

Agenda Report

December 13, 1999

TO: CITY COUNCIL

FROM: CITY MANAGER

SUBJECT: Electric Vehicle Leases for the Water and Power Department

RECOMMENDATION

It is recommended that City Council authorize the Purchasing Administrator to enter into contract with Ford Motor Company to lease eight (8) Ford Ranger electric vehicles for an amount not to exceed \$135,000 over three (3) years. The proposed contract is exempt from competitive bidding, pursuant to City Charter Section 1002(H) contracts with other governmental entities or their contractors.

It is further 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.

BACKGROUND

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.”

This agenda report is for the approval to lease electric vehicles (EV's) under the auspices of section (3), demonstration programs for the public interest to advance science. The Pasadena Water and Power Department (Department) will use the EV's for meter reading operations. The lease of EV's and charger infrastructure implementation is a joint effort between the Department and the Public Works and Transportation Department, and is consistent with the City's efforts to utilize EV technology. The Public Works and Transportation Department has plans to add additional charging stations.

The utilization of EV's in the Department's operations will provide the following opportunities:

- Test the application of electric vehicles for meter reading considering the suitability of terrain, routes, and vehicle demands.
- To satisfy AQMD requirements through the use of zero emission vehicles in its fleet. The removal of eight (8) gasoline-operated vehicles used in the work environment will help the City achieve its goals of AQMD compliance and the environmental mandates of the Energy Policy Act and Clean Air Act requirements.
- To demonstrate the use of EV's in a commercial operation to the public in a very visible way.
- To 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.
- To more fully utilize the City's EV charging infrastructure (there are already five (5) charging sites with plans to install more).

The Department has reviewed the EV's available on the market today and finds the 2000 Year model of the Ford Ranger light-duty pickup to be best for the intended application. The Ranger EV's utilize the advanced Nickel-Metal Hydride (NiMH) batteries with an increased driving range of up to 100 miles.

The Department will utilize an existing standard Master Service Agreement (MSA) between the State of California and Ford Motor Company (Contract Number DGS-OFA-FOR-EV01) to lease the EV's for a period of three (3) years. The Agreement allows other government entities to lease EV's at a lower fixed price for fleet usage and provide the public agencies with more consumer protection that includes a more simplified return policy. At this time, most

manufacturers (such as Ford) only offer EV's in a three (3)-year lease. The cost of the three year lease to the Department would be about \$16,000 per vehicle or an average annual cost of \$43,000 for all eight vehicles.

The Department may qualify for a one-time discount valued at \$28,000 direct from Ford Motor Company, should the lease contract be executed prior to December 31, 1999.

FISCAL IMPACT

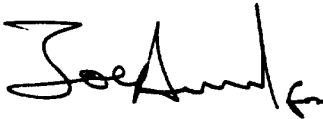
The costs of the leases will be covered by the Public Benefit Charge fund. Expenditures for these and other Public Benefit programs are reflected in the Department's approved 2000 Fiscal Year budget.

Respectfully submitted,



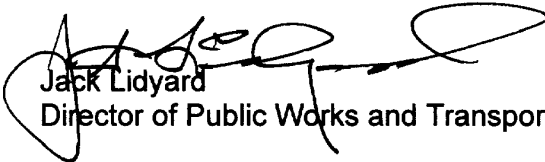
Cynthia J. Kurtz
City Manager

Prepared by:



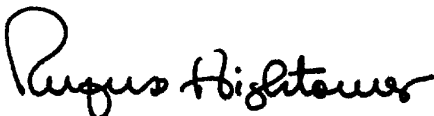
Donald M Pappé
Business Unit Director, Customer Care Services

Concurrence:



Jack Lidyard
Director of Public Works and Transportation

Approved by:



Rufus Hightower
General Manager