



Legislation Text

File #: K-1617-115, **Version:** 1

CONSIDERATION OF THE ACCEPTANCE OF A PUBLIC FLEET CONVERSION GRANT IN THE AMOUNT OF \$223,620 FROM THE ASSOCIATION OF CENTRAL OKLAHOMA GOVERNMENTS (ACOG) TO THE FLEET MAINTENANCE DIVISION TO BE USED TO PROVIDE TWO (2) NEW HEAVY DUTY COMPRESSED NATURAL GAS (CNG) COMMERCIAL FRONT LOADING REFUSE TRUCKS AND TWO (2) NEW HEAVY DUTY CNG RESIDENTIAL SIDE LOADING REFUSE TRUCKS TO BE USED BY THE SANITATION DIVISION; APPROVAL OF CONTRACT K-1617-115, AND RATIFICATION OF RESOLUTION R-1617-54 SUBMITTED WITH THE GRANT APPLICATION PACKET.

BACKGROUND: On February 24, 2009, the City Council adopted the Norman Alternative Fuel Program, one of very few such municipal programs in Oklahoma. Since that time, the City has become a leader in alternative fuel technology. In addition to the environmental benefits, the City has saved approximately \$1,453,303 since 2009 in fuel costs.

On October 4, 2016, the Association of Central Oklahoma Governments (ACOG) announced round one for the seventh year of an ACOG-administered Public Fleet Conversion Grant Program using Federal Fiscal Year (FFY) 2016 Congestion Mitigation and Air Quality (CMAQ) funds totaling \$521,000. CMAQ funds support transportation projects that reduce mobile source emissions. This grant program will allow public sector fleets to access CMAQ funds for fleet conversions to clean fuel technologies which include alternative fuel vehicles such as compressed natural gas (CNG), hybrid vehicles and alternative fuel vehicle refueling infrastructure. The grants will be provided as a reimbursement of City funds when the vehicles are placed into service.

On November 14, 2016, the Mayor on behalf of Council authorized the grant application requesting funds of \$223,620 to be submitted to the Association of Central Oklahoma Governments (ACOG) requesting assistance with the purchase of two (2) new heavy duty CNG Commercial Front Loading refuse trucks and two (2) new heavy duty CNG Residential Side Loading refuse trucks for the City of Norman Utilities Sanitation Division.

The City of Norman was previously awarded seven (7) ACOG CMAQ grants in the total amount of \$1,087,600 between 2009 and 2015. In addition, the City received a grant in 2011 using "stimulus" funding from the American Recovery and Reimbursement Act (ARRA) administered by the Oklahoma Department of Commerce (ODOC) in the amount of \$1,429,365 for the construction of the City CNG Fueling Station. The City's CNG fleet now totals 94 vehicles/equipment including refuse trucks, street sweepers, pickup trucks, sedans, generators and mowers along with a CNG Slow Fill Facility (for city use) and a CNG Fast Fill Facility (for public/city use).

A list of Alternative Fuel Program Grants that have been received has been included as an attachment.

DISCUSSION: On February 27, 2016, the Central Oklahoma Clean Cities Coordinator notified the City of Norman that its application for funding had been approved by the ACOG Metropolitan Planning Organization for four (4) heavy duty CNG trucks for the Utilities Sanitation Division. The City of Norman ranked #1 out of the five projects awarded grant funds and received 43% of the total amount awarded. The other applicants in the order awarded grant funds are the City of Moore, the City of Oklahoma City, the Oklahoma Environmental Management Authority, and OU-CART.

Grant funding is provided by ACOG following the submission of a paid invoice. The grant provides funding for the conversion of the vehicles from conventional fuel to compressed natural gas. If approved, the City's FYE 2017 enterprise funds will realize a direct savings of \$223,620. The four new trucks will be purchased in March 2017 and put into service in September 2017.

Funds are available within Sanitation Trucks accounts in the Residential and Commercial Sanitation Divisions (accounts 033-5561-432.50-04 and 033-5562-432.50-04, respectively) to purchase the trucks and install the CNG conversion kits.

RECOMMENDATION: It is recommended that City Council accept the grant and the Mayor be authorized to sign the attached two copies of Contract K-1617-115 accepting CMAQ grant funding from ACOG in the amount of \$223,620. A

table showing the estimated cost and savings to the City has been included as an attachment.

Grant fund reimbursements in the amount of \$223,620 will be deposited into the Sanitation Fund, Miscellaneous Grant Reimbursements (033-0000-331.13-46).