

22nd National NGV Conference

Impact vs. EPACT

Federal Fleets

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U. S. Postal Service

The USPS was established as an independent part of the executive branch of the govt. and directed it to become self sufficient more than 30 years ago. No tax dollars for operational purposes since 1982.

Presentation Overview

- USPS Current CNG Status
- Considerations for a Business Case
- Potential Expansion Programs
- Return On Investments
- Team Buy In / Implementation
- Measuring for Improvement

USPS CNG Program Current Status

- SWA (TX, NM, OK, AR, LA)
- 17 CNG Fueling Sites, on/off site
- 1237 CNG Delivery Vehicles
- 35 CNG Non-Mail Delivery Vehicles
- Average Gals of CNG Used Monthly; 10,863
- Big Push for Usage

CNG Fueling Operation



Potential Expansion Programs

- 2 Fueling sites in Austin, 149 vehicles
- 2 Fueling sites in El Paso, 72 vehicles
- 2 Fueling sites in Corpus Christi, 29 Vehicles
- 2 Fueling sites in FTW, 106 vehicles
- 4 Fast fill repairs in Dallas

Considerations for a Business Case

COSTS

- Retrofit Vehicle Cost (up-date existing CNG kits)
- Vehicle Conversion Cost
- Vehicle Maintenance Cost, In-shop
- Vehicle Maintenance Cost, In-Field
- Fueling System Maintenance Contracts
- Off-Site Fueling, > 1 Mile not favorable

Considerations for a Business Case

SAVINGS

- Labor Savings at the Pump
- Differential Fuel Cost, EG
- Engine Wear
- Better Control of Fluctuating Fuel Cost

Considerations for a Business Case

Pros & Cons

- Reduce Emissions
- Reduce Fuel Costs
- The Right Thing To Do
- Changing Standards at All Levels
- Capturing the Return
- The Struggle to Maintain Equipment

RETURN ON INVESTMENT

- USPS targets under 5 Years
- 2 Examples of ROIs

ROI Example #1, 74 Del. Veh

- Install Equip + Veh Transf + Maint (2) + Retro Kits + Maint Cont = Instal/OPS Cost
- Install/OPS Cost = **\$202,600**
- Gls/day (3.25) x 74 veh x 5dys/wk x 52 wks/yr x cost diff + Labor sav = Annual Savings = **\$86,291 (depending on DC\$)**
- $\$202,600 / \$86,291 = 2.3$ Yrs ROI

ROI Example #2, 12 N.D. Veh

- Avg. Miles driven / yr = 86,028
- 16 MPG Average / veh = 5377 gls/yr
- Differential Fuel Cost = \$0.xx/gal
- Gl's used x Diff Cost = \$ saved (**\$4677/yr**)
- Equip install + Retro kits = **\$18,850**
- Cost/Savings = **4.0 Yrs ROI (depending \$DC)**

Team Buy In & Implementation

- Take non-biased approach
- Capture all data as accurate as possible
- Work with fleet managers
- Team visit sites
- Support training for fleet mgr/employees
- Conduct stand-up talks to drivers & mechs
- Monitor usage & provide feedback

Measuring for Improvement

- Obtain monthly usage reports
- Determine average gallons needed / day
- Calculate monthly needs vs. gallons used
- Obtain upper support of program and lost potentials
- Notify field of missed opportunities
- Conduct service talks in field

SWA Future Programs

- CNG Infrastructure Expansion Projects
- Fast Fill Team Opportunities with Others Organizations