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Title: RESOLUTION SELECTING AND AUTHORIZING PURCHASE AGREEMENTS WITH:
A) 72 HOUR LLC dba NATIONAL AUTO FLEET GROUP FOR THE PURCHASE OF NINE RENEWABLE DIESEL AND GASOLINE POWERED PICKUP AND STAKEBED VEHICLES IN THE AMOUNT OF \$424,000
B) HAAKER EQUIPMENT COMPANY FOR THE PURCHASE OF ONE RENEWABLE DIESEL POWERED STREET SWEEPER VEHICLE IN THE AMOUNT OF \$286,000
C) WILLIAM E. MUNSON, INC. FOR THE PURCHASE OF ONE STANDARD DIESEL POWERED VESSEL IN THE AMOUNT OF \$587,000. FOR A TOTAL AMOUNT NOT TO EXCEED \$1,297,000. FUNDS FOR FISCAL YEAR 2019 HAVE BEEN BUDGETED.

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Attachments: 1. 3. 2018-0306 Attachment A, 2. 3. 2018-0306 Attachment B, 3. 3. 2018-0306 Attachment C, 4. 3. 2018-0306 Draft Resolution

Date	Ver.	Action By	Action	Result
8/14/2018	1	Board of Port Commissioners	adopted	

DATE: August 14, 2018

SUBJECT:

RESOLUTION SELECTING AND AUTHORIZING PURCHASE AGREEMENTS WITH:
A) 72 HOUR LLC dba NATIONAL AUTO FLEET GROUP FOR THE PURCHASE OF NINE RENEWABLE DIESEL AND GASOLINE POWERED PICKUP AND STAKEBED VEHICLES IN THE AMOUNT OF \$424,000
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EXECUTIVE SUMMARY:

The FY 19 Equipment Outlay Budget included the purchase of nine (9) renewable diesel and gasoline powered pickup and stakebed vehicles, one (1) renewable diesel powered street sweeper vehicle, and one (1) standard diesel powered vessel. Staff coordinated procurement under a National Joint Powers Alliance (NJPA) Cooperative Purchasing Agreement with 72 Hour LLC dba National Auto Fleet Group (National Auto) for the renewable diesel and gasoline powered vehicles and Haaker Equipment Company (Haaker) for the purchase of the renewable diesel powered street sweeper. The procurement of the standard diesel powered vessel will be purchased under the Federal Government

General Services Administration Agency-Federal Acquisition Service Office contract with William E. Munson Company, Inc. (Munson).

Staff recommends selecting and authorizing agreements for the purchase of nine (9) renewable diesel and gasoline powered pickup and stakebed vehicles with National Auto, the purchase of one (1) renewable diesel powered street sweeper with Haaker, and the purchase one (1) standard diesel powered vessel with Munson for an amount not to exceed \$1,297,000.

RECOMMENDATION:

Adopt a Resolution selecting and authorizing agreements with 72 Hour dba National Auto Fleet Group for the purchase of nine (9) renewable diesel and gasoline powered pickup and stakebed vehicles, Haaker Equipment Company for the purchase of one (1) renewable diesel powered street sweeper, and an agreement with William E. Munson Company, Inc. for the purchase of one (1) standard diesel powered vessel in the amount not to exceed \$1,297,000.

FISCAL IMPACT:

Funds for these expenditures of \$1,297,000 are included in the approved FY 2019 budget within the General Services Department, Equipment Outlay Account.

COMPASS STRATEGIC GOALS:

This agenda item supports the following Strategic Goal(s).

- A Port that the public understands and trusts.
- A Port with a healthy and sustainable bay and its environment.
- A Port with an innovative and motivated workforce.
- A financially sustainable Port that drives job creation and regional economic vitality.

DISCUSSION:

The Board of Port Commissioners (Board) authorized and approved the budget of \$1,448,000 for FY 19 for the purchase of nine (9) renewable diesel and gasoline powered pickup and stakebed vehicles, one (1) renewable diesel powered street sweeper vehicle, and one (1) standard diesel powered vessel. The total cost for the purchases of the vehicles, sweeper and vessel is estimated at \$1,297,000 which is a savings of \$151,000 from the approved FY 19 budget.

The NJPA is a member-focused public cooperative of more than 50,000-member agencies throughout the United States and is available to any government agency, education institution (private or public), tribal entity or nonprofit organization nationwide at no cost associated with membership. Its primary purpose is to serve as a national municipal contracting agency to create a national cooperative of contract purchasing opportunities for products and services on behalf of its members. Cooperative contract purchasing opportunities save members time and money in their search, and purchase for equipment and technology leveraging combined national purchasing power through cooperative efforts.

The requested purchase of the nine (9) renewable diesel and gasoline powered vehicles will be

under a NJPA pre-approved contract with National Auto, NJPA contract number 120716-NAF. National Auto was awarded the NJPA contract under a fifty-state (50) vehicle contract covering numerous manufacturers and utility body companies with related accessories that are utilized in all public fleets. The company was founded in 1949; their main office is located at Watsonville, California and has over fifty-years (50) of experience selling and servicing public entities nationally and in Canada.

The purchase of one (1) renewable diesel powered street sweeper will be coordinated and purchased under a NJPA pre-approved contract with Haaker, NJPA contract number 022017-FSC. Haaker has been in business for over forty-years with company dealerships in Phoenix, Arizona, Las Vegas, Nevada and California.

Staff recommends authorizing the approval to purchase under the NJPA Cooperative Purchasing Agreement with National Auto for the nine (9) renewable diesel and gasoline powered vehicles and Haaker for the purchase of one (1) renewable diesel powered street sweeper.

Staff is also requesting approval to purchase one (1) standard diesel powered vessel with Munson under a pre-approved federal supply schedule contract with the Federal General Services Administration (GSA)-Federal Acquisition Service Office, contract number GS-07-0442M. GSA is an independent agency of the United States government to help manage and support the basic functioning of governmental agencies. GSA supplies, equipment, products and communications for U.S. government offices, provide transportation and office space to federal employees, and develop government-wide cost-minimizing policies and other services. Munson has been in business for over 35 years, is a family owned business and is located in Burlington, Washington. The company specializes in the manufacture of landing crafts, work boat vessels and yachts for the military, law enforcement agencies and the private sector.

As part of the consideration for the purchase of the renewable diesel pick-up trucks, stakebeds and sweeper, staff has switched from traditional standard diesel fuel to renewable diesel fuel. According to the Environmental Protection Agency, renewable diesel is a biogenic fuel produced from plant or animal products or wastes and is chemically the same as petroleum-based diesel. As a result, renewable diesel can be used in existing fueling infrastructure and vehicles without upgrades. Renewable diesel fuels offer a variety of environmental benefits including reduced emissions of nitrogen oxides (NOx), carbon monoxide (CO), and particulate matter (PM). The California Air Resources Board (CARB) recently found renewable diesel fuel to be one of the lowest carbon-intensity fuels available today and can reduce carbon dioxide (CO2) emissions anywhere from 20-60 percent. Growing interest in renewable diesel fuel was further strengthened by the California Energy Commission's support for promoting the use of renewable diesel fuel as a means of reaching the state's energy and environmental goals. As renewable diesel is produced from biogenic waste products that would have decayed and produced CO2 emissions elsewhere, the emissions produced from renewable diesel use do not lead to a net increase. As a result, CARB has removed the summary of renewable diesel CO2 emissions from the annual state-wide inventory of CO2 emissions. Likewise, the use of renewable diesel will help the District towards meeting Climate Action Plan (CAP) goals to curb greenhouse gas emissions on District Tidelands.

A variety of public agencies have switched all or a portion of their traditional standard diesel fuel use to renewable diesel. Locally, these agencies include the Cities of San Diego and Carlsbad, as well as the County of San Diego. Based on their positive feedback, the District switched to renewable diesel for its fleet use in October 2017. There have not been any performance problems with the use of

renewable diesel.

Staff is requesting Board approval to award the purchase of the nine (9) renewable diesel and gasoline powered pickup and stakebed vehicles with 72 hour LLC dba National Auto Fleet Group, the purchase of one (1) renewable diesel powered street sweeper with Haaker Equipment Company, and the purchase one (1) standard diesel powered vessel with William E. Munson Company, Inc. for an amount not to exceed \$1,297,000.

General Counsel's Comments:

The Office of the General Counsel has reviewed and approved the purchase agreements as to form and legality.

Environmental Review:

The proposed Board direction or action, including without limitation, authorizing and approving a purchase agreement for vehicles, does not constitute a "project" under the definition set forth in California Environmental Quality Act (CEQA) Guidelines Section 15378 because no direct or indirect changes to the physical environment would occur. CEQA requires that the District adequately assess the environmental impacts of projects and reasonably foreseeable activities that may result from projects prior to the approval of the same. Any project developed as a result of Board's action or direction that requires the District or the Board's discretionary approval resulting in a physical change to the environment will be analyzed in accordance with CEQA prior to such approval. CEQA review may result in the District, in its sole and absolute discretion, requiring implementation of mitigation measures, adopting an alternative, including without limitation, a "no project alternative" or adopting a Statement of Overriding Consideration, if required. The current Board direction in no way limits the exercise of this discretion. Therefore, no further CEQA review is required.

In addition, the proposed Board action complies with Sections 21 and 81 of the Port Act, which allow for the Board to pass ordinances and resolutions, and use District funds for expenses of conducting the District. The Port Act was enacted by the California Legislature and is consistent with the Public Trust Doctrine. Consequently, the proposed Board action is consistent with the Public Trust Doctrine.

The proposed Board direction or action does not allow for "development," as defined in Section 30106 of the California Coastal Act, or "new development," pursuant to Section 1.a. of the District's Coastal Development Permit (CDP) Regulations because they will not result in, without limitation, a physical change, change in use or increase the intensity of uses. Therefore, issuance of a Coastal Development Permit or exclusion is not required. However, development within the District requires processing under the District's CDP Regulations. Future development, as defined in Section 30106 of the Coastal Act, will remain subject to its own independent review pursuant to the District's certified CDP Regulations, PMP, and Chapters 3 and 8 of the Coastal Act. The Board's direction or action in no way limits the exercise of the District's discretion under the District's CDP Regulations. Therefore, issuance of a CDP or exclusion is not required at this time.

Equal Opportunity Program:

Due to limited known subcontracting opportunities, no SBE goal was established for these purchases.

PREPARED BY:

Pete Cruz
Department Business Manager-General Services

Attachment(s):

Attachment A: Purchase Agreement between San Diego Unified Port District and DBA National Auto Fleet Group

Attachment B: Purchase Agreement between San Unified Port District and Haaker Equipment Company

Attachment C: Purchase Agreement between San Diego Unified Port District and William E. Munson Company, Inc.