



Date: July 09, 2012

To: Thomas J. Bonfield, City Manager

Through: Theodore L. Voorhees, Deputy City Manager

From: Joseph W. Clark, Fleet Management Director

Subject: Grant Project Ordinance – EPA Emerging Technologies Diesel Reduction Project

Executive Summary

The City of Durham's Fleet Management Department collaborated with Southern Research Institute (SRI) to install emission-reduction technology on 16 heavy-duty vehicles/equipment within the City's fleet. This partnership was facilitated through the Triangle Clean Cities Coalition. Improving air quality supports the goal of achieving thriving, livable neighborhoods which one of the City's goals of the Strategic Plan.

Prior to the contract starting, the Fleet Management Department failed to have the City Council adopt a Grant Project Ordinance (GPO) authorizing acceptance of the grant. This agenda item is a housekeeping measure to authorize the acceptance and use the funds awarded to the City from SRI.

The City Council could choose not to accept the funds and refund the \$25,000 back to the SRI. The Fleet Management Department has spent \$7,535 of the \$25,000 award on the contract.

Recommendation

The Fleet Management Department recommends that the City Council adopt the Grant Project Ordinance.

Background

Southern Research Institute secured a \$1 million dollar grant through the American Recovery and Reinvestment Act (ARRA) from the U.S. Environmental Protection Agency. The grant was to test emerging diesel emissions reduction technology. SRI collaborated with Engine Control Systems and NETT Technologies, Inc. to evaluate and demonstrate the emission reduction potential of these systems.

In July 2010, the Fleet Management Department entered into a contract with Southern Research Institute. The City was a subcontractor on the contract and SRI installed selective catalytic reductions (SCR) retrofit kits on 16 heavy-duty diesel powered vehicles within the City's fleet. Under the terms of the contract, SRI was to pay the City in the \$25,000. The contract period was April 1, 2010 to March 31, 2011.

During the contract period, in addition to providing the vehicles, the City provided:

- An area in the Fleet Maintenance Facility for the retrofit kit installations and any shop services necessary for the retrofitting the equipment.
- Receiving and storage of the retrofit kits in a safe and secure location
- Technicians for training and installation of the retrofit kits
- Technicians for training on the demonstrations for the proper and safe performance of the control systems
- A storage and dispensing area for urea
- Access for SRI staff to the selected equipment
- Tracking of the equipment
- Reporting on the system, such as hours of use, problems, remedies, and concerns on a monthly basis
- Reporting as required by the American Recovery and Reinvestment Act

At the end of the contract period, the program was considered a success and the City and its partners hosted an event on April 25, 2011 to demonstrate the technology in action.

Issues and Analysis

Prior to the contract starting, the Fleet Management Department failed to have the City Council adopt a Grant Project Ordinance (GPO) authorizing acceptance of the grant. After SRI performed the work, the City received two \$12,500 checks from SRI in August and September of 2011. The funds were initially treated as a revenue and deposited into the general fund. Monies were later transferred into spendable accounts and the department spent \$7,535 on equipment, and \$4,965 was placed in the department's operating budget. The remaining \$12,500 was left in the general fund.

Alternatives

The City Council could choose not to accept the funds and refund the \$25,000 back to the Southern Research Institute.

Financial Impact

The Fleet Management Department has spent \$7,535 of the \$25,000 award on the contract.

SDBE Summary

This item is to adopt a Grant Project Ordinance. It was not reviewed by the Department of Equal Opportunity/Equity Assurance for compliance with the Ordinance to Promote Equal Business Opportunities in City Contracting.

Attachments

Attachment 1: Grant Project Ordinance – EPA Emerging Technologies Diesel Reduction Project

Attachment 2: Subcontract S10-003 between SRI and COD

Attachment 3: Copy of Press Release