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2017 MAR -2 PM 4: 39

# AGENDA REPORT

**TO:** Sabrina B. Landreth  
City Administrator

**FROM:** Gerry Garzón  
Director of Library Services

**SUBJECT:** Motiv Power Systems  
Sole Source Electric Vehicle

**DATE:** March 2, 2017

City Administrator Approval

Date:

*[Signature]*  
3/2/17

## RECOMMENDATION

**Staff Recommends That The City Council Approve A Resolution Waiving The Advertising And Competitive Bidding Requirements And The Local And Small Local Business Enterprise (L/SLBE) Program Requirements And Awarding A Contract To Motiv Power Systems In An Amount Not To Exceed One Hundred Ten Thousand Dollars (\$110,000) For The Purchase Of An Electric Vehicle To Be Used As The Oakland Public Library's Mobile Library Vehicle**

## EXECUTIVE SUMMARY

City Council finalized and appropriated \$500,000 in fiscal year (FY)2016-17 to expand library services to disadvantaged youth geographically dispersed throughout the City. In February 2016, a Pop-Up Mobile Library was suggested to, and approved by, City Council to fulfill this charge. Gyroscope, Inc., an architectural firm based in Oakland, was hired as the consultant in June 2016 to work with staff and the young people to design the Mobile Library. During the design phase, as the consultant was focusing on the type of motor vehicle that would be used (i.e., gasoline, diesel, CNG, electric, or a combination). In consultation with the Oakland Public Works (OPW) staff, an electrical vehicle was chosen. This decision was based on factors such as long-term costs, environmental-sustainability, maintenance, and fuel costs.

In searching for a local electric vehicle manufacturer, Motiv Power Systems (Motiv), out of Fremont and Foster City, was recommended by Richard Battersby, OPW Equipment Services Manager for the City of Oakland. Motiv's patented All-Electric Powertrain uses commercially available battery packs and motors to make reliable Battery Electric trucks and buses with the same chassis and bodies as their fossil-fueled counterparts. Motiv Power Systems offered the City a used Ford E450 electric vehicle, with less than 1,400 miles, at a considerable discount, taking into account the Hybrid and Zero-Emission Truck and Bus Voucher Project (HVIP) voucher for \$100,000 and 13.5 percent depreciation. Staff therefore recommends a sole source contract for this project with Motiv due to the substantial financial benefits to the City.

Item: \_\_\_\_\_  
Life Enrichment Committee  
March 14, 2017

## **BACKGROUND / LEGISLATIVE HISTORY**

On June 30, 2015, the City Council adopted the FY 2015-17 Biennial Policy Budget (Resolution No. 85672 C.M.S.), which included Policy Directives to various Departments for which additional appropriations had been made. The Oakland Public Library received a General Purpose Fund baseline appropriation increase of \$500,000 beginning in FY 2016-17 for the purpose of Expanded Library Service, starting July 1, 2016.

## **ANALYSIS AND POLICY ALTERNATIVES**

The Mobile Library was conceived as an alternative to expanding library services throughout the City. It can travel to where library facilities are distant (but where youth congregate) and services to support afterschool and summer enrichment activities are most needed, as well as access to technology resources and training.

During the course of the consultant work with the Library, OPW Project Management and Equipment Services, one of the major decisions to be made was the selection of the type of vehicle platform/chassis to build the Pop-Up Mobile Library on. Based on preliminary design plans and cargo requirements, and in keeping with the City's existing fleet of vehicles, it was determined that the design for the vehicle would be based on a Ford E-450, which offered both fossil fuel and zero emission engines (i.e., gasoline, diesel, CNG, electric). In addition to vehicle costs, we also reviewed: body customization, programming, maintenance, greenhouse emissions factors, and petroleum consumed. A gasoline vehicle was not recommended at the outset; all others are summarized as follows:

Description	Typical Gasoline Baseline (not recommended)	Ford E450 Diesel (Baseline)	Ford E450 Renewable Diesel	CNG	New All-Electric E450 Cargoport	Motiv All-Electric E450 Cargoport
Ford E450 Cutaway + (bed and liftgate)		\$35,430 + \$13,319=\$48,749	\$35,430 + \$13,319=\$48,749	E450 158" wb Box Truck w/ liftgate. \$55,343.40 base price	\$222,000	\$92,000
Body Customization (range from 3 fabricators for design option B)		\$67,000 to \$99,474	\$67,000 to \$99,474	\$67,000 to \$99,474	\$67,000 to \$99,474	\$67,000 to \$99,474 + demo of existing shell (\$20,000)?
Other (Cart upgrades, furniture, net, ovhd sign, charging stations, etc - allowance)		\$25,000-\$35,000	\$25,000-\$35,000	\$25,000-\$35,000	\$25,000-\$35,000	\$25,000-\$35,000
Subtotal Est.		\$140,749-\$183,223	\$140,749-\$183,223	\$147,344 - \$189,818	\$314,000-\$356,474	\$184,000-\$226,474
Annual Maintenance		\$11,556.48 please anticipate a 3% rate increase for FY 17-18 and 18-19	\$11,556.48 please anticipate a 3% rate increase for FY 17-18 and 18-19	\$9,896.64 please anticipate a 3% rate increase for FY 17-18 and 18-19	\$9,896.64 please anticipate a 3% rate increase for FY 17-18 and 18-19	\$9,896.64 please anticipate a 3% rate increase for FY 17-18 and 18-19
Annual Greenhouse Gas Emissions (CO2 in short tons)	16.9 tons	13.9 tons	6.8 tons (no data for renewable diesel-used B100 biodiesel)	15.2 tons (3.1 w/RNG)	4.8 tons	4.8 tons
Annual Barrels of Petroleum Consumed	30.5	24.9	2.9 (no data for renewable diesel-used B100 biodiesel)	0.2 (0 w/RNG)	0.1	0.1

Based on feedback from focus groups, a zero-emission, all-electric powered Pop-Up Mobile Library was the superior choice. When the Pop-Up Mobile Library's use requirements were considered along with City's current vehicle fleet standards, staff identified the All-Electric *E450 Cargoport* delivery van, manufactured by Rockport Commercial Vehicles, in partnership with Motiv, as the only suitable all-electric option. Unfortunately, the cost to acquire the base all-electric vehicle platform is \$222,000, not including customization, double the amount that is budgeted. As staff began to consider the best alternatives to an all-electric vehicle, Motiv Power Systems offered the City the Ford E450 vehicle at a considerable discount, taking into account the Hybrid and Zero-Emission Truck and Bus Voucher Project (HVIP) voucher for \$100,000 and 13.5 percent depreciation. With the discount, the City can purchase the vehicle for \$92,000, (with registration and tax, \$110,000) which is \$130,000 less than the cost, if purchased new.

Another rationale for the Motiv vehicle is timing. The Library, along with the young people in its focus groups, is enthusiastic to get the Pop-Up Mobile Library out on the road as quickly as possible. Purchasing a new electric vehicle would delay the Mobile Library because the vehicle fabrication process would need to occur after the purchase, likely delaying actual operation until next January, 2018.

Additionally, with the delays, the City may lose the opportunity to purchase the electric vehicle from Motiv Power. Motiv has clearly indicated to the City that they have a "need to reinvest in a new delivery vehicle" so the intent is to sell the vehicle as soon as possible. As mentioned earlier, Motiv's patented All-Electric Powertrain uses commercially available battery packs and motors to make reliable battery electric trucks and buses with the same chassis and bodies as their fossil-fueled counterparts. They are the only local company to sell an electric vehicle of this type, which is consistent with the City's existing vehicle specifications.

### ***Waiver Request***

Oakland Municipal Code (OMC) Section 2.04.050 requires that the City Administrator conduct formal advertising and bidding where the cost of services, supplies or combination required by the City exceeds \$50,000. However, OMC Section 2.04.050.1.5 provides an exception to this advertising and competitive bidding requirement when specifically authorized by the City Council after a finding and determination that it is in the best interest of the City.

Staff has framed a financial and project timing rationale that it is in the best interest of the City to authorize purchase of this electric vehicle from Motiv Power Systems. A new electric vehicle of this same type is known to cost at least \$130,000 more. By purchasing this vehicle directly from Motiv, the City can be assured to receive the vehicle in "like-new" condition, with approximately 1,400 miles, and will receive the remaining Ford, Motiv and battery warranties. As previously explained, the Pop Up Mobile Library can also be put into operation more quickly using this approach.

Should City Council not grant this waiver request, the City may lose the opportunity to purchase the vehicle from Motiv, and would likely be required to purchase a new vehicle at a cost of over \$220,000, almost 2 ½ times more than the Motiv vehicle. This amount exceeds the Library's current budget for the vehicle purchase cost.

Staff also recommends that City Council waive the L/SLBE requirement. Electric vehicle manufacturers and assembly companies are rare due to the relatively new, start-up nature of the industry. As part of their due diligence, OPW staff and its consultant have concluded that there are no companies in Oakland that meet the local or small local requirements. Due to the specialized nature of the procurement, staff is also requesting the L/SLBE waiver.

### **FISCAL IMPACT**

If approved, this resolution will authorize the City Administrator to execute an agreement with Motiv Power Systems, to purchase a used *All-Electric E450 Cargoport delivery van* for \$92,000, excluding taxes and registration fees. Total acquisition cost shall not exceed \$110,000.

The funds for this purchase are budgeted and available in the Library Department's authorized FY 2016-2017 operating budget as follows:

- 1) \$100,000: Organization 61342, Fund 1010, Account 57611, Program Code NB17;
- 2) \$10,000: Organization 61342, Fund 1010, Account 52811, Program Code NB17

### **PUBLIC OUTREACH / INTEREST**

In the design of the Mobile Library, staff and consultant conducted two rounds of workshops with youth in East and West Oakland.

### **COORDINATION**

Staff consulted with the following offices in preparation of the report: Department of Public Works.

### **SUSTAINABLE OPPORTUNITIES**

**Economic:** The Motiv electric vehicle is available at a greatly reduced price to the City of Oakland.

**Environmental:** An electric vehicle will be a source of clean energy and will be in support of the Sustainable Oakland Program.

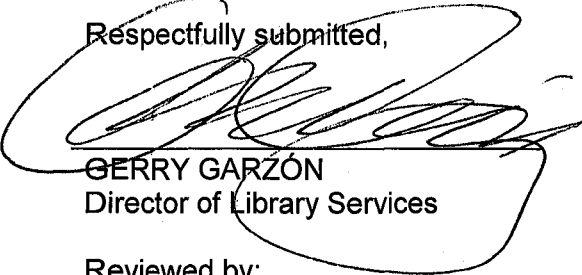
**Social Equity:** Through the provision of expanded library services by the use of the Pop-Up Mobile Library that delivers City Services to areas of the City where there are no facilities – libraries, recreation centers, Head Start centers – library services can be expanded to many parts of Oakland, and previously underserved youth.

**ACTION REQUESTED OF THE CITY COUNCIL**

Staff Recommends That The City Council Approve A Resolution Waiving The Advertising And Competitive Bidding Requirements And The Local And Small Local Business Enterprise (L/SLBE) Program Requirements And Awarding A Contract To Motiv Power Systems In An Amount Not To Exceed One Hundred Ten Thousand Dollars (\$110,000) For The Purchase Of An Electric Vehicle To Be Used As The Oakland Public Library's Mobile Library Vehicle.

For questions regarding this report, please contact Mary Schrader, Supervising Librarian for Special Projects at 510-238-6720.

Respectfully submitted,



GERRY GARZÓN  
Director of Library Services

Reviewed by:  
Denise Louie, Project Manager  
Department of Public Works

Reviewed by:  
Gene Tom, Chief Financial Officer  
Oakland Public Library

Prepared by:  
Mary Schrader, Supervising Library  
Special Projects/Oakland Public Library

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## OAKLAND CITY COUNCIL

RESOLUTION No. \_\_\_\_\_ C.M.S.

Introduced by Councilmember \_\_\_\_\_

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**RESOLUTION WAIVING THE ADVERTISING AND COMPETITIVE BIDDING REQUIREMENTS AND THE LOCAL AND SMALL LOCAL BUSINESS ENTERPRISE (L/SLBE) PROGRAM REQUIREMENTS AND AWARDDING A CONTRACT TO MOTIV POWER SYSTEMS IN AN AMOUNT NOT TO EXCEED ONE HUNDRED TEN THOUSAND DOLLARS (\$110,000) FOR THE PURCHASE OF AN ELECTRIC VEHICLE TO BE USED AS THE OAKLAND PUBLIC LIBRARY'S MOBILE LIBRARY VEHICLE**

**WHEREAS**, the Oakland Public Library seeks to enter into a purchase agreement with Motiv Power Systems for purchase of an electric vehicle for the Oakland Public Library's Pop-Up Mobile Library vehicle; and

**WHEREAS**, as of January 10, 2017, Motiv Power Systems has confirmed availability of a used CargoPort electric vehicle at a substantially reduced price; and

**WHEREAS**, Oakland Municipal Code (OMC) Section 2.04.050.A requires the City conduct formal advertising and competitive bidding where the cost of services, supplies or combination thereof exceeds \$50,000, and OMC 2.04.050.I.5 allows the City Council to waive advertising and bidding requirements upon a finding by the Council that it is in the best interest of the City to do so; and

**WHEREAS**, staff recommends that the City Council, pursuant to OMC Section 2.04.050.I.5, waive the advertising and competitive bidding requirements for the purchase agreement with Motive Power Systems because time is of the essence and the City may lose the opportunity to purchase the vehicle from Motiv and be required to purchase a new vehicle at a cost of over \$220,000, almost 2 ½ times more than the Motiv vehicle; and

**WHEREAS**, staff further recommends that the City Council waive the L/SLBE requirements; now therefore be it

**RESOLVED:** That the City Council hereby authorizes the City Administrator to enter into a purchase agreement with Motiv Power Systems in an amount not to exceed \$110,000 for the Oakland Public Library's Pop-Up Mobile Library vehicle; and be it

**FURTHER RESOLVED:** That Pursuant to OMC Section 2.04.050.I.5, the City Council hereby finds and determines that it is in the best interests of the City to waive the advertising and competitive bidding requirements based on the reasons set forth herein and in the City Administrator's Report accompanying this resolution; and be it

**FURTHER RESOLVED:** That the City Council hereby waives the L/SLBE requirements for this purchase agreement with Motiv Power Systems; and be it

**FURTHER RESOLVED:** That the City Administrator, or her designee, is hereby authorized to complete all required negotiations, certifications, assurances, and documentations required to accept, modify, extend and/or amend the proposed Motiv Power agreement except for any increase in the contract costs; and be it

**FURTHER RESOLVED:** That all proposed contract expenditure allocations shall be expensed to the Oakland Public Library FY 2016-17 operating budget as follows:

- 1) \$100,000: Organization 61342, Fund 1010, Account 57611, Program Code NB17;
- 2) \$10,000: Organization 61342, Fund 1010, Account 52811, Program Code NB17; and be it

**FURTHER RESOLVED:** That copies of the proposed agreement shall be filed with the Office of the City Clerk.

IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_

**PASSED BY THE FOLLOWING VOTE:**

AYES - BROOKS, CAMPBELL-WASHINGTON, GALLO, GIBSON MCELHANEY, GUILLÉN, KALB, KAPLAN AND PRESIDENT REID

NOES -

ABSENT -  
ABSTENTION -

ATTEST: \_\_\_\_\_

LaTonda Simmons  
City Clerk and Clerk of the Council  
of the City of Oakland, California