

BOARD MEETING DATE: May 3, 2013

AGENDA NO. 5

**PROPOSAL:** Adopt Resolution Recognizing Additional Funds for FY 2012-13 Carl Moyer Program, Execute and Amend Contracts under Carl Moyer Program and SOON Provision and Transfer Funds

**SYNOPSIS:** At its March 1, 2013 meeting, the Board adopted a resolution recognizing \$23,161,486 in FY 2012-13 Carl Moyer Program grant funds. Since then, CARB has informed staff that additional funds are available. This action is to adopt a resolution recognizing \$23,229,938 in FY 2012-13 Carl Moyer Program funds, superseding the previous resolution with \$68,452 in additional funds. These actions are also to execute contracts under the Carl Moyer Program and the SOON Provision in an amount not to exceed \$4,189,452 from the Carl Moyer Program AB 923 Fund (80), to amend awards under the SOON Provision to increase funding in an amount not to exceed \$1,605,221 from the Carl Moyer Program SB 1107 Fund (32), and to transfer up to \$3 million in project funds from the Carl Moyer Program AB 923 Fund (80) to the VIP Fund (59) for implementation of truck projects.

**COMMITTEE:** Technology, April 19, 2013, Recommended for Approval

**RECOMMENDED ACTIONS:**

- A. Adopt the attached resolution superseding the resolution adopted on March 1, 2013, due to availability of additional funds in the amount of \$68,452, by accepting the terms and conditions of the FY 2012-2013 Carl Moyer Grant award and recognizing upon receipt up to \$23,229,938 from CARB in the Carl Moyer Program SB 1107 Fund (32).
- B. Authorize the Executive Officer, after each year's adoption of the Carl Moyer Program resolution, to apply for and accept additional funds if available, from CARB or from other air districts wishing to transfer funds not exceeding 15% of the amount of the Board's adopted resolution, and in accordance with the criteria described in the applicable version of the Carl Moyer Program guidelines.

- C. Authorize the Chairman to execute the following Carl Moyer Program contracts with funds from the Carl Moyer Program AB 923 Fund (80) for a total of up to \$1,502,805:
  1. Above All Grading for the repower of 4 off-road vehicles in an amount not to exceed \$430,888;
  2. Douglas Cash for the repower of 1 off-road vehicle in an amount not to exceed \$161,012;
  3. Miller Blades for the repower of 6 off-road vehicles in an amount not to exceed \$277,378;
  4. Muth Equipment for the repower of 4 off-road vehicles in an amount not to exceed \$527,255; and
  5. P. Riley Enterprises for the repower of 1 off-road vehicle in an amount not to exceed \$106,272.
- D. Authorize the Chairman to execute the following SOON Provision contracts with funds from the Carl Moyer Program AB 923 Fund (80) for a total of up to \$2,686,647:
  1. Bill Higgings for the repower of 2 off-road vehicles in an amount not to exceed \$97,014;
  2. Jagur Tractor for the repower of 14 off-road vehicles in an amount not to exceed \$1,922,258;
  3. JKM Equipment for the repower of 1 off-road vehicle in an amount not to exceed \$173,482;
  4. Lee & Stires for the repower of 5 off-road vehicles in an amount not to exceed \$197,241; and
  5. Power Move for the repower of 3 off-road vehicles in an amount not to exceed \$296,652.
- E. Amend the following awards approved on October 5, 2012 under the SOON Provision, to increase the number of equipment to be repowered resulting in increase of the funding amount by \$1,605,221 to the new total amount of \$3,355,693, from the Carl Moyer Program SB 1107 Fund (32):
  1. Cattrac Construction for the repower of 17 off-road vehicles, to increase the funding amount by \$495,904 to the new total amount of \$1,729,678;
  2. Sage Green, LLC for the repower of 7 off-road vehicles, to increase the funding amount by \$317,173 to the new total amount of \$646,446; and
  3. Sukut Equipment for the repower of 4 and replacement of 1 off-road vehicles, to increase the funding amount by \$792,144 to the new total amount of \$979,569.
- F. Amend a contract with Westside Building Materials Corp., to replace 16 forklifts instead of repowering them under the Carl Moyer Program with no cost increase.

- G. Approve the transfer of \$3 million from the Carl Moyer Program AB 923 Fund (80) to the VIP Fund (59) to fund truck replacement projects under the Carl Moyer Voucher Incentive Program (VIP) on a first-come first-served basis.

Barry R. Wallerstein, D.Env.  
Executive Officer

MMM:FM

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### **Background**

At its March 1, 2013 meeting, the Board adopted resolution recognizing \$23,161,486 in FY 2012-13 Carl Moyer Program grant funds. Since then CARB has informed that additional funds in the amount of \$68,452 are available. In order to accept these funds, a new resolution reflecting the increased funding amount must be adopted.

On June 5, 2012, proposals were received in response to the Program Announcements that were issued for the “Year 14” Carl Moyer Program and the SOON Provision. At the time several off-road projects were evaluated but the projects with Tier 3 engine repowers were not recommended for Board approval due to changes in federal regulation that could affect their eligibility for incentive funding. On March 11, 2013, CARB issued the Advisory #MSC 13-07 regarding this issue clarifying that off-road projects with the described repowers were eligible for incentive funding and could continue to be implemented.

Under the SCAQMD’s VIP, more than 500 trucks have been replaced with a funding of over \$16 million from the Carl Moyer SB 1107 Multidistrict, SB 1107, and AB 923 funds. Due to increased demand additional funds are needed to continue this successful program.

### **Proposal**

Staff recommends that the Board adopt the attached resolution superseding the one adopted on March 1, 2013, due to availability of additional funds in the amount of \$68,452, by accepting the terms and conditions of the FY 2012-2013 Carl Moyer Grant award and recognizing upon receipt up to \$23,229,938 from CARB in the Carl Moyer Program SB 1107 Fund (32). Furthermore, staff recommends that the Board authorize the Executive Officer, after each year’s adoption of the Carl Moyer Program resolution, to apply for and accept additional funds if available, from CARB or from other air districts wishing to transfer funds not exceeding 15% of the amount of the Board’s adopted resolution, and in accordance with the criteria described in the applicable version of the Carl Moyer Program guidelines.

Staff also recommends the Board’s approval to execute and amend projects as outlined in Tables 1 and 2, under the Carl Moyer Program and the SOON Provision in an amount not

to exceed \$5,794,673, comprised of \$4,189,452 from the Carl Moyer Program AB 923 Fund (80), and \$1,605,221 from the Carl Moyer Program SB 1107 Fund (32).

Total NOx and PM reductions from the recommended Carl Moyer projects are approximately 18.7 tons/year and 0.7 ton/year, respectively, and total NOx reductions from the recommended SOON projects are approximately 46.1 tons/year.

The total amount of projects funded in disproportionately impacted areas is \$3,720,941, while the total amount of projects funded solely based on cost-effectiveness is \$2,073,732. In summary, 64% of the projects are in disproportionately impacted areas.

Finally, staff recommends the Board's approval to transfer up to \$3 million from the Carl Moyer Program AB 923 Fund (80) to the VIP Fund (59) to fund truck replacement projects under the Carl Moyer VIP on a first-come first-served basis.

### **Funding Distribution**

Funding for projects has been recommended based on the priorities of the "Carl Moyer Program Guidelines under SB 1107 & AB 923" adopted by the Board on July 8, 2005. The priorities of the guideline are:

- Goods Movement (no less than 40%)
- Environmental Justice (no less than 50%)
- Cost Effectiveness
- Low Emission Engine/Vehicle Preference
- Early Commercialization of Advanced Technologies/Fuels
- Fleet Rules
- School Buses

The Board's allocation of funds for the implementation of the Proposition 1B-Goods Movement Program by far exceeds the goods movement objective. About 64% of the award dollars are recommended for projects under the Environmental Justice category in disproportionately impacted (DI) areas.

### **Disproportionate Impact (DI) Point Ranking**

The requirements of AB 1390 are implemented according to the following criteria.

- 1) All projects must qualify for the Carl Moyer Program by meeting the cost effectiveness limits established in the Program Announcement.
- 2) All projects will be evaluated according to the following criteria to qualify for funding as a disproportionately impacted area:
  - a. Poverty Level: All projects in areas where at least 10 percent of the population falls below the Federal poverty level based on the year 2000 census data are eligible to be included in this category, and

- b. PM2.5 Exposure: All projects in areas with the highest 15 percent of PM2.5 concentration measured within a 2 km grid will be eligible to be ranked in this category. The highest 15 percent of PM2.5 concentration is 19.01 micrograms per cubic meter and above, on an annual average, or
- c. Air Toxics Exposure: All projects in areas with a cancer risk of 865 in a million and above (based on Mates III estimates) will be eligible to be ranked in this category.

The maximum score is comprised of 40 percent for poverty level and 30 percent each for PM and toxic exposures. Special circumstances exist in some areas, such as the Ports of Long Beach and Los Angeles. Since there are no residents within the ports, poverty ranking could not be established. In this case, the poverty ranking from the adjacent on-shore areas was extended to the port since these populated areas are directly impacted by port activities.

## **Outreach**

In accordance with SCAQMD's Procurement Policy and Procedure, a public notice advertising the RFP/RFQ and inviting bids was published in the Los Angeles Times, the Orange County Register, the San Bernardino Sun, and Riverside County Press Enterprise newspapers to leverage the most cost-effective method of outreach to the South Coast Basin.

Additionally, potential bidders may have been notified utilizing SCAQMD's own electronic listing of certified minority vendors. Notice of the RFP/RFQ has been e-mailed to the Black and Latino Legislative Caucuses and various minority chambers of commerce and business associations, and placed on the Internet at SCAQMD's website (<http://www.AQMD.gov>). Information is also available on SCAQMD's bidder's 24-hour telephone message line (909) 396-2724.

## **Benefits to SCAQMD**

The successful implementation of the Carl Moyer Program and the SOON Provision will provide direct emissions reductions for both NOx and PM as required by the programs. Since the vehicles and equipment funded under this program will operate for many years, the emissions reductions will provide long-term benefits.

## **Resource Impacts**

Funding for the Carl Moyer Program and the SOON Provision shall not exceed \$5,794,673 from the Carl Moyer Program Fund, comprised of \$1,605,221 from the SB 1107 Fund (32), and \$4,189,452 from the AB 923 Fund (80).

Total funds to be transferred from the Carl Moyer Program AB 923 Fund (80) to the VIP Fund (59) to fund heavy-duty truck projects shall not exceed \$3 million.

## **Attachments**

1. A Resolution of the South Coast Air Quality Management District Board Recognizing Funds and Accepting the Terms and Conditions of the FY 2012-13 Carl Moyer Grant Award
2. Table 1 – Recommended Carl Moyer Program Awards
3. Table 2 – Recommended SOON Provision Awards and Amendments

**RESOLUTION NO. 13-XXX**

**A Resolution of the South Coast Air Quality Management District Board  
Recognizing Funds and Accepting the Terms and Conditions of the  
FY 2012-13 Carl Moyer Grant Award**

WHEREAS, under Health & Safety Code §40400 *et seq.* the South Coast Air Quality Management District (SCAQMD) is the local agency with the primary responsibility for the development, implementation, monitoring and enforcement of air pollution control strategies, clean fuels programs and motor vehicle use reduction measures; and

WHEREAS, the SCAQMD is authorized by Health & Safety Code §§40402, 40440, and 40448.5 to implement programs to reduce transportation emissions, including programs to encourage the use of alternative fuels and low-emission vehicles; to develop and implement other strategies and measures to reduce air contaminants and achieve the state and federal air quality standards; and

WHEREAS, the Board has adopted several programs to reduce emissions from on-road and off-road vehicles, as well as emissions from other equipment, including the School Bus Incentive Program and the Carl Moyer Program; and

WHEREAS, the South Coast Air Quality Management District is designated as an extreme non-attainment area for ozone and as such is required to utilize all feasible means to meet national ambient air quality standards.

THEREFORE, BE IT RESOLVED that the Board of the South Coast Air Quality Management District, State of California, in regular session assembled on May 3, 2013, does hereby accept the terms and conditions of the 2012-13 (year 15) Carl Moyer Program grant award and recognizes up to \$23,229,938 in SB 1107 funds.

BE IT FURTHER RESOLVED that the Executive Officer is authorized and directed to take all steps necessary to carry out this Resolution.

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Date

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Clerk of the Board

**Table 1: Recommended Carl Moyer Program Awards and Amendment**

| <b>AB 923 Fund Awards</b> |           |                                   |                             |
|---------------------------|-----------|-----------------------------------|-----------------------------|
| Above All Grading         | \$430,888 | Miller Blades                     | \$277,378                   |
| Douglas Cash              | \$161,012 | P. Riley Enterprises              | \$106,272                   |
| Muth Equipment            | \$527,255 | Westside Building Materials Corp. | Amend at no additional cost |
| <b>Total:</b>             |           | <b>\$1,502,805</b>                |                             |

**Table 2: Recommended SOON Provision Awards and Amendments**

| <b>AB 923 Fund Awards</b>  |           |                    |             |  |  |
|----------------------------|-----------|--------------------|-------------|--|--|
| Bill Higgins               | \$97,014  | Jagur Tractor      | \$1,922,258 |  |  |
| JKM Equipment              | \$173,482 | Lee & Stires       | \$197,241   |  |  |
| Power Move                 | \$296,652 |                    |             |  |  |
| <b>Total:</b>              |           | <b>\$2,686,647</b> |             |  |  |
|                            |           |                    |             |  |  |
| <b>SB 1107 Fund Awards</b> |           |                    |             |  |  |
| Cattrac Construction       | \$495,904 | Sage Green, LLC    | \$317,173   |  |  |
| Sukut Equipment            | \$792,144 |                    |             |  |  |
| <b>Total:</b>              |           | <b>\$1,605,221</b> |             |  |  |