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DEPARTMENT OF
PUBLIC WORKS

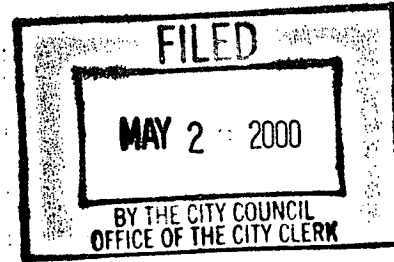
MAINTENANCE SERVICES
DIVISION

CITY OF SACRAMENTO
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April 18, 2000



City Council
Sacramento, California

Honorable Members in Session

SUBJECT: HEAVY DUTY LOW EMISSION VEHICLE ACQUISITION POLICY PROGRESS REPORT

LOCATION AND COUNCIL DISTRICT: Citywide, All Districts

RECOMMENDATION:

This report is for information only. No action is required.

CONTACT PERSON: Robert Summersett, Fleet Management Superintendent, 433-6230

FOR THE COUNCIL MEETING OF: May 2, 2000

SUMMARY:

In the six months since the City and County of Sacramento approved the resolution for a City /County Heavy Duty Low Emission Vehicle Acquisition Policy (see Attachment A), the City's fleet operations have moved forward with purchases and receipts of low emission vehicles as part of our regular systematic replacement programs. Our focus is on products manufactured by original equipment manufacturers that are certified as low emission vehicles.

Department of
PUBLICWORKS
CITY OF
SACRAMENTO

Fleet staff have prepared specifications for solicitation of bids for low emission trucks for replacement units (three rear-loaders and two side-loaders) for Solid Waste applications. The bid packages will be going out within the next 45 days.

Fleet has taken a proactive approach to meeting the commitments of the joint acquisition policy. One low emission certified GMC truck has been ordered for Tree Services. Three certified ultra low emission Honda Civic sedans have been received and will go into service for Fire inspection. Five zero emission vehicles, Toyota electric RAVs, are scheduled for May 2000 delivery.

On behalf of the City, Fleet has requested \$500,000 in grant funds from Sacramento Metropolitan Air Quality Management District (SMAQMD) for acquisition of alternate fuel infrastructure.

In anticipation of adding more low emission alternate fuel vehicles, the Meadowview Service Center vehicle and equipment repair facility was designed to incorporate the requirements of a service and repair facility for alternate fuel vehicles.

COMMITTEE/COMMISSION ACTION: None

BACKGROUND INFORMATION:

The City and County of Sacramento adopted a Heavy Duty Vehicle Low Emission Vehicle (LEV) Acquisition Policy on October 5, 1999. Included in the policy is a commitment by the agencies to be a community leader in showing how fleets can aggressively incorporate low emission vehicles into fleet operations and overcome training, facility, and operational issues. A minimum replacement percentage was established starting with low emission replacements for 20% of the heavy-duty units replaced in 2001 and increasing to 50% of the heavy-duty units replaced in 2004.

For FY 1999-2000, 18 heavy duty units are scheduled to be replaced. Of these, Fleet plans to replace six (6) units or 33% with low emission vehicles. Other opportunities for air quality improvements in the light duty and off road fleets are to be pursued too.

FINANCIAL CONSIDERATIONS:

No additional funding required. Purchases will be made as a part of the regular systematic vehicle replacement program. The cost of the low emission vehicles range from 10% to 30% more than comparable diesel fueled units. As the number of low emission vehicles increases and the emission requirements of diesel units become stricter, we expect this cost differential to decrease. Fleet staff will pursue avenues to offset the incremental costs associated with low emission vehicles.

ENVIRONMENTAL CONSIDERATIONS:

The goal of the City of Sacramento fleet is to do our fair share to implement the regions air quality plan by reducing oxides of nitrogen (NO_x) emissions from our heavy duty vehicle fleets and to meet the year 2005 standard for ozone in the Sacramento Federal Ozone Non-Attainment Area.

POLICY CONSIDERATIONS:

These actions are consistent with the City /County Heavy Duty Low Emission (LEV) Acquisition Policy approved October 5, 1999.

ESBD CONSIDERATIONS:

No goods or services are being purchased under this report.

Respectfully submitted,



Gene Moore
Maintenance Services Manager

RECOMMENDATION APPROVED:



ROBERT P. THOMAS
City Manager

APPROVED:



Michael Kashiwagi
Director of Public Works

CITY OF SACRAMENTO -- COUNTY OF SACRAMENTO



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October 5, 1999

To: Sacramento County Board of Supervisors
 Mayor, Members of the Sacramento City Council

From: Terry Schutten, County Executive
 Robert P. Thomas, City Manager

Subject: CITY OF SACRAMENTO/COUNTY OF SACRAMENTO HEAVY-DUTY
 LOW-EMISSION VEHICLE (LEV) ACQUISITION POLICY

Recommendation:

It is recommended that the Sacramento County Board of Supervisors and the Sacramento City Council adopt the attached resolutions approving the attached City of Sacramento/County of Sacramento Heavy-Duty Low-Emission Vehicle (LEV) Acquisition Policy.

Background:

On June 10, 1999, the Sacramento Transportation Authority (STA), as part of the project nomination process for the Transportation Equity Act for the 21st Century (TEA-21), considered a Sacramento Air Quality Management District (SMAQMD) funding request for approximately \$8.9 million to be used for heavy-duty low-emission vehicle incentives and infrastructure. That request prompted the City Manager, County Executive, Director of Public Works for the City, and the Administrator of the Public Works Agency for the County to send a joint letter (copy attached as Exhibit A) to STA wherein the City and County staff did not support the funding request at the level proposed by SMAQMD. That letter generally expressed concerns regarding the funding of Enterprise and other non-General Fund activities with general-purpose regional transportation funds. The letter also outlined staff's commitment to partner with SMAQMD to aggressively pursue viable alternative fuel opportunities as we work together to implement strategies to improve air quality in the Sacramento region. STA subsequently approved TEA 21 funding in the amount of \$2.0 million for public agency heavy-duty low-emission vehicles and the fueling infrastructure to support them.

On June 22, 1999, as part of a Fleet Services Operations Workshop (Agenda Item No. 83), the Sacramento County Board of Supervisors indicated a strong interest in increasing the utilization of alternative fuel vehicles within the Sacramento County vehicle fleet. At the conclusion of the Workshop, the Board of Supervisors directed staff to work with the City of Sacramento to develop joint policy recommendations for consideration by the Sacramento City Council and the Board of Supervisors to guide future direction and decisions regarding initiatives that would effect regional air quality improvements.

Discussion:

Subsequent to the September 22, 1999 Board of Supervisors' Workshop, an Alternative Fuels Task Team (the "Team") was formed for the purpose of preparing a proposed City/County Low-Emission Vehicle Acquisition Policy. This Team included representatives from the City's Department of Public Works Maintenance Services Division (Gene Moore and Bob Summersett) and Solid Waste Division (Reina Schwartz), the County's Department of Public Works Administration (Patrick Groff), Fleet Services Division (Thom Rose), Waste Management & Recycling Division (Dick Lockhart), Water Quality Division (Tim Lloyd), Transportation Division (Don Gibson), SMAQMD (Tim Taylor), and the Cleaner Air Partnership (Jude Lamare). The Team met on several occasions and developed the following proposed City of Sacramento/County of Sacramento Heavy-Duty Low-Emission Vehicle Acquisition Policy:

***Proposed
City of Sacramento/County of Sacramento
Heavy-Duty Low-Emission Vehicle (LEV) Acquisition Policy***

Policy Goal

The City and County of Sacramento are committed to doing our fair share to implement the region's air quality plan by reducing oxides of nitrogen (NOx) emissions from our heavy-duty fleet to meet the year 2005 standard for ozone in the Sacramento Federal Ozone Non-attainment Area.

Foundational Statement

We recognize that the region has an air quality problem which is related to vehicle operations, especially the operation of heavy-duty vehicles;

We recognize that public agencies in Sacramento County operate large vehicle fleets which have significant numbers of heavy-duty vehicles;

We recognize that public agencies have a significant role to play in improving air quality by reducing the emissions from their fleet operations, especially their heavy-duty vehicles.

Commitment

Commit to being a community leader by:

- Showing how fleets can aggressively incorporate low-emission vehicles into fleet operations;*
- Showing how fleets can overcome training, facility and operational issues with resolve and commitment.*

Our efforts will focus on the conversion of the on-road, heavy-duty equipment fleets to certified low-emission vehicles as these vehicles are replaced as part of our regular systematic replacement programs.

We are committed to the following replacement schedule for our heavy-duty vehicles with certified low-emission heavy-duty vehicles:

- A minimum of 20% of all replacements in 2001 will be certified low-emission;*
- A minimum of 30% of all replacements in 2002 will be certified low-emission;*
- A minimum of 40% of all replacements in 2003 will be certified low-emission;*
- A minimum of 50% of all replacements in 2004 and thereafter will be certified low-emission.*

We will pursue grant and other sources of funding for the provision of alternative fuel facilities.

We will pursue grant and other funding sources, excluding general-purpose regional transportation funds, in order to fund any incremental increased costs of the low-emission heavy-duty vehicle conversion program.

We will continue to analyze other emission reduction strategies on an on-going basis.

We will continue to consult with the Air District about all types of ways to reduce emissions from on-road and off-road vehicles as well as passenger cars and light duty trucks.

**Performance &
Cost as Issues**

We recognize that both performance and cost are issues and that accommodations will be required to make low-emission vehicles work.

We affirm that these issues will be addressed and managed and not used as roadblocks to the introduction of low-emission vehicles into the fleet.

We recognize that implementation of these policies may result in a need to increase user fees and/or service charges for the operations served by the low-emission vehicles which are incorporated in the fleets.

Cost-effectiveness

The maximum air quality benefit for dollars invested will be through the introduction of heavy-duty low-emission vehicles. While this should not be the exclusive focus, it should be the primary focus.

**Monitoring and
Reporting**

The heavy-duty replacement schedule outlined above will be monitored by staff and periodic progress reports will be presented to the Board of Supervisors and the City Council. These reports will also include a discussion of emerging low emission vehicle issues.

The Air District will quantify and use these emissions benefits towards meeting the region's attainment plan.

The above policy recognizes that the region has an air quality problem which is related to vehicle operations, reflects a significant commitment on the part of the City and County of Sacramento to do our fair share to implement the region's air quality plan, and recognizes that the City and County of Sacramento should play a leadership role in aggressively incorporating low-emission vehicles into our fleet operations. The policy focuses on the conversion of our on-road, heavy-duty equipment fleets to certified low-emission vehicles as these vehicles are replaced as part of our regular systematic replacement programs.

The proposed four year phase-in program recognizes existing issues related to availability of low-emission engines, the need for additional and alternative maintenance equipment and facilities, and the need for additional staff training. It should be noted that the phase-in program represents minimum percentages of replacement vehicles being certified low-emission and that every effort will be made to achieve higher percentages. Alternative strategies to meet the phase-in program were discussed extensively as part of the Team meetings. As examples, every heavy-duty vehicle vendor could be required to submit a low-emission vehicle bid as an alternative or we could request bids for a specific number of low-emission vehicles as part of a separate process. It is

recommended that Fleet Services and the operating divisions be allowed the flexibility to develop the most effective method to achieve the policy requirements. Everyone on the Team agreed that the key to success is to send a very strong message to the heavy-duty vehicle vendors that, as part of our requests for proposals/bids, the City and County are serious in our commitment to acquire a specific number (as a minimum) of low-emission vehicles in order to meet the program phase-in requirements.

The policy recognizes that, at least in the short term, implementation of this Heavy-Duty Low-Emission Vehicle Acquisition Policy may result in increased costs and increased user fees and/or service charges for the operations that utilize the low-emission vehicles. As an example, the County's Waste Management and Recycling Division typically replaces approximately 12 to 15 residential refuse collection vehicles per year. The City typically replaces approximately 6 to 10 refuse collection vehicles per year. Currently, refuse collection vehicles that include alternative fuel engines (CNG/LNG) are estimated to cost approximately \$30 thousand more each as compared to a similarly equipped diesel powered vehicle.

The proposed policy also includes a monitoring and reporting component wherein implementation of the heavy-duty vehicle replacement schedule will be monitored by staff and periodic (no less than annually) progress reports will be presented to the Board of Supervisors and the City Council. These reports will also include a discussion of emerging issues related to low-emission vehicles.

Conclusion:

The Sacramento Board of Supervisors is scheduled to hear this matter on Tuesday, October 5, 1999, at 2:30 P.M. The Sacramento City Council is scheduled to consider this matter on the afternoon of October 5, 1999. It is my understanding that representatives from SMAQMD and the Cleaner Air Partnership intend to address the Board of Supervisors and the City Council on this matter at today's meetings. If the Board of Supervisors and the City Council approves the attached policy, staff will work with SMAQMD and the Cleaner Air Partnership to take the policy to other jurisdictions and agencies for their information and/or approval. This would include, but not be limited to, the Cities of Citrus Heights, Folsom, Isleton, and Galt; SMAQMD; Sacramento Area Council of Governments (SACOG); and STA.

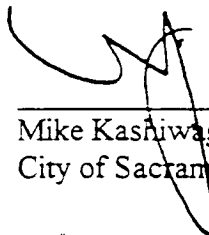
Therefore, it is recommended that the Sacramento County Board of Supervisors and the Sacramento City Council approve the attached resolutions approving the attached City of Sacramento/County of Sacramento Heavy-Duty Low-Emission Vehicle Acquisition Policy.

Respectfully submitted,



Patrick Groff, Director
Public Works Administration
County of Sacramento

Respectfully submitted,



Mike Kashiwagi, Director of Public Works
City of Sacramento

Approval recommended,



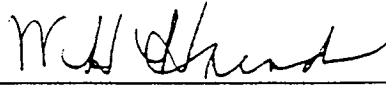
Robert P. Thomas
City Manager

Approval recommended,



Terry Schutten
County Executive

by:



Warren H. Harada, Administrator
Public Works Agency

Cc: Gene Moore, Keith Leech, Bob Summersett, Burt McCollam, Reina Schwartz, Bob Shanks, Cheryl Creson, Don Gibson, Dick Lockhart, Tim Lloyd, Dennis Baldwin, Thom Rose, Mel Knight, Tim Taylor, Jude Lamare, Bill Mueller

PLG:pao

Attachments

Contacts for additional information – Patrick Groff, County Public Works at 874-8132.
Mike Kashiwagi, City Public Works at 264-5312