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Board Agenda Item

TO: Air Pollution Control District Board

FROM: Terry Dressler, Air Pollution Control Officer

CONTACT: Ron Tan, Planning and Technology Supervisor (961-8812)

SUBJECT: Old Car Buyback Program

RECOMMENDATION:

1. Receive the attached implementation plan for restarting the APCD Old Car Buyback Program.
2. Execute the attached Grant Agreement with Environmental Engineering Studies, Inc. in the amount of \$150,000 to implement the Old Car Buyback Program.

SUMMARY:

The Santa Barbara Air Pollution Control District (APCD) has successfully implemented several Old Car Buyback programs since the early 1990's and wishes to restart this program. The proposed program will pay vehicle owners \$800 to voluntarily retire their older (Model year 1988 or older), high-polluting light-duty vehicles within the county. The attached program implementation plan has been reviewed and approved by the California Air Resources Board and the execution of the attached grant agreement would allow the program to begin by selecting Environmental Engineering Studies, Inc. as the program manager.

DISCUSSION:

The goal of an Old Car Buyback program, also known as a Voluntary Accelerated Vehicle Retirement (VAVR) program, is to retire older, higher polluting vehicles prior to the end of their expected lifetime, thereby eliminating air pollution emissions associated with their operation. Real emission reductions can be achieved from this strictly voluntary program as the target vehicles are still fully operational and have some useful life remaining. Vehicles meeting the eligibility

requirements of the program must be retired by dismantling the vehicle to such a degree that the vehicle and its parts are rendered unusable.

An Old Car Buyback program was in place in Santa Barbara County from 1993 to 1996 and successfully purchased over 1,200 vehicles. The program paid \$500 for each pre-1981 automobile retired. This program, funded for \$930,000 and administered by Parsons Engineering Science Inc. under contract to the SBCAPCD was highly successful providing emission reductions at approximately \$5,000 per ton (NO_x and ROG). Additionally, Parsons was originally selected by the SBCAPCD Board in 1996 to operate a Motor Vehicle Surcharge funded old car buyback program, which was not implemented due to budgetary considerations.

On February 18, 1999 your Board approved another contract with Parsons to implement the APCD Old Car Buyback Program. This program proposed by the SBCAPCD was patterned after the initial program, except it limited the eligible vehicle model year to 1973 and older light duty vehicles that are were exempt from the Smog Check Program. Vehicle owners, after satisfying certain administrative requirements, voluntarily sold their vehicle to the APCD and were paid \$500 for each vehicle. A professional automobile dismantler then crushed the purchased vehicles.

On January 18, 2001 your Board approved a Grant Agreement with AMEC Earth and Environmental, Inc. ("AMEC") in an amount up to \$250,000 to continue implementing the Old Car Buyback Program. This program was an integral part of Santa Barbara County's overall strategy to attain and maintain the federal one-hour ozone standard, generated a vigorous public response and was successful. From the program inception in May 1999 until the end of August 2001, the APCD has purchased and permanently dismantled over 350 vehicles. The cost- effectiveness of this portion of the program was about \$4,500 per ton of NO_x + ROG.

AMEC was originally awarded the Grant Agreement in 2001 because their project manager, Mr. Antoine Assioun, has successfully managed the current buyback program since 1999, as well as the SBCAPCD's earlier vehicle buyback program from 1993-1996. However, due to downsizing, Mr. Assioun was no longer employed by AMEC and his duties were transferred to another project manager. Mr. Assioun then started his own consulting firm, Environmental Engineering Studies, Inc. (EES). Based on our previous experience with Mr. Assioun and his extensive knowledge of the program the AMEC grant was transferred to EES.

The program implementation plan attached as Attachment 1 has been reviewed and approved by the California Air Resources Board (ARB) and builds off of the previous local programs and meets the state guidelines for the VAVR program and the ARB Carl Moyer Memorial Air Quality Program. A request for proposals (RFP) was sent to eight potential contractors on January 18, 2006 to solicit bids to implement the proposed Old Car Buyback program in Santa Barbara County. The contractor selected from this RFP process was Environmental Engineering Studies, Inc. (EES). Based on their extensive knowledge of this program in Santa Barbara County and other areas of California we recommend that your Board execute the Grant Agreement with EES (Attachment 2) so that the Old Car Buyback Program can begin retiring older, high-polluting light-duty vehicles.

FISCAL IMPACT

The initial program allocation will be in the amount of \$150,000 and, like the 2001 program, will provide the Air Pollution Control Officer the authority to increase this amount by authorizing an additional \$100,000 to maintain the program should there be a continuing demand. This funding will be obligated to the Contractor in the form of a grant agreement (Attachment 2). Funding and appropriations for this program are in the APCD FY05-06 budget and will come from either the Carl Moyer Program or the Department of Motor Vehicle surcharge fees. This funding will provide \$3,500 for initial program start-up, \$800 per qualified 1988 or older model year light-duty vehicle scrapped (to the vehicle owner), \$70 per vehicle for the inspection and dismantling fee and \$150 per vehicle for the program administration fee. This initial funding allocation will be able to retire 168 vehicles in Santa Barbara County.

SPECIAL INSTRUCTIONS:

Clerk of the Board, please return one copy of the fully executed Grant Agreement (Attachment 2) to the contact named above.

ATTACHMENTS:

1. Santa Barbara County Air Pollution Control District 2006 Old Car Buyback Implementation Plan
2. Grant Agreement with Environmental Engineering Studies, Inc.