



Legislation Details (With Text)

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On agenda: 6/24/2019 **Final action:** 6/24/2019
Title: Grants for Propane Fuel Conversion Kits and Infrastructure
Attachments: 1. CFAT RCA Budget Ordinance, 2. Charlotte Water Budget Ordinance

Date	Ver.	Action By	Action	Result
6/24/2019	1	City Council Business Meeting	Approve	Pass

Grants for Propane Fuel Conversion Kits and Infrastructure

Action:

- A. Award a unit price contract to the lowest responsive bidder Blossman Gas of North Carolina for the purchase of propane fuel conversion kits for three years,**
- B. Award a unit price contract to the lowest responsive bidder Energy United Propane for the purchase of propane fuel and tanks for three years,**
- C. Authorize the City Manager to renew the contracts for up to two, one-year terms with possible price adjustments and to amend the contracts consistent with the purpose for which the contracts were approved,**
- D. Authorize the City Manager to accept two grants in the amounts of \$110,200 and \$80,864 from the North Carolina Clean Energy Technology Center for the installation of propane conversion kits in fleet vehicles,**
- E. Adopt a budget ordinance appropriating \$145,000 in Charlotte Water’s Capital Projects Fund, and**
- F. Adopt a budget ordinance appropriating \$80,864 in the General Capital Projects Fund.**

Staff Resource(s):

Mike Davis, Engineering and Property Management
Chris Trull, Engineering and Property Management
Angela Lee, Charlotte Water

Explanation

- Liquid propane fuel conversion kits will be installed on 43 existing gasoline-powered vehicles, allowing them to run on liquid propane.
- Liquid propane fuel tanks provided by the vendor will be installed at three city locations to provide fueling locations for the converted vehicles. Fuel will be delivered as needed.
- These conversion kits align with the city’s initiative to reduce carbon emissions by using alternative fuel sources for fleet vehicles.
- In addition, the use of non-toxic autogas propane is, on average, 33 percent less expensive than gasoline, and has a lower carbon footprint than gasoline.
- The two grant awards total \$191,064, and the city will provide a total local match of \$60,336. The city will continue to pursue grants and use existing operating funds for any remaining

expenditures.

Actions A, B, and C

- On February 21, 2019, the city issued an Invitation to Bid; eight bids were received.
- Blossman Gas of North Carolina and Energy United Propane were selected as the lowest responsive, responsible bidders.
- Annual expenditures for both contracts are estimated to be \$370,000.

Actions D, E, and F

- Authorizes the City Manager to accept two grants, one Charlotte Water will use to purchase 25 propane conversion kits, and the other Engineering and Property Management will use to purchase 18 propane conversion kits.
- Appropriates \$34,800 from existing fund balance in Charlotte Water's Operating Fund (to provide a 24 percent local match for the grant) and \$110,200 in grant funds for the purchase of 25 conversion kits.
- Appropriates \$80,864 in grant funds to the General Capital Projects fund for the purchase of 18 conversion kits. A 24 percent local match of \$25,536 is available in the existing operating budget.

Charlotte Business INclusion

No subcontracting goal was established because there are no subcontracting opportunities (Part B: Section 2.1 (a) of the Charlotte Business INclusion Policy).

Fiscal Note

Funding: Clean Fuel Advanced Technology Grants, Charlotte Water Operating Fund, General Capital Projects Fund, Economic Development Operating Budget

Attachment(s)

Budget Ordinances