



City of Ketchum

March 2, 2020

Mayor Bradshaw and City Councilors
City of Ketchum
Ketchum, Idaho

Mayor Bradshaw and City Councilors:

Recommendation To Provide Direction to Staff Regarding 2020 Sustainability Goals and FY 20 Procurement Plans

Recommendation and Summary

Staff is requesting direction from the council regarding budgeted FY 20 procurement items that may be affected by the City's recently adopted sustainability goals. As such, there is no motion.

The reasons for the request are as follows:

- The City recently adopted sustainability goals which include the purchase of electric vehicles.
- The City has several budgeted and planned procurements of capital goods, including vehicles.

Introduction and History

During the February 3, 2020, meeting, the Ketchum City Council adopted a 2020 Sustainability Action Plan which included several goals to be accomplished by September 30, 2020. Among the FY 20 goals was "when replacing or purchasing new city vehicles, when feasible, replace vehicles with electric vehicles."

The City of Ketchum's adopted FY 20 budget includes the procurement of a truck and lawn mower for the facilities maintenance division as well as a van for the recreation department. These procurements have not yet been executed by staff.

Analysis

Prior to initiating the procurement process for the above noted items, staff is seeking direction from the Council on whether to proceed with the procurement of conventionally powered (gas/diesel) units. Staff has been unable to locate available electrically powered units of the planned items from original equipment manufacturers within budgeted levels. However, it appears as though several automakers are preparing for the release of electric trucks by early 2021. The timeline on the availability of electrically powered commercial lawnmowers is less certain but there are indications that they may also be available next fiscal year.

For both types of equipment (automobiles and lawnmowers), early indications are that there is likely to be a cost premium associated with the new technology. Relative to our existing fleet purchase arrangements, staff anticipates the premium to be approximately 50% of the purchase price. So, a conventionally powered facilities maintenance pick-up truck budgeted at \$35,000 is likely to cost the City closer to \$50,000. In addition, there are charging infrastructure costs estimated at \$2,500 per unit.

While the current vehicles are budgeted for procurement in this fiscal year, it appears likely that the useful life of each may be able to be extended through increased maintenance or repairs. However, delaying the purchases

will cause the City to incur both those repair costs as well as the unit price premiums noted above. These increases may potentially be offset by lower operating costs.

Sustainability

As discussed above, the direction provided by the Council will help determine the achievement of goals of the 2020 Ketchum Sustainability Action Plan related to vehicle purchases.

Financial Impact

The purchases noted in this staff report are included in the FY 20 budget at the levels associated with conventionally powered units. To the extent that electrically powered units are desired, the City will incur additional costs related to both the delay of purchase as well as premiums associated with procuring each unit and related infrastructure. The noted cost impacts would affect various Capital Improvement Funds.

Attachments

None