



Legislation Details (With Text)

**File #:** 21-0821      **Version:** 1      **Name:** 6/7/21 Purchase EV Refuse Truck from Bell Equipment and Appropriate Funds

**Type:** Resolution      **Status:** Passed

**File created:** 6/7/2021      **In control:** City Council

**On agenda:** 6/7/2021      **Final action:** 6/7/2021

**Enactment date:** 6/7/2021      **Enactment #:** R-21-193

**Title:** Resolution to Approve the Purchase of One Rear Loading Electric Refuse Truck from Bell Equipment Company and to Appropriate Funding from the Solid Waste Fund Balance (Sourcewell - \$531,532.00) (8 Votes Required)

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. Sourcewell - Heil Corp Contract.pdf, 2. EV Rear Load Refuse Truck Quote 050421.pdf

Date	Ver.	Action By	Action	Result
6/7/2021	1	City Council	Approved	Pass

Resolution to Approve the Purchase of One Rear Loading Electric Refuse Truck from Bell Equipment Company and to Appropriate Funding from the Solid Waste Fund Balance (Sourcewell - \$531,532.00) **(8 Votes Required)**

The attached resolution authorizes the purchase of one 2022 Peterbilt 520 EV truck chassis with a Heil Durapack 5000 25-yard rear loading packer body at a total cost of \$531,532.00 from Bell Equipment Company for use by the Public Services Area, Public Works Unit.

Heil Corporation was awarded Contract Number 091219-THC by the Sourcewell cooperative purchasing program for refuse trucks and Bell Equipment Company of Lake Orion, MI, is the dealer of record for Heil Corporation in the State of Michigan.

The proposed purchase will be the first all-electric refuse truck in the City of Ann Arbor and State of Michigan. While cementing the City’s commitment to carbon reduction, it will provide the City the opportunity for a real-life evaluation of this technology for refuse collection operations. The purchase is consistent with many of the City’s established sustainability efforts including the Green Fleets Policy and the A<sup>2</sup> ZERO Plan.

The Peterbilt EV chassis is designed for 10 hours of daily refuse collection and has a full battery recharge time of 4-8 hours depending on the size of the DCFC (direct current fast charger) being installed. Like other electric vehicles, the truck generates no emissions, minimal noise, and operational and maintenance cost are expected to be significantly reduced from the diesel chassis version of this truck. Peterbilt also has an existing service infrastructure for their trucks in SE Michigan. The truck will require the purchase and installation of a DCFC charger at the Wheeler Service Center which will be funded by the Office of Sustainability and Innovations (OSI) and is not part of this resolution.

This rear loading refuse truck will be an addition to the City’s fleet of refuse trucks and is needed to

maintain current service levels. The City has experienced an increase in residential compost volumes over the last several years, which has added an additional 1-2 routes to maintain the current level of service. Historically, the City operated one compost route for every two trash and recycle routes. Increased residential participation in curbside compost collection now necessitates one compost routes for every 1.5 trash routes and is steadily increasing. The City will need to add additional staff and equipment in the coming years to match compost routes with residential trash and recycle routes on a 1-1 ratio. Purchase of this truck is the first step in meeting this increased operational need and addresses immediate equipment shortages. Currently the City rents a truck or operates on more overtime to complete routes, but this operational model is not sustainable and places constraints on staffing and existing equipment.

Bell Equipment Company complies with the requirements of the City's Conflict of Interest and Non-Discrimination ordinances.

Budget/Fiscal Impact: Funding for the purchase of this refuse truck is available in the current unrestricted Solid Waste Fund Balance. The truck will be added to the Fleet Fund for future replacement purposes with a cost of approximately \$84,800.00 annually, based on the seven-year replacement schedule for refuse trucking, increasing the Solid Waste Fund operations and maintenance expenditures.

The cost of the electric refuse truck is \$226,405.00 more than a diesel-powered version (also known as the EV delta). OSI has submitted two separate grant requests to offset the purchase of this all-electric refuse truck. The State of Michigan Fuel Transformation Program grant will fund 70% of the purchase of the all-electric refuse truck and EV charger. The federal Diesel Emissions Reduction Act grant will fund 45% of the all-electric refuse truck and EV charger. Grant award notifications are expected mid to late summer 2021.

With the long lead time in building refuse trucks, delaying the purchase until after the grant awards are made would cause the City to miss a significant portion of the 2022 compost collection season. If the City is not successful in securing a grant to offset the EV refuse truck purchase, OSI has pledged to reimburse the Solid Waste Fund the \$226,405.00 EV delta from funds available in the FY22 OSI operations and maintenance budget.

Green Fleet Policy:

At their March 10, 2021 meeting, the Green Fleet Committee approved the need for the purchase of this vehicle, that the proposed purchase is consistent with the Green Fleet Policy, and recommended the approval of this resolution. The Sustainability and Innovations Manager has concurred with the actions of the Committee.

Prepared by: Molly Maciejewski, Public Works Unit Manager  
Matthew J. Kulhanek, Fleet & Facilities Unit Manager

Reviewed by: John Fournier, Assistant City Administrator

Approved by: Tom Crawford, City Administrator

Whereas, The City has experienced an increase in residential compost volumes over the last several years, which has increased routing needed to maintain the current level of service.

Whereas, The Fleet & Facilities Unit must purchase a new refuse truck to maintain existing service levels;

Whereas, Competitive bids were received by the Sourcewell cooperative purchasing program;

Whereas, Heil Corporation received the contract for refuse trucks and Bell Equipment Company of Lake Orion, MI, is the dealer of record for Heil Corporation in the State of Michigan;

Whereas, Bell Equipment Company complies with the requirements of the City's Conflict of Interest and Non-Discrimination Ordinances; and

Whereas, Adequate funds for the purchase of this vehicle in the amount of \$531,532.00 are available in the Unrestricted Solid Waste Fund Balance;

RESOLVED, That City Council approve the issuance of a purchase order to Bell Equipment Company in the amount of \$531,532.00 for the purchase of one 2022 Peterbilt 520 EV all-electric truck chassis with a Heil Durapack 5000 25-yard rear loading packer body;

RESOLVED, That funding in the amount of \$531,532.00 be appropriated from the Solid Waste Fund fund balance to the FY21 Solid Waste Fund operations and maintenance budget; thereby, increasing both the revenue and expenditure budget;

RESOLVED, That funds for the purchase of this vehicle are to be available without regard to fiscal year; and

RESOLVED, That the City Administrator be authorized to take the necessary actions to implement this resolution.