

Agenda Report

January 28, 2019

TO: Honorable Mayor and City Council
FROM: Department of Public Works
SUBJECT: AUTHORIZE CONTRACT WITH ENTERPRISE FLEET MANAGEMENT INC. FOR LEASE OF 38 REPLACEMENT CHEVROLET BOLT BATTERY ELECTRIC VEHICLES FOR A THREE-YEAR TERM FOR A TOTAL NOT TO EXCEED \$780,000

RECOMMENDATION:

It is recommended that the City Council:

1. Find that this action is exempt under the California Environmental Quality Act (CEQA) in accordance with Section 15061(b)(3), the General Rule that CEQA only applies to projects that may have an effect on the environment; and
2. i) Accept the bid dated December 11, 2018 submitted by Enterprise Fleet Management Inc. (Enterprise) in response to specifications for Battery Electric Vehicles, ii) reject all other bids received, and iii) authorize the issuance of a contract with Enterprise for the lease of thirty-eight (38) replacement Chevrolet Bolt Battery Electric Vehicles in an amount not to exceed \$780,000 over a three-year period.

BACKGROUND:

The City of Pasadena operates a vehicle fleet of over 850 vehicles. A variety of work is completed by City staff on a daily basis utilizing unleaded and diesel fueled vehicles, as well as compressed natural gas. As part of the replacement process or purchase of new vehicles, the Department of Public Works evaluates the vehicle being requested, assesses the work being performed by City staff, matches the most appropriate vehicle suited for that work, and pursues more eco-friendly options when feasible or as required by law.

Vehicles determined to be eligible for electric replacement are those that make short, frequent trips performing job duties which do not require the hauling of large tools or equipment. Staff in several City departments (Public Works, Planning, Transportation, Information Technology, and Fire) perform duties which meet this criteria, and staff has determined these job functions can be carried out utilizing an electric vehicle with no negative impact on efficiency or effectiveness. Ten of the vehicles recommended for

replacement are part of the City's Fleet Replacement Program and will be leased for the following Departments: Public Works - Engineering, Transportation and Information Technology. An additional 19 will be leased by the Planning Department, eight will be leased by the Fire Department, and the remaining one will be leased by Public Works – Code Enforcement. Attachments A, B, and C contain the Vehicle Condition Reports for all identified Fleet Replacement Program, Planning and Fire Department vehicles.

On November 15, 2018, a Notice Inviting Bids for the lease of Battery Electric Vehicles was published in the *Pasadena Journal* and posted on the City's website, which generated notices to 603 vendors. Thirty-one vendors downloaded the bid documents; one was local.

Six vendors submitted a bid by the bid closing date of December 11, 2018. The bid result is as follows:

Bidder		Monthly Lease Amount Per Vehicle (\$)
1. Enterprise Fleet Management	Sherman Oaks, CA	\$561
2. Mike Albert Leasing	Cincinnati, OH	\$685
3. Acme Auto Leasing	North Haven, CT	\$917
4. Covina Chevrolet	Covina, CA	NON-RESPONSIVE
5. Chanje Energy	Hawthorne, CA	NON-RESPONSIVE
6. Enjoy Technologies	Culver City, CA	NON-RESPONSIVE

Bidders were asked to provide the monthly lease price per vehicle, inclusive of all taxes and fees. The bid proposals were evaluated by staff and it was determined that Enterprise was the lowest responsible and responsive bidder. The City has done business with Enterprise in the past, issuing purchase orders totaling over \$97,000 for rental or lease of vehicles since 2010.

The average mid-sized City of Pasadena vehicle consumes approximately 250 gallons of fuel per year at a cost of \$603 annually. Assuming comparable future consumption, the leasing of these electric vehicles will result in 28,500 fewer gallons of fuel used and subsequent savings of approximately \$69,000 over the life of the three-year lease.

Currently, the City has 15 dedicated charging stations for City vehicles and there are an additional 45 for public use. As the proposed electric vehicles are capable of traveling over 200 miles on one full charge, and as the majority of the vehicles will be used for short, intra-city trips, not every vehicle will require daily charging. To accommodate the increasing demand for electric vehicle charging, the Department of Water and Power began construction of an additional 57 charging stations at the City Yard in October 2018. The project is anticipated to be completed by Spring 2019, and adequate charging capacity will be available to accommodate all City-owned electric vehicles.

The Department of Public Works recommends that the City Council authorize a contract with Enterprise for use by the Public Works, Transportation, Information Technology,

Planning and Fire Departments to lease up to 38 vehicles in an amount not to exceed \$780,000. Enterprise has similarly assisted other Southern California cities with their fuel efficiency goals, including Baldwin Park, Westminster, Santa Ana, San Marcos, Inglewood and Corona. Enterprise will deliver the vehicles within 150 days of receipt of the respective vehicle orders.

COUNCIL POLICY CONSIDERATION:

By providing the City Departments with the proper equipment to perform their function while using less fuel, the proposed lease agreement furthers the City Council's Strategic Plan goals to ensure public safety and increase conservation and sustainability.

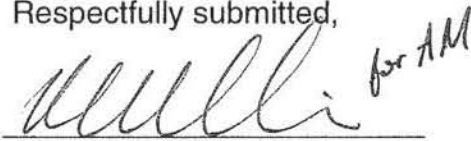
ENVIRONMENTAL IMPACT:

This lease agreement complies with all South Coast Air Quality Management District rules and regulations for engine emissions and clean air standards in the South Coast basin.

FISCAL IMPACT:

The cost of this action is \$780,000. Funding for this action will be addressed by the utilization of existing budgeted appropriations in the Fleet Replacement Fund (850500-50322060 – 10 vehicles not to exceed \$203,000), Building Services Fund (850500-20421012 – 19 vehicles not to exceed \$385,000), Fire Department General Fund (850500-10131000 – eight vehicles not to exceed \$162,000), and Refuse Collection Fund (850500-40622023 – one vehicle not to exceed \$6,800). Indirect and support costs such as maintenance and repair are anticipated to be minimal over the lifecycle of the vehicles.

Respectfully submitted,

Handwritten signature of ARA MALOYAN in cursive, with the initials "for AM" written to the right of the signature.

ARA MALOYAN, P.E.
Director of Public Works

Prepared by:

Handwritten signature of Ted Schuster in cursive.

Ted Schuster
Management Analyst III

Approved by:

Handwritten signature of Steve Mermell in cursive.

STEVE MERMELL
City Manager

Attachment A – Vehicle Condition Report, Fleet Replacement Program
Attachment B – Vehicle Condition Report, Planning Department
Attachment C – Vehicle Condition Report, Fire Department