



Legislation Text

File #: 14-0254, **Version:** 1

TITLE:

Clean Fuel Advanced Technology Grant Project Ordinance Amendment

PURPOSE: The purpose of this item is to request the Board of Alderman (BOA) modify the Clean Fuel Advanced Technology Grant Project Ordinance No. 28/13-14 to allocate additional Town funds to purchase a hybrid solid waste truck.

DEPARTMENT: Public Works and Finance

CONTACT INFORMATION: George Seiz, Director of Public Works - 918-7427, Arche McAdoo, Finance Director - 918-7439

INFORMATION: In October of 2013 the BOA authorized Town Staff to submit a grant proposal to the Clean Fuels Advanced Technology Project (CFAT) for the purchase of an advanced technology solid waste truck. A grant proposal was submitted in March of 2014 for an AutoCar E3 Refuse Truck with Parker Hannifin Hybrid Drive technology. The grant proposal was approved in May of 2014 and stipulated the grant would pay for 75% of the up-fit costs from a conventional truck to this type of hybrid (basically 75% of the cost difference between the two trucks). The calculation for the grant amount was as follows:

Hybrid Truck	\$395,000	(Based on earlier quote from vendor in March, 2014)
Conventional truck	<u>\$265,270</u>	
Up-fit cost	\$129,730	(75% of \$129,730 = \$97,297 Grant amount)

Grant from North Carolina Solar Center - \$97,297.00

On June 3, 2014 the BOA accepted the \$97,297 and approved the Clean Fuel Advanced Technology Grant Project Ordinance (Ordinance No. 28/113-14) for a total of \$295,000, including Town general funds in the amount of \$297,703.

When the Town submitted the grant request in March staff anticipated the grant being approved and the truck ordered before the end of June which is when truck prices typically increase. The grant was awarded in May and accepted by the Town in June. After acceptance of the grant it took about six weeks for the sub-award grant documents to be sent to the Town for execution. The sub-award grant agreement was executed on or about August 4th. In order to follow Federal Purchasing Guidelines the Town needed to get multiple quotes for the truck. Two quotes were received, one through HGAC Buy (a cooperative purchasing program for governments and the other from the original vendor. The original vendor (Advanced Truck) was the low quote, however, with the amount of time past since the original quote the price of the truck has increased to \$401, 898. This is \$6,898 or about 1.7% above the original quote. The quote from HGAC Buy was about \$4,000 more than Advantage Truck. With the amount of the grant being fixed at \$97,297, the Town needs to provide the additional funds of \$6,898.

Town staff has put considerable time/effort into pursuing this grant with the hopes of purchasing this truck which will aid in the implementation of a Town Energy and Climate Protection plan. The additional cost to the town to provide this hybrid truck based on the new pricing is about \$39,331. Even with the new pricing the cost savings over the life of the truck is estimated to be greater than the added up-fit cost to the town. It is anticipated this truck will save about \$5,500 in fuel annually which translates to about \$44,000 savings over the 8 year life of the truck. A reduction of about 14 metric tons of Carbon dioxide equivalents (MUTCDE) per is also anticipated.

FISCAL & STAFF IMPACT: The proposed change would increase the Towns share from \$297,703 to \$304,601. There would be no staff impact with this change.

RECOMMENDATION: It is recommended the BOA approve the attached Project Ordinance Amendment.