

**Sustainable Jersey  
Alternative Fuel Vehicle Procurement Guide**



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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:

- **Fleet Vehicle Leasing**
- **Purchasing Cooperatives / Government Contracts**
- **Direct Purchase**
- **Service Contracting / Shared Services**

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

### 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.

## 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. Below are the guidelines for New Jersey regarding cooperative purchasing.

### State and County Purchasing Cooperatives

The full cooperative purchasing rules, including sample resolutions, are included with the NJ Department of Community Services Cooperative Purchasing Booklet:

<https://www.state.nj.us/dca/divisions/dlgs/programs/lpcl.html>

### National Purchasing Cooperatives

The NJ State Local Finance Notice 2012-10 contains full details of the protocol.

<https://www.nj.gov/dca/divisions/dlgs/lfns/12/2012-10.pdf>

Below are some of the cooperative purchasing groups working with AFV Vehicles:

### 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. See Appendix for full vehicle listing.

### 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.

## 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/](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>

## 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 Contracting / Shared Services

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

## Funding and Incentives

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

The U.S. Department of Energy's Office of Efficiency and Renewable Energy database of state and federal incentives is updated frequently. Links to federal programs are provided in the Resources section of this document.

### **New Jersey Board of Public Utilities Clean Fleet Electric Vehicle Incentive Program**

The New Jersey Board of Public Utilities (NJBPU) offers grant funding to support the purchase of up to two (2) eligible electric vehicles (EVs) and one (1) dual-port Level 2 electric vehicle charging station for local government authorities in New Jersey. Local governments can apply for:

- \$4,000 grant toward the purchase of a battery electric vehicle
- \$1,500 toward the purchase of a dual-port Level 2 charging station

To learn more, visit <https://www.nj.gov/bpu/newsroom/2019/approved/20191126.html>

### **New Jersey Department of Environmental Protection It Pay\$ to Plug-in Program**

The NJ Department of Environmental Protection offers grants for electric vehicle charging stations (EV supply equipment or EVSE) installed in public, workplace, or multi-unit residential locations.

- \$750 per Level 1 charging station
- \$4,000 per port Level 2 charging
- Funding for public DC Fast Chargers, for details see the NJDEP website:

To learn more about It Pay\$ to Plug In, visit [www.drivegreen.nj.gov/plugin.html](http://www.drivegreen.nj.gov/plugin.html)

### **EPA 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.

[https://www.epa.gov/cleandiesel/school-bus-rebates-diesel-emissions-reduction-act-dera?fbclid=IwAR3GTR\\_RGTzf2D\\_85txYJlA3VLGftEPCD3V9FpcDEctXlpBDEYS71ktOOm0](https://www.epa.gov/cleandiesel/school-bus-rebates-diesel-emissions-reduction-act-dera?fbclid=IwAR3GTR_RGTzf2D_85txYJlA3VLGftEPCD3V9FpcDEctXlpBDEYS71ktOOm0)

### **VW Settlement Applications for medium and heavy duty sustainable fleet and infrastructure**

The NJDEP is accepting applications for sustainable transportation and infrastructure projects for the \$72.2 million VW Settlement. Of the total funding, up to \$15 million is earmarked for EV charging and hydrogen fueling, with the other 85% for other project categories.

Eligible project equipment under the VW Settlement:

- Replacement vehicles for Class 4-8 School, Shuttle & Transit Bus model year 2009 and older
- Replacement vehicles for Class 4-7 Local Freight Trucks model year 2009 and older
- EV charging and hydrogen fueling
- Vehicle purchases eligible for EPA Diesel Emission Reduction Act (DERA)

For information on the VW Settlement and project applications: <https://www.state.nj.us/dep/vw/>

## Resources

### Funding Resources

**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](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](http://www.afdc.energy.gov/afdc/progs/fed_summary.php/afdc/US/0)

**EPA DERA Funding for AFV School Buses**

[https://www.epa.gov/cleandiesel/school-bus-rebates-diesel-emissions-reduction-act-dera?fbclid=IwAR3GTR\\_RGTzf2D\\_85txYJIA3VLGftEPCD3V9FpcDEctXlpBDEYS71ktOom0](https://www.epa.gov/cleandiesel/school-bus-rebates-diesel-emissions-reduction-act-dera?fbclid=IwAR3GTR_RGTzf2D_85txYJIA3VLGftEPCD3V9FpcDEctXlpBDEYS71ktOom0)

**EPA DERA National Grants Competition**

[https://www.epa.gov/cleandiesel/clean-diesel-national-grants?fbclid=IwAR3vrFLaZtioD-KsaSCHmaLsYR1\\_rqYmZaM\\_kViGHeVNMmrshdXEEIZyq3vY](https://www.epa.gov/cleandiesel/clean-diesel-national-grants?fbclid=IwAR3vrFLaZtioD-KsaSCHmaLsYR1_rqYmZaM_kViGHeVNMmrshdXEEIZyq3vY)

**NJ Board of Public Utilities Clean Fleet Electric Vehicle Incentive Program**

<https://www.nj.gov/bpu/newsroom/2019/approved/20191126.html>

**NJDEP It Pays to Plug-In**

Grant program for EV charging infrastructure

[www.drivegreen.nj.gov/plugin.html](http://www.drivegreen.nj.gov/plugin.html)

**VW Settlement**

Funding for middle weight and heavy duty vehicles, including electric school buses

<https://www.state.nj.us/dep/vw/faq.html>

### Procurement Resources

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

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

**Atlas Public Policy. *Fleet Vehicle Procurement Tool User Guide***

[http://www.sustainablejersey.com/fileadmin/media/Actions\\_and\\_Certification/Actions/Energy/Atlas\\_Public\\_Policy\\_2019\\_Fleet-Procurement-Analysis-Tool-User-Guide.pdf](http://www.sustainablejersey.com/fileadmin/media/Actions_and_Certification/Actions/Energy/Atlas_Public_Policy_2019_Fleet-Procurement-Analysis-Tool-User-Guide.pdf)

**Atlas Public Policy. *Fleet Vehicle Procurement Tool (excel sheet)***

[http://www.sustainablejersey.com/fileadmin/media/Actions\\_and\\_Certification/Actions/Energy/Atlas\\_Public\\_Policy\\_Fleet-Procurement-Analysis-Tool\\_v1.15.xlsm](http://www.sustainablejersey.com/fileadmin/media/Actions_and_Certification/Actions/Energy/Atlas_Public_Policy_Fleet-Procurement-Analysis-Tool_v1.15.xlsm)

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

[http://www.sustainablejersey.com/fileadmin/media/Actions\\_and\\_Certification/Actions/Energy/EV\\_Smart\\_Fleets\\_Public\\_Sector\\_Fleet\\_EV\\_Procurement\\_Examples.pdf](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***

[http://www.sustainablejersey.com/fileadmin/media/Actions\\_and\\_Certification/Actions/Energy/EV\\_Smart\\_Fleets\\_Capturing\\_the\\_Federal\\_EV\\_Tax\\_Credit\\_for\\_Public\\_Fleets.pdf](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***

[http://www.sustainablejersey.com/fileadmin/media/Actions\\_and\\_Certification/Actions/Energy/Fleets\\_for\\_the\\_Future\\_EVProcurementBestPractices.pdf](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***

[http://www.sustainablejersey.com/fileadmin/media/Actions\\_and\\_Certification/Actions/Energy/Fleets\\_for\\_the\\_Future\\_Guide\\_to\\_Financing\\_Alternative\\_Fuel\\_Vehicle\\_Procurement.pdf](http://www.sustainablejersey.com/fileadmin/media/Actions_and_Certification/Actions/Energy/Fleets_for_the_Future_Guide_to_Financing_Alternative_Fuel_Vehicle_Procurement.pdf)

## Resources for School Buses

Note: See above in the *Climate Mayors Electric Vehicle Purchasing Collaborative* Section for School Bus procurement options.

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

[http://www.sustainablejersey.com/fileadmin/media/Actions\\_and\\_Certification/Actions/Energy/US\\_DOE\\_Case\\_Study\\_%E2%80%93\\_Propane\\_School\\_Bus\\_Fleets\\_2014.pdf](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***

[http://www.sustainablejersey.com/fileadmin/media/Actions\\_and\\_Certification/Actions/Energy/USPIRG\\_Paying\\_for\\_Electric\\_Buses\\_2018.pdf](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>

## Resources for EV Charging Equipment (EVSE) Installation

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

[https://www.sustainablejersey.com/fileadmin/media/Actions\\_and\\_Certification/Actions/Energy/US\\_DOE\\_2015\\_EV\\_Charging\\_Infrastructure\\_Cost\\_Report.pdf](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](https://www.sustainablejersey.com/fileadmin/media/Actions_and_Certification/Actions/Energy/RMI-2019_EV-Charging-Infrastructure-Costs.pdf)

## Appendix: PEVs Available on New Jersey State Purchasing Contract for FY20

In 2019, the New Jersey State Purchasing Contract added a selection of fully electric and plug-in hybrid vehicles with discounted pricing. To see the vehicle features and details, click the link to the spec sheet listed in the chart. To purchase the vehicle, send a purchase order listing desired option codes listed in the Spec Sheet to the Fleet Manager at the Dealership.

### Vehicles available through the State Purchasing Contract in Fiscal Year 2020

Plug-in Electric Vehicles	Price (including discount)	Battery Range* (miles)	Dealer	Link to Spec Sheet
<b>2020 Chevrolet Bolt EV (Hatchback)</b>	\$32,190 7% Discount	259	<b>Mall Chevrolet</b> Fleetman13@gmail.com	<a href="#">2020 Chevrolet Bolt Spec Sheet</a>
<b>2019 Nissan Leaf (Hatchback)</b>	\$26,894 11% Discount	151	<b>Hudson Motors Partnership</b> jhimmelman@penskeautomotive.com	<a href="#">2019 Nissan Leaf Spec Sheet</a>
<b>2020 Ford Fusion Energi Titanium (Sedan)</b>	\$29,912 6% Discount	26* 610	<b>Chas S Winner Inc</b> rcoyle@winnerford.com	<a href="#">2020 Ford Fusion Energi Spec Sheet</a>
<b>2020 Toyota Prius Prime (Hatchback)</b>	\$24,690 11% Discount	25* 640	<b>Hudson Motors Partnership</b> jhimmelman@penskeautomotive.com	<a href="#">2020 Toyota Prius Prime Spec Sheet</a>
<b>2019 Chrysler Pacifica Hybrid (7-person passenger van)</b>	\$39,238 5% Discount	32* 520	<b>Hertrich Fleet Services, Inc</b> mwright@hertrichfleet.com	<a href="#">2019 Chrysler Pacifica Hybrid Spec Sheet</a>

\*Hybrid vehicles have ranges listed as electric only and combined electric/gasoline range.