



**TO:** Board of Contracts and Awards  
**FROM:** Michael P. Slevin III, P.E., Director, Environmental Services *MPS*  
Gary Kato, Division Manager, Solid Waste Management  
**COPY:** City Council; City Manager; City Clerk; SBE Coordinator; LEAP Coordinator;  
Joseph Parris, Finance/Purchasing; and Andrew Torres, Assistant Division Manager,  
Solid Waste Management  
**SUBJECT:** Contract with Western Peterbilt, Inc. for a Compressed Natural Gas (CNG) Hybrid  
Automated Side Loader Truck – Sole Source – August 19, 2014  
**DATE:** August 6, 2014

**SUMMARY:**

The Environmental Services Department, Solid Waste Management Division (SWM), requests a waiver of competitive procurement procedures and recommends a contract be awarded to Western Peterbilt, Inc., Seattle, WA, in the amount of \$433,495, plus applicable sales tax, budgeted from ES Solid Waste Fund 4200, for the one-time purchase of one Compressed Natural Gas (CNG) Hybrid Automated Side Loader Truck. This CNG vehicle is manufactured by Autocar, LLC, and is sold by Western Peterbilt, Inc.

**STRATEGIC POLICY PRIORITY:**

- Strengthen and maintain a strong fiscal management position.
- Foster neighborhood, community, and economic development vitality and sustainability.

Vehicles fueled with CNG result in lower emissions of sulfur dioxide, particulate matter, and 20 percent less carbon dioxide than gasoline or diesel, which contributes to a more sustainable environment.

**BACKGROUND:**

**ISSUE:** This vehicle will be an addition to the Solid Waste Management (SWM) truck fleet used to evaluate the productivity and sustainability of a CNG Hybrid Automated Side Loader. The vehicle stores energy from braking to supplement power of the Cummins Westport ISL-G CNG engine to provide up to 50 percent fuel savings, reduced brake wear, improved drivability, significantly reduced emissions (an estimated 55 fewer tons of CO<sub>2</sub> annually), and a 41 percent reduction in emissions of particulate matter. This CNG hybrid vehicle is a prototype and would be the first Automated Side Loader in the country with a CNG engine combined with the hybrid drive system. Autocar, LLC, through Western Peterbilt, Inc., is the only manufacturer currently licensed to make the hybrid-powered refuse truck with the Parker Runwise hybrid drive system and the Cummins Westport 8.9-liter ISL-G CNG engine.

**ALTERNATIVES:** The alternatives to purchasing the CNG Hybrid Automated Side Loader are limited. The hybrid drive Automated Side Loader is a prototype vehicle that would be used to evaluate its fuel and emissions efficiency for future purchases. Purchasing a different Automated Side Loader would not allow the evaluation of the new technology.

**COMPETITIVE ANALYSIS:** Waiver of competitive bidding is requested due to sole source. Staff contacted multiple truck manufacturers on the phone and/or in person regarding available hybrid technology, and all confirmed that Autocar, LLC and Cummins Westport, Inc. are the only manufacturers that can produce a CNG truck with Parker Hannifan's Hybrid technology.

**CONTRACT HISTORY:** New contract.



**SUSTAINABILITY:** CNG significantly reduces emissions (an estimated 55 fewer tons of CO<sub>2</sub> annually) and a 41 percent reduction in emissions of particulate matter.

**SBE/LEAP COMPLIANCE:** Not applicable.

**RECOMMENDATION:**

The Environmental Services Department, Solid Waste Management Division, requests a waiver of competitive procurement procedures and recommends a contract be awarded to Western Peterbilt, Inc., Seattle, WA, in the amount of \$433,495, plus applicable sales tax, for the one-time purchase of one CNG Hybrid Automated Side Loader Truck. This CNG vehicle is manufactured by Autocar, LLC, and is sold by Western Peterbilt, Inc.

**FISCAL IMPACT:**

**EXPENDITURES:**

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
ES Solid Waste Fund 4200	ENV-00116	Various	\$433,495.00
<b>TOTAL</b>			<b>\$433,495.00</b>

\* General Fund: Include Department

**REVENUES:**

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
ES Solid Waste Fund 4200	512000	Various	\$433,495.00
<b>TOTAL</b>			<b>\$433,495.00</b>

**FISCAL IMPACT TO CURRENT BIENNIAL BUDGET:** \$433,495

**ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED?** Yes



City of Tacoma  
Environmental Services Department

**To:** Kathy Katterhagen  
Procurement and Payables Manager

**From:** Michael P. Slevin III, P.E.  
Environmental Services Director

**Subject:** Waiver of Competitive Solicitation Request – Sole Source Purchase  
Compressed Natural Gas Hybrid Automated Side Loader Collection Truck from Western  
Peterbilt, Inc.

**Date:** August 5, 2014

Please forward for Board of Contracts and Awards review and recommendation.

In accordance with Tacoma Municipal Code 1.06.257.A. (Sole Source), the Environmental Services Department, Solid Waste Management (SWM) Division, requests a waiver of the competitive solicitation process for the purchase of one CNG Hybrid Automated Side Loader Collection Truck. This vehicle will replace an existing SWM collection vehicle that has exceeded its life cycle. The CNG vehicle stores energy from braking to supplement power of the Cummins Westport ISL-G CNG engine to provide up to 50 percent fuel savings, reduced brake wear, improved drivability, significantly reduced emissions (an estimated 55 fewer tons of carbon dioxide annually), and a 41 percent reduction in emissions of particulate matter. This CNG hybrid vehicle is a prototype and will be the first Automated Side Loader in the country with a CNG engine combined with the hybrid drive system. The vehicle is only produced by Autocar, LLC, and the sole source vendor is **Western Peterbilt, Inc., Seattle, WA**. This is a one-time purchase totaling \$433,495.00, plus sales tax.

**“Follow-on” Contracts:**

Is this sole source purchase based on a contract that was previously competitively bid by the City?  
Yes  No

**Waiver Criteria:**

1. Is there more than one feasible supplier of the product or service in the marketplace?  
Yes  No   
Briefly explain.

Autocar, LLC is the only manufacturer of a hybrid-powered refuse truck that combines the Parker Runwise hybrid drive system and the Cummins Westport 8.9-liter ISL-G CNG engine. Western Peterbilt, Inc. is the local distributor for this prototype vehicle.

2. Please support your contention it would be futile to advertise and competitively bid for the product or service as it would result in only one bid:
  - a. Describe the screening efforts you engaged in to identify potential suppliers. Include names of potential suppliers, contact person, phone numbers, or addresses.

We have contacted multiple truck manufacturers regarding available hybrid technology. We spoke on the phone and/or met with the following companies, and all confirmed that Autocar, LLC and Cummins Westport, Inc. are the only manufacturers that can produce a CNG truck with Parker Hannifan's Hybrid technology.

*Cummins Northwest, LLC*

811 SW Grady Way

Renton, WA 98057

(253) 905-9058

Contact: Don Corey, Regional Sales Manager

*Autocar, LLC*

551 South Washington Street

Hagerstown, IN 47346

(765) 489-6006

Contact: Trevor Bridges, Vice President Powertrain Integration & Strategies

*Parker Hannifan Corporation Hydraulics Drive Systems*

3885 Gateway Boulevard

Columbus, OH 43228

(901) 828-4218

Contact: Thomas C. DeCoster, Business Development Manager, North America

*Western Peterbilt, Inc.*

3801 Airport Way South

Seattle, WA 98108

(206) 624-7383

Contact: Stu Fox, Director of Refuse Sales

- b. Describe any technical or unique product/service attributes that prevent drafting specifications for a competitive bid to which more than one supplier could successfully respond.

This is a prototype vehicle with only one manufacturer, Autocar, LLC, capable of creating the compatibility of a CNG engine and Runwise hybrid drive system.

- c. Is the product available only through one vendor? Yes  No

If "yes", such certification should be in writing from the manufacturer (not the vendor) and supported by results of the screening process or validated by the Purchasing Division. Written certification attached? Yes  No

The attached letter confirms that Autocar, LLC is the only global manufacturer of the Runwise E3 CNG Hydraulic Hybrid vehicle. The unit provided will be specially made for the City of Tacoma and is currently not a production released vehicle.

What efforts were made to assure the City is receiving the lowest or best price possible?


The pricing provided is in line with similar vehicles purchased by the City. An Autocar E3 diesel hybrid truck was purchased in 2013 for \$387,000. Western Peterbilt, Inc. offers only one price for the requested CNG hybrid automated side loader collection truck.

Written certification from manufacturer or vendor attached (optional)? Yes  No

d. Is this a one-time purchase? Yes  No  Total amount: \$433,495.00

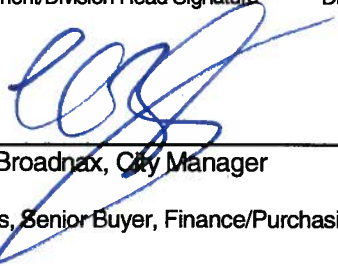
Other supporting documentation attached? Yes  No

City Contact person: Timothy Hardy Phone: (253) 593-7734



Michael P. Slevin III, P.E.  
Environmental Services Director  
Department/Division Head (Please Print)

Department/Division Head Signature \_\_\_\_\_ Date \_\_\_\_\_



T.C. Broadnax, City Manager

cc: Joe Paris, Senior Buyer, Finance/Purchasing

<u>Purchasing Use Only</u>	
Approved _____	Rejected _____
None (after the fact) _____	
Date _____	By _____



Cummins Westport  
The Natural Choice



April 8, 2014

Trevor W Bridges,  
Vice President Powertrain Integration & Strategy  
Autocar, LLC  
551 South Washington Street  
Hagerstown, IN 47346

**Re: City of Tacoma Natural Gas Hybrid Trucks**

Dear Mr. Bridges,

This letter confirms that Cummins Westport Inc. (CWI) acknowledges Autocar's intention to build two (2) ACX refuse trucks equipped with series hydraulic hybrid systems and ISL G engines for use by the City of Tacoma, WA. The build specification of the engine(s) will match Autocar part number A1010023B106 and is strictly for an automotive (non-hybrid) configuration.

CWI has not validated ISL G engine performance with the Parker Runwise Advanced Series Hybrid Drive system and has no plans to do so. Cummins Westport's participation in this hybrid truck transaction does not obligate CWI to accept any engine modification requests or to proceed with any production release of a hybrid-compatible ISL G engine. The two hybrid systems in question from CWI's perspective are demonstration prototypes, and are the last two engines CWI will release for this purpose.

The City of Tacoma shall at all times, and at its own expense, perform proper maintenance to keep the engines in good and efficient working condition by performing maintenance in accordance with Cummins Westport's applicable Operation and Maintenance Manual.

In the event of failures of any engines where the engines have been properly maintained by the City, Cummins Westport shall bear all expenses of repair as under normal engine warranty coverage. CWI will not cover engine repairs or progressive damage related to the hybrid system.

Sincerely,

A handwritten signature in black ink, appearing to read "Charlie Ker".

Charlie Ker  
Director, Industry Relations & Refuse Segment  
Cummins Westport Inc.

Cc: Andrew Torres, Public Works Dept., City of Tacoma



GVW - A GW Holdings Company

551 S. Washington Street  
P.O. Box 190  
Hagerstown, IN 47346  
Telephone 765.489.5499  
Fax 765.489.5230  
www.autocartruck.com

City Of Tacoma

4/11/2014

To whom it may concern.

Autocar E3 Runwise vehicles.

Autocar Truck is the only global manufacturer of the Runwise E3 Diesel Hydraulic Hybrid vehicle.

The City of Tacoma has a diesel powered Runwise Autocar vehicle that has shown exceptional fuel savings. You have expressed an interest in testing the E3 Runwise system using an ISL-G 320 HP CNG fuelled engine.

Autocar has worked with its supplier Cummins Westport to secure 2 X ISL-G 320 HP CNG engines to be installed in ACX chassis using the Runwise hybrid system. These chassis will be for sole purchase by the City of Tacoma in 2015.

The CNG powered ACX is not an Autocar production released vehicle at this time. Autocar knows of no other OEM truck manufacturer who has either production or proof of concept CNG powered Runwise vehicles used in the refuse or any other industry. Autocar has produced a proof of concept CNG Residential Front Load vehicle using a Runwise hybrid system at the request of Parker. This vehicle has just entered testing with selected customers.

Autocar places a high degree of value in our current strong relationship with the City of Tacoma. We are excited to be a partner with the City of Tacoma in this project.

Please feel free to contact the writer if you have further questions.

Trevor W Bridges.  
V.P. Powertrain Integration & Strategies.  
Autocar Truck  
551 S Washington Street.  
Hagerstown. IN 47346  
765-489-6006