

AGENDA ITEM SUMMARY

December 17, 2019

City Council

STAFF

Kaley Zeisel, Transfort Capital Planning/Grant Compliance Mgr
Drew Brooks, Director of Transit
Chris Van Hall, Legal

SUBJECT

Items Relating to Purchase of Vehicles.

EXECUTIVE SUMMARY

- A. Second Reading of Ordinance No. 141, 2019, Appropriating Unanticipated Grant Revenue from the Volkswagen Settlement Funds for the Purchase of Two Electric Vehicles to Replace End of Life Diesel Vehicles and Associated Charging Equipment.
- B. Second Reading of Ordinance No. 142, 2019, Appropriating Unanticipated Grant Revenue from the Volkswagen Settlement Funds for the Purchase of Three Alternative Fuel Body-on-Chassis Style Buses.

The purpose of this item is to appropriate unanticipated grant revenue awarded to Transfort through the Clean Air Act Settlement program administered by Colorado Department of Public Health and Environment (CDPHE) and to reappropriate lapsing funds. Transfort was awarded funding through CDOT's Consolidated Call for Capital Projects in 2018 for the purchase of a total of five alternatively fueled vehicles and two depot chargers. Settlement funds can be used to cover 110% of the incremental cost of purchasing an alternatively fueled vehicle compared with a new diesel vehicle. Transfort plans to replace two end-of-life diesel revenue transit buses with two new zero-emission vehicles (ZEV), purchase two depot chargers, and replace three end-of-life diesel cutaway buses with three alternative fuel vehicles. Settlement funds do not require a local match.

STAFF RECOMMENDATION

Staff recommends adoption of the Ordinances on Second Reading.

ATTACHMENTS

- 1. First Reading Agenda Item Summary, December 3, 2019 (w/o attachments) (PDF)
- 2. Ordinance No. 141, 2019 (PDF)
- 3. Ordinance No. 142, 2019 (PDF)

AGENDA ITEM SUMMARY

December 3, 2019

City Council

STAFF

Kaley Zeisel, Transfort Capital Planning/Grant Compliance Mgr
Drew Brooks, Director of Transit
Chris Van Hall, Legal

SUBJECT

Items Relating to Purchase of Vehicles.

EXECUTIVE SUMMARY

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STAFF RECOMMENDATION

Staff recommends adoption of the Ordinances on First Reading.

BACKGROUND / DISCUSSION

Volkswagen Group of America and certain related entities (collectively Volkswagen or VW) have admitted that they violated the federal Clean Air Act from 2009 to 2016 by selling vehicles with diesel engines that emitted more air pollution than the Clean Air Act allows and by cheating on federal emission tests to hide the excess pollution. VW partially settled its civil liability for these violations of the Clean Air Act by entering two judicial consent decrees which required VW to pay more than \$2.9 billion into an environmental mitigation trust fund, to be administered by an independent trustee. In Colorado, these funds are overseen by CDPHE and CDOT. Eligible transit agencies were able to apply, through a competitive process, for these Settlement Funds to replace diesel vehicles with alternative fueled vehicles.

To better align with the City's Climate Action Plan goal of becoming carbon neutral by 2050, Transfort began pursuing funding to replace rolling stock vehicles past their useful life with alternative fuel vehicles. In 2018 Transfort was awarded Congestion Mitigation and Air Quality (CMAQ) funding in the amount of \$775,000 by the North Front Range Metropolitan Planning Organization (NFRMPO) for the purchase of one (1) ZEV and one (1) charging unit. These funds, along with a local match of \$105,000, were appropriated in the 2019/2020 Budget

in a lapsing business unit. Due to the timing of the awarding of additional funding, the purchase for this offer will be delayed until 2020; thereby necessitating the re-appropriation of this \$880,000 to a non-lapsing business unit. Transfort applied for Settlement funds in 2018 leveraging these previously awarded CMAQ funds in order to purchase two (2) ZEVs and two (2) depot chargers. There is no local matching requirement for Settlement Funds.

Transfort will purchase these ZEVs and depot chargers from an existing state purchasing schedule. This procurement method will meet all federal and state purchasing guidelines while expediting the process. In conjunction with Operation Services, Transfort has already begun the planning and engineering design process to upgrade the Transfort Maintenance and Operations Facility's (TMF) electrical infrastructure in order to accommodate the electricity demands of depot charging.

EV manufacturers have indicated to Transfort that manufacturing times are currently estimated at 12 - 18 months from time of order. With the goal of executing a contract with a vendor by December 2020, Transfort would expect to see delivery of its first revenue rolling stock EVs by second or third quarter of 2022.

Transfort was also awarded FASTER (Funding Advancements for Surface Transportation and Economic Recovery Act of 2009) funding in 2018 in the amount of \$197,220 by CDOT to be used to purchase three (3) cutaway style vehicles. This award is for the "guaranteed" amount of FASTER funding that Transfort receives from CDOT each year; therefore, the award amount and local match has been budgeted and is in place in the current Transfort budget in a non-lapsing business unit. Transfort applied for Settlement funds in 2018 leveraging the "guaranteed" amount of FASTER funding that Transfort receives from CDOT each year in order to upgrade the replacement vehicles from diesel fuel to alternative fuel (propane). There is no local matching requirement for Settlement Funds. These vehicles are leased to Transfort's fixed route service contractor to provide service for Route 33 and the late-night Gold Route.

Transfort will meet all federal and state purchasing guidelines in the procurement of these vehicles and expects to be able to execute a contract by 3rd quarter of 2020, with expected delivery of vehicles in mid-2021. There are multiple propane fueling stations available throughout Fort Collins; therefore, Transfort does not anticipate a risk with contractors having convenient access to fuel.

Settlement Funds stipulate that the end of life diesel vehicles being replaced are scrapped, which includes cutting the frame rails in half and drilling a three-inch (3") hole through the engine block. This ensures the air quality improvements that are pivotal to the funding program are realized, as the vehicles will no longer be drivable. Transfort has a plan in place for scrapping all five (5) identified vehicles.

CITY FINANCIAL IMPACTS

The following is a summary of the project funding and estimated budgets:

Project 1: ZEV Purchase and Associated Charging Infrastructure

Prior Appropriated Lapsing Funds (19/20 BFO - Offer 45.11)	
Prior Appropriated Federal Funds (CMAQ Grant)	\$775,000
Prior Appropriated Local Matching Funds	\$105,000
Total Prior Lapsing Appropriation	\$880,000
Prior Appropriated Non-Lapsing Funds	
Prior Appropriated CCIP funds	\$25,012
Funds to be Appropriated with this Action	
Settlement Funds to be Appropriated - ZEVs	\$937,640
Settlement Funds to be Appropriated - Chargers	\$200,000
Total Funds to be Appropriated per this Action	\$1,137,640

Total Current Project Funding	\$2,042,652
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Estimated Project Budget	Price, Each	Ext Price
2x 35' Zero-Emission Transit Buses	\$875,911	\$1,751,822
2x 150 kWh sequential depot chargers	\$145,415	\$290,830
Total Current Project Budget		\$2,042,652

Project 2: Alternative Fuel Cutaway Purchase

Prior Appropriated Non-Lapsing Funds (19/20 BFO)	
Prior Appropriated State Funds (FASTER)	\$197,220
Prior Appropriated Local Matching Funds	\$49,308
Total Prior Appropriation	\$246,528
Funds to be Appropriated with this Action	
Settlement Funds to be Appropriated - Cutaways	\$116,268
Total Funds to be Appropriated per this Action	\$116,268
Total Current Project Funding	\$362,796

Estimated Project Budget	Price, Each	Ext Price
3x Cutaway Vehicle	\$120,932	\$362,796
Total Current Project Budget		\$362,796

ATTACHMENTS

1. Scope of Work-Two Electric Bus Settlement and Chargers (draft) (PDF)
2. Scope of Work Settlement Cutaway Vehicles (draft) (PDF)

ORDINANCE NO. 141, 2019
OF THE COUNCIL OF THE CITY OF FORT COLLINS
APPROPRIATING UNANTICIPATED GRANT REVENUE FROM THE
VOLKSWAGEN SETTLEMENT FUNDS FOR THE PURCHASE OF
TWO ELECTRIC VEHICLES TO REPLACE END OF LIFE DIESEL
VEHICLES AND ASSOCIATED CHARGING EQUIPMENT

WHEREAS, Volkswagen Group of America and certain related entities (collectively, “Volkswagen” or “VW”) have admitted that they violated the federal Clean Air Act from 2009 to 2016 by selling vehicles with diesel engines that emitted more air pollution than the Clean Air Act allows and by cheating on federal emission tests to hide the excess pollution; and

WHEREAS, VW partially settled its civil liability for these violations of the Clean Air Act by entering into two judicial consent decrees which required VW to pay more than \$2.9 billion into an environmental mitigation trust fund to be administered by an independent trustee (the “Settlement Funds”); and

WHEREAS, in Colorado, such Settlement Funds are overseen by Colorado Department of Public Health and Environment (“CDPHE”) and Colorado Department of Transportation (“CDOT”) and eligible transit agencies were able to apply for the Settlement Funds through a competitive process; and

WHEREAS, Transfort applied to receive Settlement Funds by leveraging previously awarded Congestion Mitigation and Air Quality (“CMAQ”) grant funds in the amount of \$775,000 and previously appropriated local matching funds in the amount of \$105,000 to purchase two new zero-emission vehicles (“ZEV”) and depot chargers; and

WHEREAS, Transfort was awarded \$1,137,640 in Settlement Funds toward the two ZEVs and depot chargers and this Ordinance will appropriate the funds related to the acquisition of the two ZEVs and depot chargers into a non-lapsing fund to be used to acquire the two ZEVs and depot chargers; and

WHEREAS, the City Charter provides that all appropriations unexpended or unencumbered at the end of the fiscal year shall lapse to the applicable general or special fund, except that appropriations for capital projects shall not lapse until the completion of the capital project; and

WHEREAS, the abovementioned CMAQ funds and local matching funds for the ZEV and depot chargers were previously appropriated in the 2019/2020 Budgeting For Outcomes process into a fund that will lapse at the end of this year and so this Ordinance will also re-appropriate these previously appropriated funds into a non-lapsing capital fund to be used to acquire the two ZEVs and depot chargers; and

WHEREAS, this appropriation benefits public health, safety and welfare of the citizens of Fort Collins and serves the public purpose of providing low-emission public transportation to citizens of Fort Collins.

WHEREAS, Article V, Section 9, of the City Charter permits the City Council to make supplemental appropriations by ordinance at any time during the fiscal year, provided that the total amount of such supplemental appropriations, in combination with all previous appropriations for that fiscal year, does not exceed the current estimate of actual and anticipated revenues to be received during the fiscal year; and

WHEREAS, the City Manager has recommended the appropriation described herein and determined that this appropriation is available and previously unappropriated from the Transit Services Fund and will not cause the total amount appropriated in the Transit Services Fund to exceed the current estimate of actual and anticipated revenues to be received in that fund during any fiscal year; and

WHEREAS, Article V, Section 10, of the City Charter authorizes the City Council to transfer by ordinance any unexpended and unencumbered appropriated amount or portion thereof from one fund or capital project to another fund or capital project, provided that the purpose for which the transferred funds are to be expended remains unchanged; the purpose for which the funds were initially appropriated no longer exists; or the proposed transfer is from a fund or capital project in which the amount appropriated exceeds the amount needed to accomplish the purpose specified in the appropriation ordinance.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FORT COLLINS as follows:

Section 1. That the City Council hereby makes and adopts the determinations and findings contained in the recitals set forth above.

Section 2. That there is hereby appropriated from unanticipated revenue in the Transit Services Fund the sum of ONE MILLION ONE HUNDRED THIRTY-SEVEN THOUSAND SIX HUNDRED FORTY DOLLARS (\$1,137,640) for expenditure in the Transit Services Fund for the purchase of two zero emission buses and associated charging infrastructure.

Section 3. That the unexpended appropriated amount of EIGHT HUNDRED EIGHTY THOUSAND DOLLARS (\$880,000) in a lapsing business unit within the Transit Services Fund is authorized for transfer to a non-lapsing business unit within the Transit Services Fund and appropriated therein for expenditure for the purchase of two zero emission buses and associated charging infrastructure.

Introduced, considered favorably on first reading, and ordered published this 3rd day of December, A.D. 2019, and to be presented for final passage on the 17th day of December, A.D. 2019.

Mayor

ATTEST:

City Clerk

Passed and adopted on final reading on the 17th day of December, A.D. 2019.

Mayor

ATTEST:

City Clerk

ORDINANCE NO. 142, 2019
OF THE COUNCIL OF THE CITY OF FORT COLLINS
APPROPRIATING UNANTICIPATED GRANT REVENUE FROM THE
VOLKSWAGEN SETTLEMENT FUNDS FOR THE PURCHASE OF
THREE ALTERNATIVE FUEL BODY-ON-CHASSIS STYLE BUSES

WHEREAS, Volkswagen Group of America and certain related entities (collectively, “Volkswagen” or “VW”) have admitted that they violated the federal Clean Air Act from 2009 to 2016 by selling vehicles with diesel engines that emitted more air pollution than the Clean Air Act allows and by cheating on federal emission tests to hide the excess pollution; and

WHEREAS, VW partially settled its civil liability for these violations of the Clean Air Act by entering into two judicial consent decrees which required VW to pay more than \$2.9 billion into an environmental mitigation trust fund to be administered by an independent trustee (the “Settlement Funds”); and

WHEREAS, in Colorado, such Settlement Funds are overseen by Colorado Department of Public Health and Environment (“CDPHE”) and Colorado Department of Transportation (“CDOT”) and eligible transit agencies were able to apply for the Settlement Funds through a competitive process; and

WHEREAS, Transfort was previously awarded \$197,220 in Funding Advancements for Surface Transportation and Economic Recovery Act of 2009 (“FASTER”) funds for three cutaway style buses and there is currently an appropriated local match of \$49,308 for that purchase; and

WHEREAS, the City leveraged the previously awarded FASTER funds to apply for Settlement Funds and was awarded \$116,268 to upgrade the cutaway buses from diesel fuel to propane; and

WHEREAS, these alternative fuel cutaway buses are leased to Transfort’s fixed route service contractor to provide service for Route 33 and the late-night Gold Route; and

WHEREAS, this Ordinance will appropriate the \$116,268 in Settlement Funds for the alternative fuel cutaway buses; and

WHEREAS, this appropriation benefits public health, safety and welfare of the citizens of Fort Collins and serves the public purpose of providing alternate fuel public transportation to citizens of Fort Collins.

WHEREAS, Article V, Section 9, of the City Charter permits the City Council to make supplemental appropriations by ordinance at any time during the fiscal year, provided that the total amount of such supplemental appropriations, in combination with all previous appropriations for that fiscal year, does not exceed the current estimate of actual and anticipated revenues to be received during the fiscal year; and

WHEREAS, the City Manager has recommended the appropriation described herein and

determined that this appropriation is available and previously unappropriated from the Transit Services Fund and will not cause the total amount appropriated in the Transit Services Fund to exceed the current estimate of actual and anticipated revenues to be received in that fund during any fiscal year.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FORT COLLINS as follows:

Section 1. That the City Council hereby makes and adopts the determinations and findings contained in the recitals set forth above.

Section 2. That there is hereby appropriated from unanticipated revenue in the Transit Services Fund the sum of ONE HUNDRED SIXTEEN THOUSAND TWO HUNDRED SIXTY-EIGHT DOLLARS (\$116,268) for expenditure in the Transit Services Fund for the purchase of three alternative fuel chassis-on-body style buses.

Introduced, considered favorably on first reading, and ordered published this 3rd day of December, A.D. 2019, and to be presented for final passage on the 17th day of December, A.D. 2019.

Mayor

ATTEST:

City Clerk

Passed and adopted on final reading on the 17th day of December, A.D. 2019.

Mayor

ATTEST:

City Clerk