



BOARD MEETING DATE: January 10, 2014

AGENDA NO. 5

PROPOSAL: Approve Contract Awards and Modification Approved by MSRC

SYNOPSIS: The MSRC approved five new contracts and one modification as part of their FYs 2012-14 AB 2766 Discretionary Fund Work Program. These include awarding new contracts under the Local Government Match and Alternative Fuel Infrastructure Programs, as well as a new contract award and a contract modification providing additional funds under the Alternative Fuel School Bus Incentives Program. At this time the MSRC seeks Board approval of the contract awards and modification under the FYs 2012-14 Work Program.

COMMITTEE: Mobile Source Air Pollution Reduction Review, December 19, 2013, Recommended for Approval

**RECOMMENDED ACTIONS:**

1. Approve a funding augmentation to existing contract #MS14009 with A-Z Bus Sales in an amount not to exceed \$124,000 under the Alternative Fuel School Bus Incentives Program as part of approval of the FYs 2012-14 Work Program, as described in this letter;
2. Approve contract award to BusWest in an amount not to exceed \$62,000 as a qualified vendor under the Alternative Fuel School Bus Incentive Program as part of approval of FYs 2012-14 AB 2766 Discretionary Fund Work Program, as described in this letter;
3. Approve the award of three contracts totaling \$639,795 under the Local Government Match Program as part of approval of the FYs 2012-14 AB 2766 Discretionary Fund Work Program, as described in this letter and as follows:
  - a. A contract with the City of Moreno Valley in an amount not to exceed \$105,000 for the purchase of one heavy-duty natural gas vehicle, installation of electric vehicle charging stations, and installation of bicycle lanes and racks;

- b. A contract with the City of Yucaipa in an amount not to exceed \$84,795 for installation of bicycle lanes; and
- c. A contract with the City of Brea in an amount not to exceed \$450,000 for installation of a bicycle trail;
4. Approve contract award to Arcadia Unified School District in an amount not to exceed \$78,000 for expansion of their existing CNG station from the funds originally allocated under the Alternative Fuel Infrastructure Program as part of approval of the FYs 2012-14 AB 2766 Discretionary Fund Work Program, as described in this letter;
5. Authorize MSRC the authority to adjust contract awards up to five percent, as necessary and previously granted in prior work programs; and
6. Authorize the Chairman of the Board to execute new and modified contracts under FYs 2012-14 Work Program, as described above and in this letter.

Greg Pettis,  
Chair, MSRC

MM:HH:CR

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### **Background**

In September 1990 Assembly Bill 2766 was signed into law (Health & Safety Code Sections 44220-44247) authorizing the imposition of an annual \$4 motor vehicle registration fee to fund the implementation of programs exclusively to reduce air pollution from motor vehicles. AB 2766 provides that 30 percent of the annual \$4 vehicle registration fee subvented to the SCAQMD be placed into an account to be allocated pursuant to a work program developed and adopted by the MSRC and approved by the Board.

The MSRC completed selecting categories and targeted funding amounts for the FYs 2012-14 Work Program in May 2013. Five solicitation documents have already been developed and released. At its December 19, 2013 meeting, the MSRC considered recommended awards under the Local Government Match, Alternative Fuel Infrastructure, and Alternative Fuel School Bus Programs. The MSRC also received a request for additional incentive funding from one of the qualified school bus vendors. Details are provided below in the Proposals section.

### **Outreach**

In accordance with SCAQMD's Procurement Policy and Procedure, a public notice advertising the Local Government Match, Alternative Fuel Infrastructure, and Major Event Center Transportation Program Announcements as well as the Alternative Fuel School Bus RFQ 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. In addition, the

solicitations were advertised in the Desert Sun newspaper for expanded outreach in the Coachella Valley.

Additionally, potential bidders may have been notified utilizing SCAQMD's own electronic listing of certified minority vendors. Notice of the solicitations was 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. Further, the solicitations were posted on the MSRC's website at <http://www.cleantransportationfunding.org> and electronic notifications were sent to those subscribing to this website's notification service.

### **Proposals**

At its December 19, 2013 meeting, the MSRC considered recommendations from its MSRC-TAC and unanimously approved the following:

#### **Alternative Fuel School Bus Incentives Program**

As part of the FYs 2012-14 Work Program, the MSRC allocated \$2.0 million for the implementation of an Alternative Fuel School Bus Incentives Program. Vendors deemed qualified, and awarded contracts by the MSRC, would be authorized to offer buy-down incentives to qualifying school districts or private providers of pupil transportation. Incentive levels were set at \$9,000 per Type C, conventional body liquefied petroleum gas (LPG) bus, and \$31,000 per Type D, transit-style CNG bus. The MSRC previously deemed A-Z Bus Sales and BusWest qualified for Program participation, but initially deferred making any awards until the vendors submitted purchase orders for consideration. In November 2013, the MSRC approved a \$36,000 award to A-Z Bus Sales based upon an order for four LPG buses. In December, the MSRC approved a request from A-Z Bus Sales for an additional \$124,000 to incentivize four full-sized CNG buses ordered by Murrieta Valley Unified School District as part of the FYs 2012-14 AB 2766 Discretionary Fund Work Program.

Additionally, BusWest submitted an order from Durham School Services for two full-sized CNG buses. BusWest requested, and the MSRC approved, a \$62,000 funding award to cover the incentives for these buses as part of the FYs 2012-14 AB 2766 Discretionary Fund Work Program.

#### **Local Government Match Program**

As an element of the FYs 2012-14 Work Program, the MSRC allocated \$11.0 million for the Local Government Match Program. A Program Announcement, #PA 2014-04, was developed and released on September 6, 2013. As in the previous Work Program, the Local Government Match Program offers to co-fund qualifying medium- and heavy-duty alternative fuel vehicles, alternative fuel infrastructure projects, electric vehicle charging infrastructure, and regional street sweeping in the Coachella Valley. Bicycle projects were added as a new category. In all categories funding is provided on a dollar-for-dollar match basis, and funding for all eligible entities shall be distributed on a first-come, first-

served basis with a geographic minimum per county of \$1.375 million. The Program Announcement includes an open application period commencing October 15, 2013 and closing February 28, 2014. The MSRC previously allocated an additional \$1,076,000 to the Program and awarded a total of \$10,109,183 to twenty-five projects. Five additional applications have been received, three of which could be funded in full from the funds reserved to meet county geographic minimums. Therefore, the MSRC-TAC recommended, and the MSRC approved, that the MSRC defer consideration of the applications from the County of Los Angeles and the City of La Habra, and approval of three applications totaling \$639,795 as part of the FYs 2012-14 AB 2766 Discretionary Fund Work Program, as follows:

- a. A contract with the City of Moreno Valley in an amount not to exceed \$105,000 for the purchase of one heavy-duty natural gas vehicle, installation of electric vehicle charging stations, and installation of bicycle lanes and racks;
- b. A contract with the City of Yucaipa in an amount not to exceed \$84,795 for installation of bicycle lanes; and
- c. A contract with the City of Brea in an amount not to exceed \$450,000 for installation of a bicycle trail;

#### Alternative Fuel Infrastructure Program

As part of the FYs 2012-14 Work Program, the MSRC allocated \$7.5 million for the implementation of new and expanded CNG and LNG refueling stations and modification of maintenance facilities to accommodate gaseous-fueled vehicles. A Program Announcement, #PA2014-05, was developed and released on September 6, 2013, with an open application period commencing October 8, 2013 and closing September 26, 2014. The MSRC previously considered twelve applications and awarded a total of \$1,400,000 for those projects. One additional application, from Arcadia Unified School District, has been received and evaluated for compliance with the requirements set forth in the Program Announcement. The project was found to meet all requirements. The MSRC approved a contract with Arcadia Unified School District in an amount not to exceed \$78,000 for expansion of their existing CNG station.

At this time the MSRC requests the SCAQMD Board to approve the contract awards and modification as part of approval of the FYs 2012-14 AB 2766 Discretionary Fund Work Program as outlined above. The MSRC also requests the Board to authorize the SCAQMD Chairman of the Board the authority to execute all agreements described in this letter. The MSRC further requests authority to adjust the funds allocated to each project specified in this Board letter by up to five percent of the project's recommended funding. The Board has granted this authority to the MSRC for all past Work Programs.

#### **Resource Impacts**

The SCAQMD acts as fiscal administrator for the AB 2766 Discretionary Fund Program (Health & Safety Code Section 44243). Money received for this program is recorded in a special revenue fund (Fund 23) and the contracts specified herein, as well as any contracts awarded in response to the solicitation, will be drawn from this fund.