



# STAFF REPORT

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<b>Meeting Type:</b>	City Council
<b>Meeting Date:</b>	February 17, 2026
<b>From:</b>	Andi Howell, Transit Director
<b>Subject:</b>	Contract Approval: Portland General Electric Fleet Partner Program Agreement

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## DECISION TO BE MADE:

Whether to authorize the City Manager to sign the proposed Fleet Partner Program Agreement between Portland General Electric (PGE) and the Sandy Transit Department.

## APPLICABLE COUNCIL GOAL:

- **Goal 4.2:** Implement infrastructure improvements, including the Operations Center expansion, bus stops along the Clackamas Town Center route, and other improvements within the City.

## BACKGROUND / CONTEXT:

As Sandy Transit adds alternate fuel vehicles to the City fleet, PGE and other electrical consultants advised the City that the current infrastructure at the Sandy Operations Center did not have the capacity to charge large heavy duty transit vehicles. To meet the capacity needs of electric vehicles the City needs to install an electric line extension, new conduit to the bus barns, concrete pads for charging cabinets and make ready ports in the bus barns.

To meet these needs, Sandy Transit applied and was accepted into the PGE Fleet Partner Program in October of 2022. As part of the Fleet Partner Program, PGE would design, install, own, maintain and help pay for the make-ready infrastructure. Participants are required to commit to installing chargers and using a minimum amount of energy over a 10-year term. During the study, it was confirmed that Sandy Transit's planned electric fleet will more than meet the energy requirement.

By December 2022, a Fleet Partner Study was complete and included preliminary planning and design for the needed upgrades. At the time, the cost of the upgrades was estimated at \$371,000 for construction and \$420,500 total including chargers, installation of chargers and construction. By January of 2023, however, PGE informed the City of Sandy that the Fleet Partner Program had run out of funding before the project could be implemented. Sandy Transit then pivoted and applied for funding through the Carbon Reduction Program, which is Federal funding that is distributed through the Oregon Department of Transportation Climate Division. Sandy Transit was successful in the grant application and was awarded \$426,650 in total project costs; \$382,833 in grant funding.

Federal funding, however, requires National Environmental Policy Act (NEPA) documentation and \$30,000 of the Carbon Reduction Program funding was allocated to complete the required research and documentation. Through the consultation process, the consultants and the City have applied for a

Categorical Exclusion for the Sandy Operations Center project. A Categorical Exclusion under the NEPA is a class of federal actions that an agency has determined normally do not have a significant impact on the environment, meaning they do not need a full Environmental Assessment (EA) or Environmental Impact Statement (EIS). Although this work began in March 2022, it has been a very long process and some studies that were conducted in the past for the property had to be renewed, such as a thorough cultural analysis and hazardous materials study. Documentation and analysis were completed November 2025, have been sent to the Federal Transit Administration and are currently under review.

During the NEPA process, PGE contacted the City and the Transit Department has once again entered the PGE Fleet Partner Program as PGE has assigned more funding to this program. During the new Fleet Partner Program, Sandy Transit has once again worked with PGE engineers to update the electric capacity design and new estimates have been produced.

The Final Cost Breakdown is attached. The Total Project Cost is \$793,284.33. Through the Fleet Partner Program the PGE line extension (\$68,383.67) will be covered by PGE as well as 55% of the make-ready costs (\$400,000 of the \$724,900.33). The remaining balance for the City of Sandy is \$324,900.33. Due to the public utility nature of this process, the procurement process is a sole source procurement, so entering into this agreement does not require a formal procurement process with multiple bids.

Sandy Transit is still compliant with the Carbon Reduction Program and \$352,833 remains in the grant after the consultant fees. However, the grant expires June 2026 and the Federal review process is typically a very slow process. The Region 10 office has been notified that this grant is expiring and has requested review before grants that are not at risk of expiration.

Sandy Transit has spoken with the Sr. Project Manager, Engineering and Construction, Buildings at TriMet and Jim Row, Assistant City Administrator at the City of Woodburn about their experiences with the PGE Fleet Partner Program in combination with Federal funding sources and received good feedback about the process, working with PGE and also utilizing Federal funding to build infrastructure. The attached agreement has also been reviewed by Sandy's legal representatives.

## **KEY CONSIDERATIONS / ANALYSIS:**

Upgrades are necessary for the newly acquired electric buses. Sandy has a design, 90% construction package created with PGE engineers, a final estimate for the costs of these upgrades and a preliminary schedule of construction. The Fleet Partner Program will cover the cost of the line extension and 55% of the make-ready construction costs. Sandy has a Federal grant to cover construction costs and is on a tight timeline before the grant expires. Signing the PGE agreement is a cost savings to the City of Sandy and expedites the project.

## **BUDGET IMPACT:**

PGE final total project cost is \$793,284.33. Through the Fleet Partner Program, the final City cost will be \$324,900.33. If Sandy receives concurrence from FTA, Sandy can begin the project immediately and apply Federal funds from the carbon reduction program. The Carbon Reduction Program has enough funds to cover the remaining expenditures for construction.

**RECOMMENDATION:**

Sign the PGE Utility Easement and Program Participation Agreement.

**SUGGESTED MOTION LANGUAGE:**

"I move to authorize the City Manager to execute the Program Participation Agreement and Utility Easement between Sandy Transit and Portland General Electric, as included in the meeting packet."

**LIST OF ATTACHMENTS / EXHIBITS:**

- Fleet Electrification Make-Ready Pilot Participation Agreement
- Preliminary Site Design
- Final Cost Breakdown
- Utility Easement
- Preliminary Schedule