



DATE: March 18, 2024

TO: Honorable Mayor and Members of the City Council through City Manager

FROM: Jeff Stutsman, PE, Deputy Director of Operations, Public Works & Utilities (PW&U)
Christopher J. Bolt, MPA, PE, CPM, ICMA-CM– Director, PW&U

SUBJECT: Resolution Authorizing the Purchase of a Skid Steer for the Public Works & Utilities Department through the Sourcewell Cooperative Purchasing Program and Authorizing the City Manager to Execute all Documents Necessary to Complete the Purchase

RECOMMENDATION

It is recommended that the City Council adopt the attached Resolution authorizing the purchase of a skid steer for the Public Works & Utilities Department through the Sourcewell Cooperative Purchasing Program and authorizing the City Manager to execute all documents necessary to complete the purchase.

BACKGROUND

The Streets Division of the Public Works and Utilities Department currently needs to purchase a skid steer to ensure the ability to perform its operational duties and responsibilities. The skid steer is typically utilized for various work activities such as pavement dig-outs for street repairs, material handling, debris clearing, weed abatement, trail maintenance, and other activities of the Streets Division. The skid steer equipment is an essential and versatile tool for Street Division operations with a variety of attachments.

DISCUSSION

As for the procurement strategy, the City of Petaluma is a member of the Sourcewell Cooperative Purchasing Program (formerly National Joint Powers Alliance), which allows the City to access competitively awarded, nationally leveraged cooperative purchasing contracts. The purchase of specialized equipment provides better prices on state and national cooperative lists since local vendors do not sell this type of specialized equipment. Participating in this competitively bid and awarded statewide purchasing program complies with the Petaluma Municipal Code, Section 4.04.100 (Cooperative purchasing programs), which supports the purchases of supplies and

equipment made under a cooperative purchasing program with the State, County, or other public agencies that have been competitively bid and awarded.

The following is provided as background information on the cooperative purchasing program. Sourcewell is continuously refining its Request for Proposal process to meet its members' needs, which will meet or exceed those needs. Sourcewell identifies its members' needs through regular outreach, advisory committees, and research on best approaches. After members' needs are established, permission to develop the solicitation and procurement process is sought from its publicly elected Board of Directors. A draft solicitation is created and publicly advertised and noticed. A pre-conference is held to clarify and answer questions. If needed, addendums are issued. Proposals are date-stamped when received. A committee evaluates the proposals received by the bid closing date and time. The findings are given to the Chief Procurement Officer.

Sourcewell and Fleets for the Future (F4F) have created a partnership to coordinate the increased procurement of alternative fuel vehicles (AFV) throughout the United States. F4F is a national partnership of regional councils, Clean Air coalitions, and industry experts. Their purpose is to coordinate five regional and one national procurement initiatives to consolidate bulk orders of AFV. This helps to disseminate best practices, usage, and procurement strategies for vehicle selection and assists with vehicle cost reduction.

The price for the skid steer is \$121,545 under the Sourcewell Cooperative Purchasing Program. It is based on competitive bidding conducted by Sourcewell, with a bid awarded to Caterpillar Inc. (Sourcewell Contract #020223-CAT) and purchased through their approved vendor, Peterson Cat.

Caterpillar Inc. is a trusted heavy-duty equipment manufacturer and is highly reviewed. The new skid steer will be a diesel vehicle, using renewable diesel fuel and continuing the City's efforts to achieve climate action goals.

Research has been done on electric skid steer models, and although there are some models that just recently entered the market, there is only one manufacturer that has an electric model that would meet the City's needs. For this model, the battery run time is only 4 hours under continuous operations with a 10-hour charging requirement after use, and the cost is twice that of its diesel counterpart. Electric skid steers utilize electric attachments vs. their diesel counterpart that utilizes hydraulic attachments. The electric market for attachments has yet to catch up, so the variety of attachments is limited.

For the Street department the skid steer will be a versatile tool and used in many applications. During weed abatement season, crews have a lot of land to cover in a short amount of time, and they would be mowing for 8 hours or more a day to get it all done. As the Street Department ramps up paving operation, skid steer will be an important tool during paving, which would be used for edge grinding, sweeping, and moving material that would exceed 4 hours of continuous use per day. The skid steer will be an important tool in emergency operations such as flooding, fallen trees, or hillsides, and the reliability and continuous use of the equipment are paramount.

PUBLIC OUTREACH

This agenda item appeared on the City’s tentative agenda document on March 11, 2024, a publicly noticed meeting.

COUNCIL GOAL ALIGNMENT

This proposed action supports the FY 21 through FY 23 City Council Goals and Priorities and the following Workplan items:

- #42 “Find ways for City Operations to reduce greenhouse gas emissions, conserve water, decrease waste, and minimize the use of fossil fuels and investigate and pursue options for carbon sequestration.”
- #203 “Impose a moratorium on City purchases of fossil fuel-powered vehicles, power equipment, and appliances, with limited exceptions for emergency vehicles and equipment when no low climate pollution causing alternatives are reasonably available.”

CLIMATE ACTION/SUSTAINABILITY EFFORTS

Research into electric and alternative energy excavators was conducted through online research, peer-reviewed articles, and contacting compact-class construction equipment providers. There are currently no available electric motors or equipment for a truck of this type. To meet climate action goals, a renewable diesel engine was selected as the vehicle's motor.

Finally, this action supports California law SB 32, which requires a 40% reduction in GHG emissions below 1990 levels by 2030. As such, this project aligns with the climate action and sustainability efforts the City has been making to become carbon neutral. The excavator will utilize renewable diesel with a negligible operational greenhouse gas impact.

ENVIRONMENTAL REVIEW

The proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA) in accordance with CEQA Guidelines Section 15378(b)(5), in that purchasing an excavator does not meet CEQA's definition of a “project” because the action does not have the potential for resulting in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment, and because the action constitutes organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment. Relatedly, suppose the proposed action did constitute a project under CEQA. In that case, the action is exempt under the common-sense exemption, CEQA Guidelines Section 15061(b)(3), as using an excavator will reduce emissions from an equivalent internal combustion vehicle.

FINANCIAL IMPACTS

The approved FY 23/24 budget includes a \$70,000 budget appropriation for the purchase of this vehicle from the Vehicle and Equipment Replacement Fund (7500.75100.62220). The difference between the cost and the current budget, \$51,545, will be paid using the Street Maintenance Fund

(2411) budget. No additional appropriations are requested; the department will reduce its Operating Supplies budget (2411.24110.53020) by \$51,545 and then transfer that amount to the Vehicle and Equipment Replacement Fund in order to purchase the replacement skid steer.

The costs of the Caterpillar quoted by Peterson Cat are below (including taxes and fees):

Type:	Diesel Engine Skid Steer
Vehicle Chassis:	Caterpillar CTL DCA6B
Module/Options/Chassis w/ Sourcewell Discount:	\$111,000.00
Taxes:	\$ 10,545.00
Total Advertised Price:	\$121,545.00

Budget Impact:

- 2411.24110.53020: reduce by \$51,545
- 2411.24110.69910: increase by \$51,545
- 7500.75100.49910: increase by \$51,545
- 7500.75100.62220: increase by \$51,545

ALTERNATIVES

Alternatives considered but not recommended include:

1. Purchase or lease an internal combustion equivalent for this vehicle class. This option is not recommended as it fails to meet the City Council’s goals regarding reducing fossil fuel use in the City fleet. It does not positively contribute to the City's 2030 carbon neutrality goal established in the Climate Emergency Framework.
2. Do not replace the vehicles and continue not meeting operational duties and responsibilities.

ATTACHMENTS

1. Resolution
2. Quote from Peterson Cat