



## Legislation Text

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**File #:** 67059, **Version:** 1

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### **Fiscal Note**

The proposed resolution authorizes the City of Madison to enter into a non-competitive agreement with Optimus Technologies, Inc. and REG Marketing & Logistics Group, LLC to establish a 100% biodiesel pilot program. The estimated cost of the program \$200,000. The Fleet Services Division has funding in its 2021 Adopted Operating Budget to support the costs of this program. The resolution also authorizes the City to accept \$45,000 in grant funds from the Wisconsin Soybean Marketing Board, which will be used to support the costs of the Biodiesel program. The Fleet Services Division will proposal a budget amendment at a later date to appropriate the grant funds.

### **Title**

Authorizing the City of Madison to enter into noncompetitive agreements with Optimus Technologies, Inc. and REG Marketing & Logistics Group, LLC to establish a 100% biodiesel (B100) pilot project and authorizing acceptance and an agreement with the Wisconsin Soybean Marketing Board for a \$45,000 grant.

### **Body**

The City of Madison and Fleet, with heavy input from Common Council, have set the ambitious goal of carbon neutral operations by 2030. For Fleet staff, the plan to meet this challenge and achieve the necessary carbon reduction without compromising front-line customer agencies' missions, includes electric vehicles (EVs) for all possible use cases, renewable energy to power the EV charging stations, and switching to 100% Wisconsin-made biodiesel instead of petroleum diesel where EV conversion is not possible, all by 2030. Full conversion to EVs is projected to be unavailable for some heavy-duty equipment (Vehicle Class VI, VII, & VIII) until mid-to-late 2030s.

The first step in this process is a one-year, 100% Wisconsin-made biodiesel fuel pilot project to be initiated in fall 2021.

WHEREAS, the scientific consensus demands we limit global temperature increases below 1.5 to 2 degrees Celsius to avoid the most destructive and dangerous effects of climate change; and,

WHEREAS, 100% Wisconsin-made biodiesel eliminates nearly 90% of the carbon dioxide and other harmful emissions of regular diesel; with the added benefit of in-state sourcing of raw, renewable materials such as soybean, and therefore carries a dramatically lower carbon footprint in the transport supply chain, compared to regular diesel; and,

WHEREAS, the City's fleet of vehicles and equipment are currently only equipped to handle biodiesel blends of up to 20%, also known as B20 due to existing fuel tank and diesel equipment infrastructure in spring, summer and fall; and up to 5% also known as B5 in winter due to the cold temperatures in South Central Wisconsin; and,

WHEREAS, Renewable Energy Group (REG), and Optimus Technologies submitted a written proposal to retrofit twenty (20) diesel equipment units belonging to City of Madison with equipment to process 100% biodiesel (B100, sometimes known as B99), and an above-ground heated fuel tank lease for one year for \$1; and,

WHEREAS, under this pilot program REG would cover all of the City's costs to Optimus for the equipment and software to retrofit the vehicles during the pilot program, such that the only cost to the City is the \$1 tank lease,

the cost of B100 fuel, and costs to prepare the fuel tank site; and,

WHEREAS, the National Biodiesel Board and Wisconsin Soybean Marketing Board have offered the City a \$45,000 grant toward costs of this B100 pilot program which could be used toward the fuel cost, tank site preparation, or other purposes identified by Fleet consistent with that grant; and,

WHEREAS, the proposal includes a provision that the REG plant in Dane County shall be the exclusive source for the City to purchase B100 biodiesel fuel for the duration of this pilot program; which may exceed \$50,000, however with no budget impact due to the same expected price of regular diesel being offset during the one-year pilot period; and,

WHEREAS, MGO 4.26(2) requires a competitive process approved by the Finance Director to purchase goods and supplies, and under Finance's Purchasing Guidelines, Common Council approval is required to purchase supplies of \$50,000 or more without a competitive process; and,

WHEREAS, this pilot project, if successfully concluded, will turbocharge Fleet's march toward its 2030 carbon reduction goals, and is expected to have, by far, the largest impact of any effort thus far in environmental sustainability in the history of the Fleet division;

NOW, THEREFORE, BE IT RESOLVED that the Mayor and City Clerk are authorized to sign a noncompetitive contract(s) with Optimus Technologies, Inc. for the acquisition of the Vector system equipment, annual software subscription, mobilization, travel and training services for the duration of the one-year pilot program; and,

BE IT FURTHER RESOLVED that the Mayor and City Clerk are authorized to sign a noncompetitive contract (s) with REG Marketing & Logistics Group, LLC for B100 biodiesel fuel supply and a tank lease as described above, under which REG agrees to pay all of the City's costs of the above-described pilot program with Optimus, and the City agrees that REG shall be our exclusive supplier of B100 biodiesel fuel to be used for the equipment in this pilot program during the one-year pilot; and,

BE IT FURTHER RESOLVED that the City is authorized to accept a grant from the National Biodiesel Board and Wisconsin Soybean Marketing Board which may be used toward the cost of B100 biodiesel fuel purchased from REG or other purposes identified by Fleet consistent with that grant, and the Mayor and City Clerk are authorized to sign any agreements necessary to receive that grant, in a form approved by the City Attorney, which will be subject to any future budget amendment necessary to appropriate the grant funds; and,

BE IT FINALLY RESOLVED, the Fleet Superintendent is authorized to extend the term of the pilot program under the same or similar terms herein, if needed to assess the success of the program, upon executing a document in a form approved by the City Attorney.