Request for Information

Electric Vehicle Group Buy Program for Montgomery County, Maryland

November 24, 2020 – Deadline Extended for Responses

Synopsis

Montgomery County, Maryland, is interested in establishing an electric vehicle (EV) Group Buy Program (sometimes known as “Cooperative Purchasing”), in order to harness the power of volume purchasing to reduce the cost to residents of purchasing or leasing EVs. The County is seeking input from organizations who have experience relevant to EV Group Buy projects, and those with more general experience and knowledge surrounding electric vehicles that may help the County structure this program in an effective and equitable way.

In 2017, the Montgomery County Council adopted the Emergency Climate Mobilization Resolution, which called for an 80% reduction in County greenhouse gas (GHG) emissions by 2027 and 100% elimination of GHG emissions by 2035. In response to the Resolution, the County is developing the Montgomery County Climate Action Plan, based upon recommendations of the Technical Work Groups formed to provide guidance for that Plan.

The transportation sector currently accounts for 42% of the County’s GHG emissions. A key recommendation of the Climate Plan Transportation Technical Work Group, and likely component of Montgomery County’s plan for lowering transportation emissions in the County, is increasing the scale and rate of EV adoption.

Instructions and Disclaimers

This is a Request for Information (RFI) only, and does not constitute a commitment, implied or otherwise, that Montgomery County will take procurement action in this matter. Montgomery County will not be responsible for any cost incurred in furnishing the information requested. The RFI is intended to serve as a way to inform the County’s exploration of various approaches to creating the EV Group Buy Program and to try to ensure all aspects of creating and operating such a program are considered.

Montgomery County is seeking information and input from individuals and groups with experience with regard to electric vehicles, facilitating increased electric vehicle adoption, and electric vehicle Group Buy programs specifically with respect to the questions shown below.
Respondents are requested to limit their responses to each numbered question to no more than two 8.5” x 11” pages. It is not necessary to respond to all questions. In your response, please indicate your qualifications to provide this information. Please submit responses via email to climate@montgomerycountymd.gov by Thursday, December 31, 2020.

An Electric Vehicle Group Buy Forum is planned for January 2021, following receipt and evaluation of responses. Respondents to this RFI will be invited to participate in the Forum and are requested to provide complete contact information for that purpose, including name of primary contact, email address and telephone number.

Purpose and Goals of EV Group Buy Program

The County’s EV Group Buy Program will seek to leverage the collective buying power of the community by negotiating and obtaining discounts on electric vehicles. The goal of the EV Group Buy Program is to reduce one of the most prominent barriers to increased EV adoption, the high upfront cost. It is anticipated implementation and success of this Group Buy Program will translate to increased EV adoption in the area, reducing transportation sector emissions. Specific goals of the program include:

a. Reducing transportation sector emissions in Montgomery County, thus making progress in achieving the County’s GHG emission reduction goals for a healthier, equitable, and resilient community.

b. Making electric vehicles more accessible to interested parties, in particular with more equitable access for low-income residents who have historically been left out of similar technology initiatives.

c. Generating more EV sales for local car dealerships.

Background Research

The Metropolitan Washington Council of Governments contracted with ICF, a global consulting services company, to explore several topics related to local government EV planning, at the request of Montgomery County. One of those studies was an examination of cooperative purchasing programs for EVs. The study summarized several EV Group Buy Programs conducted successfully across the United States as shown below. The study can be accessed here.

- The Boulder County EV Group Buy Program led to Boulder Nissan selling 248 LEAFs during the 4-month duration of the program in 2015, quadruple the dealership’s previous monthly average.
- The Fort Collins-Loveland EV Group Buy Program helped to facilitate the sale of 52 Nissan LEAFs in 2015 and over 60 in 2019, again quadrupling previous monthly averages.
- The Rochester EV Group Buy Program facilitated the purchasing of affordable Nissan LEAFs between 2018 and 2019.
The Electric Vehicle Group Buy Programs Handbook details numerous other programs across the U.S.

Incentives and rebates are a critical component of increased EV adoption. The federal government offers an Electric Vehicle Federal Tax Credit, ranging from $2,500-$7,500 for new electric vehicles. Specifically, the tax credit is $7,500 for a Nissan LEAF, the most common electric vehicle involved in these Group Buy Programs. In addition, the State of Maryland in the past offered a $3,000 state tax credit for electric vehicles; however, funding for this program was exhausted and has not been renewed yet, largely due to increased financial pressure from the COVID-19 pandemic.

The success of EV adoption also depends upon improved EV infrastructure in the County, such as increasing charging stations in easily accessible and convenient locations for EV owners. The County has made progress in improving this infrastructure by providing EV charging in County parking facilities, implementing a pilot program to permit home EV charging stations in the public right of way, and requiring new buildings with more than 100 parking spaces to include spaces ready to be converted for EV charging. Additionally, there are federal tax credit and state rebates available for both residential and commercial charging station installations. Some local utilities also offer rebates on residential charging station installations, and the County is coordinating with utilities to install their self-funded charging stations on public property in the County. These EV charging infrastructure improvements are important and necessary components to increasing uptake of EVs, and the County will continue to work towards increasing these opportunities while also moving forward with an Electric Vehicle Group Buy Program.

**QUESTIONS FOR RESPONSES TO RFI**

*Required question for all respondents:* What are the qualifications of your organization to offer advice to the County regarding planning for this effort?

A. *Program Structure and Related Issues*

1. What should the scope/scale of the program be? Montgomery County is interested in administering the program in calendar year 2021 so had initially been considering focusing the program to the County, although there is still interest in a multi-jurisdictional or regional program. What are the pros/cons of the program being open to all who are interested? What are the pros/cons of limiting the program to Montgomery County residents only? Do you have any other suggestions in terms of the scale of the program?

2. Montgomery County is interested in working with a lead organization that will administer the program.
   a. What are the most important qualifications that Montgomery County should consider in identifying the optimal lead organization?
   b. Please comment on any other pertinent issues that should be considered with regard to the County partnering with a lead organization.
3. What purchasing or leasing options for consumers would likely maximize sales (time of year, multiple sales, length of sale, purchase taxes)? Are recurring or rolling sales or leasing periods effective? What is the optimum duration of the program when in effect?

4. How should the goals for the program be determined? Similarly, how should success of the program be measured?

5. How can the County incorporate used EV and/or battery sharing programs to further lower the hurdle of purchase cost? Are there other technological solutions to lowering cost?

6. What federal, state or non-governmental grants exist for a program such as this, and what familiarity does your organization have with using them?

7. What strategies may help mitigate any potential technical and/or financial challenges?

B. County Infrastructure and Community Needs

1. How can the County make EVs and the Group Buy Program more accessible and appealing to lower-income residents or potential participants? Would a sliding pricing scale within the group buy program be a potential way to address equity issues?

2. Are there car sharing programs and charging installation options for multi-unit and/or low-income apartment complexes that should be considered? How can installation of charging infrastructure for multi-unit housing complexes for landlords/tenants be incentivized?

3. What changes to the existing transportation infrastructure are needed to support adoption of EVs? How can EVs be coordinated with public transit in the County? (e.g. charging stations at transit station parking lots)

4. Is there a potential to provide additional incentives for EV Group Buy Program purchases by offering discounted EV charging?

C. Community Outreach and Marketing

1. How can the County best target potential buyers interested in the program through advertising and community outreach? What size budget is necessary for adequate advertising and community outreach?

2. What additional possible benefits to EV buyers should the County consider (e.g. discounts for: HOT lanes, home charging infrastructure, parking fees)?

D. Potential Roles of Various Stakeholders

1. Who are the key stakeholders that should be involved in planning for this program?

2. How can the County best facilitate interest and participation of EV auto dealerships in a Group Buy Program?

3. What qualifications should be required of potential dealerships participating in the program?
4. What role should EV auto manufacturers (Original Equipment Manufacturers, or “OEMs”) play in this program? How can we best facilitate interest and participation of OEMs in a County-based group buy program?

5. What minimum inventory of EVs should dealerships be required to have on their lots during the duration of the program? Do EV dealerships in the County have the capacity to handle greater than expected sales?

6. What role should the electric utilities play in this program? How can we best facilitate interest and participation of those utilities in a Group Buy Program?

E. General Feedback

1. What role do you see your organization playing in this effort?

2. Are there components of an EV Group Buy Program that have been overlooked in the questions posed in this RFI? If so, please explain what those are and address them as appropriate.

3. Do you have any additional advice/information you want to contribute?

Electric Vehicle Group Buy Forum

A Montgomery County Electric Vehicle Group Buy Forum will be held via Zoom in January 2021. The session will include a brief presentation on the project concept and an open question and answer session. Interested parties can also take this time to discuss project concepts, ideas, questions, or concerns that they have for the EV Group Buy Team. These discussions do not constitute negotiations on behalf of Montgomery County with any individual party, nor do they limit the parties that may respond to a future RFP in connection with this proposed project. Respondents to this RFI will be invited to participate in the Forum and are requested to provide complete contact information for that purpose, including name of primary contact, email address and telephone number. Please submit responses to climate@montgomerycountymd.gov by Thursday, December 31, 2020.