



CITY OF CARSON

Legislation Text

File #: 2020-092, Version: 1

Report to Mayor and City Council

Tuesday, July 07, 2020

Consent

SUBJECT:

AUTHORIZE THE PURCHASE OF TWO LIGHT DUTY, ZERO EMISSION, BATTERY ELECTRIC VEHICLES IN AN AMOUNT NOT TO EXCEED \$70,000.00 (CITY COUNCIL)

I. SUMMARY

In October 2019, the City purchased five (5) 2019 Chevrolet Bolts, which are zero emission, battery electric vehicles (EV) using a combination of funds from a one-time Clean Transportation Funding grant and the City's local AB 2766 subvention account. Three EVs were assigned to the Public Works Department and two EVs were assigned to Public Safety/Parking Enforcement.

The Public Works Department is in need of two additional EVs. The cost to purchase these two additional vehicles is estimated at \$70,000.00 (~ \$35,000.00 per vehicle). Local AB 2766 subvention funds are available to cover the cost of these vehicles.

After the vehicles are purchased, the City can apply for California's Clean Vehicle Rebate Project (CVRP) public fleet incentives. The rebate/incentive amount is anticipated to be \$4,500.00 per vehicle or \$9,000.00 total. A sample application is attached as Exhibit No. 1. As part of the application terms and conditions, the City must own and operate the EVs for 30 months and is required to submit annual vehicle usage reports for the 3 years following vehicle delivery.

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 two 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 \$70,000.00 and AUTHORIZE staff to sign the standard dealership sales contract.
3. ADOPT Resolution No. 20-112, "A RESOLUTION OF THE CITY OF CARSON CITY COUNCIL AMENDING THE FISCAL YEAR 2020-21 BUDGET IN THE SPECIAL REVENUE FUND."
4. AUTHORIZE the City Manager to sign and submit California's Clean Vehicle Rebate Project Public Fleet Incentive Application.

III. ALTERNATIVES

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

IV. BACKGROUND

AB 2766

In September 1990, California AB 2766 authorized a \$4.00 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.

The monies collected by the Department of Motor Vehicles (DMV) are distributed to South Coast Air Quality Management District (AQMD). Thirty cents of every dollar is to be used by the AQMD 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 is distributed by the AQMD to cities and counties located in the South Coast District and used to reduce motor vehicle air pollution; and, thirty cents of every dollar is be deposited by the AQMD in a discretionary account to be used to implement or monitor programs to reduce motor vehicle air pollution.

The City receives funds quarterly from the AB 2766 program and is required to submit an annual report on its use of funds.

Chevrolet Bolt

Before the City purchased the previous EVs, staff researched electric vehicles that were on the market and determined that the 2019 Chevrolet Bolt 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. Staff still considers the Chevrolet Bolt to be a good fit for the intended use but will seek a newer 2020 model, if available. (Exhibit No. 2)

Staff is requesting authorization to purchase two (2) EVs at a cost not to exceed \$70,000.00 (approximately \$35,000.00 per vehicle). The Purchasing Manager will review the quotes from the local dealer 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. The current quote from the cooperative purchasing program is \$76,102.67 for two Chevrolet Bolts. (Exhibit No. 3) The price, however, for two Chevrolet Bolts from WIN Chevrolet Carson, a local car dealer, is estimated to be less than \$70,000.00 (potential savings of at least \$6,102.67).

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 discretion to waive this requirement. Since car dealership contracts are standard, the Purchasing Manager will waive the requirement and with the City Council's authorization will use the standard dealership sales contract for the purchase of the two EV vehicles.

V. FISCAL IMPACT

The cost to purchase two (2) electric vehicles is not to exceed \$70,000.

Funds from the City's local AB 2766 subvention account will be used for this purchase:

Account No.	Budget
225-80-820-276-8003	\$10,000
225-80-500-276-8003	\$60,000
Total	\$70,000

Staff is asking Council to approve Resolution no. 20-112 (Exhibit No. 4) to appropriate \$60,000 to account no. 225-80-500-276-8003 from Special Revenue that was received from AQMD for the purchase of the two (2) electric vehicles mentioned above.

Following the purchase of the EV, staff can submit EV rebate applications. Funds secured from rebates will be deposited into the City's load shed account; \$9,000.00 in incentives/rebates is expected from the CVRP program.

VI. EXHIBITS

1. California's Clean Vehicle Rebate Project Public Fleet Incentive Application. (pgs. 4-11)
2. Chevrolet Bolt 2020 Marketing Brochure. (pgs. 2-29)
3. Quote from Cooperative Purchasing Program (pg. 30)

4. Resolution No. 20-

112. (pgs.31-32)

Prepared by: Reata Kulcsar, Sustainability Administrator - Utilities and Gilbert Marquez,
City Engineer