

ITEM #: 21
 DATE: 07-09-24
 DEPT: FLEET

COUNCIL ACTION FORM

SUBJECT: FLEET REPLACEMENT PROGRAM - TWO ALL-ELECTRIC SMALL SUVS

BACKGROUND:

In support of the City Council's initiative to increase the percentage of electric vehicles in the City's fleet, the operating departments and Fleet Services are focusing on the best candidate vehicles for transition to Electric Vehicles (EVs). Two five-passenger SUVs are due to be replaced in FY 2024/25: one for Electric Services Engineering and one for Water Administration. These two all-gas vehicles are good candidates to be replaced with EVs based on the required duty, the location in the city, and the price range.

Bids for 5-Passenger EV SUVs with AWD were received from dealers as follows:

BIDDER	MAKE/MODEL	YEAR	UNIT PRICE	PRICE FOR TWO
American Vet Works Inc. of Newport, NY	Subaru / EV Solterra AWD	2024	\$ 40,995	\$ 81,990
Wilson Auto Group of Ames, IA	Toyota / bz4X EV AWD	2024	\$ 47,734.00	\$ 95,468.00
Smart Honda of DM	Honda / EV Prologue AWD	2024	\$ 49,852.99	\$ 99,705.98

The low bid for two 5-passenger all-electric Subaru EV Solterras with AWD is from American Vet Works Inc. of Newport, NY for \$81,990. The bid is acceptable, and satisfies the City's specification. The estimated time of delivery is October 2024.

The Subaru Solterra's single-charge average range is 228 miles. A charging station will be installed at the Water Plant to accommodate the new EV.

None of the bid EVs qualify for an Inflation Reduction Act tax credit. Funding for this purchase is available as follows:

Purchase price for two 2024 EV Solterra AWD \$ 81,990.00

Fleet Replacement Funds:

City Vehicle #224 Div. 47 replacement fund (May 31, 2024)	\$ 26,413.40
Department's monthly contribution: \$274.60/mo. (June - Sept)	1,098.40
City Vehicle #963 Div. 35A replacement fund (May 31, 202)	29,227.40
<u>Department's monthly contribution: \$311.60/mo. (June - Sept)</u>	<u>1,246.40</u>
Fleet Replacement Fund Balance #224 and #963 (9/30/24)	\$ 57,985.60

Funding Sources:

Replacement funds for two existing vehicles (October 1, 2024)	\$ 57,985.60
Funds from Fleet EV Support Fund	\$ 12,000.00
<u>Estimated salvage value of the 2 existing vehicles</u>	<u>\$ 12,500.00</u>
Total available funding for the purchase	\$ 82,485.60

ALTERNATIVES:

1. Award a contract to American Vet Works Inc. of Newport, NY for two 2024 Subaru EV Solterras with AWD for \$81,990.
2. Award a contract to one of the other bidders.
3. Reject the bids.

CITY MANAGER'S RECOMMENDED ACTION:

The Fleet Director and staff from the affected departments agree the 2024 Subaru EV Solterra AWDs will provide reliable transportation for City staff and support green initiatives at the best price. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as described above.