



DATE: January 9, 2023

TO: Honorable Mayor and Members of the City Council through City Manager

FROM: Rhianna Frank – Climate Action Manager
Dan Herrera, PE – Deputy Director of Ops., Public Works & Utilities (PW&U)
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SUBJECT: Resolution Authorizing the Procurement of Two (2) New 2023 Toyota bZ4X Electric Vehicles from Henry Curtis Ford, Authorizing the City Manager to Execute All Documents Necessary to Complete the Purchase, and Finding This Item is Not a “Project” Pursuant to CEQA Guidelines Section 15378(b)(5) and 15061(b)(3)

RECOMMENDATION

It is recommended that the City Council adopt the attached Resolution authorizing the procurement of two (2) new 2023 Toyota bZ4X electric vehicles (EVs) from Henry Curtis Ford, authorizing the City Manager to execute all documents necessary to complete the purchase, and finding this item is not a “project” pursuant to CEQA guidelines section 15378(b)(5) and 15061(b)(3).

BACKGROUND

The City of Petaluma is committed to designing, constructing, and operating an environmentally and economically sustainable city that uses its resources efficiently and minimizes waste. This commitment includes an enduring responsibility to manage and equitably conserve natural resources for present and future generations of city residents.

With this goal in mind, the City of Petaluma took a series of actions to reduce greenhouse gas emissions related to its operations. On May 6, 2019, the City Council adopted Resolution 2019-055 N.C.S. declaring a climate emergency. On January 11, 2021, at a joint meeting of the City Council and Climate Action Commission, the Council adopted Resolution 2021-007 N.C.S. adopting a Climate Emergency Framework, which the City uses as a guideline for its Council-approved goals and priorities and its ongoing General Plan update. The Climate Emergency Framework contains goals to reduce the City’s vehicle greenhouse gas (GHGs) emissions, as transportation emissions encompass the highest share of operational GHG emissions.

Additionally, to further reduce GHG emissions related to its operations, in July 2021, the City of Petaluma began its subscription to Sonoma Clean Power's EverGreen 100% renewable electricity generation program. Sonoma Clean Power sources its EverGreen electricity from local geothermal and photovoltaic solar power, which provides a consistently low GHG emissions profile. EVs charged with EverGreen electricity have negligible GHG operation emissions and zero tailpipe GHG emissions.

Many of the vehicles in the City of Petaluma's fleet are in drastic need of replacement. They are in poor condition and constantly in need of repair, and ongoing maintenance requires valuable staff time and funding. As funding is available, City staff prioritizes replacing these vehicles with electric versions to help meet the City's climate goals and reduce maintenance costs.

DISCUSSION

The two new Toyota bZ4X EVs will replace two Public Works and Utilities Department pool vehicles that use gas, are outdated, and are at the end of their useful life cycles. The City is looking to replace these vehicles with EVs, rather than hybrid or gasoline-powered versions. Petaluma Municipal Code Section 4.04.050 provides that "when the commodity can be obtained from one vendor" the City may dispense with the formal and informal bidding procedures stated in Chapter 4.04. Additionally, "It has been held that where competitive proposals work an incongruity and are unavailing as affecting the final result, or where competitive proposals do not produce any advantage, or where it is practically impossible to obtain what is required and to observe such form, competitive bidding is not applicable." (*Graydon v. The Pasadena Redevelopment Agency* (1980) 104 Cal. App. 3d 631, 636).

Due to the City's current availability needs, price, proximity for mechanics, and climate goals, the City recommends purchasing two new 2023 Toyota bZ4X EVs. Due to the supply chain issues and waitlist period, ordering and obtaining the vehicles is largely factory-direct, with local dealerships assisting with ordering and delivery of the vehicles. City staff reached out to numerous dealerships, including those on the State Bid, to inquire about the availability and timeline for all-electric vehicles, and currently, there are no available all-electric vehicles available except for Henry Curtis Ford, the Ford dealership located within the city of Petaluma. Henry Curtis Ford has indicated to staff that no additional dealer markup will be included in the purchase price of 2023 Toyota bZ4X EVs sold to the City of Petaluma. Accordingly, as Henry Curtis Ford will help facilitate the purchase through the manufacturer's waitlist and with no dealer mark-ups, there is no advantage to bid out this item, and as the purchase is factory-direct the City has satisfied its purchasing requirements.

PUBLIC OUTREACH

This agenda item appeared on the City's tentative agenda document on December 19, 2022, which was a publicly noticed meeting.

COUNCIL GOAL ALIGNMENT

This proposed action supports the FY 2021-2023 City Council Goals and Priorities and the following Workplan items:

- #42 “Find ways for City Operations to reduce greenhouse gas emissions, conserve water, decrease waste, and minimize the use of fossil fuels and investigate and pursue options for carbon sequestration.”
- #52 “Develop a framework to move the City and Transit vehicle fleet from fossil-fuel based to hybrid, renewable compressed natural gas, and/or electric vehicles; continue pursuing grant funding opportunities for electric vehicles.”
- #203 “Impose a moratorium on City purchases of fossil fuel-powered vehicles, power equipment, and appliances, with limited exceptions for emergency vehicles and equipment when no low climate pollution causing alternatives are reasonably available.”

CLIMATE ACTION/SUSTAINABILITY EFFORTS

The U.S. Department of Energy reports that hybrid electric vehicles (HEVs), plug-in hybrid electric vehicles (PHEVs), and all-electric vehicles (EVs) typically produce lower tailpipe emissions than conventional vehicles. The national averages for annual emissions per vehicle are as follows:

- All-Electric: 3,774 pounds of Carbon Dioxide equivalent
- Plug-in Hybrid: 5,680 pounds of Carbon Dioxide equivalent
- Hybrid: 6,258 pounds of Carbon Dioxide equivalent
- Gasoline: 11,435 pounds of Carbon Dioxide equivalent¹

To help meet our 2030 Climate Action Goals, the City is working toward converting the existing fleet to a green fleet. For every gasoline-powered vehicle replaced by a hybrid, there is an average reduction of 5,177 pounds of Carbon Dioxide equivalent. Furthermore, there is an additional reduction of 2,484 pounds of Carbon Dioxide equivalent from Hybrid to All-Electric.

Finally, this action supports California law SB 32 which requires a 40% reduction in GHG emissions below 1990 levels by 2030. As such this project aligns with the climate action and sustainability efforts the City has been making to become carbon neutral. These Toyota bZ4X EVs will charge using Sonoma Clean Power's EverGreen 100% renewable energy, which has a negligible operational greenhouse gas impact.

ENVIRONMENTAL REVIEW

The proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA) in accordance with CEQA Guidelines Section 15378(b)(5), in that purchasing Toyota bZ4X EVs does not meet CEQA's definition of a “project,” because the action does not have the potential for resulting in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment, and because the action constitutes

¹ U.S. Department of Energy - https://afdc.energy.gov/vehicles/electric_emissions.html

organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment. Relatedly, if the proposed action did constitute a project under CEQA, the action is exempt under the common-sense exemption, CEQA Guidelines Section 15061(b)(3) as the replacement of existing vehicles with the Toyota bZ4X EVs will reduce emissions from an equivalent internal combustion vehicle.

FINANCIAL IMPACTS

The purchase of these two new Toyota bZ4X EVs will be funded through the Vehicle Replacement Fund, of which Public Works and Utilities allocated \$105,000 in Fiscal Year 2022/2023 for the purchase of two new EVs.

The costs of the vehicles quoted by Henry Curtis Ford are below (exclusive of taxes and fees):

Vehicle 1 (see Attachment 2):

| | |
|---|--|
| Type: | 2023 bZ4X Limited Four-Wheel Drive (FWD) |
| Model: | 2882A |
| Vehicle base model (MSRP): | \$46,700.00 |
| Factory Installed Packages & Accessories: | \$2,055.00 |
| Port Installed Packages & Accessories: | \$478.00 |
| Delivery processing/handling: | \$1,335.00 |
| Total Advertised Price: | \$50,568.00 |

Vehicle 2 (see Attachment 3):

| | |
|---|-------------------------------------|
| Type: | 2023 bZ4X XLE All-Wheel Drive (AWD) |
| Model: | 2872A |
| Vehicle base model (MSRP): | \$44,080.00 |
| Factory Installed Packages & Accessories: | \$925.00 |
| Port Installed Packages & Accessories: | \$627.00 |
| Delivery processing/handling: | \$1,215.00 |
| Dealer Adjustments | \$5,995.00 |
| Total Advertised Price: | \$52,842.00 |

The total cost quoted for the two vehicles is \$103,410.00 (plus taxes and fees). Additionally, for Vehicle 2, the dealer stated it would waive the “Dealer Adjustments” of \$5,995.00, bringing the cost of that vehicle down to \$46,847.00 and the total cost of the two vehicles to \$97,415.00 (plus taxes and fees). The \$105,000 amount allocated in FY 2022/2023 for this purchase is sufficient to cover the cost.

Although EVs typically require less service and maintenance, occasionally there are factory recalls and other service recommendations that affect all vehicles. Ford has multiple dealerships within 50 miles (including Henry Curtis Ford in the City of Petaluma), which could provide any factory-required service or maintenance. Additionally, the purchase includes a no-cost (\$0) maintenance plan and 24-hour Roadside Assistance.

Because these Toyota bZ4X EVs are replacing gasoline-powered vehicles already owned by the City, there will be an increase in electricity costs. However, replacing old hybrid and gasoline-powered vehicles with newer model EVs will greatly reduce maintenance costs and eliminate fuel costs.

ALTERNATIVES

Alternatives considered but not recommended include:

1. Purchase or lease of internal combustion equivalent for this class of vehicle. This option is not recommended as it fails to meet stated the City Council's goals regarding the reduction of fossil fuel use in the City fleet and does not positively contribute to the City's 2030 carbon neutrality goal established in the Climate Emergency Framework.
2. Do not replace the vehicles and continue to pay higher maintenance and fuel costs and continue to emit higher GHGs from the existing gasoline-powered fleet vehicles.

Additionally, depending on annual vehicle miles driven, the future cost of gasoline, maintenance, and electricity, the total cost of ownership over ten years is expected to be more expensive with an equivalent hybrid and/or internal combustion engine vehicle.

ATTACHMENTS

1. Resolution
2. Quote from Henry Curtis Ford - Vehicle 1
3. Quote from Henry Curtis Ford - Vehicle 2