Board Agenda Item

TO: Air Pollution Control District Board
FROM: Dave Van Mullem, Air Pollution Control Officer
CONTACT: Jim Fredrickson (961-8892)
SUBJECT: Old Car Buy Back Program

RECOMMENDATION:

1. Approve a five year professional services contract with Steelhead Recyclers (Goleta), for a not to exceed amount of $1,250,000, for the purpose of scrapping approximately 1,000 vehicles for the Old Car Buy Back Program.

2. Approve a five year professional services contract with Perry’s Auto Wrecking & Salvage (Lompoc), for a not to exceed amount of $750,000, for the purpose of scrapping approximately 600 vehicles for the Old Car Buy Back Program.

3. Approve a five year professional services contract with Black Road Auto & Tow (Santa Maria), for a not to exceed amount of $750,000, for the purpose of scrapping approximately 600 vehicles for the Old Car Buy Back Program.

DISCUSSION:

The Santa Barbara Air Pollution Control District (District) has successfully implemented several Old Car Buy Back programs since the early 1990’s. There has been remarkable community interest in our most recent program which commenced in May 2006. The District has retired 1,905 vehicles, resulting in the reduction of over 66 tons of the ozone precursor’s nitrogen oxides and reactive organic compounds, at an average cost-effectiveness of $11,177 per ton. The Old Car Buy Back program suspended operation in February 2011 due to the lapse of Board-approved spending authority, however, $500,000 of program expenditures are now authorized under the District’s approved FY 11/12 budget. Although suspended for about nine months, the District has received continuous interest from the community regarding the Old Car Buy Back program.

Subsequent to February 2011, an evaluation by staff determined that the Old Car Buy Back Program could be operated more efficiently and for less expense in the future if the contractor the District used to administer-the Old Car Buy Back Program (Environmental Engineering Studies) was eliminated. The work performed by the contractor included: (1) pre-qualifying
vehicles for eligibility, (2) responding to public inquiries, (3) ensuring the vehicles are inspected and crushed and (4) ensuring that the vehicle dismantlers have the proper paperwork. It was determined that a redundancy of effort occurred in the role of the contractor and the local vehicle dismantlers. By contracting directly with the local dismantler we anticipate a 20% cost savings. In addition, the District will have improved oversight of the program operation, more effective communication with the dismantler, and a streamlined vehicle qualification process.

At the March 17, 2011 Board meeting, your Board approved authorization for the Air Pollution Control Officer to terminate the contract with Environmental Engineering Studies. On March 23, 2011, the Air Pollution Control Officer sent a letter of termination to Environmental Engineering Studies.

Starting in June, the District staff solicited input from three local dismantlers to verify their capability to operate the entire program. These dismantlers are Steelhead Recyclers in Goleta, Perry’s Auto Wrecking & Salvage in Lompoc and Black Road Auto & Tow in Santa Maria. District staff has held numerous meetings with each dismantler, inspected their facilities to ensure their ability to properly implement the program, and are confident in their competency to perform this new role. Staff is requesting that your Board approve the attached contracts with Steelhead Recyclers, Perry’s Auto Wrecking & Salvage and Black Road Auto & Tow to operate the Old Car Buy Back Program.

The contracts with these three dismantlers have a five year period of performance and are in amounts ranging from $750,000 to $1,250,000. To control the expenditures of these funds over the five years, Paragraph 29 (“Spending Authorization”) of each contract requires a Spending Authorization letter from the Air Pollution Control Officer which specifies the time period and the amount of contract funding that a dismantler may expend during specified time period. Once the time period of the written authorization expires, the dismantler cannot spend any additional funds until a new Spending Authorization is provided by the District. The District will ensure total expenditures are within Board authorized spending limits for the Old Car Buy Back program in the District budget.

The Air Pollution Control Officer will provide periodic reports on the Old Car Buy Back Program as requested by the Board.

FISCAL IMPACT

Funding and appropriations for this program have been accounted for in the District’s FY11/12 budget and come principally from Department of Motor Vehicle surcharge fees and when available, from Carl Moyer funds. We expect that future funding from Department of Motor Vehicle surcharge fees will be able to keep up with program demand.

ATTACHMENT 1: Professional Services Contract between the Santa Barbara County Air Pollution Control District and Steelhead Recyclers (Goleta)

ATTACHMENT 2: Professional Services Contract between the Santa Barbara County Air Pollution Control District and Perry’s Auto Wrecking & Salvage (Lompoc)

ATTACHMENT 3: Professional Services Contract between the Santa Barbara County Air Pollution Control District and Black Road Auto & Tow (Santa Maria)