



DEPARTMENT OF
FINANCE

FINANCE ADMINISTRATION

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May 31, 2005

Law and Legislation Committee
Sacramento, CA

Honorable Members in Session

SUBJECT: Joint Green Contracting Pilot Project

LOCATION AND COUNCIL DISTRICT: Citywide

RECOMMENDATION:

This report recommends that the Committee approve a joint pilot project between the City of Sacramento and the Sacramento Metropolitan Air Quality Management District to evaluate the benefits and impacts of a green contracting policy.

CONTACT: Aaron Chong, Sr. Mgmt Analyst, 808-6762

FOR THE COMMITTEE MEETING OF: June 21, 2005

SUMMARY:

This is a report provides information on a joint pilot project between the City of Sacramento and the Sacramento Metropolitan Air Quality Management District (SMAQMD) to evaluate the benefits and impacts of a green contracting policy. Green contracting would encourage businesses that are awarded City contracts, within certain guidelines, to procure and operate low-emission vehicles and to obtain low emission fleet status for their off-road equipment and heavy duty on-road fleets. Under the pilot project, the City and SMAQMD would work together for a 24 month period to collect data to evaluate the benefits and impacts of implementing such a policy in the City.

BACKGROUND:

In September 2004, staff presented a concept paper on the issue of a Green Contracting Ordinance to the Law and Legislation Committee. Under such an ordinance, businesses that are awarded City contracts, within certain guidelines, are required to procure and operate low-emission vehicles and to obtain low emission fleet status for their off-road equipment and heavy duty on-road fleets.

The Committee directed staff to work with SMAQMD and come back with a pilot which would allow time to evaluate the effectiveness as well as potential impacts of such an ordinance. Currently no data is available from local jurisdictions on the effectiveness, benefits and costs of implementing a green contracting program as no local jurisdiction in the area has yet implemented such a program. As a result, the pilot project proposed by City department representatives and SMAQMD staff would focus on data collection for a 24-month period which would then provide a basis for analysis and decision making.

The guidelines for the proposed pilot project include:

- Collecting data on construction contracts over \$250,000
 - Vehicles and equipment used in construction projects are the largest contributors of mobile sources of ozone emissions
 - Existing SMAQMD audits of construction projects can be incorporated into this effort
- The pilot would be for a 24-month period to allow collection of sufficient data to conduct an evaluation.
- Contractors meeting the construction contract threshold would be required to submit data on their fleet and equipment to the City which would then forward it to SMAQMD.
- SMAQMD will track the data and follow-up with contractors as needed.
- SMAQMD will educate contractors on incentive options open to contractors including conversion grants.
- Following the 24-month pilot project, City and SMAQMD staff would report back to the Law & Legislation Committee with a recommendation on a Green Contracting policy.

If the Law & Legislation Committee approves the proposed joint pilot project, staff will work with SMAQMD on the administrative details with implementation in January 2006.

FINANCIAL CONSIDERATIONS:

Staff anticipates that based on the proposed pilot guidelines, existing resources and staff will be utilized and no additional costs will be needed during the 24 month pilot project period.

POLICY CONSIDERATIONS:

The proposed pilot project is consistent with the City Council's direction regarding the City's commitment to improving regional air quality through the reduction of vehicle emissions in the Sacramento region.

ESBD CONSIDERATIONS:

No goods or services are being purchased under this report. The proposed pilot project is consistent with the City's current Emerging and Small Business Development (ESBD) policy.

Respectfully submitted:



Aaron Chong
Senior Management Analyst

RECOMMENDATION APPROVED:



KEN NISHIMOTO
Assistant City Manager