

**CITY OF OAKLAND**  
**AGENDA REPORT**

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

2004 JUL -1 PM 1:59

TO: Office of the City Administrator  
ATTN: Deborah Edgerly  
FROM: Public Works Agency  
DATE: July 13, 2004

**RE: RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO APPLY FOR, ACCEPT AND APPROPRIATE \$106,500 IN GRANT FUNDS TO OFFSET THE INCREMENTAL COST OF ACQUIRING ONE GARBAGE PACKER TRUCK AND ONE STREET SWEEPER POWERED BY COMPRESSED NATURAL GAS INSTEAD OF DIESEL FUEL AND TO ENTER INTO A FUNDING AGREEMENT WITH THE BAY AREA AIR QUALITY MANAGEMENT DISTRICT IF THE APPLICATION IS APPROVED BY THE BAY AREA AIR QUALITY MANAGEMENT DISTRICT BOARD OF DIRECTORS**

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**SUMMARY**

A resolution has been prepared authorizing the City Administrator to enter into an agreement with the Bay Area Air Quality Management District (BAAQMD) to apply for, accept and appropriate grant funds to advance the use of cleaner-burning compressed natural gas (CNG) instead of diesel fuel in one garbage packer and one street sweeper. The new CNG-powered vehicles will replace diesel-powered vehicles scheduled for replacement in the FY 2001-03 budget. Oakland is requesting approximately \$106,500 to offset the incremental cost of purchasing CNG-fueled engines over diesel-powered engines.

Acceptance of these grant funds and implementation of a low-emissions vehicle project using heavy equipment will support the Council's Goal #2 to develop a sustainable City by implementing a program that protects and conserves natural resources. Specifically, replacement of diesel-powered heavy equipment with cleaner burning CNG will positively affect air quality by reducing greenhouse gas emissions.

Staff recommends approval of the resolution.

**FISCAL IMPACTS**

Approval of this resolution will authorize the City Administrator to apply for, and if received, accept and appropriate a one-time grant of approximately \$106,500 from BAAQMD to offset the cost difference of acquiring CNG-powered equipment versus the equivalent diesel-powered version, and to cover the lost revenue that would have been realized from the auction of the replaced diesel-powered vehicles.

The terms of BAAQMD's grant agreement require that for each clean-air vehicle acquired with grant funds an equivalent-sized diesel engine from the City's fleet be destroyed. The BAAQMD grant will cover the cost differential of implementing a zero- or low-emissions vehicle project and will compensate for the lost revenue from the salvage value of the destroyed diesel-powered engines. Staff estimates that the cost to implement such a project using a CNG-powered garbage packer truck and street sweeper is approximately \$106,500.

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As the clean-air vehicles will replace vehicles scheduled for normal replacement and approved in the FY 2001-03 Equipment Replacement Budget, this will not increase maintenance and operating costs.

### **BACKGROUND**

On June 3, 2003, Council approved Resolution No. 77842 C.M.S. that established "green fleet" policies for the City's fleet. Council resolved that the City would "purchase vehicles powered by alternative fuel sources for its non-emergency automotive fleet whenever possible without exceeding the amount budgeted for vehicle acquisitions; and...that the City of Oakland will continue to actively pursue federal, state, and other incentive programs related to clean air and energy efficiency."

Oakland is a leader in the use and advancement of alternative fueled vehicles. The City currently uses more than 238 alternative fueled vehicles. In 1994, Oakland was designated a U.S. Department of Energy "Clean City". As a Clean City, Oakland has been a leader in applying for grants and coordinating opportunities for the acquisition of alternative fuel vehicles with other public agencies and private companies in the East Bay.

The BAAQMD, under the authority of the State Health and Safety Code, levies a surcharge on vehicle registrations. These funds are used to implement projects and programs to reduce air pollution from motor vehicles. Annually, BAAQMD accepts grant applications from public agencies desiring to reduce air pollution.

### **KEY ISSUES AND IMPACTS**

The requested grant is from BAAQMD's Regional Fund, which is a part of the Transportation Fund for Clean Air (TFCA) grant program. Approximately \$10 million dollars is available for allocation in FY 04/05.

The vehicles scheduled for replacement in this program were chosen because they each have accrued excessive miles or hours, have reached the end of their economic service life, are overdue for replacement by at least three years, and are in marginal mechanical condition based on a comprehensive evaluation.

Application for, acceptance and appropriation of this grant would continue to demonstrate Oakland's commitment to reducing greenhouse gas emissions and improving the quality of life for its citizens.

### **SUSTAINABLE OPPORTUNITIES**

#### Economic:

Several studies have demonstrated that improving air quality has a positive effect on property values. Furthermore, decreasing vehicle emissions will improve public health, which will also have a positive effect on the economy. The proposed acquisition will also decrease the City's dependence on foreign oil, which will ultimately reduce the City's fuel expenditures.

Environmental:

Purchase of these clean fuel vehicles will reduce emissions of hazardous compounds that have been linked to increased rates of cancer and asthma. The purchase will also decrease greenhouse gases, which most scientists agree are a major contributor to global warming.

Social Equity:

The areas most affected by vehicle emissions are neighborhoods close to freeways, and major transportation routes—areas that also tend to be lower-income. This acquisition advances social equity by decreasing vehicle emissions in disadvantaged areas.

**DISABILITY AND SENIOR CITIZEN ACCESS**

This purchase does not have any impact on the Americans with Disabilities Act, the Older Americans Act, and other applicable laws.

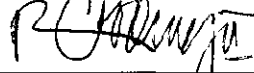
**RECOMMENDATIONS AND RATIONALE**

By approving this resolution, Council will ensure that the City of Oakland continues to reduce its greenhouse gas emissions, increase the fleet's fuel efficiency, and improve local air quality. The Council will also be exercising its power in the marketplace by ensuring that purchases and expenditures using public monies are made in a manner consistent with the desire to reduce greenhouse gases and improve air quality. The City will also be providing a positive example to citizens about using environmentally sound and sustainable technologies and practices.

**ACTION REQUESTED OF THE COUNCIL**

Staff recommends approval of this resolution.

Respectfully submitted,



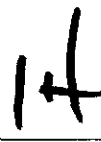
**RAUL GODINEZ II, P.E.**  
Director, Public Works Agency

Reviewed by:  
Brooke A. Levin, Interim Assistant Director  
Maintenance Services Department, Public Works Agency

Prepared by:  
Bruce Saunders, Equipment Services Manager  
Public Works Agency

APPROVED AND FORWARDED TO THE  
PUBLIC WORKS COMMITTEE:

  
**OFFICE OF THE CITY ADMINISTRATOR**

Item #:   
Public Works Committee  
07/13/04

OAKLAND CITY COUNCIL  
RESOLUTION No. \_\_\_\_\_

FILED  
OFFICE OF THE CITY CLERK  
C.M.S. *[Signature]*

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RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO APPLY FOR, ACCEPT AND APPROPRIATE \$106,500 IN GRANT FUNDS TO OFFSET THE INCREMENTAL COST OF ACQUIRING ONE GARBAGE PACKER TRUCK AND ONE STREET SWEEPER POWERED BY COMPRESSED NATURAL GAS INSTEAD OF DIESEL FUEL AND TO ENTER INTO A FUNDING AGREEMENT WITH THE BAY AREA AIR QUALITY MANAGEMENT DISTRICT IF THE APPLICATION IS APPROVED BY THE BAY AREA AIR QUALITY MANANAGEMENT DISTRICT BOARD OF DIRECTORS

WHEREAS, the Bay Area Air Quality Management District is authorized under Health and Safety Code to levy a fee on motor vehicles to fund the implementation of programs and projects to reduce air pollution from motor vehicles; and

WHEREAS, grant funds for such programs and projects are limited to allocation among public agencies within the Bay Area Air Quality Management District's jurisdiction; and

WHEREAS, the City of Oakland is a supporter of clean air and wishes to take action to enhance air quality in Oakland and the entire Bay Area; and

WHEREAS, the City of Oakland intends to submit a funding application to the Bay Area Air Quality Management District for the acquisition of one garbage packer truck and one street sweeper powered by compressed natural gas instead of diesel fuel; now, therefore, be it

1. RESOLVED: That the City Administrator or her designee is authorized to apply for, accept and appropriate \$106,500 in grant funds from the Bay Area Air Quality Management District; and be it

FURTHER RESOLVED: That the City Administrator or her designee is authorized to execute a funding agreement with the Bay Area Air Quality Management District for the purposes of acquiring one garbage packer truck and one street sweeper powered by compressed natural gas instead of diesel fuel if said application is approved by the Bay Area Air Quality Management District Board of Directors.

FURTHER RESOLVED: That a copy of the agreement will be on file in the City Clerk's Office and will be approved for form and legality by the Office of the City Attorney.

IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_, 2004

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, BRUNNER, CHANG, NADEL, QUAN, REID, WAN AND  
PRESIDENT DE LA FUENTE

NOES-

ABSENT-

ABSTENTION-

ATTEST: \_\_\_\_\_

*[Signature]*  
CEDA FLOYD PUBLIC WORKS CMTE  
City Clerk and Clerk of the Council JUL 13 2004  
of the City of Oakland, California