

City of Alexandria, Virginia

MEMORANDUM

DATE: JUNE 18, 2024

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

THROUGH: JAMES F. PARAJON, CITY MANAGER

FROM: JULIAN GONSALVES, ASSISTANT CITY MANAGER

DOCKET TITLE:

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Introduction and First Reading. Consideration. Passage on First Reading of an Ordinance to establish the process to solicit and grant a Franchise to use certain public property to design, install, own, operate, maintain, repair, upgrade, and remove electric vehicle supply equipment (EVSE) for the use and benefit of the public, including incidental design, construction, and modifications to City infrastructure to further and accommodate such use.

..BODY

ISSUE: Consideration of an Ordinance to establish the process to solicit and grant a Franchise to use certain public property to design, install, own, operate, maintain, repair, upgrade, and remove EVSE for the use and benefit of the public, including incidental design, construction, and modifications to City infrastructure to further and accommodate such use.

RECOMMENDATION: That City Council:

1. Introduce and adopt the proposed ordinance (Attachment 1) on first reading to authorize the City Manager to initiate and establish the process for granting a Franchise to use certain public property to design, install, own, operate, maintain, repair, upgrade, and remove EVSE for the use and benefit of the public, including incidental design, construction, and modifications to City infrastructure to further and accommodate such use at no cost to the City; and
2. Schedule the ordinance for second reading, public hearing, and final approval on July 2, 2024.

BACKGROUND: To support the growing adoption of Electric Vehicles (EVs) to meet the goals outlined in the City's Energy and Climate Change Action Plan (ECCAP), there is a demand for the City to deploy publicly accessible EV chargers on public property (e.g., parking garages, parking lots, parks, libraries, recreation centers).

The City has researched various business models and approaches for deploying publicly accessible EV chargers on City property and following the issue of a Request for Industry Information

(RFII), several vendors have expressed interest in providing turnkey EVSE installation, operation, and maintenance at no cost to the City.

DISCUSSION: In May 2023, the City finalized the ECCAP, which helps the City respond to climate change impacts and environmental emergencies and align with the 2019 updated Environmental Action Plan 2040 (EAP2040) and build upon existing City energy, greenhouse gas reduction, and climate action efforts. The ECCAP establishes the following goals for EV adoption:

- 50% of personal vehicle sales are EV by 2030, and
- 100% of personal vehicle sales are EV by 2050.

In May 2021, the City finalized the Electric Vehicle Charging Infrastructure Readiness Strategy (EVRS), which acts as a roadmap for meeting the electric vehicle charging infrastructure and technical needs of City residents, workforce members, and visitors. The EVRS will help promote electric vehicle adoption so the community can benefit from the City's electric vehicle ecosystem. Alexandria residents are adopting electric vehicles at a rate faster than the national average, however analysis conducted in the EVRS shows that the City currently does not have enough publicly accessible EV charging stations to meet the growing demand and meet the goals in the ECCAP.

The U.S. Department of Energy studies show that 80% of EV charging occurs at home. However, for residents without a dedicated driveway or garage, or that live in a multi-family dwelling, home charging may not currently be an option. Without easy access to reliable publicly accessible EV chargers, those residents face significant barriers to EV adoption. In order to reduce these barriers, the City can install publicly accessible chargers on certain public property (e.g., parking lots and garages, parks, libraries, recreation centers).

In Fall 2023, the City issued an RFII to solicit information from the EV industry on available financial models for the installation of publicly accessible chargers on public property, and to gauge interest of such a project in Alexandria. The City received responses from over 20 firms that were interested in publicly accessible charging projects with the City. Staff met with several firms that utilize business models that would design, install, own, operate, maintain, repair, upgrade, and EVSE at no cost to the City. These firms would receive the revenue from the use of the publicly accessible chargers and/or through advertisements to recoup their investment, and many would provide a fixed fee and/or share of the revenue with the City.

The installation of EV chargers can carry a significant cost and require regular operation and maintenance oversight. Partnering with a vendor providing turnkey installation of EV chargers will allow for more publicly accessible chargers to be installed across the City in a shorter period of time, which will advance the adoption of EVs in the community.

Due to the significant cost associated with the installation of EV chargers, vendors will require several years to recoup their investment, which is why the City recommends a franchise term of at least 10 years, with the option for successive five-year extensions by mutual agreement, which is consistent with similar agreements entered into by other localities.

Based on these discussions with vendors, the community, and other municipalities that have conducted similar procurements, staff has identified criteria that an EVSE partner needs to address to achieve the City's goal of creating accessible and affordable EV charging infrastructure that enables EV owners to conveniently charge their vehicles across Alexandria. That criterion includes the following:

- Evaluate the suitability and feasibility of the potential locations and propose the number and type of chargers that would be installed over the duration of the Franchise term.
- Submit a proposal of a minimum number of EV chargers that will be installed in the first 24 months of the Franchise term, a projected total number of EV chargers that will be installed during the entire initial Franchise term and estimated possible revenue to the City.
- Provide EV chargers that are compliant with all City, State, and Federal and applicable electrical codes and safety requirements.
- Describe the approach for deploying EV chargers in Justice40, low-income, or underserved communities to provide equitable access as well as in neighborhoods where multi-family buildings and single-family homes do not have access to private off-street parking.
- Comply with the City's prevailing wage requirements.
- All employees and subcontractors that will be installing, maintaining, and operating the chargers must have the appropriate licenses, certifications, and training to ensure that the installation and maintenance of chargers is performed safely.
- Description of the Bidder's approach for promoting investments in high-quality workforce development programs with supportive services to help train, place, and retain people in good-paying jobs or registered apprenticeships.
- Level 2 chargers and Direct Current Fast Chargers (DCFCs) must provide at least one Combined Charging System (CCS) connection and be compatible with the North American Charging Standard (NACS) connections now or in the future.
- Provide for secure payment methods by users.
- Establish a rate structure for use of the chargers and provide reports to the City on a regular basis that summarize the components of the rate structure and demonstrates that the rates are competitive with the then-current regional EV charging market and gasoline prices.
- Chargers must have an annual uptime of greater than 97% and provide reliable and accessible customer support.
- Describe the physical security measures taken by the Offeror to protect the equipment.
- Describe cybersecurity measures taken by the Offeror to protect consumer data and protect against the risk of harm to, or disruption of, charging infrastructure and the grid, and include strategies to prevent tampering and illegal surveillance of payment devices.

Proposals will be evaluated on the following four criteria:

- Qualifications and Performance
- Technical Approach
- Key Personnel and Team Composition
- Financial Bid

Given the minimum term of the agreement, a franchise is required for vendors to install, own, operate, and maintain publicly accessible EV chargers on certain public property for use by Alexandria residents and community. The franchise solicitation complies with applicable federal requirements to leverage grant funding to promote the equitable distribution of chargers.

To ensure that the City proposals align closely with the community’s goals for publicly accessible EV chargers, staff developed criteria to evaluate which of these providers would be the most viable for the City to pursue. Any franchise proposal received must meet the criteria set by the City to be considered for possible franchise negotiation and must include a significant upfront financial investment from the provider.

FRANCHISE AWARD TIMETABLE:

To solicit proposals for a possible partner to provide services to design, install, own, operate, maintain, repair, upgrade, and remove publicly available EVSE at no cost to the City via a franchise agreement, the City must issue an invitation to bid on a franchise through an ordinance. In accordance with state law, the invitation would be advertised. Once responses to the City’s invitation for bid are received, staff will evaluate each proposal based on the City’s criteria. Staff will bring back the franchise agreement with the recommended responsive bidder for City Council consideration. The City has the right to reject any and all bids. The proposed dates are:

June 25, 2024	Ordinance: First Reading
July 2, 2024	Ordinance: Second Reading, Public Hearing and Adoption
September 13, 2024	Proposals Due
September 24, 2024	Submitted Proposals Announced
December 2024	Franchise Recommended and Council Award

FISCAL IMPACT: The awarded franchisee will design, install, own, operate, maintain, repair, upgrade, and remove publicly available EVSE at no cost to the City. The City may receive a share of revenue or fixed payments from the Franchisee. The City will continue to pursue federal and state grant opportunities to facilitate the installation of additional chargers across the City.

ATTACHMENTS:

- Attachment 1: Public EV Charging Franchise Ordinance
- Attachment 2: Terms and Specifications for Bids for Franchise
- Attachment 3: Presentation

STAFF:

- Ryan Freed, Climate Action Officer
- Amy Posner, Electric Vehicle Planner
- Shawn Lassiter, Assistant City Attorney