



REPORT TO COUNCIL

City of Sacramento

915 I Street, Sacramento, CA 95814-2604
www.CityofSacramento.org

CONSENT
October 28, 2008

Honorable Mayor and
Members of the City Council

Title: Grant Agreement: Sacramento Metropolitan Air Quality Management District (SMAQMD) E85 Fuel Facility Program

Location/Council District: Citywide

Recommendation: Adopt a **Resolution** a) authorizing the acceptance and execution of a 2008 Sacramento Metropolitan Air Quality Management District (SMAQMD) grant agreement in the amount of \$66,500 for the purchase and installation of an E85 fueling facility; and b) establishing revenue and expenditure budgets in the amount of \$66,500 in the Fuel Management and Support Equipment Program (C13000100).

Contact: Keith Leech, Fleet Manager, 808-5869

Presenters: Not applicable

Department: General Services

Divisions: Fleet Management

Organization No: 13001311

Description/Analysis:

Issue: Fleet Management submitted an application to SMAQMD for an E85 fueling facility to expand the City's current fueling infrastructure to aid in the reduction of fossil fuel usage in City owned vehicles. This report recommends accepting this SMAQMD grant to fund the purchase and installation of an E85 fueling facility at the Joseph E. Rooney Police Facility.

E85 is a fuel blend consisting of 85 percent ethanol and 15 percent unleaded gasoline. Ethanol is a biofuel from renewable resources. Using E85 in vehicles designed for such fuel helps reduce the use of fossil fuels and can result in fewer carbon emissions.

Policy Considerations: The recommendations in this report are consistent with the City's Fleet Sustainability Policies adopted October 23, 2007 as per Resolution No. 2007-771.

Committee/Commission Action: Not applicable

Environmental Considerations:

California Environmental Quality Act (CEQA): The current proposal involves acceptance of a State grant for, and the installation of, an ethanol fueling facility adjacent to an existing fuel island. The ethanol facility includes a 3,000 gallon above ground tank with one fuel nozzle for dispensing an ethanol fuel blend, an alternative fuel, into City vehicles. A narrow, shallow trench for the extension of electricity from the existing fuel island to the new tank is required. The area of the tank is currently paved. Local agency permits are required for the installation and operation of such facilities. The installation of this tank will not increase the vehicle miles traveled by City vehicles. For these reasons, the proposal is not a 'project' in accordance with Section 15378 of the California Environmental Quality Act Guidelines because it does not have a potential for resulting in either direct or indirect physical changes in the environment. Therefore, as determined by the City's Environmental Services Planning Manager, no environmental review is necessary.

Sustainability Considerations: Based on the Fleet Sustainability Policies adopted in October 2007 per Resolution 2007-771, Fleet Management continues to work with departments city-wide to reach the target fuel consumption reduction goal of 15 percent from the FY2002/03 levels by FY2009/10. In efforts toward this goal, all vehicle and equipment purchases will include the exploration and analysis of possibilities for more fuel efficient, lower emission or alternatively powered options such as LNG, propane, Ethanol 85, electricity or smaller fuel efficient vehicles. Vehicle utilization is currently being evaluated to identify and address the proper use and actual need for vehicles assigned to work groups citywide. Additionally, a citywide global positioning system (GPS) and electronic work order systems implementation will begin in FY2008/09 to assist Fleet Management in tracking and reducing idle times, miles per gallon, engine problems and trip distances.

Rationale for Recommendation: Accepting and executing the recommended grant agreement provides an opportunity for the City to expand its E85 fueling infrastructure, a prerequisite to increasing the number and usage of flex fuel vehicles in the City's fleet. Increasing the number of flex fuel vehicles will result in a reduction in fossil fuel usage and improved air quality.

Financial Considerations: The 2008 SMAQMD grant program provides funding to reimburse local agencies for the purchase and installation costs of E85 fueling facilities. The estimated cost of this project is \$65,890. The City will be eligible for reimbursement in a maximum amount of \$66,500 once the fueling site is operational. Revenue and expenditure budgets in the amount of \$66,500 will be established in the Fuel Management and Support Equipment Program (C13000100).

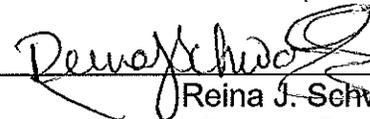
Emerging Small Business Development (ESBD): No goods or services are being purchased as a result of this report.

Respectfully Submitted by:



Keith Leech
Fleet Manager

Approved by:



Reina J. Schwartz
Director, Department of General Services

Recommendation Approved:



Ray Kerridge
City Manager

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RESOLUTION NO. 2008-XXXX

Adopted by the Sacramento City Council

October 28, 2008

AUTHORIZING THE ACCEPTANCE AND EXECUTION OF A 2008 GRANT AGREEMENT WITH THE SACRAMENTO AIR QUALITY MANAGEMENT DISTRICT (SMAQMD) IN THE AMOUNT OF \$66,500

BACKGROUND

- A. The 2008 SMAQMD grant program provides funding to reimburse local agencies for the purchase and installation costs of E85 fueling facilities. The City will be eligible for reimbursement in a maximum amount of \$66,500 once the fueling site is operational. E85 is a fuel blend consisting of 85 percent Ethanol and 15 percent unleaded gasoline. Ethanol is a biofuel from renewable resources. Using E85 in vehicles designed for such fuel helps reduce the use of fossil fuels and can result in fewer carbon emissions.

- B. Accepting and executing the recommended grant agreement provides an opportunity for the City to expand its E85 fueling infrastructure, a prerequisite to increasing the number and usage of flex fuel vehicles in the City's fleet, as recommended in the Fleet Sustainability Policies adopted by City Council in October 2007 (Resolution 2007-771).

BASED ON THE FACT SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. The City Manager or the City Manager's designee is authorized to accept and execute a 2008 SMAQMD grant agreement in the amount of \$66,500 for the purchase and installation of an E85 fueling facility.

- Section 2. The City Manager or the City Manager's designee is authorized to establish revenue and expenditure budgets in the amount of \$66,500 for the Fuel Management and Support Equipment Program (C13000100).

