Authorize the Chief Executive Officer and General Manager to award a direct procurement contract to **Zeus Electric Chassis, Inc.** for five all-electric work trucks for a two-year term for a not-to-exceed amount of $1.2 million.
Background information

Zeus Electric Chassis, Inc.

- A start-up based out of Lindstrom, MN originally introduced to SMUD by the California Mobility Center (CMC), Zeus is currently a client of CMC
- Long term Zeus will partner with local upfitters for final assembly through the CMC bringing this technology and job opportunities to the region
- Zeus is engaged with CMC and other firms within the CMC ecosystem such as, California Strategies and E-Source to bring their product to a broader market
- SMUD and Zeus have been developing draft specifications for +6 months
Procurement strategy

Direct procurement

• Zeus is the only custom upfit all electric truck manufacturer in North America for class 4, 5, and 6 vehicles

• Customized configuration of chassis, cab, and body enable many applications across SMUD’s medium duty fleet

• Early customer pricing (no profit or added margin)

Additional benefits

• Demonstrates fleet electrification for the region and utilities

• Potential to create job growth and bring new technology to Sacramento

• CARB and AQMD authorizations for market entry and incentives in progress
Specification summary

Five all-electric work trucks

• 105 kWh battery system
• DC fast charge capability, SMUD will use level 2
• Four-wheel drive
• Aluminum cab construction
• Federal motor vehicle safety standard compliant (FMVSS)
• Nominal range is 150 miles, will depend on specification and gross vehicle weight rating
• Includes GPS and telematics system for real-time diagnostics and analytics
• Advanced battery thermal management system
• 15 kW of export power available on-board
**Purchase investment summary**

- Purchase investments were included in 2021 board approved budget
- All costs are estimated, may change depending on final specifications
- Funding estimate; California HVIP 2019 to 2020 for 14,001 to 26,000 GVWR

<table>
<thead>
<tr>
<th>ID#</th>
<th>Vehicle</th>
<th>Zeus Cost</th>
<th>Market Cost</th>
<th>Funding</th>
<th>Net Investment</th>
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January 20, 2021  5  Board Finance & Audit Committee and Special SMUD Board of Directors Meeting
Business case for fleet electrification

Estimated savings
• $21,551 avoided maintenance cost annually
• $14,361 avoided fuel (diesel) cost annually
• $302,120 to $481,680 savings for expected life of vehicles (10 to 15 years)

Return on investment
• Net investment of $100,002
• ~3-year ROI including funding offsets
• Removes 5 medium duty diesel trucks from the road and associated emissions
• Demonstrates fleet electrification in medium duty truck category (class 4 and class 5)
• Accelerates adoption of fleet electrification
Authorize the Chief Executive Officer and General Manager to award a direct procurement contract to Zeus Electric Chassis, Inc. for five all-electric work trucks for a two-year term for a not-to-exceed amount of $1.2 million.