



Colorado

Department of Personnel & Administration

John W. Hickenlooper
Governor

Kathy Nesbitt
Executive Director

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To: Joint Budget Committee

From:  Kathy Nesbitt, Executive Director

Subject: Fiscal Year 2013 Vehicle Acquisition Report

Pursuant to Section 24-30-1104(2) (c) (II), C.R.S., By January 1, 2008, the executive director shall adopt a policy to significantly increase the utilization of alternative fuels and that establishes increasing utilization objectives for each following year.

SUMMARY OF FISCAL YEAR 2013 VEHICLE ACQUISITIONS

In Fiscal Year 2012-13 the Department was able to place orders for (81) compressed natural gas (CNG) vehicles within previously approved budgeted appropriations. This represented 14.3% of all vehicle orders as of November 19, 2013, and 19.6% of all non Colorado Department of Public Safety (CDPS) Colorado State Patrol (CSP) orders.

The department was able to place orders for (220) E85 Flexible Fuel Vehicles (FFV) subject to availability and because the increased cost compared to the dedicated petroleum vehicle was less than 10 percent at a cost of \$0 to \$1,100 per vehicle. This represented 38.87% of all vehicle orders. In addition, a small number of hybrid vehicles were ordered this year (53) because the comparable life-cycle cost on the models ordered was less than 10 percent compared to their gasoline equivalents life cycle. This represented 9.36% of all vehicle orders.

The Department ordered (184) dedicated petroleum vehicles this year that represented 32.51% of all vehicle orders, with CDPS ordering (153) of those vehicles. Currently there are no CNG available models for patrol vehicles from the manufacturer. The remaining vehicle orders had no CNG options available from the original equipment manufacturer (OEM).

In addition the Department ordered (28) diesel vehicles for various agencies. This represented 4.95% of all vehicle orders.

DPA POLICIES & PROCEDURES ON ORDERING NEW VEHICLES

State Fleet Managements new vehicle ordering process is now much different than in previous years due to Senate Bill 09-092, Senate Bill 13-070, and the Governor's focus on alternative fueled vehicles, especially Compressed Natural Gas (CNG) vehicles.

Senate Bill 09-092 and Senate Bill 13-070 requires that the state purchase natural gas capable vehicles whenever the incremental cost for the CNG vehicle is within 10% of the life cycle cost of the regular gasoline alternative. As a result, purchasing "Compressed Natural Gas" (CNG) vehicles will be the first option when replacing older inefficient vehicles wherever practicable. This will allow the state to take advantage of Colorado's vast reserves of natural gas, reducing our dependence on petroleum, creating new jobs, and reducing our carbon footprint. Because nearly all of the CNG models available are dual fuel vehicles (i.e. they can utilize either CNG or gasoline), we have much greater flexibility in the placement of these vehicles.

State Fleet Management (SFM) will need the cooperation and collaboration of every agency to successfully meet the requirements of SB09-092, SB13-070. In the new vehicle-ordering packet for agencies, specific instructions were included to guide them through the process, so the most effective CNG vehicle can be purchased and put into service. If it is determined, that the CNG model available will not meet the functional requirements of the department, the second option will be to purchase a hybrid or plug-in electric hybrid vehicle (if available) or another type of alternative fueled vehicle such as E85 flexible fueled vehicles (FFV). The last option will be to purchase a gasoline vehicle. If the available proposed CNG model will not work for the department then an additional form "Non-CNG Purchase Justification Form" must be completed and signed off on by their Executive Director.

AVAILABILITY OF CNG STATEWIDE

As of November 1, 2013 there are only (17) public access CNG fuel sites that are in operation statewide. Until the State of Colorado, political subdivisions, and the private sector acquire more CNG vehicles, it is unlikely there would be a significant build-out of CNG fuel sites. There are approximately (15) private access CNG fuel sites, but the state has not been able to secure agreements to use these facilities because of liability concerns, in addition to being located in locked secured areas on the property. Because of a lack of adequate fueling infrastructure statewide and only two OEM CNG vehicles available from model year 2006 to 2011, it limited the State's ability to purchase CNG vehicles during this time.

INFRASTRUCTURE STRATEGY

Governor Hickenlooper and Governor Fallin of Oklahoma worked together to develop the unprecedented, bi-partisan, multi-state CNG initiative to aggregate fleet purchases to promote a vehicle technology that will move the country closer to energy independence while increasing access to a low-cost source of energy that is also better for the environment. The goal is to convince the auto industry that with increased demand for CNG vehicles, they will make available more models capable of using CNG at a reduced cost due to the increased volumes.

The State Fleet Management (SFM) program works closely with the Colorado Energy Office, Clean Cities, Regional Air Quality Council (RAQC) NREL, political subdivisions, and representatives from CNG suppliers such as Clean Energy and Ward Energy to discuss best practices and strategies to increase the CNG infrastructure statewide. Since CNG fuel sites are expensive to build it is imperative to the CNG industry there are adequate concentrations of CNG vehicles in place to guarantee minimum volumes of CNG purchases to justify the cost of the fuel sites. According to Clean Energy representatives, a CNG fuel site needs to dispense 15,000 gallons or (GGE) per month to justify the cost.

In order to generate more CNG fueling infrastructure it is imperative the state purchase CNG vehicles to demonstrate to the suppliers and dispensers in Colorado that we now have vehicles in place capable of using the fuel. Working closely with the departments we will try to place these vehicles in areas of the state where other public and private fleets operate as well so we can combine the potential volumes.

Because nearly all of the CNG models available today are dual fuel vehicles (i.e. they can utilize either CNG or gasoline), we have much greater flexibility in the placement of these vehicles until the CNG infrastructure catches up in those areas of the state. Dedicated CNG vehicles will only be purchased if they currently operate in areas that have adequate CNG fuel sites. This will ensure state employees can safely complete their duties each day.

EXEMPTIONS

If either the increased base cost of such vehicle or the increased life cycle cost of such vehicle is NOT more than ten percent over the cost of a comparable dedicated petroleum fuel vehicle. The executive director shall adopt a policy to allow some vehicles to be exempted from this requirement. Current exemptions include:

- Colorado Department of Public Safety law enforcement “patrol”, “undercover”, and “specialized” vehicles like crime scene labs and Haz Mat vehicles are exempted from this requirement until such time CNG vehicles are available and proven reliable and certified. However, CDPS is required to purchase CNG vehicles wherever practicable except for the exemptions listed above.
- Non CDPS Law enforcement “certified patrol” vehicles used by state agencies are exempt from this requirement until such time CNG vehicles are available and proven reliable and certified for this function. At this time, this will include Chevy Police Caprice and Impala models, Ford Police Interceptors, Police Dodge Chargers, Chevy Police Tahoe’s, Ford Police Expedition and Interceptor Utility, and Police Dodge Durango’s.
- This also covers vehicles that have specialized equipment affixed to the vehicle making it less suitable for general transportation. It is basically a “tool on wheels” or “mobile shop” that would be difficult to accommodate CNG fuel tanks and be certified by the OEM. Examples include a drilling unit, water tanks, lab/research equipment, plumbing or telecommunications equipment, and patient and prisoner transport vehicles.
- Other unknown potential exemptions will be considered on a case-by-case basis only.

The table below identifies the number of acquisitions by fuel type configuration or hybrid vehicles by department for FY13.

FY13 ACQUISITIONS BY FUEL TYPE / HYBRID BY DEPARTMENT

Dept	Fuel Type / Hybrid					Total
	CNG	E85	Diesel	Hybrid	Gas	
CDPS	2	51		1	153	207
DOAG		9		1		10
DOC	18	46	18	7	1	90
DOE		1				1
DOH		1				1
DOHE	1	19	1		11	32
DOHS	12	10		11	3	36
DOLE	1	1			3	5
DOMA		1				1
DONR	30	37	7		3	77
DOR	7	1		14		22
DORA		2		1	6	9
DOT	5	38	1	6	4	54
GOV	1		1	2		4
DPA	4	1		1		6
JUD		2		9		11
Totals =	81	220	28	53	184	566

14.31% 38.87% 4.95% 9.36% 32.51%

CNG & (Alternative Fuel Vehicle (AFV) VEHICLE ACQUISITIONS – 2008 to 2012

Since January of 2008 through 2012, only one (1) CNG vehicle was purchased because only two OEM dedicated CNG vehicles were available from model year 2006 to 2011. This limited the State’s ability to purchase CNG vehicles during this time. Because of budget constraints largely in part to the economic crash in FY08-09, the state only approved vehicles to be replaced in FY10-11 and FY11-12 if they had an impact on life, health, or safety. Most of these vehicles were for the Department of Public Safety State Patrol Division.

The SFM Program was able to purchase a total of 1,043 alternative fueled vehicles capable of using E85 and regular gasoline from 2008 to 2012. Historically E85 vehicles have always been less than 10% of the gasoline equivalent, and in some cases, this option has been standard equipment at no additional charge. These vehicles are also commonly referred to as “flexible fuel vehicles”, or FFV’s.

SUMMARY OF VEHICLE ACQUISITIONS – 2008 to 2013

Fiscal Year	Total Acquisitions	CNG	E85	Non Acquisitions	AFV
2008	654	0	284	370	
2009	895	0	303	592	
2010	551	0	245	306	
2011	241	0	98	143	
2012	317	1	113	203	
2013	566	81	220	265	
	3,224	82	1,263	1,879	

CC: Senate Transportation Committee
 House Transportation & Energy Committee