

ADMINISTRATIVE MEMORANDUM

TO: All Departments **FUNCTION:** Finance

FROM: Viki Copeland, Finance Director
Sergio Gonzalez, City Manager **NO:** F-17

SUBJECT: Clean Fleet Vehicle Purchasing Policy– Adopted June 11, 2013, Revised March 6, 2017, Revised January 3, 2018¹

Operating the city's fleet vehicles contributes approximately twenty-eight percent (28%) of the municipality's carbon emissions². The Clean Fleet Vehicle Purchasing Policy outlines goals and provides practical, cost-effective solutions to reduce emissions from the city's fleet and supports attainment of state and federal air quality standards. The Policy provides guidance to identify the lowest emission, cost-effective and most practical vehicle replacements without compromising the delivery of critical City services.

The City Fleet Policy is consistent with, and balances, the following directives in the Council's Strategic Plan – 2016 – 2021 – 2031 including, and not limited to:

- Commitment to Environmental Sustainability and Carbon Neutrality
- Become a More Livable, Sustainable Beach City
- Be Financially and Environmentally Responsible
- Implement Fleet Replacement Policies
- Implement Electric Vehicle Carpool and Employee Commute incentives
- Commitment to clean energy production and efficient transportation
- Recognized as a leader for carbon neutrality, in addressing climate change and improving health of residents
- Reducing carbon generation by City employees, contractors, and in the City programs and activities

This clean fleet vehicle purchasing policy requires a progressive transition to zero and low emission vehicles including on- and off-road equipment, as well as improved fleet management and operations. These measures will reduce greenhouse gas emissions from mobile sources, improve air quality and health, reduce overall fuel consumption, particularly the use of conventional petroleum fuels, familiarize drivers/operators and fleet personnel with air quality and petroleum reduction goals, and increase the City's fiscal responsibility.

¹ City Fire Services Discontinued 12/29/17 and have been removed from the Policy

² 2015 GhG Inventory

This Policy applies to the procurement, lease, retrofit and use of City fleet vehicles and equipment. Contractor vehicles providing city services should be held to the same standards through contractual provisions to the maximum extent possible.

Clean Fleet Vehicle Strategies To Be Employed By the City

1. Optimize the Fleet Size.

Eliminate or redeploy unused or under-utilized vehicles while promoting sharing across departments.

2. Reduce Vehicle Size.

Encourage the selection of vehicles of a smaller class size whenever possible to achieve increased miles per gallon and lower emissions. Requests for new vehicle purchases must be supplemented with written justification addressing the need for a class or type. Fleet Management shall work with the applicable operating departments to determine whether a proposed vehicle could be downsized and still fulfill its required function within the department.

3. Purchase Zero and Low-Emission Vehicles and Equipment.

Zero and low emission vehicles shall be purchased, leased, or used where feasible, taking into account vehicle function and specialized needs, vehicle miles traveled, and other relevant factors.

- a. Maximize use of vehicles and equipment with the lowest emissions wherever possible.
- b. Meet occasional vehicle needs (for example, event shuttles or heavy-duty vehicles) that cannot be met with alternative fuel vehicles, through alternative arrangements (pooling, rentals, etc.)
- c. Refer to Drive Green Buying Guide <https://www.driveclean.ca.gov/> when researching vehicle options.
- d. Strictly adhere to California Air Resources Control Board (CA ARCB) Fleet Rules and South Coast Air Quality Management District (SCAQMD) fleet, vehicle and equipment statute, rules and guidelines. Apply standards to categories below required thresholds where feasible.
- e. Include minimum fuel efficiency standards and alternative vehicle types in vehicle procurement specifications.
- f. Consider the timing of vehicle purchases and retrofits as technology evolves when purchasing vehicles and equipment with long life spans that currently have limited alternative fuel options. Consider delaying non-necessary vehicle purchases where new, efficient, and cost-effective technologies will be commercially available in 2-5 years.
- g. Environmental priorities and potential reduced operation and maintenance costs of zero and low-emission vehicles are valid return on investment considerations when

analyzing vehicle purchases.

- h. Evaluate and consider participation in programs to test, commercialize, demonstrate new technologies to improve efficiency, reduce emissions, and/or increase fuel efficiency.

4. Efficient Fleet Management and Operations.

- a. Efficiently operate fleet vehicles maintaining proper tire inflation and timely vehicle maintenance.
- b. Enforce and accelerate state³ and regional laws, rules and guidelines to reduce air toxics.
 - a. Ensure compliance with state and federal environmental, energy, and fiscal policies
 - b. Communicate idle-reduction expectations to staff, vendors and visitors; and utilize idle-reduction technology (Commercial Idling Regulations)
- c. Increase driver efficiency by providing in-house training and/or attending training and webinars for fleet personnel and other staff involved in fleet decisions to review policy elements and provide recommendations for achieving objectives.

5. Facilitate Infrastructure to Support Alternative Fuel Vehicles.

- a. Expand and facilitate the availability of electric vehicle charging stations and alternative fuel infrastructure in the City to support zero and low emission fleet (and in specific cases) public vehicles.
- b. Prepare for new vehicle technologies on an ongoing basis.

6. Employee Best Practices to Minimize Vehicle Miles Traveled (VMT).

- a. For vehicles that operate on fixed routes, such as maintenance routes, trash collection and meter reading routes, route optimization should be employed. In general, all routes should be planned to optimize the route and trips chained together to reduce required travel time and distance.
- b. Encourage meetings at centralized locations to reduce necessary travel.
- c. Reduce vehicle miles traveled by replacing in-person meeting attendance with webinars, videoconferencing and other online tools.
- d. Where applicable and/or appropriate, employees should use alternative modes of transportation, such as the city's electric bikes, regular bicycles, walking, buses, light rail, vans and carpools. The City should offer employees incentives to use alternative modes of transportation.

Guidelines and Criteria for Vehicle Purchase and Replacement

³ <https://www.arb.ca.gov/msprog/publicfleets/publicfleetsfactsheet.pdf>

1. Review Existing Vehicle Replacement Schedule

It is the intent of this policy to achieve the maximum return on investment on the city's fleet vehicle purchases as the City transitions to zero and low emission fleet vehicles, therefore:

- a. Establish maximums for mileage (120k) and/or hours (varies by type of equipment).
- b. Consider years-in-service, suggest minimum of 8 years and maximum of 15 years. Vehicles may continue to operate vehicles past these minimums as long as they are determined to be safe and cost-effective to operate.
- c. Evaluate if vehicle repairs exceed depreciated value, irrespective of age?
- d. Evaluate if repairs on a vehicle involved in accident(s) exceed 80 % of the depreciated value of the vehicle?
- e. Evaluate and finalize the justification for the replacement or extension of a vehicle's life.

2. Review Vehicle Selection with Department Staff, City Manager, Finance Director, and Environmental Analyst during the annual budget process.

- a. Determine the necessary fleet functions and needs of the department and determine if existing vehicles meet the needs of staff.
- b. Review requirements for Utility and Passenger vehicles, including cargo capacity, off road, 4x4 capabilities, and towing capabilities.
- c. Assess vehicle usage: consider distance traveled and determine whether vehicle is driven home or out of town for training.

3. Clean Fleet Vehicle Purchases

- a. For each vehicle that has been approved for replacement, determine zero or lowest emission options: <https://www.driveclean.ca.gov/>
- b. When options are limited for electric and hybrid vehicles, petroleum and alternative fuel vehicles shall be reviewed to determine lowest emission alternatives with equal performance.

4. Purchasing, Maintenance and Environmental Considerations

- a. Research available grants, dealer incentives, and organizational savings
- b. Review vehicle sales history, market sustainability, warranties and the history of mechanical and technical problems.
- c. Use of environmentally friendly materials.
- d. Review vehicle manufacturing environmental impact and environmental emission labels.
- e. Consider the availability of dealer support and staff training for new technology.

5. Fuel Support and Saving

- a. Recognize and determine fueling needs.
- b. Apply for available electric vehicle charging station grants.
- c. Determine CNG fueling challenges and implement emergency procedures.
- d. Quantify fuel cost and maintenance savings as the policy is implemented

Vehicle purchase requests shall be reviewed by the Finance Director, Fleet Manager, and Environmental Analyst to identify the most fuel-efficient vehicle with maximum emission reduction available that can meet the operational needs of the department, while taking into account the vehicle's life-cycle costs and fuel availability.

6. Exemptions

Request for exemptions to the Clean Fleet Vehicle Purchasing Policy shall be submitted in writing to the City Manager and exemptions will only be awarded if there is sufficient justification. The City Manager may grant an exemption from the requirements of this Policy to an applicable department requesting an exemption under any one of the following circumstances:

- 1) Where there is no model of motor vehicle or motorized equipment available that will comply with the requirements of this Policy and still meet the specifications for its intended purpose. For example, the Police Department may be limited by available full-electric /alternative-fuel vehicle options and technology when purchasing and replacing front-line police patrol and response vehicles or unmarked detective vehicles.
- 2) Where the requesting department demonstrates to the satisfaction of the City Manager that the use of a vehicle or metered equipment that complies with the requirements of this Policy would significantly disrupt operations or reduce service levels.

In the case that the City Manager grants an exemption, the Fleet Manager shall purchase or lease the model of motor vehicle or metered equipment that will meet the specifications of the applicable departments and has the highest fuel efficiency and lowest available emissions ratings available for the type of vehicle or metered equipment specified provided

the cost is within a reasonable range of the cost of a vehicle meeting the specifications but having higher emissions ratings.


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