



County of El Dorado

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Legislation Text

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Department of Transportation recommending the Board approve the Sacramento Area Council of Governments and Sacramento Metropolitan Air Quality Management District Sacramento Emergency Clean Air Transportation Program Agreement VET 08-0048, revised and dated 1/9/09, to provide funding for replacement of a 1990 Peterbilt heavy equipment hauler.

FUNDING: Grant funding/Road Fund.

BUDGET SUMMARY:		
Total Estimated Cost		\$114,580.54
FUNDING		
Budgeted	\$114,580.54	
New Funding	\$	
Savings	\$	
Other	\$	
Total Funding Available	\$114,580.54	
Change to Net County Cost		\$-0-

Fiscal Impact/Change to Net County Cost: The total cost to replace the 1990 Peterbilt is \$114,580.54. The grant from the Sacramento Area Council of Governments (SACOG) and the Sacramento Metropolitan Air Quality Management District (SMAQMD) through the Sacramento Emergency Clean Air Transportation Program (SECAT Program) will provide funding in the amount of \$50,358. The balance of funding totaling \$64,222.54 will be provided by the Road Fund.

Background: The Air Resources Board (ARB) enacted a measure in June of 2005 which requires all on-road diesel fueled vehicles owned and operated by public agencies and utilities to be re-powered, retrofitted or replaced in order to reduce emissions. The implementation period for the ARB ruling is six years beginning in 2006 and ending in 2012. The Department of Transportation has been successful in obtaining grants funds to partially offset the cost of installing particulate filters, replacing engines, and replacing equipment and is in the process of implementing these projects in order to meet compliance deadlines.

The state legislature established the Sacramento Emergency Air Quality and Transportation Program (SECAT) to help air districts comply with the ARB standards. The SECAT Program is administered by SACOG in cooperation with SMAQMD. The objective of the Program is to facilitate replacement of pre-1991 heavy-duty vehicles with vehicles using newer, lower emission technology. The 1990 Peterbilt operated by the Department of Transportation qualifies for replacement funding under the

Program.

Reason for Recommendation: The Board of Supervisors approved an earlier version of Agreement VET 08-0048, dated 10/1/08, on December 16, 2008, Item 32. The Agreement was signed by the Director of Transportation on December 16, 2008, as permitted under Resolution 273-2008, and sent to the Sacramento Metropolitan Air Quality Management District for final execution. The Department received notice from SMAQMD that changes had been made to their standard form Agreement while VET 08-0048 was under review and approval with El Dorado County and that Agreement VET 08-0048, dated 10/1/08, could not be signed by the Air Pollution Control Officer. On January 16, 2009, a revised version of Agreement VET 08-0048, dated 1/9/09, was received from SMAQMD and submitted to County Counsel for review.

County Counsel has reviewed the revised Agreement VET 08-0048 and without approving or disapproving the Agreement has advised the Department to return to the Board of Supervisors for direction regarding a termination provision (Section 3.11.3) that was added to the Agreement. The provision would allow the grantor to terminate the agreement upon 10 working days' notice and withdraw the grant funding even after the County had purchased the low bed truck hauler. If that were to occur, the Department would either have to fund the entire purchase price of \$114,580.54 (rather than just the matching funds of \$64,222.54), cancel the purchase or return the equipment to the vendor.

The County has the ability to cancel the purchase or return the equipment to the vendor under the following circumstances:

The Termination provision of the Standard Terms and Conditions incorporated in the County's Purchase Order allows the County to terminate the Purchase Order with 7 calendar days written notice to the vendor. The provision states that the vendor shall only be entitled to payment for goods that have been delivered and accepted by the County. If the funding agency withdraws funding prior to delivery of the equipment, the Purchase Order may be terminated in accordance with this provision.

If the grantor terminated the grant agreement within 30 days after the County had accepted delivery of the equipment, the Invitation to Bid signed by the vendor states that the County reserves the right to return the product within 30 days of receipt for a refund without shipping or restocking fee.

The 1990 Peterbilt will have to be retrofitted with diesel particulate filters or replaced by 2012 in order to comply with ARB on-road diesel vehicle regulations. The County will be required to spend at least \$50,000 before 2012 to place retrofit devices on the 1990 Peterbilt. If the grant funding is received, the cost to the County for a new piece of equipment would be just \$14,222.54 more than the cost to retrofit the old equipment, or \$64,222.54. If the grant funding is not received and the County purchases the new equipment, the cost for a new piece of equipment would be \$64,580.54 more than the cost to retrofit the old equipment, or \$114,580.54.

Action to be taken following Board approval: The Interim Director of Transportation will sign three originals of the SECAT Program Agreement, submit them for full execution by the granting agency and return a fully executed original to the Board of Supervisors office.

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