



Legislation Text

File #: K-2021-102, **Version:** 1

CONTRACT K-2021-102: A MEMORANDUM OF AGREEMENT (MOA) BY AND BETWEEN THE CITY OF NORMAN AND THE OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY (OKDEQ); ACCEPTANCE OF FUNDS IN THE AMOUNT OF \$450,000 TO PURCHASE A BATTERY ELECTRIC TRANSIT BUS TO BE USED FOR THE CITY'S PUBLIC TRANSPORTATION PROGRAM AND BUDGET APPROPRIATION.

BACKGROUND: On February 24, 2009, the City Council adopted the Norman Alternative Fuel Program (AFP), one of very few such municipal programs in Oklahoma. Since that time, the City has become a leader in alternative fuel technology in Oklahoma and the Midwest region.

On September 22, 2020 City Council approved Resolution R-2021-43 authorizing the City Manager or his designee to submit a grant application on behalf of the City of Norman to the Oklahoma Department of Environmental Quality's On-Road Program of the Volkswagen Settlement Trust for a 35-foot battery electric bus. On November 6, 2020 City staff were notified that the City's application was successful and the City should expect to be awarded \$450,000 for the \$900,000 electric bus project (50% was the maximum that could be awarded for this type of project). However, the project could not proceed until the Volkswagen Settlement Trust approved, a Memorandum of Agreement (MOA) was executed, and a Notice to Proceed was issued.

In addition, on November 19, 2020, City Manager Pyle authorized a grant application to be submitted to the Association of Central Oklahoma Governments (ACOG) requesting funds to be utilized to purchase and install two (2) new electric vehicle charging stations. The first charging station is proposed to be installed at the City's new Transit Operations and Maintenance Facility to be used by the City's first battery electric vehicle, a public transportation heavy duty bus, as mentioned above. The second charging station is proposed to be installed at the City's Compressed Natural Gas (CNG) Fueling Facility to be used by the public, future City electric vehicles, and as a backup for the transit electric bus. On February 9, 2021, Council formally accepted an ACOG grant in the amount of \$89,600 and staff is working to ensure the chargers are installed along with the current construction of the Transit Operations and Maintenance Facility.

DISCUSSION: Staff recently received notification that the Volkswagen Settlement Trust approved of the project. Now the next step in this project's process is for Council consideration and approval of the attached Memorandum of Agreement (MOA). Once the MOA is approved by both parties, City staff will await a formal Notice to Proceed by OKDEQ before beginning the procurement process.

The key elements of the MOA are:

- Identification of City vehicles to be replaced/scrapped.
- Capping the OKDEQ funding portion of the project at \$450,000.
- Semiannual reports to OKDEQ until the project is complete and reimbursement has been received.
- Compliance with any and all applicable laws and to allow audits by OKDEQ.

Funds for the City's match, \$450,000, are available in Public Works/Transit Division, Service Equipment/Bus (account 27550276-45007).

If approved, staff anticipates requesting approval to purchase the new, electric bus by June/July 2021, with delivery to Norman expected to be around June-September 2022 (12-15 months).

RECOMMENDATION No. 1: It is recommended that the City Council accept the project funding from OKDEQ in the amount of \$450,000 and it is further recommended that the Mayor be authorized to sign contract K-2021-102, which is the Memorandum of Agreement. Grant funds will be deposited into the Reimbursements/Other City Expense (279-364229), when received.

RECOMMENDATION No. 2: It is further recommended that funds in the amount of \$450,000 be appropriated from Parking and Transit Fund Balance (27-29000) to Public Works/Transit Division, Service Equipment/Bus (27550276-45007) to cover grant funding portion of project until reimbursement is received.