



fleets for the future

NATIONAL PROCUREMENT PLAN

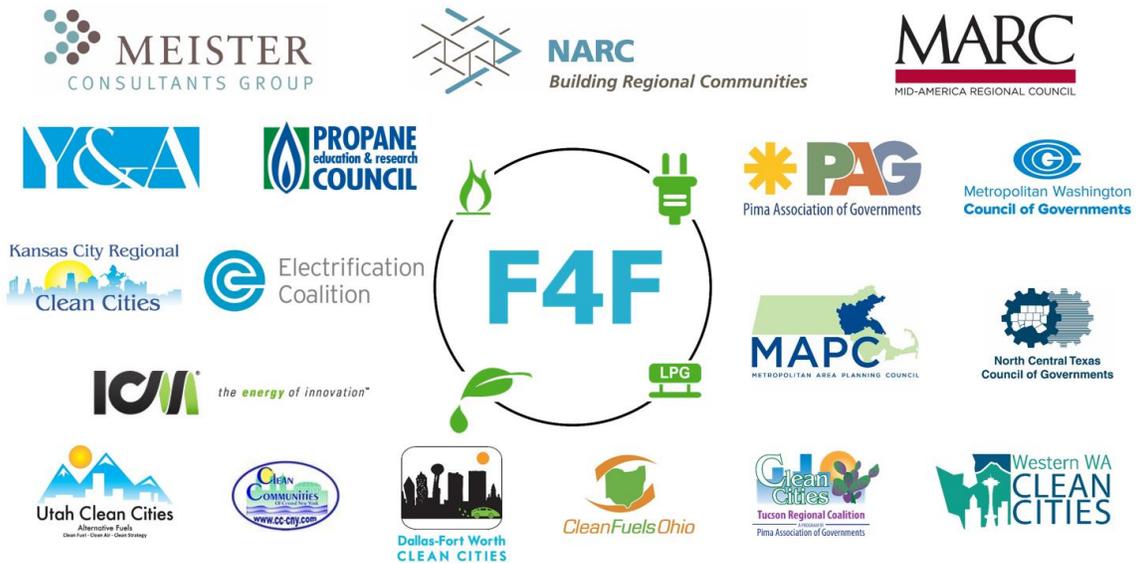


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Introduction:

Funded by the U.S. Department of Energy (U.S. DOE) Clean Cities Program, the Aggregated Alternative Technology Alliance, known as “Fleets for the Future” (F4F), seeks to achieve nationwide economies of scale for alternative fuel vehicles (AFVs) through aggregated procurement initiatives. F4F plans to accomplish these economies of scale through a coordinated strategy designed to increase knowledge, lower the transaction costs of procurement, achieve better pricing, and address potential challenges arising from large-scale procurement initiatives, thereby increasing the deployment of alternative fuel vehicles in public and private sector fleets. The F4F team is comprised of national and regional partners with extended networks and relationships that can increase and aggregate the demand for alternative fuels and advanced vehicles. The project includes a regional procurement initiative spearheaded by each of the team’s five participating regional councils, as well as a national procurement effort.

This document, ***F4F National Procurement Plan***, presents the proposed strategies and guidance for the planning of a national coordinated bulk AFVs procurement for public and private fleets. Additional guidance is included on hosting a consumer-focused group purchase programs. This plan uses the 7-step strategic procurement process to detail the national procurement plan.

Overall, F4F will enable fleets to obtain vehicles that will both reduce emissions and operate at a lower total cost of ownership. AFVs that use electricity, propane autogas, and natural gas all have desirable benefits, including less reliance on foreign petroleum, reduced fuel costs, reduced maintenance costs, and contributions to local air quality improvement. In order to achieve these savings, fleet managers must justify the higher upfront cost of investing in AFVs. By harnessing the power of cooperative procurement to reduce transaction costs and to obtain bulk pricing, F4F aims to reduce the upfront cost premium and make an even stronger case for investing in AFVs.

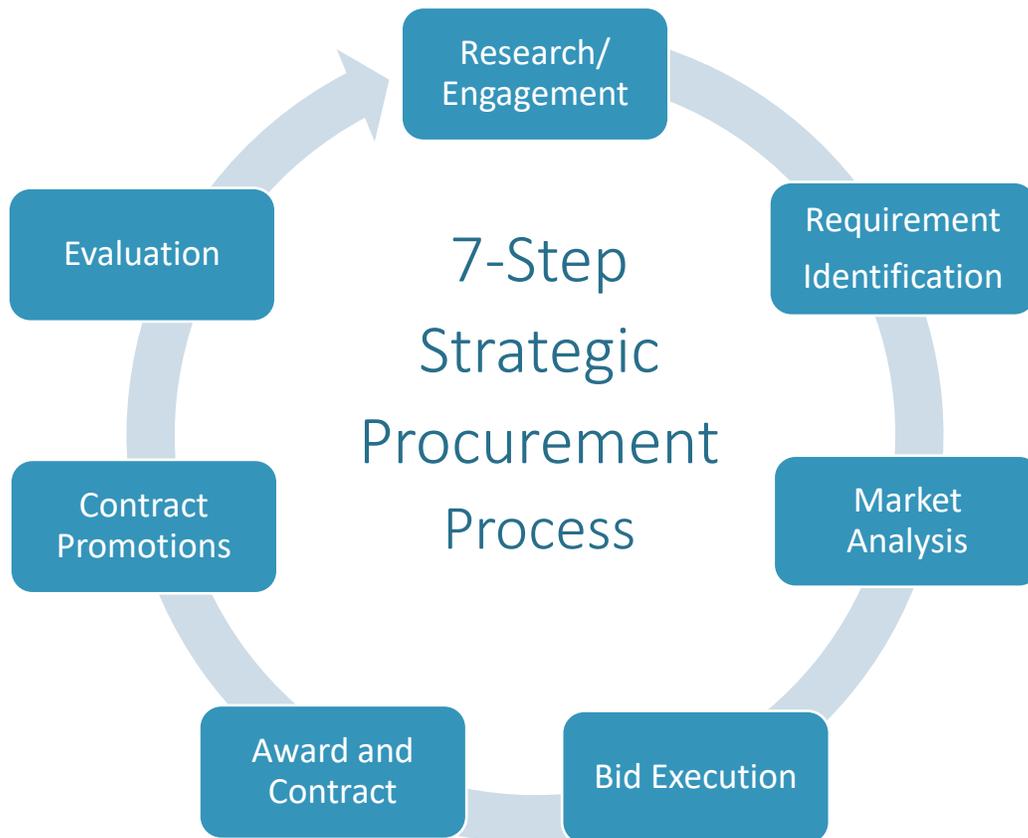
In addition to the regional and national aggregated procurement initiatives, the F4F team has compiled fleet management and procurement best practices specifically relevant to alternative fuels. These best practices build upon both the extensive information provided by the U.S. DOE and a number of recent successful case studies. The specific goal of these best practice guides is to educate procurement officers, fleet managers and other interested stakeholders to plan for a large scale deployment of AFVs.

The F4F team has also produced a series of four best practice guides. They are:

1. Guide to Financing Alternative Fuel Vehicle Procurement
2. Fleet Transition Planning for Alternative Fuel Vehicles
3. Electric Vehicle Procurement Best Practices Guide
4. Gaseous Fuel Vehicle Procurement Best Practices Guide

The guides can be accessed by going to <http://www.fleetsforthefuture.org/best-practices/>

National Procurement Plan



Fleets for the Future (F4F) Project Team

Lead Agency: National Association of Regional Councils (NARC)

Regional Planning Councils:

Mid-America Regional Council, Kansas City, MO
Metropolitan Washington COG, Washington, DC
Metropolitan Area Planning Council, Boston, MA
North Central Texas COG, Dallas/Fort Worth, TX
Pima Association of Governments, Tucson, AZ

Clean Cities Coalitions:

Metropolitan Energy Center /Kansas City Regional CCC
Clean Communities of Central New York
Dallas-Fort Worth CCC
Greater Washington Region CCC
Massachusetts CCC
Tucson Regional CCC
Utah Clean Cities

Western Washington CCC
Clean Fuels Ohio

Technical Partners:

Meister Consultants Group, Inc.
Electrification Coalition
Yborra & Associates, LLC
ICM, Inc.
Propane Education & Research Council

The F4F project includes a National-scale procurement initiative coordinated by Mid-America Regional Council (MARC). The F4F team will utilize proven national models to guide its initiative and has set as its goal to have in place more than a dozen nationwide contracts with documented savings that are competitively solicited, negotiated, promoted and open to public and private fleet purchases. In the following pages is a detailed strategy, with outlined implementation steps, delineated to address both public and private fleets.

Public Fleets

1. Research/Engagement:

The research and engagement step of the F4F national procurement plan includes forging a partnership with national procurement specialist organization. It was determined early on that the current team, which consists of regional councils, Clean Cities coalitions and AFV technical experts, would benefit greatly from a partnership with an existing national public procurement entity. This will allow the F4F team to have the advantage of a procurement system already in place, with a strong membership base and a robust system and structure to manage national contracts. This partnership will ensure that the F4F team not only meets its goal but also has a partner who can sustain operations beyond the project period.

Three national public procurement firms have been identified: National Joint Powers Alliance (NJPA), providing procurement services for public and nonprofit entities, which has multiple classes of vehicles and school bus AFV options incorporated in currently available bids; US Communities Government Purchasing Alliance representing more than 60,000 entities; and National IPA and TCPN Cooperative Purchasing representing more than 45,000 entities. The F4F national team has conducted informal interviews with all three agencies to get a better idea of their structure and how their organizations operate and has selected one firm for a potential partnership. Further discussions are in process that should result in a formal partnership agreement executed in the first quarter of 2017.

Partnership agreement: There will be a period of negotiations that will determine roles and responsibilities between F4F (and its partners) and the selected national procurement firm and detailed activities to be performed by each partner organization, along with an implementation timeline and performance milestones.

2. Requirement Identification:

The F4F team’s technical advisors researched the vehicles that have the highest demand and adequate supply that are the most suited for a national procurement campaign. The feedback is listed below:

Propane Vehicles	Rank
School buses types A and C, including Blue Bird, Collins, IC Bus, and Thomas Built	1
Delivery vehicles (UPS, FedEx, DHL, bakeries, linen services, Nestle)	2
Law Enforcement - Ford Explorer SUV, Ford Taurus, GM Chevy Tahoe, Chevy Impala, Dodge Charger	3
Ford Transit	4
E450 cab and chassis	5

Natural Gas Vehicle	Rank
Class 4-6 C/C w utility body (e.g., F450/550/ (and 650/750))	1 (tie)
¾-ton/1-ton pickup – (dedicated CNG), FWD and AWD/4WD, bed delete option on the 1-ton	1 (tie)
Low Cab Forward (LCF) or Cab Over Engine (COE) refuse truck w side loader or front loader (e.g. Mack LR/LE, Crane Carrier LET, Autocar Xpeditor)	3
Compact sedan/SUV:(bi-fuel and dedicated CNG)	4
Full size SUV with police pursuit vehicle option: (bi-fuel and dedicated CNG)	5
Class 7 dump/plow truck (e.g., Freightliner M2-112, SD 114; Peterbilt 348; Kenworth T440/470)	6

Electric Vehicles (based on Polk data)
Plug-in Hybrid Electric Vehicle (PHEV): Ford Fusion, Chevy Volt, and Ford C-Max.
Battery Electric Vehicle (BEV): Nissan Leaf; 2017 Chevy Bolt, BMWi3; and Smart For Two
Low Speed Vehicles: GEM LSEV
Transit buses: Proterra, BYD
Freight handlers: Orange EV terminal truck
Battery Electric school buses

One of the key elements of a successful aggregated procurement initiative is to find opportunities for common specifications that will encourage wider participation. There are also barriers to this outcome, as the need for customization is great when purchasing AFVs, especially in the more heavy duty classes of vehicles. The proposed solution is to bid the basic cab and chassis with AFV packages and having separate/individual pricing that corresponds to the specific needs of the purchaser.

In addition, another barrier that has been identified in including AFVs in a national procurement process is the relationship between the national manufacturers (OEMs) and the local dealerships. For light-duty vehicles (sedans) purchases are typically made at a dealer level. The pricing, therefore will vary by state and dealer (as dealers tend to receive a specific price from the OEM and then set their price structure). The challenge is to achieve national discounted price at a manufacturer level.

3. Market Analysis:

Market analysis is an ongoing activity for the F4F team by its technical advisors, regional RPC and CCC partners, as well as the selected national procurement partner. F4F partners have reviewed the OEMs and dealerships current processes and ongoing practices that provide the determination of product availability and supplier reliability. The potential national procurement firm has designated an auto-fleet specialty contractor to provide the national-scale, in-depth analyses, along with the responsibility to build and maintain a competitive slate of vendors that can readily supply vehicles and AFV option packages. F4F partners will be included in all future analyses.

4. Bid Execution:

The national procurement firm will have the sole responsibility of the bid execution. The firm follows a 12-step procurement process to meet all necessary requirements – bid policies, legally-established procedures, advertisement/notice strategies, bid and contracting documents, proposal evaluations, and established terms and conditions. The selected firm has a proven track record for thoroughness, legal validity and successful execution, monitoring and renewal processes. F4F

partners will review and observe future bid processes to lend subject matter expertise and make possible suggestions to enhance current practices.

In addition, the F4F partners will assume outreach support responsibilities to publicize the bid process and encourage AFV manufacturers, upfitters and other associated vendors to submit proposals and participate in the bid process. F4F partners will also be available for the proposal review/evaluation phase of bid process.

5. Award and Contracts:

The selected national procurement firm will also be responsible for issuing awards and contracts. All of the policies, contract documents and terms and conditions are in place and will be deployed for AFV-related contracts. The award is normally a four-year contracting term, with an additional one-year renewal. Having the national procurement firm issue, hold and monitor the contracts will provide the needed longevity for this aggregated procurement initiative that will guarantee sustainability. A complete procurement file will be maintained by the selected national procurement firm and contract documentation will be posted for review.

6. Contract Promotions:

Contract promotions will be the joint responsibility of both the national procurement firm and the F4F partner organizations. An outreach strategy will be deployed by project partners and their communications networks, e.g., the current membership of the national procurement firm; F4F extended partner outreach networks; NARC RPCs network; Clean Cities Coalitions network; technical advisors stakeholders; and others. A common message will be developed, with a quick guide on how to utilize contracts, etc.

Other steps to promote awards will include: posted advertisements in select national publications; a full-color, hard copy of the “contract directory, widely distributed; a website offering the contract solutions; exhibits with vendor partners in numerous national and regional trade shows, as well as break-out meetings or presentations at trade shows (e.g. ACT, NTEA/Green Truck Summit).

7. Evaluation:

Contracts will be periodically reviewed for their effectiveness. The F4F partners will participate in an additional review to evaluate contract usage (after 6 months and 12 months) and, if necessary, suggest changes to facilitate the procurement process.

Public Fleets National Procurement Plan Implementation Timeline

7-step Strategic Process	Q3 - 2016	Q4 - 2016	Q1 - 2017	Q2 - 2017	Q3 - 2017	Q4 - 2017	Q1 - 2018
Research/engagement							
Requirement identification							
Market Analysis							
Bid Execution							
Award and Contract							
Contract Promotion							
Evaluation							

Private Fleets

The private fleets procurement initiative will utilize the same 7-step strategic process framework as detailed above for public fleets but with a different national partner to establish the procurement campaign. This will also entail connections with different stakeholder groups.

1. Research/Engagement:

The research and engagement steps of the F4F national procurement plan for private fleets will include forging a separate partnership with a national trades association that has significant relationships with private organizations and their fleet management. This will provide certain advantages, e.g., an existing membership base to target procurement contracts; established relationships with private fleet managers, technical experts and vendors; established system and structure to manage national services and contracts; and ongoing sustainability after F4F grant period.

A number of associations have been identified:

- National Association of Fleet Administrators (NAFA)
- National Truck Equipment Association (NTEA)
- CALSTART
- Nonprofit CCCs
- Other stakeholders with a national reach
- Partnership would include lead agency hosting responsibilities

The F4F national team is in the process of conducting informal interviews with these potential partner agencies to get a better idea of their structure, how they operate and if there is interest in pursuing a partnership to provide an aggregated procurement program for their constituents and members.

2. Requirement Identification:

The F4F team's technical advisors researched the vehicles that have the highest demand and adequate supply that are the most suited for a national procurement campaign. The feedback is the same as listed in the Public Fleets section. It is anticipated that there may be some variance between the priorities for private fleet managers and public fleets. The F4F technical advisors will work with the selected national association partner to interview and/or survey private fleet managers to gauge what are their current and future AFV priorities.

The F4F team will utilize the established membership network of private fleet managers to find opportunities for common specifications that will encourage wider participation. The same barriers that are present for public fleets are also evident in procurement efforts of private fleet managers.

3. Market Analysis:

Market analysis will be an ongoing activity for the F4F team by its technical advisors, regional RPC and CCC partners, as well as the selected private fleet national association partner. F4F partners have reviewed the OEMs and dealerships current processes and ongoing practices that provide the determination of product availability and supplier reliability. The national trades association should have access to an auto-fleet specialty contractor to provide the national-scale, in-depth market analyses. A process will be developed to assign responsibilities to build and maintain a competitive

slate of vendors that can readily supply vehicles and AFV option packages. F4F partners will be included in all analyses.

4. Bid Execution:

The national trade association firm will have the sole responsibility of the bid execution. The F4F partners will assume outreach support responsibilities to publicize the bid process and encourage AFV manufacturers, upfitters and other associated vendors to submit proposals and participate in the bid process. F4F partners will also be available for the proposal review/evaluation phase of the bid process.

5. Award and Contracts:

The selected national trade association firm will also be responsible for issuing awards and contracts. All of the policies, contract documents and terms and conditions will need to be put in place and deployed for AFV-related contracts. The awards duration will be determined by the selected national trade association partner. Often times the contracting term is between 2 to 4 years, with one or more additional one-year renewal contracts. Having the national trade association firm issue, hold and monitor the contracts will provide the needed longevity for this aggregated procurement initiative that will guarantee sustainability beyond the grant period.

6. Contract Promotions:

Contract promotions will be the joint responsibility of both the national trade association firm and the F4F partner organizations. An outreach strategy will be deployed by project partners and their communications networks, e.g., the current membership of the trades association; F4F extended partner outreach networks; NARCs RPCs network; Clean Cities Coalitions network; technical advisors stakeholders; and others. A common message will be developed, with a quick guide on how to utilize contracts, etc.

Other steps to promote awards may include: posted advertisements in select national publications; a website offering the contract solutions; exhibits with vendor partners in numerous national and regional trade shows, as well as break-out meetings or presentations at trade shows.

7. Evaluation:

Contracts will be periodically reviewed for their effectiveness. The F4F partners will participate in an additional review to evaluate contract usage (after 6 months and 12 months) and, if necessary, suggest changes to facilitate the procurement process.

Private Fleets National Procurement Plan Implementation Timeline

7-step Strategic Process	Q3 - 2016	Q4 - 2016	Q1 - 2017	Q2 - 2017	Q3 - 2017	Q4 - 2017	Q1 - 2018
Research/engagement							
Requirement identification							
Market Analysis							
Bid Execution							
Award and Contract							
Contract Promotion							
Evaluation							

Campaigns for Group Purchase Programs (EV sedans)

The Group Purchase Program guide below is included in this National Procurement Plan document to provide further information to participating partners and their stakeholder groups. Early on in the grant period there was interest voiced to explore group purchase programs to enable partners to reach a broader audience and have a more immediate impact on the AFV market – Proven time-limited group purchase programs can be planned and hosted in as short of time as 2 to 5 months with significant number of EV sedan purchases realized. Whereas, aggregated procurement programs (nationally- or regionally-based,) targeting public and private fleets have lengthy and involved planning and implementation processes that take many months to years to launch and realize purchases.

Background:

In the past two years a number of communities/organizations have piloted electric vehicle (EV) group purchase programs that provide a limited-time opportunity for target audiences to get discounts on purchasing an electric vehicle. These programs are modeled after successful solar power group purchase programs, which dozens of communities have adopted since the first program was pioneered in Portland, Oregon, in 2010. In 2015, three EV group purchase programs piloted in Colorado and Utah: one in the Fort Collins/Loveland area, led by Drive Electric Northern Colorado; one in the Salt Lake City area, led by the University of Utah in partnership with Utah Clean Energy; and a joint solar and EV program in the Boulder/Denver area, led by Boulder County. In 2016, the number of these EV group purchase programs has more than doubled in communities across the country.

These programs have been remarkably successful. In each case, the programs have led to dramatic increases in EV sales – up to 300 percent community wide. These programs are advantageous because the private sector provides the financial incentives, so the cost to sponsoring agencies that administer the programs is very low.

While electric vehicles offer many benefits to both the community and individual consumers, they are still an unfamiliar technology to many people. A group purchase program can serve as a very effective tool to help our target audience to understand that EVs available today are affordable, comfortable, and able to meet consumers' needs for many types of trips. Hosting a group purchase program may be one of the most effective methods for spurring our local EV markets.

Why EVs:

EVs can bring many benefits to the regional market. Because EVs have no tailpipe emissions, they can greatly improve air quality and public health – EV adoption is important in reducing GHG emissions from transportation. In addition, EVs bring some real economic advantages to the market. Even with gas costing less than \$2 per gallon, EVs are cheaper to operate, with \$500 or more in annual fuel savings – money that consumers will likely recycle into purchases in the community. In addition, there are federal tax credits for EVs, which can add up to \$7,500 in savings. Increased EV sales in a region lead to more money staying in that region – dollars that consumers can reinvest in the local economy.

Key elements of a group purchase program:

The basic idea behind an EV group purchase program is that the group partners negotiate a discounted price from one or more EV dealers or car companies. This deal is then available for a limited time to the target group. The partners then lead an outreach and education campaign that publicizes the discount offer.

The key elements of the EV group purchase program will include the following:

Discounted prices on EVs

The lead organization shall conduct a competitive bid process to get the best possible prices on buying or leasing selected multiple brand models of EVs. The selected car dealers and manufacturers then provide discounts for program participants.

Limited-time offer

Having a discrete time limit motivates customers to act now while the deal is still in place – A four to six weeks' time period is the norm. This is particularly important in the EV marketplace, where some potential buyers have a tendency to wait for newer technology to come out. The limited-time offer helps spur the customer to act now, helping achieve market transformation.

Outreach and education

Broadcasting an affordable deal from a group purchase program can move many people to action. The full stakeholder partnership will join forces to promote the group purchase program and the value of EVs.

Planning and Implementation Steps

1. Determine the possible partners and their roles and responsibilities and target audience. Partners may include local governments and universities, local interest groups with members in the target audience (Clean Cities Coalitions, Sierra Clubs, sustainability and green building groups), manufacturers or vendors of EV charging stations or EV accessories, workplace charging hosts, etc. Enter into a formal agreement that highlights the agreed upon roles and responsibilities and send through the path-of-review process of each participating agency/organization.
2. Contact the EV OEMs prior to issuing the RFP to dealerships. One or more OEMs may be interested to partner directly. The OEMs direct participation will help guarantee participation by their dealerships and will likely further lower the cost to consumers.
3. Create program branding for campaign and outreach/education strategies. Develop the branding and other promotional materials that will be used in the program communications outreach activities.
4. Establish webpages and presence on social media outlets to promote program. The EV Group Purchase Program should have one main webpage, where all information is listed. Each partner can create additional webpages that would provide the link to the main site. All partners should be generating online stories that would promote the programs. Items to be included on main site are: key elements of the program; centralized sign-up portal; fact sheets; savings calculator; list of participating dealerships and locations – main contacts; FAQ, etc.
5. Explore all possible financing options - ownership and/or lease. There may be opportunities to include financial institutions in the program if the manufacturers/dealerships do not have the ability to offer leasing options.
6. Develop, finalize, issue Request for Proposals (RFP) document and review submitted proposals. There are handbooks, toolkits and other examples of RFPs that can be used to develop the final RFP

document. The RFP will need to be drafted and sent through a path-of-review to make sure all partner organizations approve the scope of the RFP. Ideally, the RFP should be issued two to three months prior to the Group Purchase Program campaign in order to have participants identified and discounts secured. Early on in the RFP development process, the possible dealerships/OEM that may have interest in participating should be identified. The RFP should have a submission deadline that accommodates the proposed schedule. A planning committee will evaluate proposals and determine participants with secured discounts.

7. Launch outreach/education campaign. The program partners should issue news releases, targeted communications, and provide a schedule of promotions in the community – especially ride & drive events with charging station hosts, whether shopping destinations or workplaces.
8. Launch EV Group Purchase Program - The program period should run concurrently with outreach and education. A program kick-off launch should be implemented with a news release and a high-profile event. Ideally, there should be a centralized “sign-up” site online, and interested consumers enter their data directly into a database. The online sign-up process should generate an auto-reply email, alerting the customer of the dealerships closest to them, address and possible contact person. Throughout the sign-up period, the outreach campaign should drive people to the website through the various communications avenues, i.e., sending emails, posting fliers on public message boards and social media outlets, or submitting articles to the news media.
9. Celebrate, reflect and evaluate. It will be important to acknowledge the hard work of everyone who supported the EV group purchase program and celebrate the effort. The organizing partners or the dealerships and/or manufacturers may be willing to sponsor a public celebration. Equally important is reflection and evaluation. The program partners will convene after the conclusion of the program timeline to debrief and review data gathered during the event.

Group Purchase Program Suggested Timeline		
Planning and Implementation Steps		Suggested duration, weeks
1	Partnership formation and target audience determination	1-4
2	Contact OEMs for direct participation	3-4
3	Branding development	4-6
4	Web presence development	4-8
5	Financing options research	1-8
6.	RFP development and issuance	4-8
7	Launch outreach/education campaign	8-10
8	Launch EV Group Purchase Program	10-16
9	Celebrate, reflect and evaluation	16-20