

Agenda Report

May 20, 2019

TO: Honorable Mayor and City Council

FROM: Water and Power Department

THROUGH: Municipal Services Committee (May 14, 2019)

SUBJECT: AUTHORIZATION TO ENTER INTO A CONTRACT WITH ZECO SYSTEMS, INC. (DBA "GREENLOTS") FOR THE PROVISION, INSTALLATION, AND MAINTENANCE OF ELECTRIC VEHICLE CHARGING STATIONS AND RELATED SERVICES FOR A MAXIMUM CONTRACT AMOUNT NOT-TO-EXCEED \$5,000,000

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the proposed action is exempt from the California Environmental Quality Act ("CEQA"), pursuant to State CEQA Guidelines Section 15301 (Class 1 – Existing Facilities) and that there are no features that distinguish this project from others in the exempt class and, therefore, there are no unusual circumstances;
2. Authorize the City Manager to enter into a contract with Zeco Systems, Inc. (DBA "Greenlots") for an amount not-to-exceed \$5,000,000 or five years, whichever occurs first, for the provision, installation, and maintenance of electric vehicle charging stations and related services. Competitive bidding is not required pursuant to City Charter Section 1002 (H), contracts with other governmental entities or their contractors for labor, materials, supplies or services; and,
3. It is further recommended that the City Council grant the proposed contract an exemption from the Competitive Selection process pursuant to Pasadena Municipal Code Section 4.08.049(B) contracts for which the City's best interests are served.

MUNICIPAL SERVICES COMMITTEE RECOMMENDATION:

On May 14, 2019, the Municipal Services Committee approved the staff recommendation.

BACKGROUND:

The City of Pasadena is pursuing a coordinated citywide effort to encourage the adoption and use of plug-in electric vehicles ("EVs").

The goal is to reduce greenhouse gases and other air emissions consistent with the City's Climate Action Plan by replacing the use of gasoline and other fossil fuels for transportation with cleaner electricity provided by Pasadena Water and Power ("PWP"), which plans to provide 40% of its electricity from renewable sources by 2020 and 60% by 2030.

PWP is pursuing a number of strategies to promote the use of EVs, but the primary barrier for most drivers is the fear of not being able to find a charging station to charge their vehicle. Although the majority of EV drivers will satisfy their charging needs at home or work, it is clear that additional charging stations are needed throughout the city to help overcome the fear that charging opportunities will be limited or unavailable.

The City Council recently authorized an agreement with Tesla to co-develop the Marengo Charging Plaza, which is expected to be the largest fast-charging facility in the western United States when completed. Tesla will add 24 Tesla EV fast charging stations and will absorb the cost of installing electric infrastructure that will enable PWP to install up to 20 Direct Current Fast Charging ("DCFC") EV charging stations for non-Tesla vehicles. Tesla anticipates that its chargers could be up and running by late summer and PWP would like to procure and install the non-Tesla DCFC stations concurrently in order to maximize both the availability and visibility impact for the grand opening of the Marengo Charging Plaza.

The City Council recently authorized the procurement of 38 EVs for City fleet use that are expected to arrive in May 2019. While the majority of these vehicles will charge at either the City Yards or the new Holly Garage EV charging station which is currently under construction, several vehicles may be stationed at locations that need quick installation of EV charging infrastructure in order to avoid unnecessary trips to the Yards or Holly Garage.

Many of the City's existing charging stations are in need of repair and nearly all need to be replaced in order to commence charging fees for use. In addition, City staff has identified a number of other desirable locations that are suitable for the installation of new EV charging stations. The proposed contract would facilitate efficient and cost effective repair and replacement of aging EV charging stations and construction and installation of new EV charging stations.

SCPPA Contract with Greenlots

PWP is a member of the Southern California Public Power Authority ("SCPPA"), a joint powers authority that is composed of eleven municipal utilities and one irrigation district. At the request of its members, SCPPA facilitates joint service contracts to aggregate similar efforts amongst its members to develop programs or projects that support energy efficiency, demand response, and resource procurement programs or projects to improve operating efficiencies and competitive pricing. By combining the commercial efforts of the small municipal utilities, SCPPA allows for greater market power through cooperative purchasing.

On December 21, 2018, SCPPA issued a Request for Proposal (“RFP”) which requested proposals relating to the procurement of EV charging stations and “back office” or support services to manage and maintain the operation of the charging stations. SCPPA received a total of 16 proposals relating to this RFP. Greenlots was selected and awarded a contract by SCPPA based on costs, proposed solutions, and experience.

Recommended Contract with Greenlots

The need for equipment and contract services to install and operate EV charging stations is pressing and highly complex from location to location, and the City does not have the resources to manage the process or to perform the work without impacting other scheduled capital improvement projects. To initiate this effort, staff recommends that the City Council authorize the City Manager to enter into a contract with Greenlots for an amount not-to-exceed \$5,000,000 or five years, whichever occurs first, for the provision, installation, and maintenance of electric vehicle charging stations and related services, which includes:

- Consulting services to evaluate and plan potential EV charging sites
- Supply of EV charging equipment and supplies necessary for installation
- Project management, construction, installation, and testing
- Spare parts, maintenance and repair services
- “Back office” services to manage user accounts and collect fees

The recommended contract will be used as needed only with no guarantee of any quantity of work or compensation, and may be cancelled at any time. Individual project work scope and spending authority will be granted on a “task order” basis. Staff estimates expending an average of \$1.3 million dollars annually for next five years. The estimate is based on potential projects in various stages of development at this time. Major current examples include the Marengo Garage Charging Plaza and the Holly Street charging stations. Staff expects to identify additional projects over the next five years.

The recommended contract has a number of key advantages that are in the best interest of the City:

- Allows the City to achieve lower pricing through economies of scale by contracting directly with Greenlots using the same or more favorable terms as those offered to SCPPA members
- Provides the City with volume discounts for equipment based on previous sales to SCPPA member utilities
- Provides robust and continuously updated selection of EV charging station models for various applications based on the specific needs of each project and equipment upgrades to avoid obsolescence
- Greenlots tests all EV charging station models to ensure that they communicate and operate properly on their back-office network
- Allows the City to quickly adapt to rapidly changing and evolving EV charging station industry
- Supports schedule and timing of:

- Current and future projects, such as the Marengo Garage Charging Plaza and Holly Street charging stations
- Existing and new grants/incentives which have strict schedule requirements in order to qualify
- Other “short lived” opportunities to install charging stations, such as parking lot pavement, building maintenance or remodeling, electrical service upgrade requests, or landscaping projects that provide an opportunity to install infrastructure at relatively low cost.
- Greenlots has over ten years of experience successfully deploying charging stations and managing networks for customers throughout California and other states

The proposed contract fully complies with Prevailing Wage Law (Senate Bill 7) per Resolution 9406 adopted by the City Council on December 15, 2014. The Contractor has indicated that the award will result in no new hires; however, Greenlots has informed staff they will make a “best effort” to use local vendors/contractors when possible.

Greenlots has no direct contract awards from the City but has performed work for PWP via SCPPA for the partially grant funded Del Mar DCFC charging station project, valued at approximately \$55,000.

COUNCIL POLICY CONSIDERATION:

The proposed action supports the City Council Strategic Planning Goals, Pasadena’s Climate Action Plan (“CAP”), the Urban Environmental Accords, and the General Plan in reducing greenhouse gas (“GHG”) emissions by expanding the use of EVs and related infrastructure. It supports expanding sustainable mobility and land use, and the City’s commitment to a more sustainable community. It further supports California’s goal of installing 250,000 charging stations in the state by 2025 and the Executive Order to help accelerate the market to 5 million zero-emission vehicles on California’s roads by 2030.

ENVIRONMENTAL ANALYSIS:

The recommended action is exempt from CEQA pursuant to State CEQA Guidelines Section 15301 (Class 1 – Existing Facilities). Class 1 exempts from environmental review “the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of existing or former use.” The proposed projects consist of minor alterations of existing parking facilities and would not increase the number of parking spaces, resulting in negligible, if any, expansion of use. There are no features that distinguish this project from others in the exempt class and, therefore, there are no unusual circumstances.

FISCAL IMPACT:

The maximum cost of this action is \$5,000,000. Funding for this action will be addressed by the utilization of existing and future appropriations in the Power Capital Fund 411, Capital Improvement Project 3225 - *Electric Vehicle Charging Infrastructure*. The current budget appropriation for this project is \$2.6 million, of which approximately \$1.3 million is expected to be expended in FY2019 and \$1.3 million in FY2020. It is estimated that the contract funds will be expended in Fiscal Years 2019 – 2025.

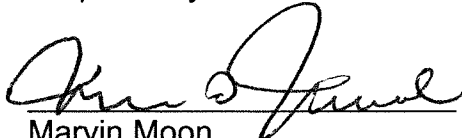
In addition to new revenues from EV charging fees, staff anticipates that revenues from Low Carbon Fuel Standard (“LCFS”) credit sales, grants and other incentives provided by various sources will be used to reimburse or supplement some of these expenditures.

The anticipated impact to other operational programs or capital projects as a result of this action will be minimal.

Respectfully submitted,


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