



A Comprehensive Guide to EV Fleet Transition and RFP Creation



Presented by [DPVTransportationWorldwide](#), a leading provider of premium fleet services throughout the U.S.

Drawing from current research, industry and socio-economic data and over a decade of transportation management experience, we offer our perspective on safety best practices of commercial transportation service providers that contribute to building a strong foundation of safety culture in an organization.

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Electric Vehicle Transportation Services: Is There Demand?

The global automotive industry has experienced a significant shake-up with the rise of electric vehicles in recent years. In 2023, the electric car rental market size was \$9.82 billion, and by 2024, it had grown to \$11.9 billion (5), marking an astonishing 16.0% annual compound growth rate (CAGR) in just one year. Projections indicate further growth to \$20.07 billion by 2028, with a CAGR of 15.2% (5). Clearly, the introduction of EVs is bringing about a profound transformation in ground transportation.

Moreover, this advantage is only increasing with time. According to a study on Important Auto Industry Trends (1), Global EV sales are predicted to grow at a CAGR of 3.6% through 2030. With this surge in electric vehicle adoption worldwide, it is seen as the most important trend in the automotive industry and one of the major contributing factors to its growth. In the United States, EV sales reached a market share of 7.6 percent in 2023, marking a record-breaking surge of 29 per cent in Q4 of 2023 compared to the same period in 2022. In addition, according to some estimates, that figure could climb to 67 percent over the next decade (4).



Is there demand? Most certainly, and the reasons for the EV market's growth are manifold:

Changing consumer preferences

The shift in consumer preferences driven by increased environmental awareness has contributed largely to the rise in EV sales in the US. More Americans are looking for more fuel-efficient cars (4) and slowly leaning away from traditional gas-powered vehicles as



concerns about climate change and environmental sustainability grow. As more consumers make the transition to EVs, ground transportation services are getting in on the action and adding EVs to their rental fleet.

Government and other incentives

Government policies and incentives have no doubt played a pivotal role in widespread EV adaptation throughout the nation. Tax credits from the Inflation Reduction Act of 2022 (IRA) and other state legislations and programs have made EVs more attractive to consumers and businesses planning to make the shift to electric. Under one provision in the IRA, for instance, the federal government is offering up to \$7,500 tax credit to individual consumers for electric vehicle (EV) purchases (7). Additionally, these initiatives encompass corporate clean energy tax credits and various funding and programs aimed at incentivizing businesses to accelerate a transition to clean energy (8).

Improvements in EV infrastructure & Advancements in EV technology

Continuous advancements in EV charging technologies, cost-effective charging solutions, and smart-grid integration have all played a crucial role in supporting EV growth in the US and promoting electric vehicle adoption and reducing the overall operating costs for users. The accessibility of charging infrastructure has long been a concern among potential EV buyers. However, the expansion of charging stations and the introduction of faster-charging technologies have begun to ease this concern, significantly boosting consumer confidence in choosing EVs as a viable alternative to gasoline-powered cars (9).

Corporate buy-in, incentives, and ESG goals

EVs are proving to be one of the fastest and best ways for businesses to become more ESG compliant. The growth of the electric vehicle industry drives environmental impact, brings about significant social benefits and creates employment opportunities and economic development. Stakeholders are embracing electric vehicles and supporting the growth of this industry, and as a result, companies are increasingly working on the adoption of electric vehicles for promoting Environmental, Social, and Governance (ESG) practices.

As electric vehicles gain ground in the market, rental car companies are starting to step up to the challenge to meet the demand and provide EV rental fleet vehicles.

The electrification of the car rental industry will spur more policy changes at federal and state levels. The auto rental industry will need to work with federal, state and local legislators and regulators, as well as diverse stakeholders such as utilities, airports, EV infrastructure providers, and EV manufacturers to determine realistic and attainable goals and procedures.

The nation and world are moving toward electric vehicles, the rental car industry has never faced such a profound change.



1

Should My Company Have Electric Fleet Cars? Benefits of Electric

The demand for EVs has gained considerable traction over the years driven in large part by a growing awareness of environmental concerns, increase of government incentives and advancements in battery technology. As EVs are fast becoming the preferred choice for personal transportation, they are also now making a significant impact on commercial and industrial sectors.

The trend is gaining momentum particularly in the Electric Car Rental Market which is projected to grow from USD 11.39 Billion in 2023 to USD 34.83 billion by 2032 (5).

An increasing number of car rental operators are now undertaking initiatives, aiming to increase the use of electric vehicles in their fleet.

Is now the optimal time for businesses to invest in low-emission vehicles?

As with everything in the corporate world, it's a numbers game, and in the end, the decision depends on cost along with having the right technology to support your vehicles.

Electrification is a sensible choice for many reasons.

Commercial Fleet Electrification Benefits

Ground transportation and logistics are the biggest sources of pollution in many developed countries, making up more than a third of the world's carbon dioxide emissions. This is mainly because they rely a lot on gasoline and other fossil fuels. As a result, lots of companies see transportation as a big way to cut down on carbon emissions and fight climate change.

Fleet electrification involves a range of vehicle types—vans, cars, trucks, buses, and delivery vehicles—all running on electricity. Transitioning to electric vehicles (EVs) involves strategically swapping out traditional gasoline or diesel vehicles with zero-emission electric ones.

Innovations in electric trucks, vans, and buses, alongside the potential for zero emissions, savings on maintenance and fuel costs, and enhanced driver safety, are accelerating sustainability and innovation in U.S. ground transportation.

Electrifying fleets is a favored approach for companies striving to cut down on transportation emissions. It falls in line with the emission reduction objectives set for 2030 and the broader aim of attaining a carbon-neutral economy by 2050 in the United States.

EXAMPLES OF COMMERCIAL EV FLEET VEHICLE ELECTRIFICATION

Transitioning to an electric fleet is becoming increasingly popular as companies seek to reduce their carbon footprint and operational costs. Here are some examples of commercial EV fleet electrification:

- Delivery Vans
- Shuttle Buses and Rental Car Companies
- City Bus Fleets
- All-wheel-drive cars and minivans
- Buses
- Four-Wheel Drive Vehicles
- SUVs
- Trucks



Delivery Vans

Amazon's partnership with Rivian has enabled the e-commerce giant to invest in electric cargo trucks tailored to its delivery needs. Rivian, once a startup, has emerged as a significant player in electrified commercial fleets, providing Amazon with a reliable source of electric vehicles for its delivery operations. By incorporating electric trucks into its fleet, Amazon is reducing greenhouse gas emissions, decreasing reliance on fossil fuels and leveraging potential cost savings in the long term due to lower fuel and maintenance costs (17).

The collaboration of UPS with EV firm Arrival has resulted in the development of tailor-made battery-powered delivery trucks designed to meet the company's specific requirements. The impact of UPS's transition of a portion of its fleet to electric power has contributed to reduced air and noise pollution in urban areas where delivery trucks operate and enhanced its brand reputation as a responsible corporate citizen (22).

Shuttle Buses and Rental Car Companies

Many airports across the globe are integrating electric vehicles into their ground transportation fleets, including shuttle buses, taxis, and service vehicles (29). One prominent example is the San Francisco International Airport (SFO). SFO has replaced a portion of its shuttle buses, taxis, and service vehicles with electric alternatives. For instance, the airport has introduced electric shuttle buses to transport passengers between terminals and parking lots, reducing emissions and noise pollution within the airport premises. Additionally, SFO has incentivized taxi operators to switch to electric vehicles by offering charging infrastructure and other support mechanisms (30).

City Bus Fleets

The allocation of billions of dollars of federal funding towards the adoption of electric school buses across the country represents a significant investment in transitioning the nation's school transportation fleets to cleaner and more sustainable energy sources while promoting the health and well-being of students and communities nationwide (19). For example, New York City is aiming for all 9,500 of its school buses to become electric by 2035 to improve air quality and reduce greenhouse gas emissions and improve public health (20).

Ride-Hailing and Taxi Services

More taxi companies in the United States are transitioning to electric vehicles. For example, Columbus Yellow Cab in Ohio has already bought 10 Tesla's, and aim for the conversion of their entire fleet of 170 taxis as soon as funding will allow (21). This trend reflects a growing recognition of the environmental, economic, and technological advantages of electric transportation as well as a broader shift towards cleaner, more sustainable and future-oriented transportation options within the taxi industry.

Food Delivery

With the rise of food delivery services in the U.S. expected to continually grow to US\$1.92tn by 2029 (31), e-cargo bike fleets and scooters are fast becoming popular choices for last-mile delivery, offering a promising solution to reduce congestion on our streets and significantly reduce carbon emissions. For example, Uber Eats and Zoomo partner to electrify its fleet and make 100% of food delivery trips emission-free worldwide by 2040. DoorDash is partnering with groups like American Bicyclists, HUB Cycling, and the California Bicycle Coalition to accelerate the adoption of low-emissions transportation.

Municipal Waste Collection

The New York City Department of Sanitation (DSNY) has purchased 7 models of Mack Truck's electric garbage truck to start their electric transformation (23). The electrification of garbage trucks in New York City serves as a demonstration of the viability of electric vehicles in heavy-duty applications. As one of the largest municipal waste management agencies in the world, DSNY's adoption of electric garbage trucks could inspire other cities and municipalities at both the local and global levels to follow suit and invest in electric vehicles for their waste collection fleets.

Military Ground Transportation

The partnership between the U.S. Army and Marine Corps on the fully electric autonomous shuttle at Fort Myer-Henderson Hall showcases a pioneering effort in integrating cutting-edge technology into military operations and infrastructure. (24)

Whether you manage a commercial fleet, a delivery service, a taxi company or a ride-hailing platform, going electric will improve sustainability in your commercial transportation services and offer many other benefits to fleet operators.

Environmental Benefits of Fleet Electrification

One of the major benefits of transitioning to greener transportation systems is the reduction in environmental footprints and levels of pollutants.

Electric vehicles (EVs) work differently from regular cars. Instead of using gasoline like regular cars, EVs run on electricity. They have an electric motor powered by rechargeable batteries or fuel cells, which are like big, powerful batteries. When you charge an EV, you're basically filling up its "tank" with electricity instead of gas.

Driving an EV helps reduce pollution and fight climate change because it doesn't use gasoline and doesn't produce harmful emissions like regular cars do. The emissions from a rental electric vehicle can vary based on where you're driving and how the local electricity is generated. However, overall, electric vehicles produce fewer emissions than gasoline cars, making them a greener option. For example, according to the U.S. EPA, a typical gasoline car emits about 400 grams of carbon dioxide per mile. In contrast, an electric vehicle produces only about 110 grams of CO₂ per mile, based on the average electricity mix in the U.S. (9)

Economic Benefits of Fleet Electrification

Job Creation

A recent report by the Environmental Defense Fund (EDF) revealed that the EV market has generated over 143,000 new jobs in the last eight years (13). Additionally, The International Council on Clean Transportation predicts that the EV market will create about 160,000 jobs by 2032, largely driven by the growth in EV charging infrastructure (11).

The vehicle electrification trend is expected to boost growth in green jobs and skilled workforce development (12). The demand for labor can create new job opportunities in three main areas:

- designing and developing electric vehicle models,
- producing batteries, and
- installing and maintaining charging infrastructure.

Government Policies and Investments

Governmental EV transition policies like the federal Inflation Reduction Act (IRA) and the Bipartisan Infrastructure Law have spurred significant additional investments in EV manufacturing and charging infrastructure across the U.S., contributing to 66% of new jobs in the EV industry since the law's passage (12).

This investment boom has supported jobs in at least 10 states across the country, including Michigan, Tennessee, Georgia, Nevada, Kentucky, North Carolina, and South Carolina. These investments are expected to create over 10,000 new jobs in each state (12).

Investment Forecasts

Government policies and significant investment are driving the production of electric vehicles (EVs), attracting the interest of many investors. The forecasted growth in the EV market includes investment opportunities for businesses and investors involved in EV manufacturing, infrastructure development, and related industries. It involves a wide range of players, from startups and recently listed companies to major automotive manufacturers venturing into EVs.

EVs will continue to reshape the U.S. labor market, with state facilities capable of producing about 4.3 million new electric cars and passenger trucks annually starting in 2026. Greater investment in battery manufacturing capacity further underscores the bright future for electric cars in the U.S. (12)



Cost-saving Benefits of Fleet Electrification

The cost savings of a fully electric fleet are clear. In addition to federal, state, or local incentives that can lower their purchase price, all forms of electric vehicles offer high fuel economy, which results in lower fuel costs.

Depending on how they are driven, light-duty all-electric vehicles can exceed 130 MPG and can drive 100 miles consuming only 25–40 kWh. Operation and maintenance (O&M) averages about 3 cents per mile according to the U.S. General Services Administration (15).

EVs are 60% to 73% more efficient than their gasoline-powered counterparts. EV energy efficiency can exceed 77% during stop-and-go driving conditions which is typical of many fleet applications (16).

The price of electricity is also one notable factor for EVs fuel efficiency and one of the biggest draws for many companies making the switch.

As of March 2024, the cost of electricity in the United States averages about 15 cents per kilowatt-hour (kWh), according to the U.S. Department of Energy. Based on current prices, a typical electric car costs around 3-5 cents per mile, while a gas-powered car costs around 15 cents per mile - that's about 3-4 times higher than the cost of driving an electric car.

In addition, electricity is a domestic energy source, making electricity prices less volatile than the constantly fluctuating gasoline/diesel costs. Because electricity prices are far more stable, it makes it easier for electric-powered cars to budget and predict operating expenses (16).

While EVs can vary in efficiency and savings calculations aren't the same for everyone, the cost of electricity vs. gasoline still wins out. No doubt, rising fuel prices have led many organizations to adopt electric vehicles for their fleets.

BRAND REPUTATION BENEFITS OF FLEET ELECTRIFICATION

An indirect value of EV adoption comes in the form of tangible benefits to both businesses and investors in that it will enhance brand image and shape customer perception as well as support your ESG efforts to stay sustainable and compliant with government guidelines.

Switching to a fleet of electric vehicles showcases a commitment to environmental responsibility and positions your company as a leader in the transition towards a greener future. As environmental consciousness rises among consumers, this sends a powerful message to those who share your core values and can influence consumer choices and allow you to reach a new segment of customers. Not only will it resonate to consumers, but also open doors to new business opportunities with investors that have an interest in ESG, innovative partners, and forward-thinking individuals looking for meaningful employment.

Amazon is a great example. In 2023, the retail tech giant added 10,000 electric vehicles to its fleet of delivery vans **(17)**, a move that gained the eCommerce giant six points on its customer satisfaction index **(18)**.

MetLife, a global financial services firm, has also shown how adopting an electric vehicle fleet can draw positive attention from the media and impact public image. With programs committed to Net Zero greenhouse gas (GHG) emissions, MetLife was given recognition in Newsweek's list of the Greenest Companies in America **(26)**.

GOVERNMENT INCENTIVE BENEFITS OF FLEET ELECTRIFICATION

One of the most significant benefits of EV fleet electrification to businesses is the availability of various government incentives and programs aimed at encouraging organizations to make the switch to electric vehicles. These incentives can include tax credits, rebates, grants for charging infrastructure installation, and access to restricted zones or preferential parking.

Why does the government offer incentives?

These incentives are designed to help businesses address the upfront costs of upgrading to higher technology, fast track technology deployment and costs of related jobs and skills training and development as well as data collection for future programs and regulations.

US federal, state, and even city governments have created multiple incentive programs for businesses so you can get help now paying for what you will need to do on your own in the future.

Where can I find commercial electric vehicle incentives?

Fleet EV incentives are available through:

- US federal government
- Local government, like counties and cities
- Air pollution control districts (APCDs)
- Local utilities

FEDERAL POLICIES FOCUSING ON ELECTRIC VEHICLES

Federal policies to accelerate the adoption of EVs can be categorized into four core pillars:

- Purchase incentives
- Charging infrastructure funding
- Federal fleet electrification funding
- EV manufacturing and supply chain funding and programs

Some federal EV policies to accelerate the adoption of EVs include:

The Inflation Reduction Act (IRA)

A bill that provides nearly \$370 billion for climate change initiatives to help reduce carbon emissions by roughly 40 percent by 2030. It provides several new economic incentives for U.S. manufacturers involved in the production of EVs, EV batteries, and EV battery materials sourced in the United States and significant tax breaks for businesses who purchase new medium and heavy-duty electric vehicles and new chargers.

The New Commercial Clean Vehicle Credit

Gives a boon to businesses by allowing them to claim up to 30% of the purchase price (up to \$40,000) of a new medium or heavy-duty commercial EV that weighs more than 14,000 pounds, which are vehicles that fall into classes 4 and above.

The Infrastructure Investment and Jobs Act (IIJA)

Allocates federal funding for battery manufacturing, recycling, mineral mining and research as well as funding for utility, transportation and charging infrastructure, which are all vital to the EV industry.

Creating Helpful Incentives to Produce Semiconductors (CHIPS) Act

Provides several billions of dollars in incentives available for U.S. manufacturers of semiconductor chips which is a vital component to all-electric vehicles.

SPECIFIC TYPES OF INCENTIVES

Here's a breakdown of the various ways in which federal and local governments incentivize the adoption of electric vehicles and support the transition to cleaner transportation options.

Tax Credits:

- Federal tax credits: Up to \$7,500 available for electric vehicle (EV) purchases.
- State tax credits: Various states offer additional incentives on top of federal credits, often varying in amount and eligibility criteria.

Rebates:

- EV purchase rebates: Some states offer rebates for purchasing or leasing electric vehicles, providing a direct financial incentive to consumers. For example, Massachusetts offers [rebates for electric](#) vehicles such as the [MOR-EV Standard](#), [MOR-EV Used](#) and [MOR-EV Truck](#).
- Charging infrastructure rebates: Rebates may also be available for installing home or workplace charging stations, encouraging the adoption of EV charging infrastructure. The state of Massachusetts, for example, has [MassEVIP Public Access Charging Incentives](#) and [MassEVIP Workplace & Fleet Charging Incentives](#) for incentives for charging installation.

Grants:

- Government grants for EV infrastructure: Funding programs at the federal, state, and local levels support the development and expansion of EV charging infrastructure, including grants for public charging stations and incentives for businesses to install charging equipment. For example, the FTA offers funding opportunity under the [Grants for Buses and Bus Facilities Program](#) to support state and local efforts to buy or modernize buses, improve bus facilities, and support workforce development.
- Research and development grants: The U.S. Department of Energy (DOE) provides [grants of up to \\$200,000](#) to support research and development initiatives aimed at advancing EV technology and innovation.

Incentives for Businesses:

- Corporate tax credits: Tax incentives are available for businesses that invest in EVs for their fleets, reducing the cost of transitioning to electric vehicles. For example, the [clean vehicle tax credit](#) offers a maximum credit of \$7,500 per vehicle to commercial fleets and tax-exempt organizations that buy a qualified commercial clean vehicle.
- Clean energy incentives: Various funding programs and initiatives support businesses in adopting clean energy solutions, including EVs, through grants, tax credits, and other incentives.

Utility Programs:

- Utility rebates and incentives: Many electric utility companies offer incentives for EV owners, such as discounted electricity rates for charging during off-peak hours or rebates for installing EV charging equipment at home. For example, Duke Energy, with headquarters in Charlotte, N.C., provides its customers with a [rebate of up to \\$1,133 per EV charger](#) for Level 2 or even higher-level EV charging.

Vehicle Registration Discounts:

- Some states offer discounts or exemptions on vehicle registration fees for electric vehicles, reducing the overall cost of ownership for EV owners (32).

4. ADDITIONAL STATE SUPPORT

Depending on the location of your company in the United States, you may also combine support from the federal government with state incentives.

Every state has laws or policies and multiple programs to help transition fleets to electric power. The incentives range from tax credits or rebates that would specifically impact the buying of an electric vehicle or the building of electric vehicle supply equipment (EVSE), as well as exemptions from emissions testing or utility time-of-use rate reductions.

Alternative Fuels Data Center

The [Alternative Fuels Data Center \(AFDC\)](#) has simplified the process of finding state laws and incentives for EVs and alternative-fuel vehicles. Just visit the site and click on your state to see a list of available incentives. The site is kept up to date and has all the latest news about rebates, tax breaks, and grants for every state (27).

It's always best for companies to stay informed about the developments in regulatory policies and applications for subsidies to take advantage of these incentives and programs. These incentives can significantly reduce the cost of transitioning to electric vehicles and reduce the payback period for the investment.



2

Overcoming Challenges of Fleet Electrification - Tips to Ease the Transition

With the continuous push from state and federal governments toward automotive electrification, the ground transportation industry is kept under pressure to decarbonize their fleets. But to get ahead of the curve and start implementing EVs into your fleet, it's important to appropriately plan and consider how electric vehicles will operate as part of your overall fleet strategy. It can seem like a daunting task at the start, but all that is required is a solid strategy.

Getting started on fleet electrification can feel overwhelming, and there are plenty of questions to answer to make informed decisions.

- What kind of range will meet existing needs? Can the EV fleet run efficiently given the conditions of the regions where it will operate?
- Which vehicle(s) should be procured given the required range?
- Which vehicles are good candidates to be replaced by EVs
- What kind of fuel cost savings are possible?
- What level of CO2 reduction should be anticipated?

EV fleet management basically has a different operational and maintenance model than conventional or ICE fleet management. Overall, it requires new workflows, new operational procedures, careful vehicle selection, a new understanding of how your TCO is affected, the formation of a charging strategy to replace your fueling methods, efficient route planning to overcome challenges and so much more.

Updates to day-to-day procedures are necessary to optimize operations - new workflows and new operational procedures. It will require a new understanding of how your total long-term cost of ownership is affected and you may need to modify existing procurement or vehicle replacement plans, schedules, and policies. You will need to account for battery health, charging status, electric motor status which are just some of the critical performance

benchmarks that fleet managers need to monitor after the transition to electric vehicles. And so much more. Whether you manage a commercial fleet, a taxi company, a delivery service, or a ride-hailing platform, going electric will change your day-to-day operations.

The overall process must be carefully planned to minimize the impact the transition will eventually have on day-to-day operations. Any abrupt or unplanned changes could result in unexpected issues that can lead to asset breakdown and loss of productivity which many modern-day businesses cannot afford.

Your business needs to be aware of the challenges and considerations you may face as you electrify your fleet. These challenges include:

Higher upfront cost

One of the main challenges is the high upfront costs of purchasing EVs. Although EVs can save a lot on operating expenses in the long-term compared to their gasoline counterparts, they typically have higher up-front purchase than that of traditional vehicles.

When comparing vehicles of similar size and segment, a study from [Consumer Reports](#) found that an electric vehicle can cost around 10 percent to over 40 percent more than its gasoline-only counterpart (33).

Currently, there are few models on the market with an advertised retail price of less than \$30,000 (not including government tax credits) (34). Used models that go for half or less of the new-car MSRP are likely to be older models with much less battery range.

Government incentives and rebates can significantly reduce the upfront cost of purchasing electric fleet vehicles, making them more financially feasible even for companies with a tight budget. It's crucial to understand what incentives are available in your state, and how much they can potentially save.

As EV sales climb overall these prices may gradually decrease over time, but for now, these upfront costs may be a barrier for some companies, especially those with strict budget constraints that need to be adhered to.

Battery Degradation and Replacement Costs

EV battery replacements could range from around \$7,000 to nearly \$30,000 based on the pack, size and manufacturer. Electric car battery manufacturers are working on substituting the rare raw materials with cheaper ones and simplifying the battery pack design to bring additional price reductions in the long term. However, as with other new technologies, this will require more research and development and widespread implementation before changes can take effect.

Availability of charging infrastructure

Another critical challenge EV fleet operators face is the sheer amount of power needed to keep their vehicles charged and running 24/7. Where will that power come from? How long will it take to get it for quick turnaround times and to operate on tight schedules? Obviously, there needs to be sufficient EV charging stations spread across the region so that vehicles can easily replenish their fuel to transport goods daily. Managing electrical demand from the utility is another vital factor for fleet owners to consider when going electric. Adding new charging infrastructure and installing additional infrastructure for backup generation facilities may also be needed for smoother transition.

The [International Energy Agency](#) expects the number of charging stations to grow between 800,000 and 1.7 million by the end of the decade and expects a substantial uptick of electric vehicle purchases as a result (35).

No doubt, starting an EV ground transportation program involves so much more than just replacing gas-powered vehicles and incorporating EVs into your fleet. Most fleet electrification projects require time to plan, design and construct, typically anywhere from several months for a small project to many years, so providing strategic planning is essential.

The company will need to develop operation and maintenance plans and policies altogether to ensure a successful electric vehicle fleet deployment. Fleet managers may need to identify local dealerships or fleet maintenance contractors that can perform any necessary battery upgrades or technology updates. A dedicated staff for vehicle electrification can help provide fleets with information regarding rebate programs and other incentives for electrification. Fleet technicians will need to receive training on EV maintenance. Fleet managers will need to contract service providers or arrange for a maintenance service agreement for regular maintenance of charging stations.

Despite the financial constraints and technological limitations, businesses can overcome these challenges through targeted actions.

EV PLANNING RESOURCES

Are you planning to start your own electric mobility project, but have no idea where to start?

The great news is that federal and state governments offer a wealth of information about transitioning your fleet to EVs.



Environmental Protection Agency (EPA) SmartWay Heavy-Duty Truck Electrification Resources

The EPA provides an exhaustive list of resources for US businesses or organizations looking to electrify their fleets. The [EPA website](#) has included links to incentive programs along with total cost of ownership (TCO) calculators so you can determine how much you'll save by going electric (36).

The U.S. Department of Transportation EV Infrastructure Project Planning Checklist

This [planning checklist](#) will help businesses think about multiple issues throughout the planning process as well as to identify and recognize the best methods for implementation (37).

An important mindset toward success is to keep in mind that the switch to electric doesn't need to come all at once. The transition doesn't need to happen immediately.

The best approach is to identify what can be done for now - the first step is typically to schedule as well as calculating cost and availability of electricity and collecting data during the pilot program to evaluate fleet performance and productivity at the end of the program. segregate which EV models are suitable for transition, then start adding a handful of EVs to existing fleets and installing charging depots - and then slowly build on top of that progress as a lead-up to adoption.

You can partner with a provider who can help you launch a fleet pilot program, a trial period for businesses to learn how to best incorporate EVs into the fleet. The pilot program typically includes identifying which vehicles to test to enable fleet managers to have a grasp on the best and most affordable EVs to adapt to the transition, planning charging facilities and schedules as well as calculating cost and availability of electricity and collecting data during the pilot program to evaluate fleet performance and productivity at the end of the program.

CONSIDER YOUR FINANCING OPTIONS

Understanding the cost, available incentives, and ROI of adopting EVs will play an important role in decision making. Fleet electrification may be far too expensive and even prohibitive for a lot of organizations especially when the cost of vehicles and EV charging stations are factored in.

However, there are numerous customized financing strategies available to businesses to help reduce the high upfront costs of acquiring both EVs and charging infrastructure. For example, you might consider fleet leasing vs. purchasing vehicles outright. A fleet leasing agreement will allow renting an EV without agreeing to purchase it after term completion. Fleet leasing generally lasts for a year or more, involves 2 or more vehicles, which can include

passenger cars, cargo vans, light duty trucks, and even semi-trucks. The leasing company manages maintenance and repairs, in some cases, insurance, and leasing is usually simpler and cheaper up-front.

Another way you can avoid these costs is by working with an EV-ready solution such as a traditional fleet management company (FMC) or an EV-specific solution provider, sometimes referred to as “Electrification-as-a-Service.” These services typically cover financing costs and ongoing maintenance of the vehicles and charging infrastructure on a usage and time basis.

Collaborating with the right partners and leveraging government grants, rebates, and incentives, can help most businesses reduce upfront costs and make sustainability goals possible.

Robert Bernard, Chief Sustainability Officer of CBRE says it best,

“Transportation electrification is the future of our industry, but one that can only be realized with trusted partners capable of world-class management and technical expertise.”

NEGOTIATE THE BEST DEAL

Whether you choose purchasing or leasing, negotiating the best deal with the EV suppliers or lessors involves defining pricing, implementation, performance metrics, payment terms, terms and conditions and service warranty. It will require some amount of research to gain a full knowledge and understanding of the market and compare different offers from different providers. Ask for discounts and incentives to help reduce costs by leveraging your bargaining power, such as your volume of business, your loyalty, your referrals, or your flexibility. Also look for opportunities to bundle services or products, trade services or products, or barter for value-added benefits. The goal is to make the deal more cost efficient for the company and more effective for both the company and the supplier. If a fleet manager is well armed going into negotiations with suppliers or lessors, the agreement will be a win/win for both the company and the supplier.

PREPARE TO MAKE A DECISION

Before formalizing a decision and drafting a contract, you need to go through a system evaluation to assess the efficiency and effectiveness of the set of procedures to ensure they meet stakeholders' requirements and improve outcomes.

System evaluations will focus on benefit and cost analyses and provide a detailed outline of your options, giving you a clear idea which EV fleet provider can best meet your company's needs.

A request for proposal (RFP) serves as the starting point to organize the proposal evaluation process and select the right vendor for your EV procurement projects.



3

RFP Checklist for EV Fleet Service

Years ago, the process of choosing a fleet supplier was as simple and informal as asking for a quote. We hear the phrase “Send me a proposal” so commonly when the fleet manager knew who the players were and wanted more details to start the project. Nowadays, the issuance of a formal request for proposal (RFP) is the standard for businesses to start the complex procurement process with energy suppliers.

RFPs can be a useful tool for organizations in selecting EV fleet providers and making purchasing decisions. Through an RFP, organizations can obtain information from suppliers, compare pricing, and identify potential partners and suppliers that may be a good fit for their business.

Your RFP should communicate your intent to suppliers for your specific business opportunity. It should help potential vendors gain a comprehensive view of your needs, preferences, and limitations. The goal is to clearly outline your expectations to allow potential suppliers to showcase their eligibility for the job. Keep in mind to be more thoughtful and thorough in order to get better vendor responses.

ELEMENTS FOR A BETTER RFP

RFP Overview - Include These Details

1. Company and Fleet Overview:

- Describe your company and fleet.
- What does your current fleet look like?
- What vehicles are included?
- What does the fleet do?
- Do you own or rent the property or facility?
- What fleet management services do you handle in-house?
- What are your current maintenance capabilities?

2. Needs and Objectives:

- Define your needs.
- What do you want to accomplish with your purchase?
- What are your requirements?
- What elements are non-negotiable items?
- Are there items that are just 'nice-to-haves' and won't be a deal breaker if you don't have them?
- Is there anything out of scope?
- What is your budget for the project?
- When is your proposed timeline? Proposed deadlines to hit certain project benchmarks?

3. Submission Requirements:

- Explain how you would like proposals to be delivered.
- How long should the proposal be?

4. Evaluation Criteria:

- What is your evaluation criteria?
- What parts of the project are the highest priority?
- What information and data will help you make your decision?

Organize the elements into subsections so it will be easier for both you and potential proposers to navigate and understand the information provided.

Create a List of Requirements and Their Importance

For essential requirements, phrase questions in a yes or no format to help quickly eliminate unqualified or underqualified suppliers. General question categories to ask EV providers should include:

- **Competitive pricing** - Ensuring competitive pricing helps in managing costs effectively, which is crucial for the overall financial sustainability of the EV fleet electrification process.
- **Favorable terms** - Favorable terms in contracts can provide flexibility and better conditions for the procurement and management of EVs, contributing to a smoother transition to electric vehicles.
- **Reliability** - Reliable EV providers ensure that the vehicles and services they offer meet performance standards, reducing the risk of downtime and ensuring consistent operation of the EV fleet.
- **Customer service** - Good customer service from EV providers ensures prompt assistance and support, which is essential for addressing any issues or concerns that may arise during the transition to electric vehicles.
- **Experience with customers of a similar size or in your industry** - Providers with experience in serving customers similar to your organization understand the unique challenges and requirements, which can lead to more tailored solutions and smoother implementation.
- **Outage response plans** - Outage response plans help mitigate the impact of potential disruptions in charging infrastructure or vehicle operations, ensuring continuity of service for the EV fleet.
- **Potential risks** - Identifying and addressing potential risks associated with EV fleet electrification helps in developing effective risk management strategies, safeguarding against potential setbacks or challenges.

- **Accident reporting and emergency management** - Efficient accident reporting and emergency management processes ensure the safety of drivers and vehicles in the EV fleet, minimizing risks and liabilities.
- **Account management, onboarding and training** - Effective account management, onboarding, and training support smooth integration of EVs into the fleet, ensuring that drivers and staff are equipped with the necessary skills and knowledge.
- **Billing process** - Streamlined billing processes simplify administrative tasks associated with managing EV fleets, enhancing efficiency and reducing overhead costs.
- **Consulting services for critical issues and opportunities** - Consulting services provide valuable insights and guidance on critical issues, potential risks and challenges as well as help to identify areas of opportunities related to EV fleet electrification such as market analysis, regulatory compliance, technology development, and business strategy. Their expertise, knowledge and recommendations help organizations make informed decisions.
- **Disposition and remarketing plan for off-lease and repossessed vehicles** - Having a disposition and remarketing plan ensures efficient management of off-lease and repossessed EVs, optimizing asset utilization and minimizing financial losses.
- **Energy management for hybrid vehicles** - Effective energy management strategies for hybrid vehicles maximize fuel efficiency and minimize environmental impact, aligning with sustainability goals.
- **Leasing and financing solutions** - Flexible leasing and financing options facilitate the acquisition of EVs, making it easier for organizations to transition to electric vehicles.
- **Fleet license & title processing** - Streamlined license and title processing simplifies administrative tasks associated with fleet management, ensuring compliance with regulatory requirements.
- **Maintenance management** - Efficient maintenance management ensures the longevity and reliability of EVs, reducing downtime and operational costs.

- **Outsourcing solutions** - Outsourcing certain aspects of EV fleet management can provide access to specialized expertise and resources, enhancing overall efficiency and effectiveness.
- **Purchasing and acquisition** - Streamlined purchasing and acquisition processes help in simplifying the procurement of EVs and accelerating the transition.
- **Technology and reporting capabilities** - Advanced technology and reporting capabilities provide valuable insights into EV fleet performance and facilitate data-driven decision-making, optimizing operations and resource allocation.
- **Telematics** - Telematics systems enable real-time monitoring and management of EV fleets, enhancing efficiency, safety, and compliance with regulatory requirements.

Ask EV-specific Questions to Grasp the Vendor's Experience in the Industry

It's important to determine whether a provider understands the challenges of the industry and can use their experience to be successful.

- Who are your competitors?
- What types of charging solutions are available?
- Do you offer at-home charging solutions for employees?
- Do you offer payment processing solutions to reimburse employees for EV Home charging?
- How much does installation cost? How long is the lead time for EV charger installation? Do you have depot charging solutions?
- Can you provide temporary charging solutions until our utility is ready to support?
- What controls do you have in place to ensure purchase limits are within established thresholds?
- What is the maximum energy output of your charging stations?
- Who are your vendor partners to provide EV depot charging solutions?
- What kind of training do you offer?
- Can you provide references, reviews and case studies?

MANAGING THE EV REQUEST FOR PROPOSAL (RFP) PROCESS EFFECTIVELY

Once the RFP Document is ready, you can decide on how to manage the process effectively. Here are some guidelines:

Determine Communication Channels

Decide on the communication channels you will use to distribute the RFP and communicate with potential vendors. Email is a common method for distribution, but you may also consider using RFP management software or online platforms for more efficient communication and document management. Using an RFP software will simplify sending all your invitations in one system without cluttering your Inbox.

Identify Potential Vendors

Research and identify potential EV providers that meet your requirements and invite them to participate in the RFP process. Consider reaching out to industry associations or consulting firms for recommendations if needed. Use your market research to shortlist about six vendors to invite to participate. The goal is to narrow down your choices, so you only have three qualified vendors to choose from in the end.

Hold Information Sessions

Consider hosting information sessions or webinars to provide potential vendors with more insights into your organization's needs and requirements. This can help clarify any questions they may have before submitting their proposals.

Manage Questions and Clarifications

Establish a process for managing questions and clarifications from potential vendors. This may involve setting up a dedicated email address or online portal where vendors can submit their inquiries, and you can provide timely responses to ensure clarity for all parties involved. An RFP management software will help you gather up all the follow-up questions you'll likely receive from vendors into one place and ensure that you answer each vendor with the same information.

Set Deadlines

Clearly communicate deadlines for submitting proposals and any other key milestones in the RFP process. This will help keep the process on track and ensure that all submissions are received in a timely manner. It's also best practice to send a final reminder to vendors that haven't yet responded. Attach the RFP and highlight the date of the final decision with a note to let them know you're excited to see their proposal.

Evaluate Proposals

Once proposals have been submitted, establish an evaluation committee or team to review and assess each proposal against the predetermined evaluation criteria. Consider using scoring rubrics or matrices to facilitate the evaluation process and ensure consistency. Decide which internal stakeholders will participate in the evaluation process to ensure that each perspective is accounted for. Your specific criteria and system for scoring or evaluating a winner will be unique to your company. In the final decision, you will want to prioritize providers who can deliver the technology, service solutions and experience to help you solve the challenges in the transition and implementation towards EV adoption.

Provide Feedback

After evaluating the proposals, provide feedback to all participating vendors, regardless of whether their proposal was successful or not. This helps build positive relationships with vendors and ensures transparency throughout the process.

Negotiate and Finalize Contracts

Once a preferred vendor has been selected, negotiate the terms and conditions of the contract and finalize the agreement. Be sure to address any outstanding questions or concerns before signing the contract.

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