

BUDGET AND FINANCE COMMITTEE REPORT relative to the below market value sale of seven automated diesel solid waste trucks and one tractor trailer to the City of Ensenada, Baja California, Mexico.

Recommendations for Council action, pursuant to Motion (Martinez - Cedillo):

1. INSTRUCT the Bureau of Sanitation (BOS) to submit a report to the Board of Public Works (BPW), in 30 days, for its consideration/recommendation of the sale of seven automated diesel solid waste trucks and one tractor trailer at below market value (\$1.00 each) in accordance with Los Angeles Administrative Code Section 22.547 (Donation of Surplus City Equipment to a domestic or foreign government) to the City of Ensenada, Baja California, Mexico to meet the objectives of mutual cooperation between the Cities.
2. INSTRUCT the BOS to report to Council in 60 days relative to the status of the request to the BPW; and any related actions, if necessary to execute and finalize the sale.

Fiscal Impact Statement: Neither the City Administrative Officer nor the Chief Legislative Analyst has completed a financial analysis of this report.

Community Impact Statement: None submitted.

## SUMMARY

At its regular meeting held on September 17, 2018, the Budget and Finance Committee considered Motion (Martinez - Cedillo) relative to the the below market value sale of seven automated diesel solid waste trucks and one tractor trailer to the City of Ensenada, Baja California, Mexico.

The Motion reports that BOS annually replaces approximately 40 units, of it's fleet of over 700 automated collection vehicles, that are at the end of their service life. Due to South Coast Air Quality Management District requirements and City policy, all new collection vehicle must be powered by alternative clean fuel (such as Liquified Natural Gas or Compressed Natural Gas). As a result, decommissioned diesel trucks have limited market value in Southern California since they are not equipped with alternative fuel engines. However, since these decommissioned trucks are equipped with devices that reduce poor air emissions and soot, they may be useful in cities and regions outside of California.

The Motion therefore proposes below market value sale of seven automated diesel and decommissioned solid waste trucks and one tractor trailer to the City of Ensenada, based on interest express by the Mayor of Ensenada during an official visit to the City of Los Angeles. The Motion instructs the BOS to report to the BPW for approval of the proposed sale, and to the Council on the status of the request to the BPW, and steps necessary to execute and finalize the sale.

After providing an opportunity for public comment, the Committee approved the recommendations in the Motion. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

BUDGET AND FINANCE COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
KREKORIAN:	YES
ENGLANDER:	ABSENT
KORETZ:	YES
BLUMENFIELD:	YES
BONIN:	YES

REW 9/18/18 FILE NO. 05-2349-S1

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**