



Takoma Park City Council Meeting – June 21, 2023

Agenda Item 2B

Voting Session (Consent Agenda)

Single Reading Ordinance Authorizing of Purchase of Two Replacement Trash Trucks

Recommended Council Action

Approve Ordinance

Context with Key Issues

The approved FY24 budget includes funding for the replacement of two trash trucks. The trucks were purchased in 2011. The City's vehicle replacement policy identifies the expected useful life of these vehicles as 13 years. Trash trucks are some of the most heavily used vehicles in the Public Works fleet as they are in use five days a week. Additionally, these vehicles have experienced increasing maintenance costs as a result of their age. In order to ensure the Department has the needed equipment to provide required collection services, the Department recommends the replacement of these vehicles, per the schedule.

The trash trucks are experiencing increasing maintenance costs, which is to be expected with equipment of this age. In FY23 maintenance costs exceeded \$8,000 for one and \$9,000 for the other. Trash trucks over 10 years of age begin to have issues with the engine and transmission as well as the steel structure. We recommend replacing these vehicles now to avoid potential costly major repairs. Engine rebuilds can cost \$20 to \$35K, transmission rebuilds can cost \$10 to \$15K. Additionally, the emission system for diesel engines is a complex system that typically requires refurbishment. Both these vehicles had the emission filter system refurbished 6 years ago, so it is likely they will need to have this done again if they remain in use. That expenditure is \$7 to \$10K for each. The steel structure of the chassis and body of the trash truck are susceptible to issues of metal fatigue and rusting. This is primarily due to the heavy weights these vehicles carry as well as the acidic nature of refuse which corrodes metal it is in contact with over time. It is for these reasons listed above that the City's vehicle replacement policy recommends trash truck replacement after 13 years. To extend the use of these vehicles in a primary capacity longer will result in significant maintenance costs, down time for repairs, and impacts to the daily collection operation.

The City received cost proposals for replacement trash trucks in April and May. The price proposals are valid until the end of June. The City, as well as other jurisdictions, have experienced extreme delays in the procurement of vehicles and equipment, due to impacts from the pandemic and supply issues far beyond our control. It is for this reason that the Department is requesting early approval for this purchase, which is included in the FY24 Capital Budget, so the City can authorize a contract with the vendor and lock in the price and the available equipment. Waiting until after the start of the fiscal year is expected to delay the availability of the equipment as well as increase the cost.

The Department reviewed pricing and specifications for an all-electric vehicle as well as the traditional diesel-powered engine. The available models that were reviewed included a Peterbilt and a Mack cab and chassis. The Department identified a distributor for each manufacturer through an inter-governmental cooperative purchase agreement through Sourcewell. The price for the Mack diesel model is \$299,690.80 and for the all-electric model is \$614,828.50. The price for the Peterbilt diesel model is \$319,912 and the EV model \$671,109. The Department recommends the Mack Cab and

Chassis, which is the manufacturer of our current trash trucks. The recommended model is offered through Granturk Equipment Company.

In reviewing the option of diesel or EV, the Department considered the savings from less fuel use, less maintenance costs and the reduction in GHG emissions. The City's trash trucks are driven on average 8,000 miles annually and use about 3,000 gallons of diesel fuel per year. Our diesel trash truck is expected to use 39,000 gallons of fuel over the expected 13-year life. At today's fuel cost, that is equivalent to \$156,000 for fuel over the life of the vehicle. Additionally, there are expected savings from reduction in some maintenance costs associated with an EV, including no oil or filter changes. Those costs are estimated to be about \$2,500, annually or \$32,500 over the expected life time. The additional cost of an EV trash truck is over \$315,000, the savings from fuel and maintenance will amount to about \$188,000 over its life time or about 60% of the added cost. The Department does not feel that the added costs can be justified. Additionally, staff met with the City of Hyattsville which has an EV trash truck and found they had significant operating issues with the EV. For these reasons, the Department recommends the City purchase the diesel model at this time.

Council Priority

Engaged Responsive and Service Oriented Government

Environmental Considerations

The use of diesel-powered trash truck will not reduce greenhouse gas emissions emitted by these vehicles. The city uses an environmentally preferred blend of bio-diesel and soy (80%/20% for the majority of the year and 95%/5% in winter). The emissions impact from the new vehicles will be improved due to new emissions control technology on the new vehicles that did not exist on the 2011 models, however, the reduction will be minimal.

Racial Equity Considerations

The purchase and use of this equipment will not adversely affect or disproportionately impact any particular group.

Fiscal Considerations

The purchase will be made through the Equipment Replacement Reserve, which includes an estimated \$315,000 for each vehicle.

Attachments and Links

Single Reading Ordinance

Memo from Public Works Director Braithwaite



City of Takoma Park
Daryl Braithwaite, Director, Public Works

INTERNAL MEMORANDUM

DATE: June 16, 2023
TO: David Eubanks, Acting Deputy City Manager
FROM: Daryl Braithwaite, Public Works Director
SUBJECT: Additional Information Regarding Proposed Trash Truck Purchase

During the Council meeting on 6/14/23, several questions were asked by Councilmembers with regard to alternative options related to the proposed replacement of two trash trucks. This Memo provides additional information identified by staff.

Lease Option:

The Department has identified that lease options are available, primarily through national companies. We have not identified a local trash truck lease provider. A lease would be multi-year contract and include the cost of maintenance provided through the leasing company in addition to the annual cost for the use of the vehicles. The lease option would not be intended for short term use (in the event that a trash truck was out of service for repair), but for a longer term – most typically 7 to 10 years. Generally speaking the cost of a lease over a 10-year period is expected to be significantly higher than the cost to purchase the vehicle outright. Traditionally leases of vehicles are preferred when the goal is to have a stable annual cost for the vehicle use, and avoid the large upfront cost for purchase. The total expenditure for a lease vehicle will exceed the cost of an outright purchase over a time period. The Department has requested lease pricing from Municipal Leasing and will be able to provide that proposal when received. The Department did identify a lease option of an EV trash truck when exploring options previously. The Department met with Roundtrip EV. They estimated the cost for a 10-year lease for an EV trash truck to be \$110,000 - \$120,000 annually. At that cost, the expenditure for an EV trash truck, whose purchase price is in the mid \$600,000, would be \$1,100,000 to \$1,200,000 over the 10-year lease term.

Rental Option:

The Department is still researching possible rental options. Rental options for trash trucks may be available through national truck companies, or possibly local trash truck body manufacturers who have access to used vehicles for temporary use. It is unlikely that a rental option will be a

dependable alternative, should the City need to rent a vehicle due to one of our trash trucks becoming non-operational. Another option would be to reach out to adjacent municipalities to request consideration of temporary use of a spare trash truck. This would be considered an emergency measure for a short-term situation and is not an option that provides the needed dependability in which to operate the City's collection programs.

Impact of Replacing One Truck Instead of Two:

The Department recommends the replacement of both of our trash trucks, purchased in 2011, due to age and mechanical factors, as detailed in the Agenda Coversheet. The fleet for collection includes three trucks in use daily, and a fourth which serves as a spare. Additionally, a fifth trash truck, which has been replaced, is retained to provide an additional option should two trucks go down. Should the Council only approve the replacement of one of the trash trucks identified for replacement in FY24, the Department would keep the replaced truck, in addition to the existing fleet of five, bringing the total to six, so as to provide additional redundancy. Further, the Department strongly recommends the second truck be replaced no later than the following year.

Because the City funds vehicle replacement through the Equipment Replacement Reserve (ERR) and does not require direct general fund expenditures for these large purchases, the delay in the purchase of the second trash truck in FY24 would not have a significant impact on the annual budget. The next ERR scheduled trash truck purchase will be in FY29.

Assembly Location:

The Department has received confirmation from Peterbuilt that their EV cab and chassis are assembled in Mexico and California, and they caution that they may not qualify for newly established tax credit program. We have not received a response from the Mack Trucking at this time.

Introduced by:

Single Reading:

CITY OF TAKOMA PARK, MARYLAND

ORDINANCE 2023-

**AWARDING A CONTRACT FOR
PURCHASE OF TWO TRASH TRUCKS**

WHEREAS, the Fiscal Year 2024 budget includes funding for the purchase of two replacement trash trucks; and

WHEREAS, in order to reserve the vehicles at the quoted price, and ensure a more rapid delivery, the order must be placed before the end of June, 2023, as a result the Department is requesting early approval of the purchase so the order can be placed; and

WHEREAS, the City can purchase certain services and equipment at cooperative purchase rates through an intergovernmental cooperative purchase agreement through Sourcewell; and

WHEREAS, as this is a cooperative purchase, competitive bidding by the City is not required; and

WHEREAS, it has been determined that the quote provided by Granturk Equipment Company through Sourcewell is both responsive and responsible.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF TAKOMA PARK, MARYLAND, THAT:

Section 1. The City Manager or their designee is authorized to enter into a contract to purchase two trash trucks in the amount of Two Hundred Ninety-Nine Thousand, Six Hundred Ninety Dollars and Eighty Cents (\$299,690.80) each, for a total of Five Hundred Ninety-Nine Thousand, Three Hundred Eighty-One Dollars and Sixty Cents (599,381.60) with Granturk Equipment Co.

Section 2. This Ordinance shall become effective upon adoption.

Adopted this ____ day of June, 2023.

AYE:

NAY:

ABSTAIN:

ABSENT: