



# City of Chula Vista

## Staff Report

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**File#:** 17-0460, **Item#:** 6.

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RESOLUTION NO. 2017-192 OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA APPROVING A PURCHASE AGREEMENT BETWEEN THE CITY AND NATIONAL AUTO FLEET GROUP INC. IN THE AMOUNT OF \$385,396.46 FOR THE PURCHASE OF FIFTEEN (15) NISSAN LEAF SV HATCHBACKS

### **RECOMMENDED ACTION**

Council adopt the resolution.

### **SUMMARY**

The Measure P Expenditure Plan provides for the replacement of failing infrastructure and includes 15 light-duty non-emergency vehicles. The State of California is offering a \$10,000 per vehicle rebate under the Public Fleet Pilot Project program. The Public Fleet Pilot Project limits rebates to no more than 30 vehicles per calendar year per agency and the deadline for submittal is December 31, 2017. The City's rebate request is \$150,000 and that is estimated to be 25% of the State rebate remaining funds which are rapidly depleting. The replacement of the 15 failing vehicles with Nissan Leaf battery electric vehicles advances City objectives that include reducing both operational costs and greenhouse gas emissions.

The City of Chula Vista Municipal Code Section 2.56.140 and Council Resolution No. 6132 authorize the City to participate in cooperative bids with other government agencies for the purchase of materials of common usage, provided that the Purchasing Agent determines that the competitive process used for the cooperative bid was consistent with good purchasing practices.

### **ENVIRONMENTAL REVIEW**

#### **Environmental Notice**

The activity is not a "Project" as defined under Section 15378 of the California Environmental Quality Act State Guidelines; therefore, pursuant to State Guidelines Section 15060(c)(3) no environmental review is required.

#### **Environmental Determination**

The Director of Development Services has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that the activity is not a "Project" as defined under Section 15378 of the State CEQA Guidelines because it will not result in a physical change in the environment; therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines, the activity is not subject to CEQA. Thus, no environmental review is required.

### **BOARD/COMMISSION RECOMMENDATION**

Not applicable.

## **DISCUSSION**

Chula Vista voters approved Measure P - a temporary, ten-year, half-cent sales tax to fund high priority infrastructure needs. This Plan focuses on the areas where one-time funds could be used to address critical deferred maintenance or replacement of city failing assets such as the 15 identified City vehicles. Approval of the purchase will strengthen the City's overall financial condition by avoiding costly emergency repairs or further deterioration of existing failing fleet vehicles.

These 15 failing vehicles have specifications that are compatible with replacement with an EV such as the Nissan Leaf. These vehicles will be deployed in sections including Senior Volunteer Patrol, School Resource Officer, Code Enforcement, Construction Inspection, National Pollutant Discharge Elimination System and Engineering/Civic Center.

The California Public Fleet Pilot Project is a set-aside within the Clean Vehicle Rebate Project that provides increased incentives for public entities that own and operate vehicles in disadvantaged communities. The Public Fleet Pilot Project rebate replaces the standard CVRP rebate for eligible public entities and offers rebates of \$10,000 for up to thirty battery-electric vehicles. The City of Chula Vista is an eligible entity and the acquisitions of these fifteen Nissan Leafs qualify for the rebate. The anticipated rebate amount of \$150,000 reduces the acquisition cost by approximately 39% and results in a anticipated net impact to Measure P Fund of \$235,396.46.

The City will realize a reduction in unleaded fuel use of approximately 3,500 gallons annually to zero gallons for this subset of vehicles. This reduction provides two benefits, one is in environmental sustainability and the other is operating cost reduction.

The environmental benefits include a reduction in greenhouse gas emissions such as Carbon Dioxide. In Fiscal Year 2016/2017 the old vehicles emitted over 55,000 pounds of CO<sub>2</sub> into the environment. Although the Nissan Leaf does not emit CO<sub>2</sub> from an internal combustion engine there are environmental impacts associated with energy used by these vehicles and is quantified as CO<sub>2</sub>e or Carbon Dioxide Equivalent. The CO<sub>2</sub>e impacts of the Nissan Leaf if deployed in Fiscal Year 2016/2017 would have resulted in approximately a 73% reduction or 10,500 pounds of CO<sub>2</sub>e impact to the environment. A recently approved project that will provide additional solar capacity to the City will further reduce our reliance on the power grid resulting even greater environmental and fiscal benefits.

There is anticipated to be a 65% reduction in operational costs related to fuel/power consumption when using the Nissan Leafs. The fuel cost savings is estimated at \$11,000 - \$20,000 per year. The Nissan Leaf uses 30kWh per 100 miles driven and all 15 would have only used an estimated \$2,600 in electricity in one year. Additional savings are anticipated as preventive maintenance costs related to the internal combustion engine are removed, e.g. oil filters, motor oil and emissions system parts, etc.

As a member of the National Joint Powers Alliance the City of Chula Vista has an opportunity to benefit from cooperative contract purchasing that leverages the national purchasing power of more than 50,000 member agencies. As a municipal national contracting agency, National Joint Powers Alliance establishes and provides nationally leveraged and competitively solicited purchasing contracts under the guidance of the Uniform Municipal Contracting Law. Purchasing staff concurs in

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this assessment.

#### **DECISION-MAKER CONFLICT**

Staff has reviewed the decision contemplated by this action and has determined that it is not site-specific and consequently, the 500-foot rule found in California Code of Regulations Title 2, section 18705.2(a)(11), is not applicable to this decision for purposes of determining a disqualifying real property-related financial conflict of interest under the Political Reform Act (Cal. Gov't Code § 87100, et seq.).

Staff is not independently aware, and has not been informed by any City Council member, of any other fact that may constitute a basis for a decision maker conflict of interest in this matter.

#### **LINK TO STRATEGIC GOALS**

The City's Strategic Plan has five major goals: Operational Excellence, Economic Vitality, Healthy Community, Strong and Secure Neighborhoods and a Connected Community. This action supports the goal of providing Healthy Communities, as having service vehicles in good working condition allows staff to maintain and operate community and neighborhood facilities.

#### **CURRENT YEAR FISCAL IMPACT**

The net total cost including taxes is \$385,396.46 before the anticipated State rebate of \$150,000 is applied. Sufficient funds have been budgeted in the Measure P Expenditure Plan adopted by City Council for this purchase.

#### **ONGOING FISCAL IMPACT**

Since these are more efficient replacement vehicles, there is an anticipated savings to General Fund.

#### **ATTACHMENTS**

None.

*Staff Contact: Steven Knapp, Fleet Manager, Public Works*