



Agenda Report

MEETING DATE: Tuesday, July 12, 2022

TO: City Council

FROM: PUBLIC WORKS & UTILITIES DIRECTOR DI RENZO
WILL SMITH, SOLID WASTE DIVISION MANAGER

SUBJECT: AUTHORIZATION FOR THE PURCHASE OF ONE (1) 2022 MACK
ELECTRIC REFUSE COLLECTION VEHICLE FROM TEC OF
CALIFORNIA, INC. IN THE AMOUNT OF \$769,398.74, AND
AUTHORIZING THE CITY MANAGER TO EXECUTE PURCHASE
CONTRACT

STATEMENT OF ISSUES:

The City has received a total of \$550,000 in grant funding to purchase a new electric refuse truck. The Mack Electric Side Loader is the only refuse collection model currently available in the market that is field tested and can be fitted with the City's required equipment. With the total grant monies available, the Mack electric alternative can be purchased at a cost to the City lower than that of a traditional diesel refuse truck.

RECOMMENDED ACTION:

Staff recommends that the City Council adopt a resolution authorizing the purchase of one (1) new Mack Electric Side Loader for the Solid Waste Utility from TEC of California, Inc. for \$769,398.74 and authorizing the City Manager to execute the purchase contract.

DISCUSSION:

The City committed to electrify its fleet as part of the 2021 Watsonville Climate Action & Adaptation Plan. Electric vehicles cost less to own and operate than comparable fossil fuel-powered vehicles, however, they tend to be more expensive than traditional vehicles to purchase. The City has received a total of \$550,000 in grant funding to off-set this cost premium, which must be spent on the purchase of an electric refuse truck by December 31, 2022.

The Solid Waste Division has identified only one manufacturer able to provide an electric refuse vehicle fitted with the required components by the end of the calendar year; TEC of California can provide a Mack Electric Propulsion 20K Front Axle/46K Rear Axle fitted with a Labrie 27-Yard Automizer Right-Hand. This combination is the only one currently available in the market that will meet City requirements to pilot electric-powered collection of solid waste and recyclables from Watsonville residents and businesses. Initially, staff was also considering an alternative manufacturer, BYD, but opted not to recommend this vendor given that no local

agency was identified which could provide any hands-on operational feedback. Electric trucks are a nascent technology for the solid waste industry and few public agencies have begun making this conversion. Miami Dade County in Florida and the City of New York's sanitation departments have deployed Mack trucks and the City of Santa Cruz has also placed an order. Staff deemed it advisable to go with this vendor since it's the first to have been deployed by other agencies.

STRATEGIC PLAN:

This action is consistent with Strategic Plan Priority:

3 - Infrastructure and Environment

FINANCIAL IMPACT:

The purchase price for this vehicle (including freight and sales tax) is \$769,398.74. The total purchase cost to the City for this vehicle less the \$550,000 grant funding is \$219,398.74. The purchase of one refuse truck was budgeted as part of the FT22/23 CIP in account number 0740-912-14353 so the incremental funding will be available and sufficient.

At the April 26, 2022 meeting the City Council accepted \$300,000 in AB 2766 grant funding from the Monterey Bay Unified Air Pollution District (Reso. No 76-22) and appropriated such funds to the Special Grants Fund (0260). The second grant in the amount of \$250,000 from Central Coast Community Energy is also on the July 12 agenda for acceptance and appropriation to the Special Grants Fund (0260).

ALTERNATIVE ACTION:

The City Council could elect to not approve this purchase. If the City does not approve the purchase of an electric refuse vehicle this year, the City will also be forgoing the appropriated \$550,000 grant monies dependent on a vehicle purchase before December 31, 2022.

ATTACHMENTS AND/OR REFERENCES (If any):

1. Sales Order Quote of \$769,398.74 from TEC of California for one Mack Electric Propulsion Side Loader Refuse Vehicle Fitted with Labrie Right Arm