, construction debris, household and business garbage illegally dumped on the city streets. The compactor trucks are the work horse of the KOCB seven days a week operations. Two of the compactor trucks were put into service in 1999. The other two trucks were put into service 2006 and 2013 respectively. Due to the age of the vehicles and the demanding daily work load, the refuse compactor trucks are frequently out of service for repairs inhibiting KOCB's ability to provide service and keep up with the volume of illegal dumping in Oakland.

An order will be placed by Equipment Services Division using Lease 3.0 to replace three of the oldest of the packer trucks as well as one overhead loader used by KOCB to remove illegal dumping. These new vehicles are anticipated for delivery December 2017. In addition to

Item: _____
Public Works Committee
December 6, 2016

these four (4) replacement vehicles, KOCB will receive a new 16-yard packer truck by the end of this calendar year.

Until the new vehicles arrive in December 2017, OPW is requesting authorization to appropriate \$100,000 from 1720 Fund balance to lease a commercial refuse compactor truck until the delivery of the new vehicles to keep up with the volume of illegal dumping.

BACKGROUND/LEGISLATIVE HISTORY

Informational reports on illegal dumping activities were presented on March 27, 2012, September 24, 2013, March 25, 2014, June 10, 2014, and December 2, 2014. Additionally, reports on Illegal Dumping Remedies were published on September 24, 2013, October 15, 2013, September 16, 2014, December 15, 2015, October 11, 2016, and December 6, 2016.

ANALYSIS

As a temporary measure to keep up with the volume of illegal dumping until new trucks arrive in December 2017, OPW is requesting authorization to lease a full-size commercial refuse compactor truck. The Equipment Services Division (ESD) was requested to look for a commercial refuse compactor truck for KOCB due to the number of times the compactor trucks in the fleet were down for repairs. ESD found it difficult to identify a truck to lease in California due to how garbage service contracts are structured in the west. Garbage service in the west is franchised rather than open market and the companies know how many trucks they need to provide the service and do not have extras in their fleet. Additionally, refuse trucks are expensive pieces of equipment and companies do not keep extra refuse trucks as inventory except for the number that is essential for backup to vehicles out of service for preventative maintenance. Initially, the vehicles ESD found available were side-loading compactor trucks because this is what most companies use to service residential garbage customers. Side-loading compactors trucks are designed to use a cart and tipper to empty the contents of the cart into the truck. KOCB uses rear loading compactor trucks as they need a larger hopper to load the size of many of the materials they collect (e.g., furniture) and they need a low loading height as the material is loaded by hand.

ESD received one response that met the City's specifications. New Way Inc, located in Scanton, Iowa informal response meets the specifications for KOCB and can begin to deliver the equipment within three weeks of a lease agreement being executed.

For KOCB to enter into a lease agreement with New Way Inc., to provide a rear-load refuse compactor truck, City Council would need to waive the advertising and competitive bidding requirements of the Oakland Municipal Code (OMC). OMC Section 2.04.050 requires advertising and competitive bidding when the City purchases services, supplies or a combination thereof that exceeds \$50,000.00. However, OMC Section 2.04.050.1.5 permits the Council to waive formal advertising and competitive bidding upon a finding and determination that it is in the best interests of the City to do so. Staff requests the Council to waive the OMC advertising and bidding requirements because of the pressing and urgent need to add the

compactor truck to the City's fleet in order to timely address and respond to the critical and growing problem of illegal dumping in the City, Staff is thus recommending that a one-year service agreement or a service agreement (with two (2) one year options) to coincide with the delivery of the new refuse packer trucks being ordered through Lease 3.0, be executed.

FISCAL IMPACT

Funding for the Lease Agreement will be appropriated from the Fund 1720 Comprehensive Clean-up Fund undesignated fund balance in the amount of \$100,000 in FY16-17 and FY17-18. Funds will be used for lease payments and operational and maintenance costs.

Funds will be appropriated in the Comprehensive Clean-Up Fund (1720); Org 30674; Project TBD; Program NB35.

The estimated \$85,000 is needed for the lease which includes \$6,000 per month lease rate and \$13,000 for delivery and return of the vehicle. A total of \$15,000 contingency is included to cover truck prep and return to original condition as well as insurance coverage for this vehicle.

PUBLIC OUTREACH/INTEREST

This item did not require any additional public outreach other than the required posting on the City's website.

COORDINATION

Staff has coordinated with the Office of the City Attorney and Budget Office for this report.

SUSTAINABLE OPPORTUNITIES

Economic: The continued efforts of staff to remove illegal dumping and graffiti will assist in improving the physical appearance of the City of Oakland, which translates directly into attracting and retaining business and promoting civic pride.

Environmental: A decrease in the amount of dumped materials and litter will lessen the amount of debris that enters the storm-drain systems, polluting our creeks and waterways.

Social Equity: The enhanced efforts of collaboration and partnering between the Public Works Department, our residents and business community will improve the quality of life and public safety.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that City Council approve a resolution authorizing the City Administrator or her designee to: (1) waive advertising and competitive bidding and negotiate and execute a one-year lease service contract with New Way, Inc. in an amount not to exceed one hundred thousand dollars (\$100,000.00) for the lease of one refuse compactor (packer) truck for the Keep Oakland Clean and Beautiful Division to support illegal dumping removal using fund balance; with two additional one-year contract extensions if needed in an amount not to exceed one hundred thousand dollars (\$100,000.00) per year, without returning to Council; and (2) appropriate one hundred thousand dollars (\$100,000.00) per year in Fiscal Year 2016-17 and Fiscal Year 2017-18 from Fund 1720 Comprehensive Clean-up Fund balance to fund the lease agreement and operational costs.

For questions regarding this report, please contact Susan Kattchee, Assistant Director Public Works, at (510) 238-6382.

Respectfully submitted,

A handwritten signature in black ink that reads "Stattler for BAL". The signature is written in a cursive style and is positioned above the printed name of the signatory.

BROOKE A. LEVIN
Director, Oakland Public Works

Prepared by:
Susan Kattchee, Assistant Director
Oakland Public Works

FILED
OFFICE OF THE CITY CLERK
OAKLAND

OAKLAND CITY COUNCIL


City Attorney

2016 NOV 22 PM 5:26

RESOLUTION NO. _____ C.M.S.

RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR OR HER DESIGNEE TO:

- (1) WAIVE ADVERTISING AND COMPETITIVE BIDDING AND NEGOTIATE AND EXECUTE A ONE-YEAR LEASE SERVICE CONTRACT WITH NEW WAY, INC. IN AN AMOUNT NOT TO EXCEED ONE HUNDRED THOUSAND DOLLARS (\$100,000.00) FOR THE LEASE OF ONE REFUSE COMPACTOR (PACKER) TRUCK FOR THE KEEP OAKLAND CLEAN AND BEAUTIFUL DIVISION TO SUPPORT ILLEGAL DUMPING REMOVAL USING FUND BALANCE; WITH TWO ADDITIONAL ONE-YEAR CONTRACT EXTENSIONS IF NEEDED IN AN AMOUNT NOT TO EXCEED ONE HUNDRED THOUSAND DOLLARS (\$100,000.00) PER YEAR, WITHOUT RETURNING TO COUNCIL; AND
- (2) APPROPRIATE ONE HUNDRED THOUSAND DOLLARS (\$100,000.00) PER YEAR IN FISCAL YEAR 2016-17 AND FY 2017-18 FROM FUND 1720 COMPREHENSIVE CLEAN-UP FUND BALANCE TO FUND THE LEASE AGREEMENT AND OPERATIONAL COSTS;

WHEREAS, in Fiscal Year 2015-16 Oakland Public Works receives over 29,000 requests for illegal dumping removal; and

WHEREAS, Keep Oakland Clean and Beautiful Division is responsible for illegal dumping removal and its fleet is comprised of eight commercial vehicles, four of which are rear load refuse compactor trucks; and

WHEREAS, two of the four rear load refuse compactor trucks were put into service in 1999 and are 17-years old and one was put into service in 2006 and is 10-years old and are subject to frequent breakdowns and repairs; and

WHEREAS, the City is purchasing new refuse compactor trucks through its "lease 3.0" Resolution No. 86374 C.M.S; and

WHEREAS, the trucks purchased through Lease 3.0 are not anticipated for delivery to the City of Oakland until December 2017; and

WHEREAS, the City has an immediate need for a refuse compactor truck to collect illegal dumping from the streets of Oakland to protect the health and safety of the community; and

WHEREAS, Oakland Municipal Code (OMC) Section 2.04.050 requires formal advertising and competitive bidding when the City purchases services, supplies or a combination thereof that exceeds \$50,000.00; and

WHEREAS, OMC Section 2.04.050.I.5 permits the Council to waive formal advertising and competitive bidding upon a finding and determination that it is in the best interests of the City to do so; and

WHEREAS, OMC section 2.04.010 provides clear definition relative to the City's mandatory Local and Small Local Business Enterprise (L/SLBE) Provision requirements; and

WHEREAS, there are a limited number of vendors nation-wide that stock refuse compactor trucks for lease due to the value of the vehicles

WHEREAS, the Equipment Services Department has identified one vendor that could provide a new model refuse compactor truck similar to the model staff are trained to operate within the timeframe needed by the City; and

WHEREAS, the City Administrator, acting through the City's Contracts Compliance Office, issued a formal waiver of the L/SLBE Provision for the proposed lease of a refuse compactor truck due to a lack of availability and response from qualified L/SLBE vendors; therefore be it

RESOLVED: That pursuant to OMC Section 2.04.050.I.5, the Council hereby finds that it is in the best interests of the City to waive advertising and competitive bidding because of the pressing and urgent need to add the compactor truck to the City's fleet in order to timely address and respond to the critical and growing problem of illegal dumping in the City, and so the Council does hereby waive the advertising and competitive bidding requirements of the OMC; and

FURTHER RESOLVED: That the Council hereby authorizes the City Administrator, or her designee, to negotiate and execute a one-year lease service contract with two additional one-year contract extensions with New Way, Inc. in an amount not to exceed one hundred thousand dollars (\$100,000.00) for the lease of one refuse compactor (packer) truck for the Keep Oakland Clean and Beautiful Division to support illegal dumping removal; and be it

FURTHER RESOLVED: that the City Administrator is authorized to appropriate this amount in fiscal year 2016-17 and fiscal year 2017-18 from fund 1720 Comprehensive Clean-up Fund balance for the lease payments and operational costs; and be it

FURTHER RESOLVED: That funds will be appropriated in the Comprehensive Clean-Up Fund (1720); Org (30674; Project (TBD); and be it

FURTHER RESOLVED: That the City Administrator is authorized to take any other action necessary consistent with this Resolution and its basic purposes; and be it

FURTHER RESOLVED: That the City Attorney will review and approve the lease agreement form and legality and a copy of this resolution shall be filed with the City Clerk.

IN COUNCIL, OAKLAND, CALIFORNIA, _____

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, CAMPBELL WASHINGTON, GALLO, GUILLEN, KALB, KAPLAN, REID, and PRESIDENT GIBSON MCELHANEY

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____
LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California