

SOLE SOURCE DETERMINATION

CHARLES CITY COUNTY SCHOOL BOARD

For the Purchase of Electric School Buses

The Charles City County Public Schools School Board (the “School Board”) applied for and has been granted the opportunity to participate in the initial phase of a new electric vehicle school bus deployment program sponsored by, and operated in conjunction with, Dominion Energy Virginia, in collaboration with the Virginia Department of Education (the “Program”).

Originally, 34 Virginia school divisions applied. Only 16 divisions were accepted, including Charles City County Public Schools. The Program, from application to award, documentation and operation, is the functional equivalent of a grant, which provides each participating school division with the use of one or more EV school buses for a 15-year term.

Dominion’s contribution occurs through its prescription of the key components (including vehicle type and sourcing), as well as Dominion’s payment of two-thirds of the capital cost of each EV school bus and of the full cost to furnish and install the associated charging station in each locality. In return, Dominion is able to utilize the EV school buses as a grid resource by storing additional energy in the bus batteries and drawing upon them, as needed. Dominion’s contributions result in direct cost savings to the School Board.

EV school buses will provide significant benefits to the School Board as they operate emission-free, use no fossil fuels, reduce noise levels, and save money in operating and maintenance costs, which are estimated to \$6,125 per bus per year. EV school buses are scheduled for delivery so that use may commence in the first semester of the 2020-2021 School Year.

The initial capital costs for a new electric school bus typically will exceed \$350,000. Through the Program, the School Board will pay for each bus purchased only the difference between the cost of an electric bus and a traditional diesel bus, plus any additional costs for vehicle options the School Board selects (approximately \$104,000 before local options). Dominion will pay for and install the necessary charging station(s). The Program stipulates the use of Thomas Built School Buses sold exclusively through Sonny Merryman, Inc.

As is authorized by Virginia Code § 2.2-4303(E), the School Board has determined that there is only one source practicably available for the electric school buses it will procure and it intends to negotiate with and award to Sonny Merryman, Inc. a contract for the purchase of the electric school buses without competitive sealed bidding or competitive negotiation. In support of this conclusion, the School Board makes the following determinations:

1. The Thomas Built Bus, which is sold exclusively by Sonny Merryman and equipped with the Proterra battery system and Dominion’s proprietary V2G technology, is the only possible product and service that can meet the need of the School Board to procure EV Buses at the same price as diesel buses and receive all other benefits of the Program as a whole. In this case, Dominion is the exclusive retail electric energy provider across its Virginia service territory and is the only service provider that offers a complete EV Bus program for the School Board. There is no other option available at any price or from any vendor other than Sonny Merryman that will afford the School Board the opportunity to voluntarily participate in this Program. The Sonny Merryman

EV Buses meet the requirements of, and have been approved by, the Virginia Department of Education (“VDOE”).

2. Sonny Merryman is the only practicably available source from which to obtain an EV Bus with these features and at this cost anywhere in the Commonwealth of Virginia. Only Sonny Merryman EV Buses are approved by VDOE and Dominion for participation in the Program and were selected for the Program after a competitive procurement process with Dominion. The School Board still will be able to purchase conventional diesel or other conventionally fueled buses under the statewide cooperative contract, but Sonny Merryman is the only vendor approved by VDOE and Dominion for sale of EV Buses. Only EV Buses procured from Sonny Merryman will be eligible for the cost offset and the other benefits of participation in the initial phase of the Program.
3. The price is reasonable because the cost of a Sonny Merryman EV Bus, after offset, is approximately 28.5% of the cost of any other EV Bus purchased on the open market. Both the EV Buses and charging companies were competitively sourced by Dominion from multiple qualified vendors. The companies selected were identified as those vendors who would provide the highest quality product including safety, warranty, service and price. Furthermore, the Virginia State Corporation Commission (SCC) will review aspects of the complete program to ensure costs and expenditures are “just and reasonable” in accordance with the electric customers of Dominion.
4. Competitive negotiation was conducted by Dominion to ensure the best possible price for the School Board. Dominion met with all interested vendors multiple times before and after the RFP was issued to ensure all offerors understood the process. Qualified offerors were required to provide details of similar vehicles currently operating. Following submission of their proposals, Dominion conducted a technical review of the proposals with the potential vendors. Following these meetings, Dominion permitted the offerors to modify their proposals to ensure the best possible price was achieved for Dominion and the School Board. Additionally, Dominion is offsetting substantial cost saving to the School Board, and Sonny Merryman’s EV Bus will have a lifetime guarantee on the battery at no additional cost to the School Board (a benefit not available to taxpayers under the statewide contract for conventionally fueled buses).

Based on the foregoing, the School Board concludes that: (1) this Program is the only one source practicably available for the purchase and operation of the EV Buses, (2) the School Board is purchasing the EV Buses through Sonny Merryman, which will be operated in conjunction with Dominion’s propriety V2G technology; and (3) the contract for the Program is awarded on October 20, 2020. The School Board directs that the Superintendent ensure that this notice shall be posted on the Department of General Services’ central electronic procurement website and the School Board’s website on the day the School Board awards or announces its decision to award the contract, whichever occurs first.