Municipal Fleet Electrification

A Case Study of Winter Park, FL

June 2020
# Table of Contents

2  Introduction
2  Overview
3  About Winter Park, Florida
   3  The EV Experience: Initial Steps and Benefits
4  Procurement Method
4  Procurement Process
5  Looking Forward
5  Building on Success
6  Conclusion
Introduction

The Climate Mayors Electric Vehicle Purchasing Collaborative (the Collaborative) is a joint effort by Climate Mayors, the Electrification Coalition, and Sourcewell working toward accelerating the transition of city fleets to electric vehicles (EVs). By creating a new and innovative cooperative purchasing mechanism, the Collaborative is reducing major barriers to fleet electrification for cities and other public agencies.

Climate Mayors is a network of over 450 U.S. mayors who are committed to taking meaningful action on climate change. The Electrification Coalition (EC) is the non-partisan, non-profit organization that leads implementation of the Climate Mayors’ transportation electrification initiative, leveraging its broad experience as a municipal partner in accelerating EV adoption on a mass scale. Sourcewell, a public procurement agency, facilitates a competitive solicitation and award process for vehicles and service equipment on behalf of their 50,000+ members across North America.

The Collaborative’s partners have come together to offer a one-stop platform which connects cities with a growing selection of EVs and charging stations, transparent pricing, policy guidance, technical resources, assessment tools, and financing options that can leverage the federal EV tax credit to reduce the up-front costs of EVs and support cities’ fleet electrification. The Collaborative also provides cities with training, best practices, educational materials, and analysis to support the successful transition of municipal fleets to electric.

Overview

The City of Winter Park’s decision to lease five EVs for its fleet marks the first EV procurement since the City’s initial EV purchase in 2017. Top priority considerations for Winter Park were to identify ideal applications for electrification, charging station locations, procurement decisions, and goals for the City as it relates to their existing sustainability action plan. By using the Collaborative to procure the vehicles, Winter Park established itself as an example and pioneer in the growing cohort of cities across the country that are demonstrating commitments to emissions reductions and advanced types of transportation.

Through communication with colleagues in Coral Gables, FL and Orlando, FL, the City was introduced to the purchasing potential of the Collaborative, as well as the tools and resources offered by the EC such as fleet assessment tools. At the time, Winter Park had five Toyota Highlander Hybrids that were reaching the end of their service life and were due for replacement. These vehicles were used by the City’s building inspectors, which are often one of the
first vehicle applications that cities electrify due to vehicle type and daily use patterns. In addition to the identification of suitable vehicles and applications to transition to EV, the City decided to budget for five new level 2 charging stations to be installed on City-owned property. In the near term, the City will leverage existing infrastructure to charge the new EVs.

About Winter Park, Florida

Due to its location and proximity to the tourist hub of Orlando, Winter Park welcomes many thousands of tourists each year to visit local attractions and to attend events within city limits. The City of Winter Park is a suburban city with a population of around 32,000. The central business district is recognized for its walkability and is designed to offer visitors and residents pleasant outdoor shopping and dining experiences. The focus on providing such amenities creates a unique opportunity to showcase the efforts the City is undertaking to promote clean air and quieter transportation with their purchase of five 2020 Nissan LEAFs for the City fleet.

In February of 2015, the City Commission of Winter Park unanimously approved the City's first sustainability action plan led by the Keep Winter Park Beautiful and Sustainable Advisory Board. Of note, the plan outlined the intention to protect air quality, to become more energy independent, and to save money, water quality, and enhance citizens’ quality of life. These actions directly relate to the City's decision to investigate opportunities to transition traditional gasoline powered fleet vehicles to electric. The City owns its local utility which also provides an incentive to encourage visitors and residents to power vehicles with locally generated energy.

The EV Experience: Initial Steps and Benefits

In 2017 the City of Winter Park purchased its first EV, a 2017 model year Ford Focus with a 115 mile range, which has since been discontinued. Initial impressions of the City's first EV were mixed. Positive impressions came from the sustainability department with slightly negative reception coming from the fleet management department. The tentative impressions were due to skepticism related to the economic benefits of EVs but were not related to vehicle confidence or capabilities. Within the first year, employees from the building and permitting department and the traffic enforcement department began to express interest in procuring additional EVs based on their positive experience with the City's first EV. The building and permitting department ultimately requested to replace two Ford Explorer SUVs, which were up for replacement in 2020, with newer EVs. The responsibility to make the case for the transition of internal combustion engine (ICE) vehicles to EVs fell to the building and permitting department to identify the most cost-effective and practical solution, in tune with the City's sustainability action plan.

Through a series of conversations with the EC, it became increasingly clear that the better mechanical performance and lower cost of ownership and maintenance made EVs ideally suited for many vehicle applications within the City fleet. EV mechanical performance and cost savings projections were backed up by real world usage data provided by Coral Gables and Orlando sustainability leads.

In an effort to gauge employee interest in EVs, the City organized an effective ride and drive where many
After having a chance to drive the EVs, employees were asked about vehicle attributes and many expressed that they felt confident that the vehicles were indeed capable of accomplishing day-to-day functions of fleet vehicles. After evaluating costs of available models and capabilities with input from the EC, the building services department decided on the 2020 Nissan LEAF as the ideal model. Considering the practical cost savings offered by EVs and recognizing that federal tax credits were still available, the sustainability team identified three additional building inspector vehicles that could be transitioned to Nissan LEAFs in 2020, bringing the total number of ICE SUVs to be transitioned to five.

Procurement Method

The Climate Mayors EV Purchasing Collaborative leasing program allows non-tax-burdened public entities the opportunity to access the federal tax credit. Sourcewell vendors D&M and NCL Government Capital, working in conjunction with the Climate Mayors EV Purchasing Collaborative, apply a portion of the tax credit to the total capitalized cost of a vehicle. Cost savings are applied upfront, which provides cities an immediate reduction in vehicle cost.

In order to access any remaining federal EV tax credits, vehicle ownership must be maintained by a private company or individual for 18 months. To satisfy the 18-month private ownership requirement, the purchase must be structured as a lease to maintain private ownership on the vehicle title. EV procurements through the Climate Mayors EV Purchasing Collaborative can be structured as a long-term rental, closed-end lease, or a lease-to-own structure—allowing the City to take ownership of the vehicles after tax credits are received by the vendor.

Procurement Process

Traditionally in Winter Park, as is the case with many Florida cities and counties, vehicle procurements are completed through a bid process or by purchasing from an existing contract. Structuring a vehicle procurement as a lease to be paid through a one-time, initial payment without taking vehicle ownership until after 24 months is not something that had previously been done in Winter Park. The cost reduction was meaningful and City officials agreed to pursue the opportunity.

<table>
<thead>
<tr>
<th>2020 Nissan Leaf S</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original Invoice Price</td>
</tr>
<tr>
<td>Government Fleet Incentive</td>
</tr>
<tr>
<td>Federal Tax Credits Applied</td>
</tr>
<tr>
<td>24 Month Interest &amp; Fees</td>
</tr>
<tr>
<td>24 Month Lump Payment</td>
</tr>
<tr>
<td>Price Difference</td>
</tr>
</tbody>
</table>

Pricing on the five vehicles was requested and provided to the City by the EC and D&M Leasing. The quotes were reviewed by the building and permitting department and were presented to the finance department, which is responsible for providing oversight on all City purchases. For a city to monetize the federal tax credit and achieve maximum savings, the lease structure cannot be bypassed. The offering

“Choosing to procure through the Climate Mayors EV Purchasing Collaborative equated to a $1,200 per vehicle savings, a $6,000 total savings over the Florida state contract.”

Vanessa A. Balta Cook
Sustainability and Permitting Planner
City of Winter Park, FL
available to cities through the Collaborative is a one-of-a-kind procurement structure and spurred additional investigation by the Finance Oversight team. Once the finance department fully understood the process, with assistance from the EC team, a recommendation was made to the City Commission to approve the five Nissan LEAF’s procurement through the Climate Mayors EV Purchasing Collaborative. The decision was based on cost savings over the next best cost option. The City Commission approved the procurement unanimously, allowing the fleet management department to issue purchase orders to D&M to move forward with the factory orders. These orders were placed with the factory in March 2020.

**Looking Forward**

Identifying physical locations for EV charging stations is a necessary step to take as cities work to increase EVs in their fleets. To streamline the process and speed up the transition of traditional ICE fleet vehicles to electric, Winter Park was able to bypass this step by identifying existing public charging infrastructure and leveraging these stations to support their fleet charging needs. Charging at these stations is free in Winter Park so access is not restricted.

By opting to utilize public charging infrastructure, in addition to existing private fleet charging, the City is finding flexible options to charge its vehicles. For example, if all of the 10 public access City-owned charging stations in the downtown area are occupied, a fleet dedicated charging station located at the City Operations building and fleet depot can be utilized. This fleet dedicated station will be the primary charging location for three of the five new vehicles. As this station is “behind the fence,” access is restricted to City Operations only. With the addition of the upcoming five stations purchased by the City, fleet dedicated charging will be more than enough to accommodate future EV implementation.

**Building on Success**

The long-term strategy in Winter Park for EV transition will be using real-world data collected on existing vehicles. The data will be used to inform proper vehicle applications to electrify. This data-driven approach will also allow the City to maximize vehicle usage which will translate to a speedier return on the savings inherent to EVs: fuel savings and reduced maintenance expenses. Unlike traditional gas-powered vehicles, EVs provide more cost savings with increased usage and mileage. These savings combined with the savings achieved by leveraging
the cost reductions on offer through the Climate Mayors EV Purchasing Collaborative will bolster the case for more widespread EV adoption across the City fleet.

Ultimately, the City of Winter Park is working toward transitioning as many vehicles to electric as possible. Convenient access to EV charging stations across the City will speed the transition over the next few years. The importance of internal champions within the City cannot be understated in this example. The ability of a city to adapt quickly enough to take advantage of unique cost savings opportunities and its willingness to act on the opportunity was critical to its success.

Conclusion

Engagement with the Climate Mayors EV Purchasing Collaborative provided a streamlined solution for Winter Park, FL to lease electric fleet vehicles. By taking advantage of the federal EV tax credit, Winter Park realized there is no better time than the present to transition fleet vehicles.

In addition to providing access to new models for procurement, the Collaborative leverages a community of municipal professionals with experience in fleet electrification from which to draw technical support and share resources and best practices. Cities that participate in the Collaborative are recognized for their commitments through blogs, webinars, conference events, and other program activities.

Overall, the Collaborative remains a catalyst to help cities, such as Winter Park, realize the full potential of electrification, and to navigate a path to success for near-term and long-term EV transition.

Sourcewell is a self-supporting government organization, partnering with education and government agencies throughout North America. On behalf of 50,000 members, Sourcewell conducts competitive solicitations, awarding to the most responsive and responsible vendors.

Climate Mayors, founded in 2014, is a bipartisan, peer-to-peer network of U.S. mayors working together to demonstrate leadership on climate change through meaningful actions in their communities, and to express and build political will for effective federal and global policy action. The Climate Mayors coalition has emerged as a key voice and demonstration of the ongoing commitment of U.S. cities to accelerate climate progress.

The Electrification Coalition (EC) is a nonpartisan, not-for-profit group of business leaders committed to promoting policies and actions that facilitate the acceleration of electric vehicle adoption on a mass scale in order to combat the economic, environmental and national security dangers caused by our nation's dependence on oil.

For more information about how your agency can partner with the Climate Mayors EV Purchasing Collaborative to take advantage of cooperative purchasing and rich technical assistance, please visit: www.DriveEVFleets.org
Or call 800-267-7830