

IMPACT STATEMENT

Legislation title: Amend the Sustainable Procurement Policy to incorporate the City's Clean Air Construction Standard (Resolution)

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Purpose of proposed legislation and background information:

This proposed resolution will update the City's Sustainable Procurement Policy. This Policy update adds the Clean Air Construction Standard as Attachment 3.

Clean Air Construction Standard Background

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, is 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, increase the risk of heart attack, stroke and cardiovascular disease, cause 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, Clackamas County,

and Washington County have unofficially formed the Oregon Clean Air Construction Collaborative (CACC) to work towards a regional strategy to implement these solutions. The partners are working towards a common set of procurement 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. CACC 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.

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, the City of Portland and Multnomah County 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 amends the City's Sustainable Procurement Policy to include Clean Air Construction Standard (Exhibit A) and directs Procurement Services to submit a funding request for the implementation of the Clean Air Construction program framework in their FY19-20 budget request and develop intergovernmental agreements with participating regional jurisdictions for program administration.

In addition, this resolution directs the Bureau of Planning and Sustainability and Procurement Services to work with regional public jurisdictions to promote additional adoption of the Clean Air Construction Standard and to work with external stakeholders while developing program elements for implementation. This resolution also directs the Bureau of Planning and Sustainability, Portland Housing Bureau, and Procurement Services to further study the financial impacts of such a standard on affordable housing projects and return to Council no later than July 2019. The Bureau of Planning and Sustainability and Procurement Services are also directed to return to Council in October 2019 with a proposal for funding assistance for construction firms working on City projects that are certified by the State of Oregon Certification Office for Business Inclusion and Diversity (COBID).

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 22nd, to take feedback on the proposed approach. The proposed contracting standard was revised based on stakeholder feedback at the September Council hearing on Resolution 37387. In

addition, the City of Portland and Multnomah County solicited public comments over a two-week period in November 2018. We received 138 comments: 59% supported the proposed Clean Air Construction Standard; 39% supported the Standard but called for accelerated and additional action; and 2% opposed the Standard. Based on public feedback received over the last two months we have made substantial revisions to the Clean Air Construction Standard including: lowering the horsepower threshold to 25hp, reducing the phase-in schedule by one year, and limiting the use of diesel oxidation catalysts as a compliance method.

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, Neighbors for Clean Air, and Portland Neighbors for Diesel Action are supportive of Portland taking leadership on this issue, although they strongly advocate for an accelerated timeline for implementation.

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 COBID certified firms.

The proposed construction standard balances the concerns raised by stakeholders by lowering the equipment horsepower threshold to 25hp to include more equipment, while phasing in the standards over 7 years to allow the contracting community to plan ahead for investments and spread out costs. In addition, the proposed standard includes extended compliance timelines and flexibility for COBID certified firms.

100% Renewable Goal:

While this resolution does not directly support the 100% renewable goal, the proposed Clean Air Construction Standard will reduce energy use through the idling requirements. The Standard will also create a compliance pathway whereby some contractors may use renewable fuels or electricity 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

37403

Impact Statement for Requested Council Action

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