

# Agenda Report

TO: CITY COUNCIL

September 11, 2000

FROM: CITY MANAGER

SUBJECT: Purchase Order Contract with Clean Fuel Connections, Inc. in Support of Electric or Electric-Hybrid Buses for the City of Pasadena

## **RECOMMENDATION**

It is recommended that City Council authorize the City Manager to enter into a contract with Clean Fuel Connection, Inc (CFCI) to provide consulting service support to the Public Works and Transportation Department for electric or electric-hybrid buses for the City of Pasadena in the amount of \$65,000.

Competitive bidding is not required pursuant to City Charter Section 1002 (E), contracts for professional or unique services. It is recommended that the City Council grant this contract an exemption from the competitive selection process of the Affirmative Action in Contracting Ordinance, pursuant to section 4.09.060[C], contracts for which the City's best interests are served for reasons detailed in this report.

## **BACKGROUND**

The Public Works and Transportation Department has determined a need for additional buses for the City of Pasadena ARTS program. The Water and Power Department has approached the Transportation Division regarding the potential to fill a portion of this demand with electric or electric-hybrid buses, with the majority of funding provided by the Public Benefit Charge (PBC) Program. The Transportation Division will be the primary project lead in performing a needs assessment to determine technical viability, infrastructure requirements, route requirements and ultimate purchase. Water and Power, aside from funding, will assist with the infrastructure design and installation.

The Transportation Division is seeking assistance in the development of the needs assessment document that will identify the type of alternative fuel bus that will best met Pasadena's needs. Once the type of alternative fuel bus is identified, the consultant will work with the Transportation Division to develop a program to evaluate the effectiveness of the technology chosen.

The workscope for Clean Fuel Connection, Inc. will include the following:

- 1) Establish criteria for evaluating the electric buses available such as
  - a) route characteristics and range requirements
  - b) performance characteristics
  - c) fueling and operating constraints
  - d) other communities' experience
- 2) Research range of options for alternative fuel buses such as
  - a) Product availability in required configurations
  - b) Fuel types (electric, fuel cells, hybrids) and requirements
  - c) Range and other performance characteristics
  - d) Maintenance options
- 3) Identify potential funding sources to leverage PWP PBC funds
  - a) AQMD TAO and Rule 2202
  - b) CMAQ-MTA Call for Projects
  - c) MSRC AB2766 transit funds and local subvention matching funds
- 4) Assist in vehicle acquisition
  - a) Technical bid specifications and evaluation
  - b) Infrastructure specifications and bid
  - c) Evaluate bids received
- 5) Project Implementation and Evaluation
  - a) Establish training programs
  - b) Develop vehicle testing and demonstration criteria
  - c) Develop record keeping and reporting procedures

The use of electric buses in other cities such as Santa Monica, Los Angeles, Santa Barbara and Burbank has been quite successful. While the City of Pasadena has not had experience operating large electric vehicles such as buses, the City has been involved in the use of electric vehicles. The Water and Power Department just recently leased nine Electric Vehicles (EVs) and has helped fund electric-assist bicycles for the Police Department bicycle unit and for the Parking Enforcement Section of Public Works. In addition, the City has a total of 8 public charging stations at City parking lots, Ralphs, Calstart and the Hilton, with more to be added shortly. Water and Power and the Transportation Division are also looking into the ability to utilize a fast charging system that will support both the electric bus and some electric vehicles.

The utilization of electric or electric hybrid buses in City operations will provide the following opportunities:

- Satisfy upcoming (July 1, 2001) AQMD requirements through the use of zero emission vehicles in its fleet. By introducing clean buses earlier than required, the City may be able to take advantage of various incentive funding programs, in addition to doing its part to meet the federal air quality standards under the Clean Air Act.
- Demonstrate the use of electric or electric-hybrid buses in operation to the public in a very visible way.

- Advance science and technology and gain information on future applications in other areas of the City.
- Provide an opportunity for the City to demonstrate environmental leadership.

Electric and electric-hybrid buses are unique in comparison to other types of buses, including other alternative fuel vehicles (AFV) such as compressed natural gas powered buses. While there are other AFV buses available, the Transportation Division is focusing on the electric and electric-hybrid bus viability due to the nature of the origin of Water and Power funds (Public Benefit Charges) and their restrictions. A detail of these restrictions is cited under the Fiscal Impact section of this report. The electric bus program is part of a series of programs being implemented by Water and Power to make clean electro-technologies available to Pasadena residents and businesses. Based on the unique operation of electric buses, Water and Power and the Transportation Division have felt the best approach would be to acquire the assistance of those in the industry to provide optimum assistance in the development of this project.

Clean Fuel Connections is a Pasadena-based small business residing in the business incubator program at CalStart. Its principals have extensive direct experience in the California electric vehicle market and have considerable expertise that is unique in this special industry. CFCI has links with other government agencies and is extremely well versed in other funding sources with expertise in grant requests. CFCI is the only company known to have the required scope of work as part of their core business.

Water and Power has utilized the resources of CFCI and was satisfied with their performance. They helped Water and Power recover at least \$40,000 in the form of grants and matching funds for its EV Program and approximately \$30,000 towards the installation of chargers in Pasadena businesses.

### **FISCAL IMPACT**

On March 1, 1999, the City Council approved the reallocation of funds for the various Public Benefits Charge (PBC) programs. One of the programs, Research Development and Demonstration (RD&D), proposed electric vehicles and charging system infrastructure, among others, as valid potential demonstration projects. An amount of \$290,000 per year was allocated for the RD&D programs.

California Assembly Bill 1890 mandates that the PBC is "... to fund investments by the utility and other parties in any or all of the following:

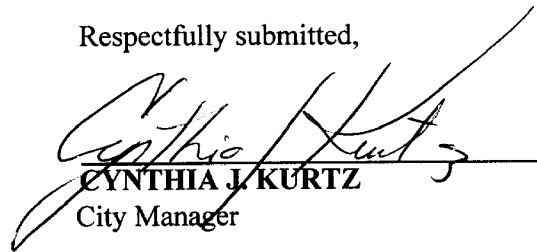
- (1) Cost-effective demand-side management services to promote energy efficiency and energy conservation;
- (2) new investment in renewable energy resources and technologies consistent with existing statutes and regulations, which promote those resources and technologies;
- (3) research and development and demonstration programs for the public

interest to advance science or technology, which is not adequately provided by the competitive and regulated markets; (4) services provided for low-income electricity customers, including but not limited to targeted energy efficiency service and rate discounts.”

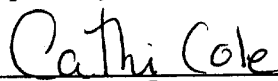
The Water and Power Department has allocated Public Benefit Charge funds for this demonstration program to be able to gather data on bus performance in the diverse Pasadena street environment, and also determine operating and maintenance costs. This data will provide a basis for decisions on the development of future electric vehicle programs. A number of options are being considered for integrating photovoltaic technologies into this program.

Expenditures for these and other Public Benefit programs are reflected in the Water and Power Department’s approved 2000 Fiscal Year budget; budget account 8177-401-834700-0914-21236. Total cost of this contract is \$65,000.

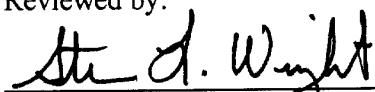
Respectfully submitted,

  
CYNTHIA J. KURTZ  
City Manager

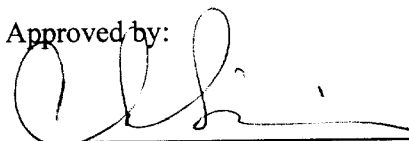
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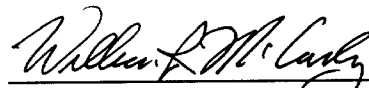
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