

Agenda Date: October 20, 2016
Agenda Placement: Admin
Estimated Time: N/A
Continued Item: No

Board Agenda Item

TO: Air Pollution Control District Board

FROM: Aeron Arlin Genet, Air Pollution Control Officer

CONTACT: Jim Fredrickson, Air Quality Specialist (805-961-8892)

SUBJECT: Old Car Buy Back Program Professional Services Contract Amendments

RECOMMENDATION:

Approve amendments to professional services contracts with Steelhead Recyclers of Goleta (Attachment A), Perry's Auto Wrecking & Salvage of Lompoc (Attachment B), and Black Road Auto & Tow of Santa Maria (Attachment C) to assist in the implementation of the Old Car Buy Back program. Contract amendments include the following changes:

- 1) Extend the time of performance for an additional five years;
- 2) Increase the spending authority; and
- 3) Update the program requirements to reflect current State of California requirements.

BACKGROUND:

Over the past 23 years, the District has used \$6.4M of grant funds, primarily from DMV surcharge fees, along with Notice of Violation fees and local air quality mitigation fees, to implement three separate light-duty vehicle-scrapping programs. These three scrap programs have cost-effectively retired and repaired over 6,200 vehicles and reduced an estimated 840 tons of emissions. Table 1 provides a summary of the three scrap programs.

Table 1

Old Car Buy Back Programs	Funding	Cars Retired	Cars Repaired	Emission Reductions (tons)	Cost-Effectiveness (\$/ton)
1993-1996 ¹	\$930,000	1,214	43	231	\$4,025
1999-2002 ²	\$410,000	497	0	112	\$3,660
2006-Present ³	\$5,100,000	4,454	0	497	\$10,234

DISCUSSION:

In 2011, the District updated the Old Car Buy Back program to offer \$1,000 to people who voluntarily retire their model year 1993 and older vehicles. The District signed five-year contracts with Steelhead Recyclers in Goleta, Perry’s Auto Wrecking and Salvage in Lompoc, and Black Road Auto and Tow in Santa Maria. These three dismantlers operate the Old Car Buy Back Program on a daily basis by implementing five critical steps in the process:

- 1) Interface with the vehicle owner;
- 2) Determine vehicle eligibility by verifying registration history, smog check status, and title;
- 3) Inspect the functionality of the vehicle;
- 4) Pay the vehicle owner; and
- 5) Submit all documentation to the District.

The Old Car Buy Back program provides broad community benefit and is an effective partnership between the District and the three dismantlers. The contracts with all three of the regional dismantlers expire on October 20, 2016 and the District is seeking Board approval to amend the dismantler contracts with additional time and funds to continue implementing the program.

The contract amendments are included as Attachments A, B, and C to this letter, and include the following changes:

- *Extend the time of performance for an additional five years*

All three dismantlers have worked with District staff over the last five years to successfully implement the program, comply with regulatory requirements, and provide Santa Barbara County residents with an incentive to clean the air by retiring their older, more polluting

¹ The program was called the “Old Vehicle Cleanup Partnership”

1993-1996: Model Year (MY)1981 or older;

- \$740/car to retire: Vehicle owner-\$500; Contractor-\$190; Dismantler-\$50
- \$675/car to repair: Vehicle owner-\$450; Contractor-\$190; Inspection Station-\$35

² 1999-2002: MY1984 or older; \$820/car to retire: Vehicle owner-\$500; Contractor-\$195; Dismantler-\$125

³ 2006-2008: MY1988 or older; \$1,000/car to retire: Vehicle owner-\$800; Contractor-\$150; Dismantler-\$50

2008-2010: MY1992 or older; \$1,000/car to retire: Vehicle owner-\$800; Contractor-\$150; Dismantler-\$50

2010-2011: MY1992 or older; \$1,250/car to retire: Vehicle owner-\$1,000; Contractor-\$175; Dismantler-\$75

2011-Present: MY1993 or older; \$1,200/car to retire: Vehicle owner-\$1,000; Dismantler-\$200

vehicles. Having dismantlers in three different locations in the county makes the program more accessible and convenient for consumers.

➤ ***Increase the spending authority***

The spending authority includes both the cost to pay consumers (\$1,000 per car), plus the cost to pay the contractor for services rendered (\$200 per car). The original spending authority amounts for the three dismantlers were approved by your Board in 2011 (Attachments D, E and F), and the spending authority for two of them were increased by your Board (in 2013 and 2015) because more cars were turned in at those locations than was originally anticipated. Currently, most of the spending authority for all three of the contractors has been expended. The contract amendments include increases in spending authority to the following amounts:

- Steelhead Recyclers of Goleta: \$1,250,000
- Perry's Auto Wrecking & Salvage of Lompoc: \$1,000,000
- Black Road Auto & Tow of Santa Maria: \$1,250,000

➤ ***Update the program requirements to reflect current State of California requirements***

The Old Car Buy Back program follows the State of California's Voluntary Accelerated Vehicle Retirement (VAVR) Program. Modifications to the program have been made by the California Air Resources Board that include more streamlined provisions for inspecting and qualifying the car, provisions for recycling of materials, and other changes. The amendments address these changes to the VAVR program in an updated Program Requirements section of the professional services contracts.

The District has \$500,000 in DMV surcharge fees budgeted for the Old Car Buy Back Program in Fiscal Year 2016-17.

ATTACHMENTS:

- A. Amendment to Professional Services Contract AP111204: Steelhead Recyclers
- B. Amendment to Professional Services Contract AP111205: Perry's Auto Wrecking & Salvage
- C. Amendment to Professional Services Contract AP111206: Black Road Auto & Tow
- D. October 2011 Professional Services Contract AP111204: Steelhead Recyclers
- E. October 2011 Professional Services Contract AP111205: Perry's Auto Wrecking & Salvage
- F. October 2011 Professional Services Contract AP111206: Black Road Auto & Tow