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**Title:** CONSIDER APPROVAL OF A PURCHASE ORDER FOR THE PURCHASE OF FIVE LIGHT DUTY, ZERO EMISSION, BATTERY ELECTRIC VEHICLES IN AN AMOUNT NOT TO EXCEED \$190,000.00 AND APPROPRIATE \$140,000.00 FROM AB 2766 SUBVENTION FUNDS TO PROVIDE THE LOCAL MATCH (CITY COUNCIL)

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. Exhibit No. 1 - Reso 18-014.pdf, 2. Exhibit No. 2- Executed Contract.pdf, 3. Exhibit No. 3 - 2019-Bolt Brochure.pdf, 4. Exhibit No. 4 - Comparison Chart. pdf, 5. Exhibit No. 5 - Sourcewell Quote.pdf, 6. Exhibit No. 6 - Quote from Win.pdf

Date	Ver.	Action By	Action	Result
6/4/2019	1	City Council		

**Report to Mayor and City Council**

Tuesday, June 04, 2019

Consent

**SUBJECT:**

**CONSIDER APPROVAL OF A PURCHASE ORDER FOR THE PURCHASE OF FIVE LIGHT DUTY, ZERO EMISSION, BATTERY ELECTRIC VEHICLES IN AN AMOUNT NOT TO EXCEED \$190,000.00 AND APPROPRIATE \$140,000.00 FROM AB 2766 SUBVENTION FUNDS TO PROVIDE THE LOCAL MATCH (CITY COUNCIL)**

**I. SUMMARY**

On February 20, 2018, the City Council authorized staff via Resolution No. 18-014 (Exhibit No. 1) to submit an application to the Mobile Source Air Pollution Reduction Review Committee (MSRC) for a Clean Transportation Funding grant.

On November 13, 2018, the City received a fully executed contract from South Coast Air Quality Management District (SCAQMD) outlining the terms of the agreement (Exhibit No. 2) to procure five on-road, light duty, zero emissions vehicles (battery electric or fuel cell) and to install three “Level II” type electric vehicle (EV) charging stations.

The grant is reimbursable up to a total of \$106,250.00 (\$50,000.00 for the procurement of five EVs (\$10,000.00 per vehicle) and \$56,250 for the installation of three EV charging stations). This staff report deals with the \$50,000.00 portion of the grant and a staff report

later this year will cover the acquisition and use of the \$56,250.00 grant proceeds for chargers.

Funds in the amount of \$160,000.00 from AB 2766 Subvention account will be used as matching funds; \$140,000.00 is for these five vehicles and a future \$20,000.00 for chargers. These are funds the City already has in its possession.

## **II. RECOMMENDATION**

TAKE the following actions:

1. WAIVE the formal bid process defined by the Carson Municipal Code, section 2610, as allowed by Section 2611(g) Cooperative Purchasing.
2. AUTHORIZE the purchase of five battery electric vehicles from a local dealer should the price be equal to or lower than the price obtained from the Cooperative Purchasing Agreement, in an amount not to exceed \$190,000.00.
3. APPROPRIATE for FY 2019/20 \$140,000.00 from AB 2766 Subvention funds to account no. 225-90-820-276-8003 and advance \$50,000.00 from the City's General Fund account no. 101-80-840-275-8003, for a total of \$190,000.00 in order to purchase five electric vehicles. The MSRC grant will reimburse the City \$50,000.00 upon meeting the project deliverables.

## **III. ALTERNATIVES**

1. TAKE another action the City Council deems appropriate, consistent with the requirements of the law.

## **IV. BACKGROUND**

In September 1990, California AB 2766 authorized a \$4 per vehicle surcharge on annual registration fees to fund programs that reduce air pollution from motor vehicles pursuant to air quality plans and provisions in the California Clean Air Act.

AB 2766 also provided that the monies collected by the Department of Motor Vehicles would be distributed to SCAQMD as follows: thirty cents of every dollar is to be used by the SCAQMD for programs to reduce air pollution from motor vehicles and to carry out planning, monitoring, enforcement and technical studies which are authorized by, or necessary to implement, the California Clean Air Act. Forty cents of every dollar shall be distributed by the SCAQMD to cities and counties located in the South Coast District and used to reduce motor vehicle air pollution; and, thirty cents of every dollar shall be deposited by the SCAQMD in a discretionary account to be used to implement or monitor programs to reduce motor vehicle air pollution.

To determine which projects should be funded, AB 2766 called for the creation of the MSRC, which would develop a Work Program for evaluating programs, evaluate said programs, and make a final recommendation to SCAQMD Governing Board as to which programs and/or projects would be funded.

The MSRC implemented a Local Government Partnership Program to partner with SCAQMD, local cities and counties while seeking to reach federal clean air goals. The program provides additional funding beyond that provided through the AB 2766 Subvention Fund Program. The program seeks to transition from conventional vehicles to zero and near-zero vehicles as well as electric vehicle charging infrastructure. Local agencies that participate in the AB 2766 program are eligible for additional funding under this MSRC program.

Staff researched electric vehicles currently on the market and determined that the 2019 Chevrolet Bolt (Exhibit No. 3) was a good fit due to its single charge range, purchasing ability (some EV's are only available for lease), interior volume, charge time, price, and safety features. A table was prepared that provides a list of the nine make/models of battery electric vehicles that were reviewed by staff (Exhibit No 4).

Staff requested quotes from Win Chevrolet, Martin Chevrolet, Harbor Chevrolet, and the National Auto Fleet Group (via Sourcewell) (Exhibit No. 5). The pricing from each vendor was competitive; however, Win Chevrolet was able to provide the lowest quote of \$37,365.67 per vehicle which includes tax, document fees and temporary registration (Exhibit No. 6). Car dealer promotions change month to month and the price may fluctuate up or down depending on when the City Council authorizes staff to procure the five vehicles.

Staff is requesting authorization to purchase five (5) EVs at a cost not to exceed \$190,000.00 (up to \$38,000.00 per vehicle). The Purchasing Manager will review the quotes from the local dealer(s) and the Cooperative Purchasing program and use a local dealer if the price from the local dealer is equal to or lower than the price obtained from the Cooperative Purchasing program.

Per section 2605 (b)(1)(ii) of the Carson Municipal Code, if the estimated value of an individual purchase is \$25,000 or greater over a fiscal year, then a separate written contract, in a form approved by the City Attorney, shall be required in addition to the purchase order requirement under subsection (a) of this Section. However, the Purchasing Manager has the sole discretion to waive this requirement. Since car dealership contracts are standard, the Purchasing Manager will waive the requirement for a written contract for the purchase of the five EV vehicles.

## **V. FISCAL IMPACT**

If the City Council approves staff's recommendation to purchase the five (5) electric vehicles in an amount not to exceed \$190,000.00, the City will need to appropriate \$140,000.00 from AB 2766 funds to account no. 225-90-820-276-8003 and advance \$50,000.00 from the City's General Fund account no. 101-80-840-275-8003. Upon satisfactory completion of the project deliverables, the MSRC will reimburse \$50,000.00 to the City and funds shall be deposited back to the General Fund.

Following the purchase of the vehicles, staff will submit EV rebate program applications. Funds secured from rebates will be deposited into the City's load shed account.

## **VI. EXHIBITS**

1. Resolution No. 18-014 authorized staff to submit the grant application (pgs. 4-5).
2. Executed - AB 2766 Discretionary Fund Contract No. ML18057 (pgs. 6-21).
3. Chevrolet Bolt 2019 Marketing Brochure (pgs. 22-39).
4. Electric Vehicle Comparison Table (pg. 40).
5. Quote from Sourcewell (pg. 41).
6. Quote from Win Chevrolet (pg. 42).

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