

**Sustainable Jersey
Alternative Fuel Vehicle Procurement Guide**



Sustainable Jersey
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Alternative Fuel Vehicle (AFV) Procurement Guide

This guidance document provides information and resources for municipalities and school districts looking to add alternative fuel vehicles (AFVs) to their fleets. This guide includes strategies for procuring alternative fuel fleet vehicles at the best pricing and with the least amount of staff time spent on procurement logistics. Although tax incentives for electric vehicle and other alternative fuel vehicles that are available to individual purchasers for plug-in vehicles are generally not available directly to municipalities and school districts, this guide offers insights on how these incentives can be realized.

The four procurement methods covered in the document are:

- **New Jersey State Purchasing Contract and Purchasing Cooperatives**
- **Fleet Vehicle Leasing**
- **Direct Purchase**
- **Service Contracting / Shared Services**

The guide also includes information on funding and incentives for alternative fuel vehicles and electric vehicle charging stations, including:

- **New Jersey State Incentives**
- **Utility Incentives**
- **Federal Incentives**

New Jersey State Purchasing Contract and Purchasing Cooperatives

To ease the administrative burden of procurement competitive bidding rules, there are several cooperative purchasing options for public entities to purchase or lease AFV fleet vehicles without a lengthy procurement process and at a potentially discounted price. The vehicles offered have been selected through a competitive bidding process, eliminating the need for each individual government unit to go out to bid.

Check with your Qualified Purchasing Agent or Business Administrator to learn about the specific rules your municipality/ school district has about using purchasing cooperatives.

The New Jersey State Purchasing Contract

The New Jersey Department of the Treasury has a purchasing contract that municipalities, school districts, and other NJ State government units may utilize. The NJ Department of the Treasury encourages entities to monitor NJSTART and the NJ Department of the Treasury, Division of Purchase and Property's website for any upcoming procurement information. In 2019, the NJ State Purchasing Contract added a selection of fully electric and plug-in hybrid vehicles with discounted pricing.

NJ Department of Environmental Protection has a full listing of electric vehicles currently on the New Jersey State Contract at

<https://www.drivegreen.nj.gov/pdf/evs-on-state-purchasing-contracts.pdf>

New Jersey County and Local Purchasing Cooperatives

Below is a listing of regional purchasing cooperatives with current AFV (or related equipment) contracts.

- Morris County Cooperative Pricing Council
http://www.mccpc.org/bid_contracts/
- Hunterdon County Educational Services Commission <http://www.hcesc.com/hcesc/Co-Op%20Purchasing/CURRENT%20BIDS%20DOCUMENTS/Bids%20and%20Approved%20Vendors/>
- Essex County Co-Ops (copy and paste the link below)
<http://www.essexcountynjprocure.org/procure/>
- Educational Services Commission of NJ (Formerly known as the Middlesex Regional Educational Services Commission) <https://www.escnj.us/domain/316>

National Purchasing Cooperatives

- **Climate Mayors Electric Vehicle Purchasing Collaborative**
Climate Mayors is an association of United States mayors outreach committed to reducing greenhouse gas emissions. Climate Mayors is a partner of the national purchasing cooperative Sourcewell (see below). Climate Mayors offers a selection of EV Vehicles, EV school buses, and street sweepers and charging stations.

To see the vehicles and other products offered through the Climate Mayors initiative, visit <https://driveevfleets.org/>. Each offering on the Climate Mayors Page has a downloadable “Spec Sheet” that includes the negotiated price. This document can be used by the municipality/school district purchasing department to generate a purchase order. The items offered have already been through competitive bidding and may be discounted as well.

- **Sourcewell**
Sourcewell is a special district of the Government of Minnesota that does cooperative purchasing nationwide. Sourcewell offers a wide range of vehicles, including heavy duty options, like electric school buses, jitneys, and snowplows. The purchasing coop also offers an extended selection of lightweight electric vehicles, charging equipment, telematics, and idle reduction technology.

To use the Sourcewell contracts, the municipality or school district will need to enroll in a free membership program. Visit <https://www.sourcewell-mn.gov/become-member> and click “Apply Online”. Once the municipality or school district is a member, identify an offering from the Sourcewell searchable list of contracts. Contact the nearest sales outlet for the supplier. Provide the sales team your Sourcewell member number and the contract number for which you would like a written quote. The price is pre-negotiated; this quote is for use in creating a purchase order.

Fleet Vehicle Leasing

Fleet vehicle leasing is a popular method for local governments (including municipalities and public school districts) to procure alternative fuel vehicles. Because the vehicle purchaser is the leasing company and not the municipality/school district, the leasing company can benefit from the available tax incentives. Often the leasing company builds the tax savings into the leased price of the vehicle so that the municipality/school district sees the discount in the leasing price. Several of the purchasing cooperatives included below have contracts with fleet leasing companies for electric and hybrid vehicles.

There are two basic fleet leasing contract models, Lease to Own and Set Term. The most advantageous model for your entity will depend on the goals of the municipality/school district. Characteristics of each model are:

Lease to Own: Higher monthly payment, but paying into principal for eventual ownership. Also allows installation of aftermarket products for specialized vehicles. Used for the full range of fleet vehicle types, but this option is almost always used for heavy duty vehicles.

Set term/mileage lease: A lease contract where a set time frame and mileage are laid out in the contract. Car is turned in to dealer at end of term. Mostly used for passenger class vehicles. The advantage of the lower monthly leasing price and the limited term allows municipality/school district to "pilot" electric and plug-in hybrid vehicles.

The EV Smart Fleets [Public Sector Fleet EV Procurement Examples](#) report includes a case study on leasing electric vehicles.

Direct Purchase

While it will take additional administrative steps, the municipality or school district can create their own RFPs for direct purchase of fleet vehicles. Bidders can be encouraged to apply for the tax credit themselves via IRS form 8936 <https://www.irs.gov/forms-pubs/about-form-8936> and pass the savings along as part of the bid.

An excellent guide to best practices for RFPs for the purchase of Plug-in Vehicles is the EV Smart Fleets guide: [Capturing the Federal EV Tax Credit for Public Fleets](#).

Service Contracts / Shared Services

One way to reduce fleet emissions in transportation and hauling service contracts, such as school buses, refuse, recycling, and leaf collection, is to include preference for haulers using AFV vehicles in bid specifications for contracted services or as part of a shared services agreement.

Funding and Incentives

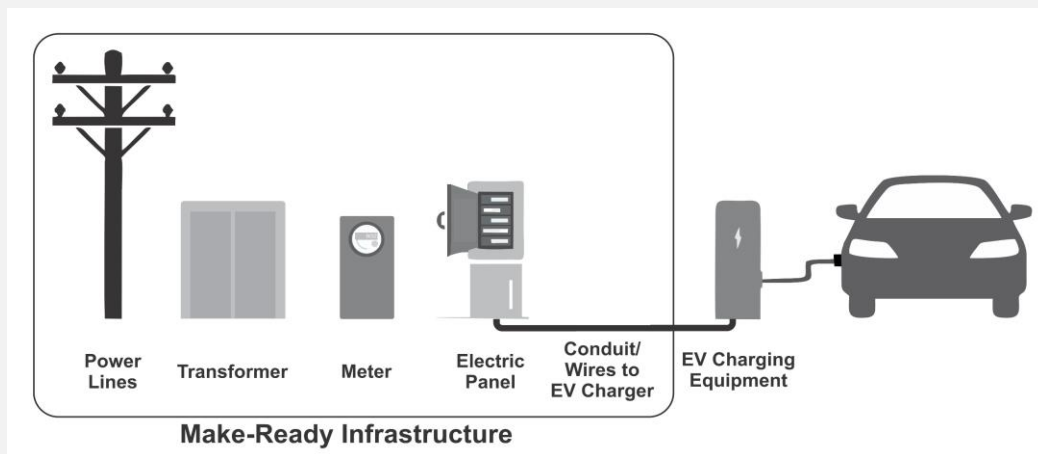
Please note that incentives may change or may no longer be available. Check the websites for the most up to date information.

Note about Electric Vehicle Infrastructure Incentives

There are two main types of incentives for electric vehicle infrastructure.

Incentives for electric vehicle service equipment. These are incentives for equipment that is used to transfer electricity to the vehicle, such as level 1, level 2, DC fast charging equipment.

Incentives for Make-Ready infrastructure. These are the incentives for the electrical infrastructure, such as installation of new electrical service, poles, etc., needed to accommodate planned electric vehicle charging equipment.



New Jersey State Incentives

New Jersey Board of Public Utilities

For details on current funding opportunities, please view the NJ Clean Energy Program website: NJCleanEnergy.com/EV

Charge Up New Jersey Program

Incentives for light-duty electric vehicles and at-home EV charging infrastructure.

Clean Fleet Electric Vehicle Incentive Program

Grants for local and state government entities for \$4,000 toward the purchase of battery electric vehicles and \$1,500 for dual-port Level 2 EV charging stations. Number of vehicles and chargers that can be applied for depends on the population size served.

EV Tourism Program

Incentives for electric vehicle charging equipment and make-ready expenses at tourist locations such as boardwalks, parks, and attractions, as well as at overnight lodging establishments.

- \$2000 per dual-port Level 2 charger
- 50% of make-ready expenses, up to \$5,000 per Level 2 charger
- 50% of DC Fast Charger costs (charger and make ready expenses), up to \$75,000 per charger
- Each location is limited to six Level 2 EV charging stations and two DC Fast Chargers. .

The application deadline was December 6th, 2021. Check the website for future grant opportunities under this program.

Multi-Unit Dwelling (MUD) Electric Vehicle Program

Incentives for EV charging stations and make-ready costs for residential properties with five or more units.

New Jersey Department of Environmental Protection

For details on current funding opportunities, please view the NJ DEP website:

www.drivegreen.nj.gov/dg-electric-vehicles-affordability.html

eMobility Program

Grants for electric shared mobility project such as electric car sharing and ride hailing

Heavy Duty Vehicle Electrification Grants

Grants to replace old diesel trucks, buses, port equipment, marine vessels, and trains with electric power and to offset the cost of associated charging infrastructure

It Pay\$ to Plug In: NJ's Electric Vehicle Charging Grants

Grants to offset the cost of purchasing and installing electric vehicle charging stations

NJ Economic Development Authority

For details on current funding opportunities, please view the NJ EDA website:

<https://www.njeda.com>

NJ ZIP Zero Emission Incentive Program

Incentives for mid- and heavy-weight electric vehicles with a focus on greater Camden, New Brunswick, and Newark, and Shore areas

<https://www.njeda.com/njzip/>

Utility Incentives

Atlantic City Electric (ACE) Electric Vehicle Program

<https://www.atlanticcityelectric.com/SmartEnergy/InnovationAndTechnology/Pages/Electric-Vehicle-Program.aspx>

Jersey Central Power and Light Electric Vehicle Webpage

https://www.firstenergycorp.com/help/saving_energy/electric-vehicles/nj-ev.html

PSE&G Electric Vehicle Charging Program

<https://nj.myaccount.pseg.com/my-service-public/electricvehicles>

Rockland Electric Company Electric Vehicle Webpage

<https://www.oru.com/en/our-energy-future/technology-innovation/electric-vehicles/nj-commercial-ev?language=en>

Federal Incentives

U.S. Department of Energy Office of Efficiency and Renewable Energy Alternative Fuel Data Center (AFDC) database of state and federal incentives and laws related to alternative fuels and vehicles, air quality, fuel efficiency, and other transportation related topics:

New Jersey summary http://www.afdc.energy.gov/afdc/progs/state_summary.php/NJ

Federal summary http://www.afdc.energy.gov/afdc/progs/fed_summary.php/afdc/US/0

U.S. Environmental Protection Agency Diesel Emissions Reduction Act (DERA) Funding for Electric School Buses

EPA DERA School Bus Rebates will offer over \$10 million to public and private fleet owners for the replacement of old diesel school buses with new buses certified to EPA's cleanest emission standards. EPA will award selected applicants \$15,000-20,000 per bus for scrapping and replacing old buses. The application deadline for 2021 was in November. Check the website for future grant opportunities under this program.

https://www.epa.gov/cleandiesel/school-bus-rebates-diesel-emissions-reduction-act-dera?fbclid=IwAR3GTR_RGTzf2D_85txYJIA3VLGftEPCD3V9FpcDEctXlpBDEYS71ktOom0

U.S. Environmental Protection Agency Diesel Emissions Reduction Act (DERA) Grants

The program solicits applications nationwide for projects that achieve significant reductions in diesel emissions and exposure, particularly from fleets operating in areas designated by the Administrator as poor air quality areas. The application deadline for 2021 was in March. Check the website for future grant opportunities under this program.

https://www.epa.gov/cleandiesel/clean-diesel-national-grants?fbclid=IwAR3vrFLaZtioD-KsaSCHmaLsYR1_rqYmZaM_kViGHeVNMmrshdXEEIZyq3vY

Resources

New Jersey Electric Vehicle Resources

NJ Department of Environmental Protection. Electric Vehicle Resources for Local Government

This page includes a full listing of up-to-date NJ DEP incentives, procurement tools, policy, and planning support. <https://www.drivegreen.nj.gov/localresources.pdf>

Sustainable Jersey Electric Vehicle and Fleet Resources page

Full list of electric vehicle actions, recent webinars, and other electric vehicle resources

https://www.sustainablejersey.com/fileadmin/media/Actions_and_Certification/Actions/Energy/EV_Resource_page.pdf

EV Charging Equipment (EVSE) Procurement Resources

Forth Mobility. *EV Charging and Public/Private Partnerships RFP Template. 2021.*

https://www.sustainablejersey.com/fileadmin/media/Actions_and_Certification/Actions/Energy/Forth_Mobility_2021_Template_RFP.pdf

U. S. Department of Energy. *Costs Associated with Non-Residential Electric Vehicle Supply Equipment. 2015.*

https://www.sustainablejersey.com/fileadmin/media/Actions_and_Certification/Actions/Energy/US_DOE_2015_EV_Charging_Infrastructure_Cost_Report.pdf

Rocky Mountain Institute. *Reducing EV Charging Infrastructure Costs. 2019.*

https://www.sustainablejersey.com/fileadmin/media/Actions_and_Certification/Actions/Energy/RMI-2019_EV-Charging-Infrastructure-Costs.pdf

Fleet Analysis/Planning Tools

Atlas Public Policy. *Dashboard for Rapid Vehicle Electrification (DRVE). 2021.*

A tool that analyses current fleet vehicles and provides guidance on fleet electrification

<https://atlaspolicy.com/rand/dashboard-for-rapid-vehicle-electrification-drve/>

Atlas Public Policy. *Fleet Vehicle Procurement Tool. 2021.*

A tool that provides comparative data about electric vehicles and procurement methods for fleets

<https://atlaspolicy.com/rand/fleet-procurement-analysis-tool/>

Electric Vehicle Procurement Guidance Resources

NOTE: Links for purchasing cooperatives are available above in the [New Jersey State Purchasing Contract and Purchasing Cooperatives section](#).

EV Smart Fleets. *Public Sector Fleet EV Procurement Examples. 2017.*

http://www.sustainablejersey.com/fileadmin/media/Actions_and_Certification/Actions/Energy/EV_Smart_Fleets_Public_Sector_Fleet_EV_Procurement_Examples.pdf

EV Smart Fleets. *Capturing the Federal EV Tax Credit for Public Fleets. 2017.*

http://www.sustainablejersey.com/fileadmin/media/Actions_and_Certification/Actions/Energy/EV_Smart_Fleets_Capturing_the_Federal_EV_Tax_Credit_for_Public_Fleets.pdf

Fleets for the Future. *Electric Vehicle Procurement Best Practices Guide. 2016.*

http://www.sustainablejersey.com/fileadmin/media/Actions_and_Certification/Actions/Energy/Fleets_for_the_Future_EVProcurementBestPractices.pdf

Fleets for the Future. *Guide to Financing Alternative Fuel Vehicle Procurement. 2016.*

http://www.sustainablejersey.com/fileadmin/media/Actions_and_Certification/Actions/Energy/Fleets_for_the_Future_Guide_to_Financing_Alternative_Fuel_Vehicle_Procurement.pdf

School Bus Resources

U.S. Department of Energy. *Case Study - Propane School Bus Fleets. 2014.*

http://www.sustainablejersey.com/fileadmin/media/Actions_and_Certification/Actions/Energy/US_DOE_Case_Study_%E2%80%93_Propane_School_Bus_Fleets_2014.pdf

USPIRG Educational Fund. *Paying for Electric Buses Financing Tools for Cities and Agencies to Ditch Diesel. 2018.*

http://www.sustainablejersey.com/fileadmin/media/Actions_and_Certification/Actions/Energy/USPIRG_Paying_for_Electric_Buses_2018.pdf

VEIC School Bus Resource Page

<https://www.veic.org/electric-school-buses>



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ABOUT THE NEW JERSEY BOARD OF PUBLIC UTILITIES (NJBP)

The NJBP is a state agency and regulatory authority mandated to ensure safe, adequate and proper utility services at reasonable rates for New Jersey customers. Critical services regulated by the NJBP include natural gas, electricity, water, wastewater, telecommunications and cable television. The Board has general oversight and responsibility for monitoring utility service, responding to consumer complaints, and investigating utility accidents.

ABOUT THE NEW JERSEY CLEAN ENERGY PROGRAM (NJCEP)

NJCEP, established on January 22, 2003, in accordance with the Electric Discount and Energy Competition Act (EDECA), provides financial and other incentives to the State's residential customers, businesses and schools that install high-efficiency or renewable energy technologies, thereby reducing energy usage, lowering customers' energy bills and reducing environmental impacts. The program is authorized and overseen by the New Jersey Board of Public Utilities (NJBP).

ABOUT SUSTAINABLE JERSEY

Sustainable Jersey is a certification program for municipalities in New Jersey. Launched in 2009, Sustainable Jersey is a nonprofit, nonpartisan organization that supports community efforts to reduce waste, cut greenhouse gas emissions, and improve environmental equity. It provides tools, training and financial incentives to support and reward communities as they pursue sustainability programs. Sustainable Jersey is one hundred percent voluntary and each town can choose whether it wants to get certified and the actions it wants to do in order to achieve enough points to get certified.