Title: Resolution to Accept Rubberized Asphalt Grant

Subject: Approval of a Resolution to Authorize the City Manager to Submit Application(s) and Related Agreement(s) for the California Department of Resources Recycling and Recovery (CalRecycle) Rubberized Asphalt Concrete (RAC) Grant Program

From: City Manager

Lead Department: Public Works

Recommendation
Staff recommends that Council approve a resolution (Attachment A) to authorize the City Manager or his/her designee to submit recycled tire related and rubberized asphalt concrete grant applications to the California Department of Resources Recycling and Recovery (CalRecycle) and to sign related grant program agreements and amendments.

Background
The California Department of Resources Recycling and Recovery (CalRecycle) receives an annual appropriation from the California Tire Recycling Management Fund (Tire Fund) to administer the California Tire Recycling Act (Senate Bill 930) (Public Resources Code Section 42860 et seq). The Rubberized Asphalt Concrete (RAC) Grant Program offered by CalRecycle is designed to promote the use of rubberized pavement while encouraging the recycling of California-generated waste tires to reduce landfill disposal or stockpiling. The RAC Grant Program provides competitive grants to local governments. The grants fund public works projects that use RAC or rubberized chip seal materials from 100% California-generated waste tire material.
The specific RAC Grant Program that the City will be applying for is the Targeted Rubberized Asphalt Concrete Incentive (Targeted) Grant which is aimed at assisting first-time or limited users of RAC. Eligible projects must use a minimum of 3,500 tons of RAC which meets American Society of Testing and Material (ASTM) standards for Asphalt Rubber Binder. Grant awards in this program are based on the differential cost of using RAC versus conventional asphalt concrete by the tonnages of RAC used up to a maximum grant award of $250,000.

The City Council approved a similar grant application to California Integrated Waste Management Board (CIWMB), now known as CalRecycle, in April 23, 2007 (CMR:214:07). The City received the Targeted Rubberized Asphalt Concrete Incentive (TRI) Grant for FY 2008 for the 2008 street resurfacing project; however, the contractor’s bid price for the rubberized asphalt paving work exceeded the grant funding. Therefore, the rubberized asphalt work was deleted from the program that year and no grant money was encumbered.

Discussion
Staff proposes submitting a Targeted grant application to acquire the additional funds needed to include RAC as part of the upcoming street maintenance project scheduled to begin in the summer of 2012. This street maintenance project is estimated at $2 million, and will include a bid add-alternate for rubberized asphalt concrete that could replace the normal asphalt concrete used for street rehabilitation and overlays. RAC material is more expensive than the typical asphalt concrete as it is a recycled product, but may prove to be more durable, flexible and provide a longer life span than the typical 20 year life span of asphalt concrete. If the lowest responsible bidder provides an RAC bid price within budget, combined with the funds supplied by the grant, the RAC bid add-alternate will be included in the annual 2012 Street Maintenance project contract for Council’s consideration to award next year.

Staff anticipates that a Targeted grant of $250,000 will cover the additional cost of using RAC so the City can maintain streets at the current level. If the RAC is more expensive than expected, the resurfacing project will continue with the use of asphalt concrete so as to not impact or decrease the number of streets resurfaced, unless Council approves an additional expenditure to pay the additional cost beyond the $250,000 of grant funds.
anticipated.

Resource Impact
If a supplemental grant of $250,000 is awarded to the City, an Exhibit B adjustment to the FY 2012 Capital Improvement Program will be required to budget grant funds and authorize expenditures. The grant requires City expenditures of funds which will be reimbursed by the State. No net impact on the General Fund or Infrastructure Reserve is expected. The remaining funds for the project are included in the proposed FY 2012 Capital Improvement Program budget, PE-86070, Street Maintenance.

Staff will submit the application, administer agreements and amendments, and submit for reimbursements periodically during the project as required by the grant conditions.

Policy Implications
This grant program is consistent with the City Council’s Top 5 priority, Environmental Sustainability, promoting sustainability and the reduction of materials put into the waste stream and Sustainable Budget, by seeking outside funding sources for City infrastructure projects.

Environmental Review
The street maintenance project is exempt from the the California Environmental Quality Act (CEQA); therefore, no environmental analysis is required.

Attachments:
- Resolution: CalRecycle RCA Grant Program (DOC)

Prepared By: Mike Nafziger, Senior Engineer

Department Head: J. Michael Sartor, Interim Director

City Manager Approval: James Keene, City Manager
Resolution No. _____
Resolution of the Council of the City of Palo Alto Authorizing the City Manager to Submit Application(s) and Sign Related Agreement(s) for the California Department of Resources Recycling and Recovery (CalRecycle) Rubberized Asphalt Concrete (RAC) Grant Program

WHEREAS, Public Resources Code sections 40000 et seq. authorize the Department of Resources Recycling and Recovery (CalRecycle), formerly known as the California Integrated Waste Management Board, to administer various Grant Programs (“grants”) in furtherance of the State of California’s (“State”) effort to reduce, recycle and reuse solid waste generated in the State thereby preserving landfill capacity and protecting public health and safety and the environment; and

WHEREAS, in the furtherance of the authority CalRecycle is required to establish procedures governing the application, awarding, and management of the grants; and

WHEREAS, CalRecycle grant application procedures require, among other things, an applicant’s governing body to declare by resolution certain authorizations related to the administration of CalRecycle grants.

NOW, THEREFORE, the Council of the City of Palo Alto does RESOLVE as follows:

SECTION 1. The Council authorizes the submittal of application(s) to CalRecycle for Targeted Rubberized Asphalt Concrete Incentive (Targeted) grant for which the City of Palo Alto is eligible.

SECTION 2. The City Manager, or his/her designee is hereby authorized and empowered to execute in the name of the City of Palo Alto all grant documents, including but not limited to, applications, agreements, amendments and requests for payment, necessary to secure grant funds and implement the approved grant project; and

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SECTION 3. These authorizations are effective for five (5) years from the date of adoption of this resolution.

INTRODUCED AND PASSED:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

ATTEST:  APPROVED:

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City Clerk                  Mayor

APPROVED AS TO FORM:

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City Manager

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Senior Assistant City Attorney  Director of Public Works