



## CITY OF NORMAN, OK STAFF REPORT

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**MEETING DATE:** 03/26/2024

**REQUESTER:** Mike White, Fleet Program Manager

**PRESENTER:** Scott Sturtz, P. E., Interim Public Works Director

**ITEM TITLE:** CONSIDERATION OF ACCEPTANCE, APPROVAL, REJECTION, AMENDMENT, AND/OR POSTPONEMENT OF A GRANT THROUGH THE ASSOCIATION OF CENTRAL OKLAHOMA GOVERNMENTS (ACOG) PUBLIC FLEET CONVERSION GRANT PROGRAM FUNDING IN THE AMOUNT OF \$320,260 TO BE USED FOR TWENTY-SIX (26) ALTERNATIVE FUEL VEHICLES, AND ONE (1) ELECTRIC FORD LIGHTNING TRUCK; APPROVAL OF CONTRACT K-2324-163; AND BUDGET ALLOCATION AS OUTLINED IN THE STAFF REPORT.

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### **BACKGROUND:**

Each year, the Association of Central Oklahoma Governments (ACOG) issues a Call for Projects for the Congestion Mitigation Air Quality (CMAQ) – Public Fleet Conversion Funding cycle. The grant program is designed to help cities implement clean fuel projects that strive toward the improvement of regional air quality.

Transportation, especially transportation that utilizes fossil fuels, is a significant source of precursors such as volatile organic compounds and nitrogen oxides, the gasses that react to form ozone. Referred to as mobile source emissions, these precursors are emitted through vehicle exhaust and fuel evaporation, reacting to sunlight in windless conditions to create tropospheric ozone pollution. Research continues to demonstrate the effects of ozone pollution on all populations, but children, the elderly, and anyone with respiratory illnesses such as asthma are particularly vulnerable. Any reduction in ozone-forming emissions translates to increased quality of life for everyone in Central Oklahoma.

The CMAQ program was created by the Intermodal Surface Transportation Efficiency Act of 1991. It was continued by the Fixing America's Surface Transportation Act (FAST) in 2015. The FAST Act continued to provide funding for transportation projects and programs to meet the requirements of Clean Air Act. The funding is available to reduce congestion and help improve air quality with respect to ozone, carbon monoxide, or particulate matter. For 2020, Central Oklahoma did not meet National Ambient Air Quality Standards for particulate matter and was close to nonattainment for ozone.

On February 24, 2009, the Norman City Council adopted the City's first Alternative Fuel Program, which strongly supports the acquisition and operation of alternative fuel vehicles (AFVs). This

set the City's goal to increase the usage of alternative fuel vehicles each year as technology allows while monitoring each new technological advancement to suit the application and departmental needs. At that point, fully electric vehicles were not an option, but the technology has now advanced in this direction and the City of Norman is still striving to be a leader in the implementation of alternative fuel technology. This is also in accordance with the "Ready for 100" resolution passed by Council on May 28, 2018, which set a goal of 100 percent renewable energy sources for transportation by 2050.

On August 1, 2023, the Association of Central Oklahoma Governments (ACOG) announced a Clean Air Grant For Public Sector Fleets using the federal Congestion Mitigation and Air Quality Improvement Program (CMAQ) and Carbon Reduction Program (CRP). Two Years each of CMAQ and CRP funds will be available during this call for Projects, representing approximately \$4 million.

ACOG Clean Air Grants for Public Sector Fleets will allow public entities to access CMAQ funds for fleet conversions to clean fuel technology to include light-duty, medium-duty, and heavy-duty alternative fuel vehicles, hybrid and plug-in hybrid vehicles, off-road equipment, and alternative fuel vehicle refueling infrastructure. Selected projects need to be paid in full, and the awarded entity will submit for reimbursement of the incremental cost of the identically equipped conventional fueled vehicles. The old vehicle/equipment being replaced is required to be removed from the fleet. Alternative Fuel Infrastructure Projects may be funded at a ratio of *up to* 80 percent federal funds and 20 percent local funds for installation costs and capital investment in alternative fuel refueling/recharging infrastructure.

## **DISCUSSION:**

On September 12, 2023, Council approved Resolution R-2324-53 to submit an application to the ACOG Public Fleet Conversion Grant Program for the incremental cost of purchasing alternative fuel replacement vehicles instead of conventional fueled vehicles as approved for FY24.

Annually, Fleet staff develop a vehicle replacement report considering the age, life-to-date, maintenance cost, and miles/hours of the fleet. City vehicle replacements are prioritized, ranked, and submitted for final approval by the City Management Team and Council. For FYE 2024, all light-duty vehicles approved for replacement are currently conventional fueled units; the compressed natural gas (CNG) powers the three (3) heavy-duty refuse trucks. This grant provides the incremental cost difference to upgrade the fleet with alternative fuel vehicles instead.

On Thursday, February 15, 2024, ACOG approved a ranked list of projects for funding. Because the City of Norman had submitted multiple projects, these were grouped together as a single project, which was ranked first out of nine projects that received funding. Overall ACOG awarded \$2,580,782 to the City of Norman through this grant opportunity. As part of the award, this project will receive \$320,260.

Of the anticipated total costs of \$2,770,835 for this project, 12% (\$320,260) would be provided in the Public Fleet Conversion Grant through ACOG and the remaining 88% (\$2,450,575) would be provided in local match. The \$320,260 in grant funding would be reimbursed to the City once the project is completed. Funding for the local match is available in the FYE 2024 Capital Vehicle Replacement Budget.

Funding for the vehicles is included in the FYE 2024 Capital Vehicle Replacement Budget, so the grant will provide a direct savings of \$226,050.00 to the Utilities Department and \$94,210.00 to the General Fund once the vehicles are purchased and placed in service. An appropriation is needed for the grant portion.

**RECOMMENDATION:**

1. Staff recommends accepting the ACOG Public Fleet Conversion Grant Funding in the amount of \$320,260 to be used for twenty six (26) alternative fuel vehicles and one (1) electric Ford Lightning truck.
2. Staff recommends approval of Contract K-2324-163.
3. Staff recommends using available funds in the FYE 2024 Capital Vehicle Replacement Budget for the local match of \$2,450,575.
4. Staff recommends appropriation of \$320,260 from the Special Grants Fund Balance (Account No. 22-29000) with \$226,050 going to ACOG Fleet Service Equipment-Heavy Duty (Account No. 22550480-45008) and \$94,210 going to ACOG Fleet Service-Light Duty (Account No 22550480-45009). Reimbursement of the \$320,260 grant funding will be deposited to revenue account Other Revenue-ACOG Miscellaneous Grants (Account No. 225-333364).