



BOARD OF SUPERVISORS AGENDA ITEM REPORT
CONTRACTS / AWARDS / GRANTS

Requested Board Meeting Date: May 16, 2017

or Procurement Director Award

Contractor/Vendor Name (DBA): Arizona Department of Environmental Quality

Project Title/Description:

Voluntary Vehicle Repair Program (VVRP) Intergovernmental Agreement (IGA)

Purpose:

The purpose of the Voluntary Vehicle Repair Program (VVRP) is to ensure that vehicles are not emitting excessive pollution and is a requirement for both ozone and carbon monoxide State Implementation Plans for Phoenix and Tucson. Pima County has statutory authority to administer the VVRP directly. Since ADEQ is already implementing the vehicle emissions testing program, they are able to include the VVRP at no additional costs. ADEQ will provide reports to the County to verify the program is effective, properly implemented and audited. The IGA is required in order for ADEQ to have the necessary authority to administer the VVRP.

The Program targets vehicles that fail the state emission test and are 12 years old or older than the current calendar year. The VVRP provides financial assistance from ADEQ of up to \$550 for emissions repairs needed to pass the emissions test. The vehicle's owner is responsible for a co-pay of \$150.00.

Procurement Method:

Procurement Exempt- IGA

Program Goals/Predicted Outcomes:

The repairs to older vehicles will help them achieve compliance with the state's emission test reducing the amount of air pollution emitted into Pima County's air.

Public Benefit:

Reduced air pollution; and,
Provide financial assistance to those required to repair their vehicles to pass the emissions test.

Metrics Available to Measure Performance:

The number of vehicles being repaired; and,
The tons of air pollution emissions reduced through vehicle repairs.

Retroactive:

N/A

*To: CoB- 4-26-17 (1)
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Procure Dept 04/26/17 PM 12:15

Original Information

Document Type: CTN Department Code: DE Contract Number (i.e., 15-123): 17*193

Effective Date: upon sign Termination Date: 6/30/2018 Prior Contract Number (Synergen/CMS): _____

Expense Amount: \$ 0 Revenue Amount: \$ 0

Funding Source(s): ADEQ is administering the program with state funding. No revenue or expenses will be incurred by Pima County.

Cost to Pima County General Fund: None

Contract is fully or partially funded with Federal Funds? Yes No Not Applicable to Grant Awards

Were insurance or indemnity clauses modified? Yes No Not Applicable to Grant Awards

Vendor is using a Social Security Number? Yes No Not Applicable to Grant Awards

If Yes, attach the required form per Administrative Procedure 22-73.

Amendment Information

Document Type: _____ Department Code: _____ Contract Number (i.e., 15-123): _____

Amendment No.: _____ AMS Version No.: _____

Effective Date: _____ New Termination Date: _____

Expense Revenue Increase Decrease Amount This Amendment: \$ _____

Funding Source(s): _____

Cost to Pima County General Fund: _____

Contact: Beth Gorman, Senior Program Manager

Department: Environmental Quality Telephone: 724-7446

Department Director Signature/Date: Mrs. K. Nilsen 4.20.17

Deputy County Administrator Signature/Date: [Signature] 4/21/17

County Administrator Signature/Date: [Signature] 4/21/17
(Required for Board Agenda/Addendum Items)

INTERGOVERNMENTAL SERVICE AGREEMENT

Page 1 of 8

PIMA COUNTY &
ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

Contract No.: ADEQ17-_____

Effective Date: Upon Final Signature

Termination Date: June 30, 2018

Agreement Title: Voluntary Vehicle Repair Program (VVRP) IGSA

COUNTY

CONTRACT ADMINISTRATOR

Pima County Department of Environmental Quality
33 N. Stone Ave
Tucson, AZ 85701

Arizona Department of Environmental Quality

Contracts and Procurement Section
1110 West Washington Street
Phoenix, AZ 85007-2935

Name: Ursula Nelson
Title: Director, Pima County Environmental Quality
Phone: (520) 724-7400

Chief Procurement Officer: Teena Ziegler
Procurement Specialist: Jeremiah Weiner (602) 771-4779

THIS CONTRACT is between PIMA COUNTY [hereinafter referred to as the "Pima County" or "the County"] and the STATE OF ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY [hereinafter referred to as the "Department" or "ADEQ"], established and authorized to contract pursuant to A.R.S. § 49-101 through A.R.S. § 49-104.

The purpose of this Agreement is to administer the Voluntary Vehicle Repair Program, ("VVRP") in Pima County, as required by A.R.S. § 49-474.03. As part of this Agreement, ADEQ and Pima County are acting under the authority of A.R.S. § 11-952 to enter into this agreement.

The Vehicle Emissions Control (VEC) program at ADEQ reviewed the VVRP requirements and determined that there was existing capacity to administer the program. These functions can be efficiently implemented through the existing Gordon Darby Arizona Testing, Inc. (GDAT) contract and ADEQ's existing VEC staff.

As a result ADEQ can assume the following VVRP responsibilities without additional costs:

- ADEQ will provide repair facilities with all necessary paperwork including:
 - Customer agreements, surveys, postage paid envelopes, etc.
- ADEQ will train repair facilities, staff who answer phone line and GDAT staff regarding the VVRP.
- ADEQ, will provide a SOW included in this agreement, and a WP via separate attachment to the County for review and approval prior to initiating Program work.
- ADEQ will perform inspections of the participating VVRP repair facilities and GDAT technicians performing repair verifications.
- ADEQ will audit invoicing functions as necessary.

The attached Agreement Terms, Voluntary Vehicle Repair Program Overview, and SOW, are incorporated in the agreement. This document constitutes the entire agreement between the parties pertaining to the subject matter hereof, and all prior or contemporaneous agreements and understandings, oral or written, are hereby superseded and merged herein. This Contract may be modified, amended, altered or extended only by a written amendment signed by the parties.

IN WITNESS WHEREOF, the parties have executed this "Agreement" as of the date set forth above;

PIMA COUNTY, a political subdivision of the State of Arizona

By: _____
Chairman, Pima County Board of Supervisors

ATTEST:

By: _____
Clerk of the Pima County Board of Supervisors

STATE OF ARIZONA)
) ss.
County of PIMA)

On this ____ day of _____, 2017, before me personally appeared _____, the Chairman of Pima County Board of Supervisors, for and on behalf of **PIMA COUNTY**, a political subdivision of the State of Arizona, whose identity was proven to me on the basis of satisfactory evidence to be the person who he or she claims to be, and acknowledged that he or she signed the above/attached document.

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

Signature

Printed Name

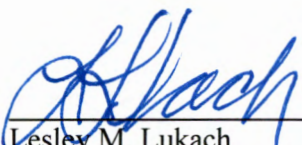
Title

Intergovernmental Agreement Determination

The foregoing Intergovernmental Agreement between Pima County and the Arizona Department of Environmental Quality has been reviewed by the undersigned attorneys, each of whom has determined that it is in proper form and is within the powers and authority granted under the laws of the State of Arizona to the party he or she represents.

PIMA COUNTY:

Arizona Department of Environmental Quality:

 4/19/17

Lesley M. Lukach
Deputy County Attorney

ADEQ17-_____
AGREEMENT TERMS

1. **Recitals:** The purpose of this Agreement is to administer the Pima County Voluntary Vehicle Repair Program (VVRP), as required by A.R.S. §49-474.03.
 - 1.1 ADEQ has the capacity, vehicle emissions contract with Gordon-Darby Arizona Testing, Inc. and list of quality repair facilities to effectively manage the VVRP. This will allow the efficient repairing of qualified vehicles, while assisting constituents and improving the State's air quality.
 - 1.2 ADEQ will work directly with Gordon-Darby Arizona Testing, Inc. ADEQ will be responsible for paying Gordon-Darby Arizona Testing, Inc. for services that will be rendered.
 - 1.3 The Parties agree to expeditiously initiate and complete the scope of work under this Agreement. The Parties warrant, represent and agree that it, employees and representatives will comply with all applicable provisions provided herein.
2. **Definitions:** The following definitions shall apply to the terms used in this Agreement, except where the context necessarily requires otherwise.
 - 2.1 "§" means Section.
 - 2.2 "A.A.C." means Arizona Administrative Code.
 - 2.3 "A.R.S." means Arizona Revised Statutes.
 - 2.4 "Agreement" means this written document between ADEQ and the County.
 - 2.5 "GDAT" means GORDON-DARBY ARIZONA TESTING, INC.
 - 2.6 "County" means PIMA COUNTY.
 - 2.7 "Department" or "ADEQ" means the Arizona Department of Environmental Quality.
 - 2.8 "Parties" means ADEQ and PIMA COUNTY.
 - 2.9 "State" means the State of Arizona.
 - 2.10 "VVRP" means Voluntary Vehicle Repair Program.
3. **Access to Information:** Subject to statutory confidentiality requirements of the County and ADEQ, both parties to this Agreement shall have full, complete and equal access to data and information prepared under this Agreement on a no-charge basis.
4. **Amendment:** This Agreement may be modified only by written Contract Amendment signed by the Director or designee, of ADEQ and the person duly authorized to act on behalf of the County. Contract Amendments shall be executed with the same formalities as this Agreement. Executed copies of any Amendment shall be provided to both parties.
5. **Amount of Agreement:** No funding is provided under this Agreement between PIMA County and ADEQ. Funds shall be expended to reimburse Gordon-Darby Arizona Testing, Inc. for work performed to administer the VVRP under contract ADEQ14-052318. Any changes or modifications to any part of this Agreement shall be modified only by written Contract Amendment.

6. **Governing Law:**

6.1 This Contract shall be governed by and construed in accordance with the laws of the State of Arizona.

6.2 **Implied Consent Terms:** Each provision of law and any terms required by law to be in this Agreement are a part of this Agreement as if fully stated in it.

7. **Assignment:** Neither Party may assign any rights hereunder without the express, written, prior consent of the other Party.

8. **Audit of Records:** Pursuant to Arizona Revised Statutes (“A.R.S.”) Section (“§”) 35-214 and § 35-215, GDAT shall retain all data, books and other records (“records”) relating to this Agreement for a period of five years after completion of the Agreement, any litigation, claim, negotiation, audit, cost recovery, or action involving the records has been completed. All records shall be subject to inspection and audit by the State at reasonable times. Upon request, the GDAT shall produce the original of any or all such records.

9. **Cancellation of State Contracts:** Both parties may cancel this Agreement, without penalty of further obligation, pursuant to A.R.S. § 38-511.

10. **Agreement Term:** The initial term of this Agreement shall be from the commencement of signatures by both parties through **June 30, 2018**. The Agreement may be renegotiated for additional periods, by formal Contract Amendment, subject to the requirements and/or limitations by Federal or State regulations.

11. **Effective Date:** This Agreement shall become effective upon execution of the agreement by all parties.

12. **Non-Availability of Funds:** Every payment obligation of ADEQ under this Contract is conditioned upon the availability of funds appropriated or allocated for the payment of such obligation. If funds are not allocated and available for the continuance of this Agreement, this Agreement may be terminated by either party at the end of the period for which funds are available. No liability shall accrue to either party in the event this provision is exercised, and the parties shall not be obligated or liable for any future payments or for any damages as a result of termination under this paragraph.

13. **Notices, Correspondence, Reports and Invoices:**

13.1 All notices and correspondence shall be sent to:

For ADEQ:
Steve Calderon
Section Manager
Air Quality Vehicle Emissions Section
Arizona Department of Environmental Quality
1110 West Washington Street
Phoenix, AZ 85007
(602) 771-7676
Calderon.Steve@azdeq.gov

For Pima County:
Beth Gorman
Senior Program Manager
Pima County Department of Environmental Quality
33 N. Stone Ave. Suite 700
Tucson, AZ 85701
(520) 724-7446
Beth.Gorman@pima.gov

13.2 All correspondence relating to the execution of the Contract, clarification of this Contract, and Contract Amendments shall be sent to:

For ADEQ:
Jeremiah Weiner, Procurement Specialist
Arizona Department of Environmental Quality
1110 W. Washington Street
Phoenix, AZ 85007
(602) 771-4779
weiner.jeremiah@azdeq.gov

For Pima County:
Ursula Nelson, Director
Pima County Department of Environmental Quality
33 N. Stone Ave., Suite 700
Tucson, AZ 85701
(520) 724-7400
Ursula.Nelson@pima.gov

- 13.3 Either party to this Agreement may designate a new contact by filing a notice with the other party in accordance with these notice requirements.
14. **Ownership of Information:** Title to all documents, reports, data, and other materials prepared by the GDAT in performance of this Agreement shall rest in ADEQ, except for copyrighted material prepared in advance of this Agreement by the GDAT at the expense of the GDAT. ADEQ shall have full and complete rights to reproduce, duplicate, disclose, perform and otherwise use all information prepared under this Agreement, except for copyrighted material as provided in this Section. The GDAT shall have full and complete rights to reproduce, duplicate, disclose, perform and otherwise use all information prepared under this Agreement with the provision that all reproduction, duplication, disclosures and literature shall contain acknowledgement to ADEQ.
15. **Reporting:** Reporting pursuant to A.R.S. §49-474.03G shall be in accordance with the Scope of Work included in this Agreement. In addition, ADEQ will provide quarterly reports to the "County" no later than 45 days after each quarter close.
16. **Printing Credit:** Promotional materials, such as brochures, advertisements, videos, maps, technical reports, etc. developed for the VVRP, shall show credit to ADEQ. All promotional materials shall be printed to the extent possible on recycled paper with the statement "Printed on Recycled Paper" printed on the cover sheet.
17. **VVRP Review:**
- 17.1 It is the responsibility of ADEQ to coordinate with the County regarding the progress of VVRP. The County may request, at its discretion, and ADEQ shall provide, progress updates.
- 17.2 The County reserves the right to review and approve any and all forms, questionnaires, brochures, training materials and other special purpose documents developed for use in VVRP. ADEQ shall provide the County with copies of documents created for the VVRP.
18. **Severability:** The provisions of this Agreement are severable to the extent that any provision or application to be invalid shall not affect any other provision or application of the Agreement, which shall remain in effect without the invalid provision or application.
19. **Termination:**
- 19.1 ADEQ or the County may terminate this Agreement at any time, with or without cause, after giving 30 days written notice of termination to the County or ADEQ, as appropriate. The notice shall specify the effective date of termination.
- 19.2 In the event the Agreement is terminated, with or without cause, GDAT shall deliver all finished or unfinished documents, data, and reports prepared as a result of this Agreement to ADEQ.
20. **Indemnification:**
- 20.1 Each party (as "Indemnitor") agrees to defend, indemnify, and hold harmless the other party (as "Indemnitee") from and against any and all claims, losses, liability, costs, or expenses (including reasonable attorney's fees) (hereinafter collectively referred to as "Claims") arising out of bodily injury of any person (including death) or property damage, but only to the extent that such Claims which result in vicarious/derivative liability to the Indemnitee are caused by the act, omission, negligence, misconduct, or other fault of the Indemnitor, its officers, officials, agents, employees, or volunteers. The State of Arizona, (*State Agency*) is self-insured per A.R.S. §41-621.

ADEQ17-_____
VOLUNTARY VEHICLE REPAIR PROGRAM OVERVIEW

The Arizona Department of Environmental Quality will administer the Voluntary Vehicle Repair Program (VVRP) in Pima County under Pima County’s authorization. ADEQ will limit administrative costs to the program by using existing ADEQ funds and staff. Costs to the VVRP fund will be limited to GDAT administrative costs, and reimbursable repairs.

The VVRP will allow vehicles that are 12 years and older than the current calendar year to be repaired with current technology if the vehicle fails an emissions test. The VVRP will pay up to \$550 for emissions repairs, and the vehicle’s owner is responsible for a copayment of \$150.00.

Diesel powered vehicles with gross vehicle rating of more than 8,500 pounds that are registered in Area A or B and fail any random roadside test conducted by the state or that fail the emissions test conducted pursuant to section 49-542 are eligible for up to one thousand dollars in repair costs from the program. Qualified vehicle owners pursuant to this subsection shall be responsible for one-half of the costs of the qualified repairs and the other half of the costs shall be funded from the program up to one thousand dollars. An owner of vehicles that are registered as a fleet shall not receive more than ten thousand dollars. No more than twenty-five per cent of the program funds in any year may be used for diesel repairs.

Under the terms of ADEQ contract ADEQ14-052318, Gordon-Darby Arizona Testing, Inc. is responsible for vehicle testing, customer education, vehicle repair facility references, paying of repair facility invoices and the retesting of vehicles for PIMA County. Gordon-Darby Arizona Testing, Inc. will then invoice ADEQ for the cost of repairs as well as \$40.00 per vehicle that was repaired.

The cost of the VVRP will include the following:

Print Materials	\$3,000.00
Software Development (one time cost)	\$31,250.00
Administrative Fee per Vehicle (1,000 vehicle estimate)	\$40,000.00
Maximum Cost of Gasoline Vehicle Reimbursable Repairs (1,000 vehicle estimate)*	\$550, 000.00
Total Cost:	\$624,250.00

*The owners of qualifying diesel vehicles are eligible for up to \$1000 per vehicle for reimbursement of emission-related repairs. Repairs must be made by a certified diesel repair facility. No more than 25 percent of program funds may be used for diesel repairs.

ADEQ17-_____
SCOPE OF WORK

The Arizona Department of Environmental Quality (ADEQ), under the authorization of Pima County (the County) in accordance with A.R.S. §11-953 and A.R.S. §49-474.03, shall administer a Voluntary Vehicle Repair Program (VVRP). The VVRP shall provide for real and quantifiable emissions reduction based on actual emissions testing performed on the vehicle before and after repair.

1. The County shall provide the following services:

1.1 Pursuant to A.R.S. §49-474.03, the county shall coordinate with ADEQ to administer the VVRP.

2. ADEQ shall provide the following services:

2.1 ADEQ will review and pay invoices submitted by GDAT, including periodic auditing of GDAT.

2.2 ADEQ will quantify emissions reductions from the VVRP. ADEQ will be responsible for providing a quarterly report to the County no later than 45 days after the close of each quarter. By December 1 of each calendar year, the ADEQ shall prepare and submit a progress report to the County, Arizona Department of Transportation, the Arizona Speaker of the House of Representatives, the Arizona President of the Senate, the Governor of Arizona, the Arizona Secretary of State and the Director of the Arizona State Library Archives and Public Records on the VVRP that contains at least the following information:

- a. The number of vehicles repaired by model year and associated repair costs.
- b. The number and nature of vehicle emissions reduced.
- c. The cost-effectiveness of the VVRP in terms of dollars spent per ton of vehicle emission reductions.
- d. Any recommendations for improving the effectiveness of the VVRP.
- e. The administrative costs of the VVRP.

3. GDAT shall provide the following services:

3.1 Develop software to automate process of recording emissions testing.

3.2 Develop print materials for the purpose of providing items specified in 3.4 (below).

3.3 Provide a staffed Helpline telephone number to answer questions from the public, staffing, data gathering/research and report preparation.

3.4 Print and provide pre-qualification checklist and VVRP application.

3.5 Determine eligibility of vehicles for VVRP, including providing repair options to customers.

3.6 Contract with repair facilities eligible to participate in the VVRP.

3.7 Provide information on participating repair facilities to the customer.

3.8 Perform pre and post-repair testing and transmit results to repair facility.

3.9 Verify all emission related repairs performed by participating repair facility.

3.10 Reimburse participating repair facilities for emission related repair costs.

3.11 Invoice ADEQ for costs associated with implementing the VVRP.



VOLUNTARY VEHICLE REPAIR PROGRAM (VVRP) WORK PLAN

April 6, 2017

Table of Contents

BACKGROUND	2
Historical Overview	2
Vehicles Eligible for VVRP	2
VVRP Process	4
VVRP Fee Structure	5
GORDON DARBY ARIZONA TESTING (GDAT) RESPONSIBILITIES	6
Implementation Timeline	6
Phase I	6
<i>Pre On-Board Diagnostic (OBD) 1995 Model Vehicle and Older Requirements:</i>	6
<i>On-Board Diagnostic (OBD) 1996 Model Vehicle and Newer Requirements:</i>	7
Phase II	9
<i>Software Development Tasks:</i>	9
ADEQ VVRP RESPONSIBILITIES	10
ADEQ Administrative Responsibilities	10
VVRP Branding Responsibilities	10
Participating VVRP Repair Facilities	11
Participating VVRP Repair Facilities Compliance and Audit Plan	11
<i>General Description</i>	11
VVRP Verification Technician and State Inspector Qualifications	12
<i>GDAT Waiver Lane Certification Requirements</i>	12
<i>ADEQ State Station/Fleet Inspector Certification Requirements</i>	12
VVRP Reporting	13
PARTICIPATING VVRP REPAIR FACILITIES RESPONSIBILITY	14
<i>Overview</i>	14

Voluntary Vehicle Repair Program Work Plan

BACKGROUND

Historical Overview

The Voluntary Vehicle Repair and Retrofit Program (VRRP) was enacted (Laws 1998, Chapter 217, § 19) to provide assistance to the owners of vehicles that were 12 years old or older to help them comply with the requirement to successfully repair vehicles that had failed emissions inspections. Arizona law (A.R.S. §49-474.03) requires Maricopa County and Pima Counties to operate and administer a VRRP in Area A and Area B (A.R.S. §49-541) and to coordinate the program with the Arizona Department of Environmental Quality (ADEQ) and the Arizona Department of Transportation (ADOT). The program is required to provide for quantifiable emission reductions based on actual emissions testing performed on the vehicle before and after repair.

The VRRP (including the 18 month pilot) which began in January 1999, repaired or retrofitted nearly 13,000 vehicles that failed emissions tests. Virtually all were light-duty gasoline vehicles. While diesels are eligible for the program, only three diesel-powered vehicles were repaired during the decade in which the program operated.

For the first nine years of the program, 850 to over 1,100 vehicles were repaired or retrofitted each year. (The retrofit portion is no longer part of the program since retrofit kits are no longer manufactured). The program has been renamed as the Voluntary Vehicle Repair Program (VVRP). In the final two years, with much reduced funding, a total of 1,221 vehicles were involved in the program. An important distinction within the program is the type of emissions test conducted (which is based primarily on the model year for each vehicle).

Vehicles Eligible for VVRP

1. Gasoline Vehicles

- The vehicle owner is willing to participate in the program.
- The vehicle must be at 12 years older than the current calendar year (currently 1967 thru 2005).
- The vehicle being repaired is functionally operational.
- The vehicle being repaired is titled in Arizona and has taken the emission inspection test.
- The vehicle has been registered during the immediately preceding twelve months and has not been unregistered for more than sixty days after failing the test.
- The emissions control system has been tamper free.
- The emissions control system has not been removed or disabled, in whole or in part.

- The vehicle is taken to a participating VVRP Repair Facility. Any repairs that are not completed by a participating VVRP Repair Facility are not eligible for payment.
 - Participation in the program is limited to one vehicle per owner.
 - Motor Homes, motorcycles, salvage vehicles and fleet vehicles are not eligible to participate in the program.
2. Diesel Vehicles
- Qualifying light duty diesel vehicles with a Gross Vehicle Weight Rating (GVWR) of 8,500lbs or less must meet the same requirements as gasoline vehicles.
 - Qualifying heavy duty diesel vehicles with a GVWR of 8,501lbs and greater that fail an emissions test can get up to \$1,000 for repairs.
 - A fleet owner cannot receive more than a total of \$10,000.
 - No more than 25% of the program funds in a year can be used for heavy duty diesel repairs.
3. Catalytic Converters
- ADEQ shall operate and administer a program to replace catalytic converters on motor vehicles that fail to meet emissions standards due to failure of the catalytic converter system if that failure is not the result of tampering in a county with a population of more than one million two hundred thousand persons (currently this only applies to Maricopa County only).

VVRP Process

The following is the VVRP process for gasoline and diesel cars and trucks failing the initial emission test (for more detailed information, refer to the VVRP Process Flow Diagram):

- The customer arrives at a State Station for an emissions test.
- Gordon Darby Arizona Testing Inc. (GDAT) performs the applicable test on the vehicle and the vehicle fails.
- GDAT informs the customer that the vehicle failed the emissions inspection and describes the VVRP to the customer.
- GDAT Technical Advisor (TA) will go over the program qualification checklist with the customer in order to verify that the vehicle meets the requirements to be accepted in the VVRP.
 - If the customer elects to participate in program, they have 60 days to fulfill the VVRP requirements.
 - If the customer fails to initiate participation within 60 days, the vehicle must fulfill the required emissions inspection for registration.
 - GDAT will review the checklist. If the vehicle does not meet the VVRP requirements, then the vehicle is not eligible for program and must fulfill the required emissions inspection for registration.
- On OBD vehicles, GDAT waiver lane inspectors will perform a loaded/idle test since the regular test lanes are unable because of software restrictions. During the first six months GDAT will development and implement new VVRP software so that this can be completed in the emissions test lanes.
- The customer takes the vehicle to a participating VVRP Repair Facility for diagnosis and repair.
- The participating VVRP Repair Facility will explain the program to the customer. The customer will sign an agreement with the participating VVRP Repair Facility to have the vehicle diagnosed and repaired.
- The participating VVRP Repair Facility will review the test results from the initial test failure and diagnose the vehicle's emissions failure. The participating VVRP Repair Facility will inform the customer of needed repairs and the associated cost.
- If the customer agrees to proceed with the vehicle repairs then,
 - The customer agrees to pay a \$150.00 co-payment to the VVRP Repair Facility.
- If the customer does not agree to proceed with the vehicle repairs then,
 - The customer agrees to pay the \$75.00 diagnostic fee.
- The vehicle is repaired as per the participating VVRP Repair Facility/customers agreement.
- The vehicle is returned to the waiver lane within two days of the repair by the customer for a retest.
 - The customer has the option to pay the participating VVRP Repair Facility a \$25.00 non-refundable fee to return the vehicle to the waiver lane facility for the retest.
- GDAT waiver lane facility performs a retest of vehicles participating in the VVRP to determine if the vehicle passes (for both OBD and non-OBD vehicles).
- If Vehicle passes emission test:

- It will be given (if OBD) a tailpipe test to quantify emissions. GDAT will then transmit test results to participating VVRP Repair Facilities.
- If the Vehicle Fails the emissions test:
 - As part the VVRP requirements, the vehicle must pass the emissions test. If vehicle fails, the participating VVRP Repair Facility will perform additional repairs at no additional charge to the VVRP or vehicle owner.
- GDAT will compensate participating VVRP Repair Facilities for repairs within 5 business days of receipt of invoice.
- On a monthly basis, GDAT will submit repair invoices to ADEQ for reimbursement
- ADEQ will remit payment to GDAT.

VVRP Fee Structure

Pursuant to A.R.S. §49-474.03 B.4, a total of \$550.00 will be made available to the customer for repair of emissions related failures and the customer is responsible for \$150 co-payment and any costs greater than \$700. Also the customer can choose to not participate in the program. The following table shows a breakdown and responsibilities of the overall VVRP costs.

VVRP Fee Structure Regarding the Customer ¹	
Reimbursable Gasoline Vehicle Repair Costs (VVRP)	\$550.00
Co-payment (vehicle owner)	\$150.00 ²
Total Program and Minimum Vehicle Owner Costs	\$700.00

LEGEND:

1. \$25.00 non-refundable fee – Customer is required to return to the emission testing station within 2 days of the repair for post repair emission testing. Also the customer has the option to pay the participating VVRP Repair Facility this non-refundable fee.
2. \$75.00 non-refundable fee – If after diagnosis is complete and the customer chooses not to participate in the program the fee will be charged.

Diesel powered vehicles with gross vehicle rating of more than 8,500 pounds that are registered in Area A or B and fail any random roadside test conducted by the state or that fail the emissions test conducted pursuant to A.R.S. §49-542 are eligible for up one thousand dollars in repair costs from the program. Qualified vehicle owners pursuant to this subsection shall be responsible for one-half of the costs of the qualified repairs and the other half of the costs shall be funded from the program up to one thousand dollars. An owner of vehicles that are registered as a fleet shall not receive more than ten thousand dollars in total monies. No more than twenty-five per cent of the program funds in any year may be used for diesel repairs.

GORDON DARBY ARIZONA TESTING (GDAT) RESPONSIBILITIES

Implementation Timeline

- GDAT will implement the VVRP in two phases:
 - Phase I will be implemented within 45 days of notification to proceed. Notification to proceed would launch training of GDAT personnel, approval of documents from the State and Counties (if applicable), printing tasks are identified under Phase I below. GDAT will use paper forms in this interim period prior to Phase II software automation completion.
 - Phase II will be implemented in 6 months giving GDAT Operations time to evaluate current procedures. Phase II will deliver more software automation to the program.

Phase I

The following addendum to the GDAT emission testing contract will include the following services that will be provided to assist with the VVRP.

The program will begin within 45 days of notification to proceed with the VVRP, and GDAT will develop the following items:

1. GDAT will complete printing of the VVRP tasks to include:
 - Pre-qualification checklists
 - Applications.

Printing Cost	
Pre-Qualification Checklist- 3000	\$ 1,500.00
VVRP Application- 3000	\$ 1,500.00
Total:	\$ 3,000.00

2. GDAT will implement testing on Pre and Post 1995 vehicles per the following agreed upon items:

Pre On-Board Diagnostic (OBD) 1995 Model Vehicle and Older Requirements:

1. The Technical Advisor (TA) will go over the Pre-qualification Checklist with the customer.
2. If qualified, the customer will be directed to a participating VVRP Repair Facility of their choosing.
3. The TA will make a copy of the Pre-Qualification checklist after completion and give the original to the customer.
4. The customer will have 60 days to decide on whether they want to participate in the program.

5. The TA will enter the vehicles information on the Pre-OBD spread sheet.
6. The customer takes the vehicle to get repaired by a participating VVRP Repair Facility.
7. Pursuant to A.R.S. § 49-474.03 B.4, if the repair exceeds the limit of \$ 700.00 (which includes the diagnosis and repair costs), the customer has the option to pay the difference or not participate in the program.
8. The participating VVRP Repair Facility will explain the program to the customer. The customer will sign an agreement with the participating VVRP Repair Facility to have the vehicle diagnosed and repaired and the customer will be informed that the vehicle must be returned to the waiver lane facility for a retest within two working days. If the customer cannot meet the two working day requirement, the customer has the option of having the participating VVRP Repair Facility take the vehicle to the waiver lane facility for the retest for a fee of \$ 25.00.
9. After the repairs have been made by a participating VVRP Repair Facility, the vehicle will be returned to the waiver lane facility for a retest within two working days. The customer or participating VVRP Repair Facility will be instructed to bring all repair receipts with them to the waiver lane facility for re-testing.
10. The waiver lane facility will verify the repairs performed along with receipts on every vehicle participating in the VVRP. Waiver lane personnel will make copies of receipts and validate that the receipts match the actual repairs made.
11. The vehicle will be moved to a regular testing lane and a tailpipe test will be performed.
12. If the vehicle passes, GDAT will transmit the Vehicle Inspection Report (VIR) containing the test results to the participating VVRP Repair Facility via e-mail and GDAT will be billed by the participating VVRP Repair Facility. GDAT will compensate the participating VVRP Repair Facilities and turn invoices into the ADEQ monthly for reimbursement.
13. GDAT will reimburse the participating VVRP Repair Facilities within 5 business days.
14. Based on the requirements of the program, the vehicle will be required to pass. If the vehicle fails, the vehicle will be returned to the participating VVRP Repair Facility for re-diagnosis and/or repairs at no additional charge to the customer.

On-Board Diagnostic (OBD) 1996 Model Vehicle and Newer Requirements:

1. The TA will go over the Pre-qualification Checklist with the customer.
2. If qualified, the customer will be directed to a participating VVRP Repair Facility of their choosing.
3. The customer will have 60 days to decide on whether they will participate in the program.
4. The customer takes the vehicle to get repaired by a participating VVRP Repair Facility.
5. Pursuant to A.R.S. §49-474.03 B.4, if the repair exceeds the limit of \$ 700.00 (which includes the diagnosis and repair costs), the customer has the option to pay the difference or not participate in the program.

6. If the customer is qualified and agrees to participate, they will be directed to a waiver lane facility to receive their first tailpipe test before going to a participating VVRP Repair Facility. Waiver lane personnel will perform a loaded test on the vehicle and access HC, CO & CO2 readings, and readings will be entered onto the OBD tracking sheet.
7. The customer after receiving a tailpipe test will be directed to visit one of the participating VVRP Repair Facilities of their choosing.
8. The customer then takes the vehicle to a participating VVRP Repair Facility for repair.
9. The participating VVRP Repair Facility will explain the program to the customer. The customer will sign an agreement with the participating VVRP Repair Facility to have the vehicle diagnosed and repaired and the customer will be informed that the vehicle must be returned to the waiver lane facility for a retest within two working days. If the customer cannot meet the two working day requirement, the customer has the option of having the participating VVRP Repair Facility take the vehicle to the waiver lane facility for the retest for a fee of \$ 25.00.
10. After the repair has been made by a participating VVRP Repair Facility, the vehicle will be returned to the waiver lane facility for a retest within two working days. The customer or participating VVRP Repair Facility will be instructed to bring all repair receipts with them to the waiver lane facility for re-testing.
11. The waiver lane facility will verify the repairs performed along with receipts on every vehicle participating in the VVRP. Waiver lane personnel will make copies of receipts and validate that the receipts match the actual repairs made. The waiver lane facility will tailpipe test the vehicle again for emission readings which will be entered onto the OBD tracking sheet.
12. The vehicle will be moved to a testing lane and OBD tested. If the vehicle passes, GDAT will transmit the VIR containing test results to the participating VVRP Repair Facility via e-mail and GDAT will be billed by the repair shop. GDAT will compensate the participating VVRP Repair Facilities and turn invoices into ADEQ monthly for reimbursement.
13. GDAT will reimburse the participating VVRP Repair Facilities within 5 business days.
14. Based on the requirements of the program, the vehicle will be required to pass. If the vehicle fails, the vehicle will be returned to the participating VVRP Repair Facility for re-diagnosis and/or repairs at no additional charge to the customer.

Phase II

During the first six months of operation, GDAT will develop and implement VVRP software to automate emission test data collection in the emission test lanes. This will be a one-time start-up cost. Any changes to currently identified automation would be reviewed with ADEQ prior to development of the finalized software.

GDAT will develop a system to track invoices and vehicle year/make/model and collate emission reduction data for reporting purposes.

Software Development Tasks:

250 hours at \$125.00 per hour for:

Waiver lane VVRP Software modifications	130 hours
Lane Software modifications	40 hours
Portal reporting	40 hours
System Development testing	32 hours
Software development	8 hours

Total: **\$ 31,250.00**

ADEQ VVRP RESPONSIBILITIES

ADEQ Administrative Responsibilities

The Vehicle Emissions Control (VEC) program group reviewed the VVRP requirements and determined that there was capacity to administer the program. These functions can be efficiently implemented through the existing GDAT contract and ADEQ's lean practices and continuous improvements.

- As a result ADEQ can assume the following VVRP responsibilities without additional costs:
- ADEQ will provide participating VVRP Repair Facilities with all necessary paperwork including: Customer agreements, surveys, postage paid envelopes, etc.
- ADEQ will train staff who answer a dedicated phone line and GDAT staff regarding the VVRP.
- ADEQ will provide the participating VVRP Repair Facilities through ADEQ's Recognized Repair Facilities (RRF) Program.
- ADEQ will perform inspections of the participating VVRP Repair Facilities and GDAT technicians performing repair verifications.
- ADEQ will audit a minimum 25% of the participating VVRP Repair Facilities invoices quarterly.
- In addition, ADEQ will audit a minimum 25% of GDAT invoices quarterly.
- ADEQ will provide staff support to the counties advisory committees.

Administrative Costs	
Salary/Fringe/Benefits	\$ 0.00
Supplies and Equipment	\$ 0.00
Motor pool	\$ 0.00
Rent and Services	\$ 0.00
Other	\$ 0.00
Total:	\$ 0.00

VVRP Branding Responsibilities

Maricopa and/or Pima Counties branding will not be included in any of the marketing, materials or program-related documents produced by ADEQ or GDAT used for the VVRP.

Participating VVRP Repair Facilities

Pursuant in part in the Arizona Revised Statutes A.R.S. § 49-474.03(8), vehicles participating in the VVRP must be taken to a participating VVRP Repair Facility. Any repairs not performed at a participating VVRP Repair Facility are not eligible for payment. ADEQ will solicit and inspect participating VVRP Repair Facilities. Participating VVRP Repair Facilities will be reviewed annually by ADEQ and if their performance is satisfactory they will be renewed. ADEQ will also add/replace participating VVRP Repair Facilities as needed based on their performance. GDAT will contract with participating VVRP Repair Facilities.

ADEQ will be using the RRF Program as a minimum requirement for participating VVRP Repair Facilities to qualify to be part of the program. ADEQ has identified and categorized three different levels to the RRF's as follows:

- 75% to 79% passing emissions repair effectiveness, Bronze;
- 80% to 89% passing emissions repair effectiveness, Silver;
- 90% to 100% passing emissions repair effectiveness, Gold.

For purposes of participating in the VVRP the Department has determined that RRF's with a 90% and higher emissions repairs success may apply to become a participating VVRP Repair Facility and eligible for payment.

Participating VVRP Repair Facilities Compliance and Audit Plan

General Description

The purpose of the audit is to ensure that all RRF's participating in the VVRP perform all aspects of the emissions repairs within the guidelines of the VVRP.

Pursuant in part in the Arizona Revised Statutes A.R.S. § 49-474.03(8), the vehicle is taken to a participating VVRP Repair Facility. Any repairs not performed at a participating VVRP Repair Facility are not eligible for payment. The Department has determined that RRF's with a 90% and higher emissions repair success may become a participating VVRP Repair Facility and eligible for payment.

To ensure the integrity of the program, all participating VVRP Repair Facilities shall be audited quarterly as follows:

1. Upon arriving at the facility, the state inspector shall show identification and advise the owner or on site representative the purpose of the visit.
2. The state inspector shall verify that the facility employs a certified technician, and that the technician's certifications are current. If the facility does not meet the requirement, the state inspector shall discontinue the audit and inform the owner that their facility does not meet the participating VVRP Repair Facility requirements and is not authorized to be in the program. Record comments on the checklist.

3. The state inspector shall review documents of vehicles that have been repaired or are in the process of being repaired. The state inspector shall ensure the participating VVRP Repair Facility has all the necessary equipment to conduct the emissions diagnosis and repairs, i.e. gas analyzer, scan tool and record comments on the checklist.
4. The state inspector shall observe any current vehicles being repaired for emissions and record comments on the checklist.
5. If there are any concerns or the participating VVRP Repair Facility does not meet the requirement of being in the program, explain the requirements to the participating VVRP Repair Facility and that they will be removed from the program if they do not meet the requirements within a three month time frame which includes maintaining an average of 90% emissions repair success rate.
6. ADEQ inspectors will assist customers with complaints received from either GDAT or participating VVRP Repair Facilities.

At the conclusion of the audit the state inspector will provide a copy of the checklist to the owner or the on-site representative.

VVRP Verification Technician and State Inspector Qualifications

GDAT Waiver Lane Certification Requirements

GDAT waiver lane technicians will be the inspecting and verifying repairs that have been performed by the participating VVRP Repair Facilities. Below is the certification criteria for the waiver lane technicians.

Waiver Lane Technician Certification Requirements:

- GDAT IM-147 certification (Area A).
- Attend an ADEQ waiver lane certification training class.
- Show proficiency on how to identify valid repair receipts, estimates and completed repairs on all makes and models of vehicles that have failed the Arizona State emissions test.
- Pass an ADEQ waiver lane certification test with a score of 80% or better.

ADEQ State Station/Fleet inspectors will audit GDAT and the participating VVRP Repair Facilities equipment and technicians on a regularly scheduled basis. Below is the certification criteria for ADEQ State Station/Fleet inspectors.

ADEQ State Station/Fleet Inspector Certification Requirements

- Pass Equipment Repair Technician certification test with a score of 80% or better.
- Be cross trained and show proficiency in both State Station and Fleet equipment and personnel auditing.
- Pass an ADEQ Diesel and Non-Diesel Vehicle Emissions Inspector Certification with a score of 80% or better.
- Attend an ADEQ waiver lane certification training class.
- Pass an ADEQ waiver lane certification test with a score of 80% or better.

VVRP Survey Review

ADEQ will review customer surveys, track results, which will be included in the ADEQ Annual Report.

ADEQ Outreach to participating VVRP Repair Facilities

In order to find participating VVRP Repair Facilities, ADEQ will invite current Recognized Repair Facilities to attend one of two open house discussions about the program. The invitations will be sent to those Recognized Repair Facilities that meet the criteria for 90% passing emission repair effectiveness. Meetings will be held in both Maricopa and Pima Counties. ADEQ will explain the Statutes Governing the VVRP and additional requirements for equipment and personnel training during the open house discussions.

VVRP Reporting

ADEQ will quantify emissions reductions from the VVRP. ADEQ will be responsible for providing a quarterly report to the County no later than 45 days after the close of each quarter containing the information below. By December 1 of each calendar year, ADEQ shall also prepare and submit an annual progress report to the County, the Department of Transportation, the Speaker of the House of Representatives, the President of the Senate, the Governor, the Secretary of State and the Director of the Arizona State Library Archives and Public Records on the VVRP that contains at least the following information:

1. The number of vehicles repaired by model year and associated repair costs.
2. The cost-effectiveness of the program in terms of dollars spent per ton of vehicle emission reductions.
3. Any recommendations for improving the effectiveness of the program.
4. The administrative costs of the program.

Metrics:

1. Graph the success rate of vehicles passing emissions on the second attempt with the goal of a 95% pass rate.
2. Track and verify that ADEQ can repair an equal or greater number of vehicles than when the Counties operated the program.
3. Track the Audit compliance and ensure that a 90% compliance rate is achieved.
 - a. Bi-monthly tracking for the first six months or until a 90% compliance rate is achieved.
 - b. Quarterly tracking for the next six months or until a 90% compliance rate is achieved.
 - c. Annual tracking as long as there is a 90% compliance rate.

PARTICIPATING VVRP REPAIR FACILITIES RESPONSIBILITY

Overview

The participating VVRP Repair Facilities will be responsible for the following:

- Obtain a signed customer agreement form and take copayment.
- Complete the vehicle diagnostic and provide a written estimate to the customer for approval to continue in the program.
- Complete the emission related repairs.
- Finalize additional payment from customers for repairs, if repairs go beyond the combined \$ 700.00 amount (see VVRP Fee Structure Regarding the Customer table).
- Customer can opt to have the participating VVRP Repair Facility take the vehicle to the emissions station for post-repair testing for a fee of \$ 25.00.
- Distribute a customer satisfaction survey and return envelope to be mailed back in. ADEQ will provide copies of the survey and postage-paid return envelopes.
- Submit invoices to GDAT for reimbursement.