DATE: September 23, 2025

TO: Mayor and City Council

FROM: Director of Public Works & Director of Maintenance Services

SUBJECT Adopt a Resolution Authorizing the City Manager to Execute a Single Source Agreement with McMillan Electric for the Installation of Electric Vehicle (EV) Charging Infrastructure in a Not-To-Exceed Amount of $183,700 - CIP Project 06923

RECOMMENDATION

That the City Council adopts a resolution (Attachment II) authorizing the City Manager to execute a single source agreement with McMillan Electric for the installation of electric vehicle (EV) charging infrastructure in an amount not-to-exceed $183,700.

SUMMARY

Construction of solar carports and batteries at the Corporation Yard and Fire Station 1 is scheduled to begin by December this year and be completed by April of 2026. The projects will be installed by McMillan Electric in partnership with Ava Community Energy through their Critical Municipal Facilities program. As required by the California Building Code, each carport will have four parking spaces with EV charging infrastructure.

For many years, the City Council has had the goal of transitioning the City's non-emergency fleet to electric vehicles. One of the biggest barriers to electrifying more of the City's fleet is the lack of charging infrastructure at City facilities. The City Council funded a project in the adopted FY26 CIP budget to add chargers at the Corporation Yard and Fire Station 1 at the same time as the carports and batteries are being installed. Doing these projects together saves costs.

Since June, staff has prepared the necessary plans to install the EV chargers as planned. Staff recommends contracting directly with McMillan Electric to increase the total number of parking spaces with EV charging infrastructure from 8 to 31. With McMillan Electric completing the larger projects, this additional work can be completed at a lower cost and with less disruption to City operations than if contracted as stand-alone project. As such, staff recommends that the City Manager be authorized to execute a single source agreement for the purchase and installation of this equipment from McMillan Electric in an amount not-to-exceed $183,700.

BACKGROUND

Solar Carports and Battery Storage

On October 15, 2024[1], City Council authorized a power purchase agreement with Ava Community Energy to install solar and battery storage at City facilities. The *Critical Municipal Facilities* project includes solar carports and battery storage at the Corporation Yard and Fire Station 1, which will be installed this winter. The solar carports and batteries will be paid for via monthly payments to Ava Community Energy. Taking into account the monthly payments and the reduction in electricity purchases, the City is expected to see a total savings of $19,876 over the 25-year term of the power purchase agreement.

City Fleet Electrification

In June 2020, the City Council adopted ambitious goals to reduce greenhouse gas (GHG) emissions 55% below 2005 levels by 2030 and to work with the community to develop a plan that may result in the reduction of community-based GHG emissions to achieve carbon neutrality by 2045. Of Hayward's total GHG emissions, the transportation sector accounts for close to 65%. I

n 2020, Council adopted, as part of its Strategic Roadmap, a goal of transitioning 15% of the City's fleet to EV or hybrid models by June 2023. In addition, in October 2022, the California Air Resources Board (CARB) adopted new rules for medium- and heavy-duty vehicles. The regulations require that, effective January 1, 2024, at least 50 percent of annual vehicle purchases must be zero-emission vehicles (ZEV) and beginning January 1, 2027, 100 percent must be ZEV.

On June 17, 2025[2], in response to direction from Council, Staff provided the City Council with an informational report regarding the City's fleet electrification assessment and staff's efforts to add more EV models to the City's fleet and comply with California Air Resources Board's Advanced Clean Fleet Regulations for medium- and heavy-duty vehicles. The report provided a comprehensive overview of the funding and infrastructure needed to transition the City's non-emergency fleet to electrification.

Installation of EV Chargers at the Corp Yard

One of the biggest barriers to electrifying more of the City's fleet is the lack of charging infrastructure at City facilities. The June report to Council also outlined staff's first significant planned installation of EV charging infrastructure. The City Council subsequently funded this project in the adopted FY26 CIP budget.

The EV chargers are planned to be installed at the Corporation Yard and Fire Station 1 in coordination with the construction of the solar carport and battery storage through Ava Community Energy. Installing the underground electrical conduit for the EV chargers at the same time conduit is installed for the solar carport and battery will save money and avoid the need to repair asphalt or repave the yard multiple times.

[1] https://hayward.legistar.com/LegislationDetail.aspx?ID=6892959&GUID=3604BC5C-F8EB-40B1-873F-2BCCB9FB1CC7&Options=&Search=
[2] https://hayward.legistar.com/LegislationDetail.aspx?ID=7437059&GUID=4D4120B1-EDCA-4997-8DB5-4ECE45A72874&Options=&Search=

DISCUSSION

Since June, staff has prepared the necessary plans to install EV chargers at the Corporation Yard and Fire Station 1. As required by the California Building Code, each carport will have four EV Capable charging spaces. EV Capable means the parking spaces will have conduit and wiring, but not chargers. Staff recommends installing 16 additional EV Capable spaces, for a total of 20, at the Corp Yard and 7 additional EV Capable spaces, for a total of 11, at Fire Station 1. In addition, staff recommends 5 dual-port chargers at the Corp Yard so that 10 spaces will have chargers. At Fire Station 1, staff recommends 2 dual-port chargers so that 4 spaces will have chargers.

Staff is now requesting Council authority to execute a single source agreement with McMillan Electric for the EV charger installation in an amount not-to-exceed $183,700. Staff recommends a single source approval for McMillan Electric to install the charging infrastructure for the following reasons:

- The solar carports and battery projects will be installed by McMillan Electric.
- McMillan Electric was selected for the Critical Municipal Facilities program by Ava Community Energy following a competitive procurement process.
- McMillan Electric has extensive experience with designing and installing EV infrastructure.
- McMillan Electric is already familiar with the two projects sites and the existing and planned electrical infrastructure that will support the EV chargers.
- Trenching and laying conduit are a significant portion of the cost of installing EV infrastructure. McMillan Electric can easily add the conduit needed for EV chargers while the trenches are open, which will result in cost savings.

ENVIRONMENTAL REVIEW

The proposed project is categorically exempt from environmental review in accordance with the California Environmental Quality Act (CEQA) pursuant to Section 15301, Class 1 (Minor Alteration of Existing Facilities) of the CEQA Guidelines.

FISCAL IMPACT

Following is the budget for the EV charging infrastructure:

McMillan Electric Quote	$167,000
10% contingency	$16,700
Contract Not-To-Exceed Amount	$183,700
Estimated Permit Fees	$10,000
Total Budget	**$193,700**

The adopted CIP includes a total of $250,000 for this project in Fund 405 (Project No. 06923). The funding for this project comes from a transfer from the General Fund. This funding was planned for and included in the adopted budget and will therefore not have a

new impact on the operating budget. Nevertheless, staff is closely reviewing all projects funded by the General Fund in consideration of the City's fiscal situation. Staff is recommending pursuing this project as a priority for this year because:

1. Timing this project with the installation of the carports lowers the cost of the project.
2. Additional EV chargers are essential to transitioning more of the City's fleet to electric vehicles and to meeting CARBs requirements on minimum purchase of non-emergency electric vehicles.

Staff is reviewing all projects in the CIP budget that are funded through the General Fund or Measure C and will provide a report to Council this fall on projects that staff proposes delaying due to budget constraints.

STRATEGIC ROADMAP

This agenda item relates to the Strategic Priority of *Champion Climate Resilience and Environmental Justice. T*his item specifically relates to the following Projects:

Reduce Greenhouse Gases and Dependency on Fossil Fuels
Project CP1: Implement Year 1 Programs from the adopted GHG Roadmap (Climate Action Plan)

SUSTAINABILITY FEATURES

Electrification of the City's fleet and vehicles throughout the community is necessary to meet the City's long-term greenhouse gas (GHG) emissions reduction goals. According to the fleet electrification assessment, it is estimated that the City can reduce its GHG emissions by approximately 45% (from 16,040 to 8,857 metric tons of carbon dioxide equivalent) over the next 10 years by converting the City's fleet to all electric vehicles.

NEXT STEPS

If approved by City Council, Staff will contract with McMillan Electric to have the EV infrastructure installed at the City's Corporation Yard and Fire Station 1 in conjunction with the construction of the solar carports and the battery storage. Construction of solar carports and batteries, as well as the installation of the EV infrastructure, at the Corporation Yard and Fire Station 1 is scheduled to begin by December this year and be completed by April of 2026.

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