



City of Arts & Innovation

# Economic Development, Placemaking and Branding/Marketing Committee

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**TO: ECONOMIC DEVELOPMENT, PLACEMAKING AND BRANDING/MARKETING COMMITTEE MEMBERS**      **DATE: AUGUST 18, 2022**

**FROM: GENERAL SERVICES DEPARTMENT**      **WARDS: ALL**

**SUBJECT: CITY OF RIVERSIDE FLEET DIVISION PRESENTATION**

**ISSUE:**

Summary overview of the General Services Department's Fleet Division, and proposed State and California Air Resources Board zero emission vehicle requirements.

**RECOMMENDATIONS:**

That the Economic Development, Placemaking and Branding/Marketing Committee:

1. Receive an overview of the City of Riverside General Services Fleet Division; and
2. Provide recommendations relative to future State of California zero emission vehicle requirements and potential impacts to the City of Riverside.

**BACKGROUND:**

The City of Riverside's General Services Fleet Division (Fleet Division) manages approximately 2,000 vehicles and pieces of equipment for the City of Riverside (City). The Fleet Division is comprised of 42 staff spread across three separate facilities: Central Garage, Fire Maintenance, and Special Transit. For the past year the Fleet Division has had approximately 50% unfilled positions. Currently the Fleet Division is 24% understaffed. During the past nine years, the Fleet Division has been fully staffed only once for a period of approximately nine months.

The Fleet Division manages three fuel islands; two at the City Corporation Yard (Corp yard) and one at the corner of Acorn and Jurupa Streets. The Corp Yard provides unleaded and diesel fuels for City vehicles, including public safety off-road, and emergency vehicles. Alternative fuels, which include compressed natural gas (CNG), propane, E85 Flex Fuel, and hydrogen fuel, are provided for both City vehicles and sold to the public. In addition, the Corp Yard fuel island offers two level 2 electric vehicle (EV) chargers. Recently a second fuel island was added at the Corp yard to help alleviate traffic and congestion at the main Corp yard fuel island. The Acorn fuel island provides only CNG fuel for both the City and public vehicles.

Measure Z, approved by Riverside voters on November 8, 2016, authorized a one-cent increase

in the City of Riverside’s sales tax rate, which began on April 1, 2017. For the Fleet Division, these funds were utilized to fund two new Police Department (PD) Senior Mechanics and two new Fire Mechanics. In January 2018, this gave the Fleet Division the opportunity to assume the handling of vehicle acquisitions and provide maintenance, repair for the PD Fleet. PD Fleet vehicle maintenance and repair had been outsourced to private vendors for approximately 40 years. Doing this work in-house enables PD to keep vehicles on the road, maintain an upgraded asset management program, and increase the procurement and availability of PD vehicles funded by Measure Z.

Fleet and the General Services Building Services Division (Building Services) jointly manage a total of 16 City-owned EV chargers.

The City’s Fleet Division has been recognized consistently in both the top 100 fleets and green fleets across the country. As reflected in the chart below the nationally recognized Fleet Division:

- Has placed in the top 100 Best Fleets for the last 12 years. The top 100 fleets is shortlisted from approximately 38,000 fleets across the country.
- Was ranked No. 1 Green Fleet in 2012
- Has ranked in the top 20 green fleets since 2017 and the top 35 green fleets since 2010

Year	Green Fleet	100 Best Fleets
2010	N/A	51
2011	34	10
2012	01	24
2013	N/A	60
2014	N/A	11
2015	N/A	32
2016	31	32
2017	14	06
2018	06	10
2019	02	34
2020	04	79
2021	13	41
2022		45

On June 23, 2022, an update on the activities of the Decarbonization Advisory Group and proposed Building electrification and decarbonization strategies via the Reach Code process was presented to the Economic Development, Placemaking, and Branding/Marketing Committee.

That presentation was generally focused on building decarbonization, and the issue of how fleets are electrifying was also raised. This discussion relates to the proposed electrification of the City Fleet Vehicles and potential challenges thereto.

**DISCUSSION:**

Proposed Regulations; Medium to Heavy Duty Fleet Vehicles

The California Air Resources Board is in the process of adopting a new Advanced Clean Fleets

(ACF) regulation for which general requirements start January 1, 2024. While the ACF is not yet adopted in its final form, the general provisions of the regulation can be anticipated and are discussed below. Fleet owners must only add zero-emissions vehicles (ZEVs) to their California medium to heavy duty fleet as per specified schedules:

1. Starting January 1, 2024, 50 percent of the total number of medium to heavy duty vehicles **added** to the California fleet in each calendar year must be ZEVs
2. Starting January 1, 2027, 100 percent of the total number of vehicles **added** to the California fleet in each calendar year must be ZEVs
3. Emergency vehicles are exempt. Note: Refuse vehicles are not exempt as they fall in the medium to heavy vehicle classification

### Proposed Regulations; Light Duty Fleet vehicles

By executive order of the California Governor on September 23, 2020, all light-duty fleet vehicles, including new sedans, sport utility vehicles (SUV), and pickups, require these new vehicles to phase out gasoline-powered cars and trucks in California. Under the order, 100% of in-state sales of new passenger cars and trucks are to be zero-emission by 2035; 100% of in-state sales of medium and heavy-duty trucks and busses are to be zero-emission by 2045, but only where feasible; and 100% of off-road vehicles and equipment sales are to be zero-emission by 2035 where feasible.

Light duty fleet vehicle schedule to meet 2035 requirements as follows:

1. Starting 2026 and by 2028, 51% of new light-duty vehicles sold in California to be ZEVs
2. By 2030, 68% of new fleet light-duty vehicles to be ZEVs
3. By 2035, all new fleet light-duty vehicle acquisitions to be ZEVs

Note that this requirement will allow 20% of these new vehicles to be plug in hybrid vehicles

### Potential Challenges relative to proposed requirements

1. **Funding availability:**
  - a. Medium and heavy-duty vehicles are currently not in the vehicle replacement pool; therefore, no funding mechanisms are in place to replace these vehicles.
  - b. Upgrades to the electric distribution system will be required in addition to EV charging infrastructure.
  - c. Additional hydrogen fueling infrastructure will also likely be needed and will thus need to be provided for as well.
2. **Availability of ZEVs:**
  - a. Currently, the Fleet Division allows a minimum of one-year plus for vehicle acquisition. While light-duty ZEVs are available within that timeframe most of the time, medium and heavy-duty vehicles have lagged with some orders in the state taking over 18 months to begin fulfillment.
  - b. Vehicle availability for specialized uses and run-times within the proposed state time constraints is also not clear. At this time, vehicle manufacturers do not have models that will provide equivalent functionality and run-times that are comparable to existing vehicles.

3. **Workforce and training:** As vehicle technologies change, staff will need to be retrained in order to support the new ZEV fleets. As the fleet transitions, there will need to be staff versed in all technologies in order to support the fleet vehicle needs. The number of staff needed to support the vehicles may also change over time.
4. **Resiliency of the fueling infrastructure:** As the fleet transitions from one that has a well-developed, resilient fueling infrastructure, it will take time and money to develop out the resiliency of electricity and hydrogen fuels.

#### Next steps

1. **Develop a Fleet and Fueling Infrastructure Transition Plan:** Work with Riverside Public Utilities and all other City departments to develop a ZEV fleet needs and fueling strategy, including development of a plan for EV charging at all City facilities to support the transition of the City's fleet.
2. **Update the Vehicle Replacement Program:**
  - a. Ensure the replacement program will support ZEV vehicles now and in the future. Fleet currently forecasts a three-year look ahead for sedans and light duty trucks through the department's vehicle replacement program. The program will need to transition to one that plans for and accommodates ZEVs.
  - b. Work with each City department relative to medium to heavy-duty vehicles, which are currently not in a vehicle replacement program, to forecast vehicle replacement and determine feasible funding needs, availability, etc.
3. **Identify funding, including through grants:** Find a funding source(s) for EV chargers and the associated infrastructure upgrades. Currently the majority of our existing EV chargers have been grant funded and it is anticipated that with the recent announcements for funding to support transportation electrification, the City needs to prepare and plan to access that funding.

#### **STRATEGIC PLAN ALIGNMENT:**

This item contributes to **Strategic Priority 4 - Environmental Stewardship** and **Goal 4.6** – Implement the requisite measures to achieve citywide carbon neutrality no later than 2040.

This item aligns with each of the five Cross-Cutting Threads as follows:

1. **Community Trust** – In accordance with City procurement policy, all vehicle purchases are agendized for City Council consideration, ensuring public transparency.
2. **Equity** – Cleaner air will benefit all Riverside residents as the City transitions to zero emission vehicles.
3. **Fiscal Responsibility** – General Services, Fleet Division will pursue grant funding and cooperative purchasing opportunities throughout the transition to zero emission vehicles.
4. **Innovation** – As vehicle manufacturers transition to producing zero emission vehicles, the City will reap the benefits of innovative new vehicle designs.

5. **Sustainability & Resiliency** – Zero emission vehicles will play a major role in reducing the City’s carbon footprint and achieving carbon neutrality.

**FISCAL IMPACT:**

There is no direct fiscal impact associated with the recommendations in this report. If new programs or policies are recommended and implemented, the fiscal impact, if any, will be defined during City Council review and approval of this item.

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Attachment: Presentation