



City Hall, 215 Sycamore St.
Muscatine, IA 52761-3840
(563) 262-4141
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COMMUNITY DEVELOPMENT

MEMORANDUM

Planning,
Zoning,
Building Safety,
Construction Inspection Services,
Public Health,
Housing Inspections,
Code Enforcement

TO: Mayor DeWayne Hopkins
Muscatine City Council
Gregg Mandsager, City Administrator

FROM: Steve Boka, Community Development Director

DATE: July 26, 2013

RE: Amendment to DERA Grant

INTRODUCTION: Request for authority to acquire two diesel buses with DERA funding.

BACKGROUND: The City Council approved acceptance of grant funding for clean diesel equipment for Transit buses and Street Department vehicles in early 2013. This grant was awarded to Muscatine from the Department of Natural Resources for purchase and installation of diesel reduction equipment. Pre-testing was conducted on vehicles. We learned that Transit vehicles: #240, #241, #242, and #243 were not eligible for diesel reduction equipment because they no longer have their original 2006 engines. There were no alternate vehicles in the City fleet to replace the ineligible buses. We requested permission to utilize the funding for replacement transit vehicles instead. The DNR agreed to this proposal with three stipulations: the buses to be replaced must have their original 2006 engines, the replacement buses must be equipped with diesel engines, and the funding must not be used for fleet expansion. Vehicle #244 and #245 met the acceptance criteria.

RECOMMENDATION/RATIONALE: The amount of grant funding being offered is \$155,988.46. The cost for a new comparable replacement is \$94,374 each or \$188,748 for two. The City would be responsible for \$32,759.54, if purchasing two vehicles which is equivalent to 82.6% grant / 17.4% local funding. While these two buses and the local match were not included in the 2013/2014 budget, IDOT grant funds in recent years have been very competitive and this will allow two buses with higher maintenance costs to be replaced. The local match for these two bus purchases is proposed to be funded from the Transit fund balance and the expected savings in bus maintenance costs. It is recommended that the City Council approve Amendment No. A02 with the IDNR for the replacement of two diesel transit vehicles as provided for in the Agreement.

BACKUP INFORMATION: Buses #244 and #245 have met their useful life per DOT standards. As of July 26, 2013 they have 151808 and 144285 miles, respectively.

IOWA DEPARTMENT OF NATURAL RESOURCES

**Amendment Number A02 to
CONTRACT NUMBER 13S-ESDAQB0001-7260CIAM**

Between

**IOWA DEPARTMENT OF NATURAL RESOURCES
And
CITY OF MUSCATINE**

This Contract Amendment was approved by the Environmental Protection Commission on August 20, 2013.

IN WITNESS THEREOF, the parties hereto have executed this Contract Amendment on the day and year last specified below.

DEPARTMENT OF NATURAL RESOURCES

By: _____
Bruce Trautman, Deputy Director

Date: _____

CITY OF MUSCATINE

By: _____
Steve Boka, Development Director

Date: _____

For DNR use only:

1. Retain the original contract in the project file and send a hardcopy with the first invoice.
2. a) Fax contract to 515-281-8895 (check one box below before faxing)
OR
b) Email scanned copy to your Division's Contract Rep:

DIVISION	DIVISION CONTRACT REP
<input type="checkbox"/> Conservation & Recreation	Kim.Rasler@dnr.iowa.gov
<input type="checkbox"/> Director's Office	Karen.Fynaardt@dnr.iowa.gov
<input checked="" type="checkbox"/> Environmental Services	Jerah.Sheets@dnr.iowa.gov
<input type="checkbox"/> Management Services	Jennifer.StJohn@dnr.iowa.gov

If you do not have faxing or scanning/emailing capabilities, you may mail a copy of the contract to IA DNR, Wallace State Office Building, Attention: (your respective bureau's contract rep), 502 East 9th Street, Des Moines, IA 50319.

This Contract Amendment is entered is between the Iowa Department of Natural Resources (DNR) and the City of Muscatine (Muscatine). The parties agree as follows:

Section 1 STATEMENT OF PURPOSE

1.1 Purpose. The purpose of the Contract Amendment is to replace the Tasks to the Original Contract for additional money, with an extension to the time of performance previously allowed. The purpose of the project as identified in the Original Contract and previous amendment, is revised as follows:

Purpose: The parties have entered into this Contract for the purpose of allowing Muscatine to voluntarily reduce emissions through the purchase and installation of nine (9) Crankcase Ventilation Systems and nine (9) Diesel Oxidation Catalysts. Muscatine shall also voluntarily reduce emissions through the replacement of two (2) transit buses.

Section 2 DURATION OF CONTRACT AMENDMENT

2.1 Term of Contract Amendment. The term of this Contract Amendment shall be from September 1, 2013 through April 15, 2014 unless terminated earlier in accordance with the Termination section of the Original Contract. However, this Contract Amendment shall not begin until it has been signed by both parties and the DNR has received written notice from EPA that the grant award has been approved.

2.2 Approval of Contract Amendment. If the amount of compensation to be paid by DNR according to the terms of the original Contract together with this Contract Amendment is equal to or greater than \$25,000.00 and the Contract was never approved by the commission; or if this Contract Amendment increases the original value of the Contract by \$25,000 or by more than 10% of the Original Contract value, whichever is greater, then performance shall not commence unless by September 1, 2013 this Contract Amendment has been approved by the Environmental Protection Commission.

Section 3 CONTRACT AMENDMENT STATEMENT OF WORK

3.1 Statement of Work. As part of this Contract Amendment, Muscatine shall perform the following. This Statement of Work replaces the Original Contract Statement of Work (identified as item 5.1), including Amendment 1, in its entirety. Muscatine shall complete its obligations under this Contract Amendment by the Due Dates set out below.

Obligation	Due Date
Task 1: Pre-testing and Preparation of Vehicles – (Phase 1) Muscatine shall complete pre-testing to determine vehicle capabilities to handle diesel particulate filters (DPFs), Crankcase Ventilation Systems (CCVs), and Diesel Oxidation Catalysts (DOCs). As necessary, Muscatine shall do maintenance corrections to get the vehicles prepared for retrofit equipment. Muscatine shall pre-test and do necessary maintenance to the following seventeen (17) fleet vehicles being considered for retrofit equipment. <ul style="list-style-type: none">• 1994, International DT466 (VIN#1HTSHAAT7RH674435)• 1995, International DT466 (VIN#1HTSHAAT8SH669365)• 1998, International DT466E (VIN#1HTSCAAN8WH570972)• 2000, Caterpillar 312B (VIN#1GDM7H1C3YJ507710)• 2001, Caterpillar 312B (VIN#2FZAASAK21AH93732)• 2002, Caterpillar 312B (VIN#1GDM7J1C62J505778) and (VIN#2FZAAWAK92AK07744)• 2004, Mercedes MBE900 (VIN#1FVABXCS84HM25479) and (VIN#1FVACXCS24HN23937)• 2004, Navistar (VIN#1FDXE45P14HA91635) and (VIN#1FDXE45P84HA91633)• 2006, Navistar (VIN#1FDXE45P06HB33120) and (VIN#1FDXE45P26HB33121)• 2006, Navistar (VIN#1FDXE45P46HB33122) and (VIN#1FDXE45P66HB33123)• 2006, Navistar (VIN#1FDXE45P86HB33124) and (VIN#1FDXE45PX6HB33125)	No later than 4/30/13

Obligation	Due Date
<p>Task 2: Crankcase Ventilation Systems and Diesel Oxidation Catalysts - (Phase 1) Muscatine shall purchase and install nine (9) Crankcase Ventilation Systems (CCVs) and nine (9) Diesel Oxidation Catalysts (DOCs). Muscatine shall ensure that the retrofit equipment is:</p> <ul style="list-style-type: none"> • a verified technology. Verify technologies at http://epa.gov/cleandiesel/verification/verif-list.htm or http://www.arb.ca.gov/diesel/verdev/vt/cvt.htm. • procured fairly and in open competition according to City of Muscatine procurement requirements. <p>Muscatine shall install or have an outside source install 9 CCVs and 9 DOCs on the following vehicles:</p> <ul style="list-style-type: none"> • 1994, International DT466 (VIN#1HTSHAAT7RH674435) • 1995, International DT466 (VIN#1HTSHAAT8SH669365) • 1998, International DT466E (VIN#1HTSCAAN8WH570972) • 2000, Caterpillar 312B (VIN#1GDM7H1C3YJ507710) • 2001, Caterpillar 312B (VIN#2FZAASAK21AH93732) • 2002, Caterpillar 312B (VIN#1GDM7J1C62J505778) • 2002, Caterpillar 312B (VIN#2FZAAWAK92AK07744) • 2004, Mercedes MBE900 (VIN#1FVABXCS84HM25479) • 2004, Mercedes MBE900 (VIN#1FVACXCS24HN23937) 	<p>No later than</p> <p><u>Purchase:</u> 4/30/13</p> <p><u>Install:</u> 8/30/13</p>
<p>Task 3: Invoice and Documentation - (Phase 1) In accordance with Section 7.5, Muscatine shall submit an invoice for payment of Phase 1 tasks no later than September 25, 2013. The invoice shall itemize all reimbursable charges. Appropriate documentation to support the fees or charges of Phase 1 shall be attached and is to include, but are not limited to:</p> <ul style="list-style-type: none"> • Pre-testing and Vehicle Preparation (Task 1). Copies of the receipts/invoices for pre-testing and maintenance to get vehicles ready for retrofit equipment. <ul style="list-style-type: none"> • Where/who purchased from; • Describe the purchase; • Date of purchase; and • Purchase price and payment mechanism (credit card, check, etc). • Retrofit Purchase and Install (Task 2). Copies of the retrofit equipment purchase and installation receipts/invoices; which should include the following information: <ul style="list-style-type: none"> • Model information related to the retrofit equipment; <ul style="list-style-type: none"> • Make, Model, and Engine Year; • Vehicle Identification Numbers; and • Purchase Information: <ul style="list-style-type: none"> • Where/who purchased from; • Describe the purchase; • Date of purchase; and • Purchase price and payment mechanism (credit card, check, etc). • Copies of the signed acceptance of delivery and the date received for items shipped/delivered after date of purchase. • Installation Information: <ul style="list-style-type: none"> • Name and professional address of person installing retrofit equipment; • Identify installation hours; • Date of installation; and • Price and payment mechanism (credit card, check, etc) for the installation; and • Date Vehicles with Retrofit Equipment put back in-service • Vehicle Summary: <ul style="list-style-type: none"> • Make, Model, and Engine Year; • Vehicle Identification Numbers; and • Diesel Emission Reduction project (retrofit or pre-test). 	<p>No later than</p> <p>9/25/13</p>

Obligation	Due Date
Task 3 continued: Invoice and Documentation - (Phase 1) <ul style="list-style-type: none"> Fair and Open Competition. Identification of how Muscatine procured fairly and in open competition according to City of Muscatine procurement requirements the retrofit equipment and installation. Copies of all bids received during the open/fair competition for vendor selection are appreciated. Additional Items as Requested. Additional reporting information may be requested by the DNR at any time during the term of this Contract to meet upcoming reporting guidance and requirements as are established or may be established by the EPA. 	No later than
	9/25/13
Muscatine shall respond in writing to requests for information within 5 business days of the request.	
Task 4: Purchase New Buses - (Phase 2) <p>Muscatine shall purchase two (2) 2010 (or newer) EPA-certified engine transit bus to replace the following bus(es) currently in the Muscatine fleet:</p> <ul style="list-style-type: none"> 2006, Navistar (VIN#1FDXE45P86HB33124) 2006, Navistar (VIN#1FDXE45PX6HB33125) <p>Muscatine shall ensure that the replacement vehicle:</p> <ul style="list-style-type: none"> Is procured fairly and in open competition according to City of Muscatine procurement requirements; Performs the same function as the vehicle that is being replaced; and Is of the same type and similar gross vehicle weight rating or horsepower as the vehicle being replaced. <p>Bus Delivery. Muscatine shall ensure delivery of the replacement buses no later than March 15, 2014.</p>	No later than
	Purchase
	12/1/13
	Delivery
	3/15/14
Task 5: Bus Scrappage or Remanufacturing Verification - (Phase 2) <p>Purchase of a new transit bus to expand the Muscatine fleet is not allowed. Muscatine shall permanently disable the vehicle being replaced so that it is no longer suitable for use. This shall take place within ninety (90) days of the receipt of the new bus(es) and shall be done in one of the following manners:</p> <ul style="list-style-type: none"> Scrapped, or The engine has been returned to the original engine manufacturer for remanufacturing to a cleaner standard, or Rendered permanently disabled (such as drilling a hole in the engine block and manifold). <p>Muscatine may 1) retain possession of the scrapped engine and chassis or 2) sell the scrapped or salvaged engines/vehicles. If Muscatine determines to sell the scrapped or salvaged pieces, program income requirements apply. Pursuant to the program income requirements, Muscatine shall:</p> <ul style="list-style-type: none"> Maintain records adequate to document the extent to which transactions generate program income and the disposition of the income; and Disburse income from the total purchase price before requesting payment by the DNR. For scrappage or salvaged engines/vehicles sold, Muscatine shall provide the following information regarding the buyer: <ul style="list-style-type: none"> Name, Address, Phone Number; and Signed copy of the receipt identifying the amount of purchase <p>Muscatine shall provide evidence to the DNR that permanent disposal of the vehicles identified in Task 4 has taken place. Evidence shall include:</p> <ul style="list-style-type: none"> Identification of the disposal method used; Documentation of the engine VIN number; Date permanent disposal took place; Signed statement verifying that without this funding, the replacement activity would not have taken place. The signed statement shall: <ul style="list-style-type: none"> Identify that the replaced bus had useful life left and provide Muscatine's fleet characterization showing fleet age ranges and average turnover rates per vehicle; or Describe Muscatine's fleet operating plan, standard procedures, and vehicle retirement schedule. 	No later than
	3/30/14
	OR within
	90 days of
	the receipt
	of the new
	bus,
	whichever
	comes
	first.

Obligation	Due Date
<p>Task 6: Invoice and Documentation - (Phase 2)</p> <p>In accordance with Section 7.5, Muscatine shall submit an invoice for payment of Phase 2 tasks no later than April 15, 2014. The invoice shall itemize all reimbursable charges. Appropriate documentation to support the fees or charges of Phase 2 shall be attached and is to include, but are not limited to:</p> <ul style="list-style-type: none"> • Vehicle (bus) Replacement (Task 4). Copies of the vehicle replacement purchase receipts/invoices; which should include the following information: <ul style="list-style-type: none"> • Model information related to the vehicle replacement; • Old Vehicle: <ul style="list-style-type: none"> • Make, Model, and Engine Year; and • Vehicle Identification Numbers • New Vehicle: <ul style="list-style-type: none"> • Make, Model, and Engine Year; and • Vehicle Identification Numbers • Identify Old Vehicle replacing • Purchase Information: <ul style="list-style-type: none"> • Where/who purchased from; • Describe the purchase; • Date of purchase; and • Purchase price and payment mechanism (credit card, check, etc). • Copies of the signed acceptance of delivery and the date received for items shipped/delivered after date of purchase; and • Date Replacement Bus(es) put in-service. • Scrapage or Remanufacturing Verification (Task 5) <ul style="list-style-type: none"> • Evidence Bus Inoperable. In accordance with details outlined in Task 5, provide evidence that the old bus being replaced has been made inoperable. • Evidence of Program Income. If applicable, provide evidence of program income from scrappage of the old transit bus in accordance with the details outlined in Task 5. • Evidence of Need. In accordance with details outlined in Task 5, provide a signed statement verifying that without this grant award the replacement activity would not have occurred. • Fair and Open Competition. Identification of how Muscatine procured fairly and in open competition according to City of Muscatine procurement requirements the replacement vehicles. Copies of all bids received during the open/fair competition for vendor selection are appreciated. • Additional Items as Requested. Additional reporting information may be requested by the DNR at any time during the term of this Contract to meet upcoming reporting guidance and requirements as are established or may be established by the EPA. <p>Muscatine shall respond in writing to requests for information within 5 business days of the request.</p>	<p>No later than 4/15/14</p>

Obligation	Due Date														
<p>Task 7: Progress Reporting – Quarterly (On-Going) Muscatine shall submit electronic project progress reports to the DNR on a quarterly basis.</p> <table border="1" data-bbox="262 256 1041 567"> <thead> <tr> <th data-bbox="262 256 551 298">Due Date</th><th data-bbox="551 256 1041 298">Reporting Period</th></tr> </thead> <tbody> <tr> <td data-bbox="262 298 551 340">January 15, 2013</td><td data-bbox="551 298 1041 340">November 21 – December 31, 2012</td></tr> <tr> <td data-bbox="262 340 551 383">April 15, 2013</td><td data-bbox="551 340 1041 383">January 1 - March 31, 2013</td></tr> <tr> <td data-bbox="262 383 551 425">July 15, 2013</td><td data-bbox="551 383 1041 425">April 1 – June 30, 2013</td></tr> <tr> <td data-bbox="262 425 551 467">October 15, 2013</td><td data-bbox="551 425 1041 467">July 1 – September 30, 2013</td></tr> <tr> <td data-bbox="262 467 551 510">January 15, 2014</td><td data-bbox="551 467 1041 510">October 1 – December 31, 2013</td></tr> <tr> <td data-bbox="262 510 551 567">April 15, 2014</td><td data-bbox="551 510 1041 567">January 1 - March 31, 2014</td></tr> </tbody> </table> <p>Reporting requirements shall include, but are not limited to:</p> <ul style="list-style-type: none"> Project Status Summary. Project to date summary that shall include, but is not limited to: <ul style="list-style-type: none"> Number of purchases and/or installations completed. Also include the date of the purchase and install (as applicable); Identify any tasks and due dates not met and explain 1) why they were not met and 2) how to remedy any constraints. Also provide a timeline of when the project will be back on track; Identify any public relations events that took place during this reporting period. Please provide links to websites where the program was publicized, as necessary; Identify what tasks/steps are anticipated for the next reporting period; and Summary of any additional concerns or accomplishments. Additional Items as Requested. Additional reporting information may be requested by the DNR at any time during the term of this Contract to meet upcoming reporting guidance and requirements as are established or may be established by the EPA. <p>Muscatine shall respond in writing to requests for information within 5 business days of the request.</p>	Due Date	Reporting Period	January 15, 2013	November 21 – December 31, 2012	April 15, 2013	January 1 - March 31, 2013	July 15, 2013	April 1 – June 30, 2013	October 15, 2013	July 1 – September 30, 2013	January 15, 2014	October 1 – December 31, 2013	April 15, 2014	January 1 - March 31, 2014	<p>No later than Due Dates specified in Task 7</p>
Due Date	Reporting Period														
January 15, 2013	November 21 – December 31, 2012														
April 15, 2013	January 1 - March 31, 2013														
July 15, 2013	April 1 – June 30, 2013														
October 15, 2013	July 1 – September 30, 2013														
January 15, 2014	October 1 – December 31, 2013														
April 15, 2014	January 1 - March 31, 2014														
<p>Task 8: Progress Reporting - FINAL Description of Revision: Muscatine shall submit a final cumulative report of Phase 1 and 2 via electronic format to the DNR no later than April 15, 2014. Reporting requirements shall include, but are not limited to:</p> <ul style="list-style-type: none"> Project Status Summary. Project summary for the period of November 21, 2012 – March 31, 2014 that shall include, but is not limited to: <ul style="list-style-type: none"> Summary of project from beginning to end; Summary of success and lessons learned from the project; Summary of any additional concerns or accomplishments; and Identify any final tasks/due dates not met and explain why they were not met. Vehicle Summary: <ul style="list-style-type: none"> Make, Model, and Engine Year; Vehicle Identification Numbers; and Diesel Emission Reduction project (pre-test, retrofit or replacement). <ul style="list-style-type: none"> Include all dates as applicable of the following: <ul style="list-style-type: none"> Date Replacement Bus(es) put in-service; Date Vehicles with Retrofit Equipment put in-service. Additional Items as Requested. Additional reporting information may be requested by the DNR at any time during the term of this Contract to meet upcoming reporting guidance and requirements as are established or may be established by the EPA. <p>Muscatine shall respond in writing to requests for information within 5 business days of the request.</p>	<p>No later than 4/15/14</p>														

Section 4 COMPENSATION

4.1 Source of Funding. The source of funding for this Contract Amendment is DNR-EPA Assistance Program 66.040, State Clean Diesel Grant Program (B); DNR cost center 7260. The statutory authority for the DNR to enter into this Contract is 455B.103(5).

4.2 Not-to-exceed total amount of contract. Payment for work performed by Muscatine according to the terms of the Contract, including all Amendments, shall not exceed \$ 194,159.08. The budget as identified in the Original Contract item 7.4, is replaced with the following:

Budget. The budget for this Contract shall be as follows:

Task	Amount of compensation per Task	Invoice Due
Task 1: Pre-test & Maintenance Pre-test & Maintenance on 17 vehicles (\$382.95/vehicle)	Not to exceed \$ 12,266.55	9/25/13
Task 2: Crankcase Ventilation Systems and Diesel Oxidation Catalysts 9 Diesel Oxidation Catalysts (\$1,548.18/vehicle) 9 Crankcase Ventilation Systems (\$530.05/vehicle) Installation (\$800/vehicle)	Not to exceed \$ 25,904.07 \$ 13,933.62 \$ 4,770.45 \$ 7,200.00	9/25/13
Task 3: Invoice and Documentation - (Phase 1)*	\$0.00	N/A
Task 4: Replacement Buses 2 transit buses	Not to exceed \$ 155,988.46	4/15/14
Task 5: Bus Scrappage or Remanufacturing Verification - (Phase 2)*	\$0.00	N/A
Task 6: Invoice and Documentation - (Phase 2)*	\$0.00	N/A
Task 7: Progress Reporting – Quarterly*	\$0.00	N/A
Task 8: Progress Reporting – FINAL*	\$0.00	N/A
Total	Not to exceed \$194,159.08	

*Payment for completion of Tasks 1, 2 & 4 where specific payment is allotted shall be dependent upon the timely completion of corresponding items required by Tasks 3, 5, 6, 7 & 8 where no specific payment is allotted.

Section 5 OTHER AMENDMENT PROVISIONS

5.1 Exhibit C, identified in and attached to the Original Contract as "Exhibit C - EPA Required Conditions and Requirements Grant #DS-97735801-0", is replaced with Grant #DS-97735801-1 with no other changes to the document.

5.2 As identified in the Original Contract item 7.5, is replaced with the following:

Submission of Invoice. Muscatine shall submit a separate invoice to the DNR for Phase 1 and Phase 2 as identified in Section 5.2. The invoice shall itemize the work performed pursuant to the Contract. The invoice shall comply with all applicable rules concerning payment of such claims and shall contain appropriate documentation necessary to support the fees or charges included in the invoice. DNR shall have the right to dispute any invoice item submitted for payment and to withhold payment of any disputed amount if DNR reasonably believes the invoice is inaccurate or incorrect in any way. The original invoice shall be submitted to:

Iowa Department of Natural Resources – Air Quality Bureau
Attention: Christina liams
7900 Hickman Rd, Suite 1
Windsor Heights IA 50324

Section 6 EFFECT OF AMENDMENT ON ORIGINAL AGREEMENT PROVISIONS

All provisions of the Original Contract shall remain in full force and effect unless specifically changed by this Contract Amendment.