

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: February 22, 2023

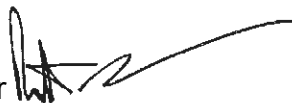
CAO File No. 0220-06074-0000

Council File No. 21-0680

Council District: All

To: City Council

From: Matthew W. Szabo, City Administrative Officer



Subject: **ZERO-EMISSION MUNICIPAL FLEET**

RECOMMENDATION

That the City Council note and file this report.

SUMMARY

The City Council instructed the Office of the City Administrative Officer to report on an analysis to ensure that the size and makeup of the City's fleet is appropriate for each individual department's needs and determine whether any internal combustion engines may be performed by a zero-emission equivalent vehicle. The following outlines the City's current efforts and future actions by our office to address City Council's concerns.

Right-size fleet. The City's annual budgetary process includes the submission of proposals by each City department that outlines the staff and equipment necessary to meet their operational goals. Budget proposals are reviewed by this Office with recommendations made to both the Mayor's Office and City Council. The need for these vehicles, unique operational conditions which may require the purchase or rental of equipment, and the availability of funding to purchase new or replacement vehicles are evaluated throughout this process. Therefore, a contractor initiated right-sizing study to inform each City department of the appropriate size and makeup of its fleet is not recommended because it duplicates the City's current efforts and provides recommendations that would exclude financial considerations that would ultimately limit the City's ability to implement those recommendations.

Zero emission first policy. The City currently practices a zero-emission first purchasing policy to help reach its 100 percent zero emission fleet goal by 2050. This policy is implemented by the General Services Department (GSD), who purchases the majority of the City's vehicles. GSD's process includes identification of zero-emission vehicle options, evaluation along with the user department as to whether the zero-emission alternative meets the department's operational needs, and confirmation that all options are reviewed prior to finalizing the purchase of a vehicle.

In addition to the existing process mentioned above, this Office will also include the City's Director

of Vehicle Electrification (DVE) in its internal review process for all light- and medium-duty vehicle (vehicle) requests to ensure consistency where vehicles are not purchased by GSD. All replacement vehicle requests will be compiled and routed to the City's DVE. Further, new vehicle requests will be submitted to the City's DVE after the merit of the program associated with the new vehicle request has been approved by the Mayor's Office Budget Development Team for further consideration. This process will ensure that a subject matter expert is reviewing and providing consistent and updated zero emission alternatives Citywide and that charging infrastructure challenges can be addressed before an opportunity to electrify any portion of the City's fleet is missed.

Appropriate use. In addition to the review of all future vehicle purchases, a review of the use of existing vehicles will be conducted to find opportunities for which zero-emission alternatives may be found. We anticipate to identify and evaluate situations where managers or supervisors are currently assigned light- and medium-duty vehicles and determine the feasibility of providing a zero-emission alternative for the manager or supervisor and re-deploying the light- and medium-duty vehicles where an operational need to use such a vehicle would be more appropriate. These recommendations would then be incorporated into the City's annual budget review process.

Our Office will be assessing these opportunities by conducting a survey of the City's top five departments with the highest inventory of light- and medium-duty vehicles for which the City took delivery less than six years ago and represents 80 percent of the vehicles in this category. These departments will include the Department of Public Works' Bureaus of Sanitation and Street Services, Department of Recreation and Parks, General Services Department, and the Department of Transportation.

Phasing out vehicles, independent of the budget process, is not recommended because doing so without providing a replacement would hinder the City departments' ability to deliver City services. The GSD reports that more than half of the City's fleet are beyond its useful life and an annual investment of over \$130 million in the next five years will be required to bring the City up to date. This estimate does not take into consideration the cost of electrifying the replacement vehicles or charging infrastructure needs.

FISCAL IMPACT STATEMENT

There is no General Fund impact to adopting the recommendation of this report.

FINANCIAL POLICIES STATEMENT

The recommendation in this report complies with the City's Financial Policies.