



AGENDA REPORT

PROPOSED ACTION: Resolution: Approve and Authorize the Executive Director to (1) Negotiate and Execute a Grant Agreement with the United States Department of Transportation – Federal Highway Administration to Accept a \$4,056,915 “Reduction of Truck Emissions at Port Facilities” Grant with \$1,014,229 of Matching Funds, Including \$168,000 of Port Funds; and (2) Execute Ancillary Agreements with Eagle Rock Aggregates, Inc. to Enable Grant Funding; and (3) Execute a Contract to Procure a Battery Electric Class 8 Battery Electric Truck and Charger at a Total Cost Not to Exceed \$630,000; and Designate an Existing Diesel Powered Class 8 Electric Truck as No Longer Used, Inadequate, Obsolete or Worn-Out and the Sale, Donation, and/or Other Disposition of Such Other Existing Vehicles; and Find that the Proposed Action Complies with the California Environmental Quality Act as Analyzed in the 2002 Oakland Army Base Area Redevelopment Plan EIR and Supplemental Environmental Impact Report to the 2002 EIR for the Eagle Rock Aggregates Oakland Terminal Project.

Submitted By: Bryan Brandes, Director of Maritime; Kristi McKenney, Executive Director

Parties Involved: United States Department of Transportation - Federal Highway Administration and Eagle Rock Aggregates

Amount:

FHWA Grant Award: \$4,056,915

Eagle Rock Aggregates Share: \$846,229

Port Share: \$168,000

Total Project Cost: \$5,071,144

EXECUTIVE SUMMARY: In April 2024, the United States Department of Transportation (USDOT) – Federal Highway Administration (FHWA) awarded the Port of Oakland (Port) a Reduction of Truck Emissions at Port Facilities Grant (Grant) in the amount of \$4,056,915, which requires \$1,014,229 of matching funds from the Port (\$168,000) and Eagle Rock Aggregates (ERA) (\$846,229). The Grant will deploy four (4) Class 8 electric trucks, an electric street sweeper, an electric pickup truck, and supporting charging infrastructure for proposed operations at the ERA terminal facility, as well as replace one (1) Port harbor facility fleet diesel powered Class 8 truck with a Class 8 electric truck and supporting charging infrastructure. Port Staff will competitively solicit bids to procure the Port’s Class 8 electric truck.

BACKGROUND & ANALYSIS

In April 2024, the FHWA awarded the Port a grant of \$4,056,915 to support the purchase of new battery-electric vehicles and the installation of related charging infrastructure (Project). The grant requires a local match of \$1,014,229, bringing the total Project value

to \$5,071,144. The Port partnered with ERA, a Port tenant, to deliver portions of this Project. The scope and cost-share are as follows:

- Port Grant Component – Replace one (1) diesel-powered Class 8 truck with a Class 8 battery-electric truck and supporting charging infrastructure.
 - Grant-funded: Up to \$672,000
 - Port match: Up to \$168,000
 - Total: Up to \$840,000
- ERA Grant Component – Purchase and deploy four (4) Class 8 battery-electric trucks, one (1) battery-electric street sweeper, one (1) battery-electric pickup truck, and supporting charging infrastructure.
 - Grant-funded: Up to \$3,384,915
 - ERA match: Up to \$846,229
 - Total: Up to \$4,231,144
 - ERA will be responsible to pay any cost overruns on its component of the Grant.

Grant Agreement & Timeline

- The Port completed and submitted all required FHWA administrative pre-award approval documentation on July 10, 2025.
- The Grant agreement between FHWA and the Port must be executed by September 30, 2025.
- FHWA has been unable to provide the Grant agreement due to ongoing federal policy review of the Reduction of Truck Emissions at Port Facilities Grant Program. FHWA staff indicated policy review will be completed soon and has indicated a Grant agreement is forthcoming. We anticipate that the grant agreement may include policy provisions similar to other recent USDOT grant agreements reviewed and received by the Port for federally-funded projects at the Seaport and/or Airport.
- Once the Grant agreement is executed, the Port will execute a subrecipient agreement with ERA, requiring ERA to comply with all Grant terms.
- Procurement of vehicles and installation of charging equipment are expected to be complete by 2028.

Rationale for Port Vehicle Replacement

- The Port's current diesel-powered Class 8 truck is approximately 24 years old. It is increasingly difficult to maintain and no longer meets regulatory emissions standards.
- This vehicle is essential for transporting large equipment, materials, and supplies across the Seaport, supporting maintenance, construction, and operational needs.
- Replacement aligns with Administrative Policy (AP) 750, which recommends replacement after 5 years or 50,000 miles. While most Port vehicles are used well

beyond these guidelines, this vehicle's age, condition, and emissions profile make timely replacement necessary.

- The new battery-electric model will reduce emissions, improve operational efficiency, and lower long-term maintenance costs.

Procurement Process

Port Component

- Upon execution of the Grant agreement, Port staff will issue a formal Invitation to Bid for the new Class 8 battery-electric truck and charger. If the Grant does not proceed, procurement of the Class 8 battery electric truck and charger will be re-evaluated for affordability.
- Contracts will be awarded to the lowest-cost responsive bidder.
- Once the new truck is received, the existing diesel truck will be sold.
- Installation of the charging equipment will be performed by Port Staff.

ERA Component

- ERA will handle its own procurement and deployment in accordance with Grant requirements.

OTHER FINDINGS AND PROVISIONS

ENVIRONMENTAL REVIEW

The proposed action was analyzed under the California Environmental Quality Act (CEQA) and was found to be:

- ☐ Categorically exempt under the following CEQA Guidelines Section:
- ☐ "Common Sense" exemption under CEQA Guidelines Section 15061(b)(3).
- ☒ Other/Notes: The proposed action complies with CEQA through the Supplemental Environmental Impact Report (SEIR) to Oakland Army Base Area Redevelopment Plan Environmental Impact Report (SCH No. 2001082058). On December 16, 2021, the Board of Port Commissioners certified the SEIR and adopted: CEQA findings, Mitigation Monitoring and Reporting Program, and Statement of Overriding Considerations for the proposed action (Resolution 21-87).

BUDGET

- ☐ Administrative (No Impact to Operating, Non-Operating, or Capital Budgets); OR
 - ☐ Operating
 - ☐ Non-Operating
 - ☒ Capital

Analysis: The FY 2026 Capital Budget includes \$630,000 for the purchase of the Port's Class 8 truck. Port Staff anticipates savings based on review of Class 8 truck pricing availability at the time of this writing and anticipates procuring the truck and charger within the \$630,000 budget.

STAFFING

- ☒ No Anticipated Staffing Impact.
- ☐ Anticipated Change to Budgeted Headcount.
Reason:
- ☐ Other Anticipated Staffing Impact (e.g., Temp Help).
Reason:

MARITIME AND AVIATION PROJECT LABOR AGREEMENT (MAPLA):

Applies? No (Other) - see explanation below.

- ☒ Additional Notes: The provisions of the Port of Oakland Maritime and Aviation Project Labor Agreement (MAPLA) do not apply to this recommended procurement.

LIVING WAGE (City Charter § 728):

Applies?

No (Goods) – proposed action entails an agreement for goods, commodities, supplies, or equipment with incidental service provisions (if any) that are not covered by the Living Wage requirements.

- ☐ Additional Notes:

<p><u>SUSTAINABLE OPPORTUNITIES:</u></p> <p><u>Applies?</u> Yes.</p> <p><u>Reason:</u> Port Staff continually seek opportunities for zero emission vehicles and equipment. This purchase will replace a diesel-powered Class 8 truck with a zero-emission battery electric model.</p>	<p><u>GENERAL PLAN</u> (City Charter § 727):</p> <p><u>Conformity Determination:</u></p> <p>Not Required – conformity determination not required because proposed action does not change use of or make alterations to an existing facility or create a new facility.</p>
<p><u>STRATEGIC PLAN.</u> The proposed action would help the Port achieve the following goal(s) in the Port's Strategic Plan:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Capture Our Market and Grow the Economic Base <input checked="" type="checkbox"/> Modernize and Upgrade Infrastructure <input checked="" type="checkbox"/> Transition to Zero-Emissions and Build Climate Resilience <input type="checkbox"/> Maximize Land Use Value and Revenues <input checked="" type="checkbox"/> Workforce Training and Jobs Development <input type="checkbox"/> Create Opportunities for Local Businesses and Community Economic Development 	