Ordinance amending the Administrative Code to add Section 6.25 to require City Contractors to adopt clean construction practices including biodiesel fuel and emissions controls within one year eighteen months two years; amending the Administrative Code to add Section 6.67 to allow City departments that are authorized to award public works contracts to compare bids on the basis of clean construction practices; and amending the Environment Code to add Section 411 to authorize the Department of the Environment to assist local businesses with off-road construction equipment in applying for funding to retrofit or replace such equipment and to require annual reporting, and making findings, including environmental findings.

Be it ordained by the People of the City and County of San Francisco:

Section 1. Findings.

(a) Air pollution is one of the major public health threats in San Francisco and contributes to asthma and other respiratory diseases.

(b) Diesel engine emissions from off-road heavy-duty vehicles include fine particulate matter that can be breathed deeply into the lungs and enter into a person's blood system. The State Air Resources Board classifies diesel particulate emissions as a toxic air contaminant and estimates that these emissions account for 70 percent of the cancer risks associated with airborne toxins.
(c) The City and County of San Francisco has an interest in the protection of public health and the reduction of exposure to diesel emissions generated at publicly funded construction sites.

(d) The City and County of San Francisco can reduce the exposure to diesel emissions from off-road diesel equipment by requiring City contractors undertaking public works projects near schools, hospitals, residential care facilities and similar sensitive areas to utilize off-road diesel equipment with lower emissions.

(e) The City and County of San Francisco can further reduce the exposure to diesel emissions from off-road diesel equipment by creating a bidding incentive for City Contractors to utilize the cleanest possible off-road diesel equipment on public works contracts.

(f) The City and County of San Francisco can reduce the exposure to diesel emissions from off-road diesel vehicle fleets by seeking funding to retro-fit City owned equipment and other off-road diesel equipment operated in the City from existing incentive programs such as the Carl Moyer Air Quality Standards Attainment Program.

(g) Biodiesel is an available energy source that can be substituted in many diesel engines for conventional diesel fuel. Biodiesel can reduce petroleum consumption, and significantly reduce emissions of particulate matter, carbon monoxide, hydrocarbons, carbon dioxide ("greenhouse gas") and toxic air pollutants.

(h) The California Air Resources Board is expected to adopt a regulation in 2007 requiring construction equipment owners to begin cleaning up their fleets starting in 2009.

(i) A study of construction sites by the Northeast States for Coordinated Air Use Management found that workers and nearby residents were exposed to levels of fine particulate matter up to 16 times higher than average.
According to the Air Resources Board emission inventory, construction equipment is the largest source of diesel soot in the San Francisco Bay Area, accounting for 40 percent of diesel particulate emissions.

San Francisco Bay Area is second only to Los Angeles in the health impacts from diesel pollution. Over 500 premature deaths, 400 hospital admissions and more than 300 emergency room visits for asthma were attributable to diesel pollution in 2005 according to the Union of Concerned Scientists.

A recent analysis of air toxics by the Bay Area Air Quality Management District found that 80% of the air toxic cancer risk is from diesel particulate pollution. Eastern San Francisco ranked among the highest areas for diesel emissions in the entire bay area.

Under this Ordinance, the City and County of San Francisco wishes to exercise its power to make economic decisions involving its own funds as a participant in the marketplace and to conduct its own business as a municipal corporation to ensure that purchases and expenditures of public monies are made in a manner consistent with clean construction practices.

Nothing in this Ordinance shall be interpreted or applied so as to create any power or duty in conflict with any federal or state law.

Section 2. The San Francisco Administrative Code is hereby amended by adding Section 6.25 to read as follows:

SEC. 6.25. CLEAN CONSTRUCTION.

(a) Definitions:

(1) "Biodiesel" means a fuel comprised of mono-alkyl esters of long chain fatty acids derived from vegetable oils or animal fats, designated B100 or "neat biodiesel", and meeting the requirements of ASTM D 6751. B20 is a mixture of 20% biodiesel and 80% petroleum.
(2) "City" means the City and County of San Francisco.

(3) "Clean Construction" means performing all work required to be performed under a public works contract (1) utilizing only off-road equipment and off-road engines fueled by biodiesel fuel grade B20 or higher and (2) utilizing only high use equipment that either (a) meets or exceed Tier 2 standards for off-road engines or (b) operates with the most effective verified diesel emission control strategy.

(4) "Director" means the Director of the Department of the Environment, or his or her designee.

(5) "High Use Vehicles" means off-road vehicles or off-road engines used an aggregate of 20 or more hours during any portion of the project.

(6) "Major construction project" means a public work to be performed within the geographic limits of the City that is estimated to require twenty (20) or more cumulative days of work to complete.

(7) "Most effective verified diesel emission control strategy" means a device, system or strategy that is verified pursuant to Division 3 Chapter 14 of Title 13 of the California Code of Regulations to achieve the highest level of pollution control from an off-road vehicle.

(8) "Off-road engine" means a diesel internal combustion engine (including the fuel system) including without limitation, internal combustion engines used to power excavators, backhoes, bulldozers or similar equipment used in any project subject to this Chapter. "Off-road engine" does not include portable engines or stationary engines (engines that remain at one location for more than 12 months).

(9) "Off-road vehicle" means a vehicle that is propelled by an off-road engine of twenty-five horsepower or greater, including, without limitation, excavators, backhoes, bulldozers and similar equipment used in any project subject to this Chapter. "Off-road vehicle" does not include a
horticultural maintenance vehicle used for landscaping purposes that is powered by an off-road engine of sixty-five horsepower or less and that is not used in any construction program or project. "Off-road vehicle" does not include portable equipment.

(10) Public work means a contract for the erection, construction, renovation, alteration, improvement, demolition, excavation, installation, or repair of any public building, structure, infrastructure, bridge, road, street, park, dam, tunnel, utility or similar public facility that is performed by or for the City, and the cost of which is to be paid wholly or partially out of moneys deposited in the City Treasury or out of trust monies under the control of or collected by the City.

(11) "Sensitive Site" means a hospital or other medical institution with facilities for inpatient care, a residential care facility providing lodging board and acre for a period of 24 hours or more to seven or more persons, a child-care facility providing less than 24 hour care for 13 or more children, or an elementary or secondary school, either public or private, or residences.

(12) "Tier 2 Standards" are those standards for an off-road engine as described in Division 3 Chapter 9, Article 4, Section 2423(b)(1)(A) of Title 13 of the California Code of Regulations, as amended.

(b) Clean Construction on major construction projects.

(1) Requirement. Clean Construction shall be required on all public works contracts for major construction projects as follows: (A) For all contracts solicited on or after a date one year eighteen months from the effective date of this Ordinance for major construction projects located within 500 feet of a sensitive site; and (B) For all contracts solicited on or after a date two years from the effective date of this Ordinance for major construction projects. For all such contracts, the department head or officer calling for bids shall specify in the Advertisement for Bids that Clean Construction is required for the performance of all work unless a waiver of all or part of the requirements of this Chapter has been granted under Section 6.25(b)(3).

Supervisor Maxwell
BOARD OF SUPERVISORS
Page 5
3/21/2007
(2) Contract Provisions and liquidated damages. Every contract for which Clean Construction is required under Section 6.25(b)(1)(A) or Section 6.25(b)(1)(B) shall contain provisions in a form to be approved by the City Attorney: (A) requiring Clean Construction, (B) authorizing waivers as set forth in Section 6.25(b)(3), and (C) specifying liquidated damages in the amount of $100 per day per each piece of off-road equipment and each off-road engine utilized to complete work on the project in violation of the Clean Construction requirements.

(3) Waivers. Waivers from the requirements of this Chapter are available under the following circumstances:

(A) Emergency. A contract awarding department may grant itself a waiver from this Chapter when the contract awarding authority certifies in writing to the Director, prior to the Controller's contract certification, that the contract is being awarded under the emergency provisions of Administrative Code Section 6.60 and that there is no immediately available contractor capable of performing the work as Clean Construction. In such case, the contract awarding authority shall within two business days notify the Director in writing of the emergency that prevented compliance with this Chapter and describe steps being taken to safeguard public and City employee health during the noncomplying work, and shall explain steps to reduce the likelihood that a similar emergency waiver would be required in the future.

(B) Performance Standards. The Director may grant a waiver in whole or part from this Chapter prior to the solicitation of bids upon a showing by the contract awarding authority that there are no complying off-road vehicles or off-road engines for some or all of the required work, provided that the contract awarding authority provides a written memorandum explaining the need for the waiver and the steps that will be taken to safeguard public and City employee health during the noncomplying work.
(C) Cost prohibitive. The Director may grant a waiver in whole or part from this Chapter prior to the solicitation of bids upon a showing by the contract awarding authority that compliance would be cost prohibitive under the circumstances, provided that the contract awarding authority provides a written memorandum explaining the need for the waiver and the steps that will be taken to safeguard public and City employee health during the noncomplying work.

(D) Other. The Director may grant a waiver in whole or part from this Chapter prior to the solicitation of bids or may waive the biodiesel and/or emissions standards for Clean Construction in advance of any violation of the Clean Construction requirements as to specific off-road equipment or off-road engines essential to complete the work provided that the contract awarding authority provides a written memorandum demonstrating a reasonable basis for the waiver including a reasonable plan to minimize the use of noncomplying equipment or engines, and the steps that will be taken to safeguard public and City employee health during the noncomplying work, and further provided that such post-award waivers for specific equipment may not exceed 25% of the total operating hours of all off-road vehicles or off-road engines used on the project.

(E) Rules and Regulations. After a public hearing, the Director, in consultation with the contract awarding authorities, may promulgate rules, regulations or guidelines as necessary or appropriate to carry out the purposes and requirements of this Chapter and may adopt forms necessary to implement this Chapter.

(F) Publication of Waivers Granted. The Department of the Environment and the contract awarding authorities shall maintain and post a list of all waivers granted on their Departmental Websites in a manner that can easily be accessed by the public.

(4) Clean Construction Projects encouraged for other City Contracts. In recognition of the health and other environmental benefits of Clean Construction, contract-awarding authorities are

Supervisor Maxwell
BOARD OF SUPERVISORS
Whenever any City department finds, after an investigation by the contract awarding authority and the City Attorney, that a person or entity being considered for a contract, or under contract, with the City has, in connection with the bidding, execution or performance of any City contract, falsely represented to the City the nature or character of the off-road vehicles and/or off-road engines to be utilized, or utilized, on the contract, the City department shall have the authority to impose such sanctions or take such other actions as are designed to ensure compliance with the provisions of this Chapter.

Measures which are available to the City to enforce this Chapter upon finding a violation pursuant to Section 6.25 (b)(5)(A) include, but are not limited to the following:

(i) Refusal to certify the award of a contract;

(ii) Suspension of a contract;

(iii) Ordering the withholding of City funds due the contractor under any City contract;

(iv) Ordering the recession of a contract based upon a material breach of contract provisions or pertaining to representations made in bidding, execution or performance of the contract;

(v) Debarment of a bidder, proposer or contractor from eligibility for providing commodities or services to the City for a period not to exceed five years, with a right to review and reconsideration by the City upon a showing of corrective action indicating violations are not likely to reoccur.

Nothing in this Chapter shall be construed to relieve a contractor of responsibility to perform the contract.
Section 3. The San Francisco Administrative Code is hereby amended by adding Section 6.67 to read as follows:

SEC. 6.67. COMPARISON OF BIDS ON BASIS OF CLEAN CONSTRUCTION.

To minimize the adverse impact to the surrounding environment, department heads authorized to execute contracts for public works are authorized to compare bids on the basis that the work will be performed utilizing off-road equipment and off-road engines that meet or exceed the standards for Clean Construction set forth in Section 6.25 ("Clean Construction Comparative Bidding").

Department heads are particularly encouraged to utilize Clean Construction Comparative Bidding wherever the project is located within 500 feet of a Sensitive Site and the construction activity will occur for more than 20 days. The department head or officer calling for bids shall specify in the Advertisement for Bids the monetary value that the department will attribute to Clean Construction and shall evaluate responsive bids accordingly. Any contract awarded in consideration, in whole or in part, on the basis of Clean Construction Comparative Bidding shall include provisions (1) requiring the contractor to certify that all work has been undertaken in compliance with the requirements for Clean Construction set forth in Section 6.25, (2) providing procedures to request a waiver of the biodiesel fuel and/or emissions standards as to specific, necessary equipment as set forth in Section 6.2(b)(3)(D), and (3) providing for liquidated damages in the amount of $100 per day per vehicle operated at the project site in violation of Clean Construction standards. Except as provided herein, contracts awarded on the basis of Clean Construction Comparative Bidding shall be subject to all provisions of Chapter 6 of the Administrative Code.

Section 4. The San Francisco Environment Code is hereby amended by adding Section 411 to read as follows:

SEC. 411. CLEAN CONSTRUCTION ASSISTANCE AND REPORTING.

(a) Definitions:
(1) "Most effective verified diesel emission control strategy" means a device, system or strategy that is verified pursuant to Division 3 Chapter 14 of Title 13 of the California Code of Regulations to achieve the highest level of pollution control from an off-road vehicle.

(2) "Off-road engine" means a diesel internal combustion engine (including the fuel system) including without limitation, internal combustion engines used to power excavators, backhoes, bulldozers or similar equipment used in any City construction projects. "Off-road engine" does not include portable engines or stationary engines (engines that remain at one location for more than 12 months).

(3) "Off-road vehicle" means a vehicle that is propelled by an off-road engine of twenty-five horsepower or greater, including, without limitation, excavators, backhoes, bulldozers and similar equipment used in any project subject to this Chapter. "Off-road vehicle" does not include a horticultural maintenance vehicle used for landscaping purposes that is powered by an off-road engine of sixty-five horsepower or less and that is not used in any construction program or project. "Off-road vehicle" does not include portable equipment.

(4) "Tier 2 standards" are those standards for an off-road engine as described in Division 3 Chapter 9, Article 4, Section 2423(b)(1)(A) of Title 13 of the California Code of Regulations, as amended.

(b) Technical Assistance to Local Businesses. The Department of the Environment shall provide technical assistance to businesses certified as Local Businesses Enterprises (LBEs) by the Human Rights Commission and other local businesses in securing available local, state and federal public incentive funding to retro-fit, repower or replace off-road vehicles or off-road engines operated by such businesses within the City.

(c) Annual Reporting Requirement. The Department of the Environment annually shall prepare and distribute to City departments with off-road vehicles or off-road engines summary
information, including application procedures and deadlines, about available local, state and federal
public incentive programs to retrofit, repower, or replace older, more polluting diesel equipment. The
Department of the Environment shall include in the Annual Report to the Mayor and the Board of
Supervisors, required in Section 40602, the following: (1) information about the extent to which each
City Department's off-road vehicle and off-road engine fleet meets or exceeds either Tier 2 standards
for off-road engines or utilizes the most effective verified diesel emission control strategy, (2) a
summary of the results of grant applications made and awarded for the prior year to retro-fit, repower
or replace off-road vehicles and engines in the City's fleet, including fleet upgrades funded and
completed, (3) a summary of technical assistance provided to LBEs and other local businesses, and
results, if known, and (4) recommendations to the Board of Supervisors, Mayor, and City Departments
for procedural, policy, or legislative changes to reduce air pollution emanating from off road vehicles
and off-road engines.

Section 5. Environmental Findings.

The Planning Department has determined that the actions contemplated in this
Ordinance are in compliance with the California Environmental Quality Act (California Public
Resources Code sections 21000 et seq.). Said determination is on file with the Clerk of the
Board of Supervisors in File No. 061132 and is incorporated herein by reference.

APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

By:  CATHARINE S. BARNES
Deputy City Attorney
Ordinance amending the Administrative Code to add Section 6.25 to require City Contractors to adopt clean construction practices including biodiesel fuel and emissions controls within two years; amending the Administrative Code to add Section 6.67 to allow City departments that are authorized to award public works contracts to compare bids on the basis of clean construction practices; and amending the Environment Code to add Section 411 to authorize the Department of the Environment to assist local businesses with off-road construction equipment in applying for funding to retrofit or replace such equipment and to require annual reporting, and making findings, including environmental findings.

December 12, 2006 Board of Supervisors — SUBSTITUTED

March 13, 2007 Board of Supervisors — CONTINUED
Ayes: 8 - Alioto-Pier, Daly, Dufty, Elsbernd, Jew, Mirkarimi, Peskin, Sandoval
Excused: 3 - Ammiano, Maxwell, McGoldrick

March 20, 2007 Board of Supervisors — AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE
Ayes: 6 - Alioto-Pier, Ammiano, Dufty, Elsbernd, Maxwell, Peskin
Noes: 4 - Daly, Jew, Mirkarimi, Sandoval
Absent: 1 - McGoldrick

March 20, 2007 Board of Supervisors — PASSED ON FIRST READING AS AMENDED
Ayes: 7 - Ammiano, Daly, Dufty, Maxwell, Mirkarimi, Peskin, Sandoval
Noes: 3 - Alioto-Pier, Elsbernd, Jew
Absent: 1 - McGoldrick

March 27, 2007 Board of Supervisors — FINALLY PASSED
Ayes: 8 - Ammiano, Daly, Dufty, Maxwell, McGoldrick, Mirkarimi, Peskin, Sandoval
Noes: 3 - Alioto-Pier, Elsbernd, Jew
I hereby certify that the foregoing Ordinance was FINALLY PASSED on March 27, 2007 by the Board of Supervisors of the City and County of San Francisco.

Gloria L. Young
Clerk of the Board

Mayor Gavin Newsom

Date Approved: 4/2/07