

## IMPACT STATEMENT

**Legislation title:** Direct Procurement Services and the Bureau of Planning and Sustainability to develop a program framework and identify the necessary resources to require contractors working on City construction projects to use equipment that controls diesel exhaust to protect public health (Resolution)

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### **Purpose of proposed legislation and background information:**

Everyone deserves to breathe healthy air. However, in the Portland metro area, the air is unhealthy to breathe because of the presence of fine and ultra-fine particulate matter from older dirty diesel engines. Clackamas, Multnomah and Washington counties rank in the top 5 percent of all counties nationwide for ambient diesel particulate concentrations and have the highest exposure rate of all counties in Oregon. In some areas, like near freight corridors, rail yards or construction sites, levels of diesel pollution are over 10 times Oregon health benchmarks. Off-road equipment, primarily construction equipment, are responsible for 65 percent of diesel particulate matter in the Portland area.

According to the Oregon Department of Environmental Quality study, *The Concerns about Diesel Exhaust*, diesel engines are durable, powerful, fuel-efficient, and are widely used in the construction and freight industries. Diesel engines, however, are disproportionate emitters of fine particulate matter. Exposure to diesel engine exhaust can cause cancer; increases the risk of heart attack, stroke and cardiovascular disease, adverse nervous system impacts, exacerbate asthma and can lead to low-weight and preterm births. The levels of diesel pollution in Oregon have significant public health impacts every year, including:

- Up to 460 premature deaths,
- 145 non-fatal heart attacks, and
- 25,910 work loss days.

The monetized value of health impacts in Oregon may exceed \$3 billion annually.

Fortunately, solutions are available. Diesel trucks and heavy equipment built today are up to 99 percent cleaner than earlier models because of Federal regulation. EPA pollution control standards for on-road trucks with engines built after 2007, and off-road, Tier 4 equipment available in the marketplace beginning in 2008, have resulted in very low-emitting engines and are considered “clean.” For existing engines, techniques are available to reduce emissions, including using cleaner fuel and modifying vehicle operations, such as idling reduction. The most cost-effective approach is to install emission control devices, which are typically done as a muffler replacement.

The City of Portland, the Port of Portland, Metro, Multnomah County, and Clackamas County have unofficially formed the Oregon Clean Air Construction Collaborative to work towards a regional strategy to implement these solutions. The partners are evaluating the feasibility of a common set of standards requiring that construction equipment meet certain

diesel-exhaust-control specifications for public contracts. Many jurisdictions across the country have similar methods in place to require cleaner construction equipment on their publicly funded projects. Portland metro regional partners hired a consultant to evaluate 14 of these programs. The goal of this evaluation was to better understand the development and implementation of clean-diesel construction procurement standards and determine best practices. Exhibit A attached to this Resolution outlines the Collaborative's recommendations for policy development.

Public agencies have already taken the lead by prioritizing improved air quality through replacement and retrofits of our own high-polluting diesel equipment. To continue this progress, participating Clean Air Construction Collaborative partners are looking to utilize procurement policy to achieve greater diesel emission reductions on public projects. Additionally, City of Portland and Multnomah County jointly co-funded an air quality feasibility study (Ordinance 188981) to perform an in-depth assessment of various strategies actionable by local government to address Portland metro's air quality issues. The study was completed in July 2018 and a top recommended action was to implement diesel engine specifications for public construction projects.

This resolution directs City bureaus to develop a program framework and identify the necessary resources required to implement clean-diesel construction procurement standards and bring a policy back to City Council by Dec 20, 2018.

**Financial and budgetary impacts:**

There are financial and budgetary impacts associated with implementing a clean diesel construction procurement standard. Construction contractors will likely increase project costs to cover their compliance expenditures and there will be associated City technical assistance and program administrative costs. However, this resolution only directs Procurement Services and Bureau of Planning and Sustainability to develop the framework and identify the necessary financial resources to implement the program and bring a funding proposal and clean air construction standards back to City Council by Dec 20, 2018.

**Community impacts and community involvement:**

The Clean Air Construction Collaborative has completed outreach to some stakeholder groups, including construction project managers, equipment operators, construction firms, industry associations, environmental and neighborhood groups. The Clean Air Construction Collaborative held a large stakeholder meeting on August 22<sup>nd</sup>, to take feedback on the proposed approach.

City Council has heard much from the community about the health impacts of our air quality and there is significant public pressure on government entities to take action to improve local air quality. Community organizations such as Oregon Environmental Council and Neighbors for Clean Air are supportive of Portland taking this approach and will advocate for bold action.

Regulation of diesel emissions on public projects is opposed by the contracting community, although, they acknowledge regulation of diesel emissions will ultimately occur. They advocate for an approach that keeps a level playing field across the region for contractors bidding on jobs, provides a long enough lead time to plan for equipment upgrades and provides financial resources to support small and DMWESB certified firms.

**100% Renewable Goal:**

While this resolution does not directly support the 100% renewable goal, a clean diesel procurement standard, will reduce energy use through the idling requirements. The policy will also create a compliance pathway whereby some contractors may use renewable fuels as an alternative to diesel fuel.

**Budgetary Impact Worksheet****Does this action change appropriations?**

☐ **YES:** Please complete the information below.

☒ **NO:** Skip this section

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount

Wheeler's Amendment

(to be inserted after the first "BE IT FURTHER RESOLVED" clause)

BE IT FURTHER RESOLVED, that the City Council and Mayor direct Procurement Services and the Bureau of Planning and Sustainability to ensure the City is achieving its climate action goals through a clean air construction standard that also creates opportunities for workforce equity and diversity, including through reducing barriers to economic opportunity for minority-owned and women-owned companies.