

## **Natural Gas Vehicle Cooperative**

CALSTART is partnering with other NGV stakeholders to create a Natural Gas Vehicle Cooperative Purchase Program (the Cooperative) to coordinate the high volume purchase of light and medium duty vehicles by public and private fleets. It is proposed to conduct this program mostly within California, but including Arizona and Nevada to increase potential demand, with the possibility of expanding it beyond these states if this effort is successful and if there is funding available. The Cooperative will assist fleets in “greening” their fleets with cleaner alternative fuel vehicles at affordable prices. In addition, the Cooperative wants to aggregate large enough numbers to incentivize dealers and manufacturers to not only participate in the Cooperative, but help them expand the market for these vehicles.

We know there is demand for alternative fuel, especially natural gas vehicles by both public and private fleets. Although all major OEMs except Honda with its NGV Civic have left the natural gas vehicle market, the void has been filled with lower volume manufacturers who supply CARB-certified engines and vehicle upfits. However, availability and type of product is not always well-known by fleets, nor are the low volume manufacturers’ and upfitters’ products as readily accepted by fleets. There is also the challenge of higher cost from lower volumes and single orders. The value of driving higher volumes, seeking commonalities to simplify production and reduce cost, and trigger competition can serve to re-energize the natural gas vehicle market, speed the number of cleaner vehicles on the road and decrease air pollution problems in these states.

### *Project Description*

It is the intent of the NGV Cooperative to organize both interested fleets and dealers to participate in the program. Fleets would be encouraged to participate with the benefit of the potential of lower prices from a higher volume purchase; dealers and manufacturers would be encouraged to participate with the prospect of receiving higher order volume via the Cooperative. A Request for Bid process will be conducted with interested dealers based on fleet product interest and a winning bid will be awarded to the dealer(s) with the most satisfactory bid based on agreed on evaluation criteria. Purchase information will then be distributed via a variety of means, including the CALSTART web site, media, e-newsletters, outreach at conferences.