

BOARD MEETING DATE: October 2, 2015

AGENDA NO. 8

PROPOSAL: Execute Contracts for FY 2014-15 “Year 17” Carl Moyer Program and SOON Provision

SYNOPSIS: On June 3, 2015, proposals were received in response to the Program Announcements issued for the “Year 17” Carl Moyer Program and the SOON Provision. These actions are to execute contracts for the “Year 17” Carl Moyer Program and the SOON Provision in an amount not to exceed \$27,092,992, comprised of \$24,419,832 from the SB 1107 Fund (32), \$2,521,963 from the AB 923 Fund (80) and \$151,197 in accrued interest from the Carl Moyer Program Fund (32). This action is to also execute contracts for projects from a backup list upon availability of funds from returned or partially completed projects.

COMMITTEE: Technology, September 18, 2015; Recommended for Approval

RECOMMENDED ACTIONS:

- A. Authorize the Chairman to execute the following Carl Moyer Program contracts with funds from the Carl Moyer Program SB 1107 Fund (32) for a total of up to \$18,103,045:
1. Orange County Sheriff’s Department for the replacement of 4 transport buses in an amount not to exceed \$439,624 (subject to CARB approval);
 2. YRC Inc, dba YRC Freight for the diesel to electric repower of 9 off-road equipment, subject to CARB approval, in an amount not to exceed \$1,564,092;
 3. Neovia Logistics Distribution, LP for the diesel to electric repower of 6 off-road equipment, subject to CARB approval, in an amount not to exceed \$1,050,946;
 4. County Sanitation Districts of Los Angeles County for the replacement of 3 off-road equipment in an amount not to exceed \$357,659;
 5. JKM Equipment, Inc. for the repower of 1 off-road equipment in an amount not to exceed \$148,131;
 6. KEC Engineering for the replacement of 3 off-road equipment in an amount not to exceed \$299,578;
 7. L&S Construction, Inc. for the replacement of 1 off-road equipment in an amount not to exceed \$107,604;

8. McKenna General Engineering, Inc. for the repower of 2 off-road equipment in an amount not to exceed \$232,026;
9. Patriot Grading & Engineering, Inc. for the repower of 7 and retrofit of 4 off-road equipment in an amount not to exceed \$1,179,604;
10. Rentrac, Inc for the replacement of 6 for 3 off-road equipment in an amount not to exceed \$2,626,223;
11. Sharma General Engineering Contractors, Inc. for the replacement of 3 and the repower and retrofit of 5 off-road equipment in an amount not to exceed \$1,164,452;
12. Sukut Equipment Inc. for the replacement of 1 off-road equipment in an amount not to exceed \$144,673;
13. West Coast Equipment LLC for the replacement of 7 for 3 off-road equipment in an amount not to exceed \$104,010;
14. A&I Rock Company, Inc. for the repower of 3 off-road equipment in an amount not to exceed \$315,971;
15. Apollo Wood Recovery for the replacement of 3 off-road equipment in an amount not to exceed \$576,730;
16. Bill Higgins Inc. for the replacement of 1, and the repower of 1 off-road equipment in an amount not to exceed \$246,114;
17. C&R Farms Inc. for the replacement of 14 off-road equipment in an amount not to exceed \$1,414,411;
18. Carniello Enterprises for the replacement of 1 off-road equipment in an amount not to exceed \$78,845;
19. Dependable Grading, Inc. for the repower of 2 off-road equipment in an amount not to exceed \$245,846;
20. Desert Custom Farming Inc. for the replacement of 1 off-road equipment in an amount not to exceed \$213,126;
21. Goodwin Enterprises, Inc. for the replacement of 1 off-road equipment in an amount not to exceed \$234,876;
22. Joe B. Talley, Jr. for the replacement of 1 off-road equipment in an amount not to exceed \$40,167;
23. Las Virgenes Municipal Water District for the replacement of 1 off-road equipment in an amount not to exceed \$38,936;
24. LM Finance LLC for the replacement of 2 for 1 off-road equipment in an amount not to exceed \$65,985;
25. M&H Transport, Inc. for the replacement of 1 off-road equipment in an amount not to exceed \$269,612;
26. Michael Willemsen for the repower of 1 off-road equipment in an amount not to exceed \$207,215;
27. Muth Equipment, Inc. for the repower 1 off-road equipment in an amount not to exceed \$125,448;
28. Oasis Ranch Management, Inc. for the replacement of 2 off-road equipment in an amount not to exceed \$140,526;

29. Oostdam Dairy for the replacement of 1 off-road equipment in an amount not to exceed \$145,059;
 30. P. Riley Enterprises, Inc. for the repower of 1 off-road equipment in an amount not to exceed \$117,940;
 31. Paul J. Nelson Equipment Rental for the replacement of 2 for 1 off-road equipment in an amount not to exceed \$112,642;
 32. Pro-Organic Farms LLC for the replacement of 1 off-road equipment in an amount not to exceed \$404,172;
 33. Sage Green, LLC for the replacement of 5 off-road equipment in an amount not to exceed \$2,017,942;
 34. Rick's Backhoe for the replacement of 1 off-road equipment in an amount not to exceed \$105,988;
 35. Shinkle & Sons Greenhouse Inc. for the replacement of 3 off-road equipment in an amount not to exceed \$101,927;
 36. Southern California Landscape Supply LLC for the replacement of 1 off-road equipment in an amount not to exceed \$216,000;
 37. Sunny Slope Tree Farm, Inc. for the replacement of 8 off-road equipment in an amount not to exceed \$378,325;
 38. T&W Parks Construction, Inc. for the replacement of 1 off-road equipment in an amount not to exceed \$453,657;
 39. Viramontes Express Inc. for the replacement of 3 off-road equipment in an amount not to exceed \$212,183;
 40. Washburn Grove Management, Inc. for the replacement of 3 off-road equipment in an amount not to exceed \$120,740; and
 41. Whittier Fertilizer Company for the replacement of 1 off-road equipment in an amount not to exceed \$84,040.
- B. 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 \$2,225,112:
1. JC Farming, Inc. for the replacement of 1 off-road equipment in an amount not to exceed \$951,188; and
 2. Ralph D. Mitzel, Inc. for the repower of 8 off-road equipment in an amount not to exceed \$1,273,924.
- C. Authorize the Chairman to execute the following Carl Moyer Program contracts with:
1. Jones Water Trucks, Inc. for the replacement of 2 off-road equipment in an amount not to exceed \$1,344,000, comprised of \$1,063,085 from the Carl Moyer Program SB 1107 Fund (32), and \$280,915 from the Carl Moyer Program AB 923 Fund (80); and
 2. Williams Heavy Equipment Rentals, Inc. for the repower of 3 off-road equipment in an amount not to exceed \$167,133, comprised of \$15,936 from

the Carl Moyer Program AB 923 Fund (80), and \$151,197 from interest funds accrued in the Carl Moyer Program Fund (32).

- D. Authorize the Chairman to execute the following SOON Provision contracts with funds from the Carl Moyer Program SB 1107 Fund (32) for a total of up to \$5,253,702:
1. Coburn Equipment Rentals, Inc. for the repower of 16 off-road vehicles in an amount not to exceed \$4,693,702, and
 2. Peed Equipment Company for the replacement of 1 off-road equipment in an amount not to exceed \$560,000.
- E. Authorize the Chairman to execute contracts from the backup list of projects as outlined in Table 5, under the SOON Provision, upon availability of funds from returned or partially completed projects. Projects will be selected from the list based on their readiness to proceed and cost-effectiveness.

Barry R. Wallerstein, D.Env.
Executive Officer

MMM:FM

Background

This is the 17th year of the Carl Moyer Program and the 11th year of the Program with a long-term source of funding generated under SB 1107 and AB 923. For FY 2014-15, CARB has allocated \$25,515,326 in SB 1107 funds to the SCAQMD, comprised of \$24,239,560 in project funds and \$1,275,766 in administrative funds. In addition, \$3,827,299 is required from the SCAQMD as its local match. Table 1 shows a summary of the total available funds including accumulated interest and returned funds.

On June 3, 2015, proposals were received in response to the Program Announcements issued for the “Year 17” Carl Moyer Program and the SOON Provision. A total of 116 proposals were received requesting over \$66 million in funding.

Outreach

In accordance with SCAQMD’s Procurement Policy and Procedure, a public notice advertising the PAs and inviting bids was published in the Los Angeles Times, the Orange County Register, the San Bernardino Sun, and Riverside County’s 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 PAs was emailed 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>).

Proposal

These actions are to approve the recommended awards as outlined in Tables 2 and 3 under the Carl Moyer Program and the SOON Provision, respectively, in an amount not to exceed \$27,092,992, comprised of \$24,419,832 from the SB 1107 Fund (32), \$2,521,963 from the AB 923 Fund (80) and \$151,197 in accrued interest from the Carl Moyer Program Fund (32). This action is to also execute contracts from the list of backup projects as outlined in Table 5, under the SOON Provision, upon availability of funds from returned or partially completed projects. Projects will be selected from the list based on their readiness to proceed and cost-effectiveness.

The applications have been evaluated and recommended for funding according to CARB's Carl Moyer Program Guidelines released on June 6, 2011. Any equipment substitutions will be subject to the same requirements. The transport bus project with the Orange County Sheriff's Department is subject to and will be implemented after obtaining a case-by-case approval from CARB. Since there were more eligible projects than available funds, the marine projects operating as fishing vessels are not recommended for funding at this time. Instead, the majority of the off-road construction projects have been recommended for funding, as emissions reductions from this category is highly important according to the white paper published by the SCAQMD under the 2016 AQMP process.

Table 4 summarizes staff's recommendation for the Carl Moyer Program and the SOON Provision awards in disproportionately impacted areas under the requirements of AB 1390. The total amount of projects funded in disproportionately impacted areas is \$6,803,069, while the total amount of projects funded solely based on cost-effectiveness is \$20,289,923. In summary, 25% of the projects are in disproportionately impacted areas. At its September 4, 2015 meeting, the Board approved passenger locomotive projects operated by the Southern California Regional Rail Authority in the amount of \$22.85 million from the Carl Moyer Program AB 923 Fund (80). Since these locomotives will mostly operate in disproportionately impacted areas, the overall goal of the Program will be exceeded.

Funding Distribution

Funding for projects has been recommended based on the priorities of the "Carl Moyer Program Guideline 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.

Disproportionate Impact 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: Detailed socioeconomic information is not included in the 2010 Census. Such data is collected yearly from a small percentage of the population on a rotating basis by the American Community Survey (ACS). All projects in areas where at least 10 percent of the population falls below the Federal poverty level based on the 2008-2012 ACS 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 11.10 micrograms per cubic meter and above, on an annual average, or
 - c. Air Toxics Exposure: All projects in areas with a cancer risk of 894 in a million and above (based on MATES IV 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.

Benefits to SCAQMD

The successful implementation of the Carl Moyer Program 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 the life of the contract and beyond, the emissions reductions will provide long-term benefits. Total annual NOx, PM and ROG emissions reductions from the recommended Carl Moyer Program projects are approximately 184.5 tons, 7.2 tons and 19.6 tons, respectively. Total annual NOx emission reductions from the recommended SOON Provision projects are approximately 62.6 tons.

Resource Impacts

Funding for the Carl Moyer Program and the SOON Provision projects shall not exceed \$27,092,992, comprised of \$24,419,832 from the SB 1107 Fund (32), \$2,521,963 from the AB 923 Fund (80) and \$151,197 in accrued interest from the Carl Moyer Program Fund (32).

Attachments

Table 1 – Carl Moyer Program Available Funds

Table 2 – Recommended Carl Moyer Program Awards

Table 3 – Recommended SOON Provision Awards

Table 4 – Funding Distribution of Recommended Awards

Table 5 – List of Backup Projects

Table 1: Carl Moyer Program Available Funds

Funding Source	Funds Required to be Encumbered	Comment
SB 1107	\$24,419,832	From \$25,515,326 “Year 17” funds allocated by CARB: less \$1,275,766 in administration funds; plus \$180,272 in returned projects.
Carl Moyer Fund Interest	\$151,197	Total unobligated interest funds in Fund 32 by 6/30/15.
Match Funds	\$3,827,299	This is the required match amount for “Year 16”, which the SCAQMD has already met. However, in case of increased demand, projects can be funded with AB 923 funds that can be used either towards future match requirements or as backup for canceled or partially completed projects.
Total	\$28,398,328	

Table 2: Recommended Carl Moyer Program Awards

SB 1107 Awards (Fund 32)			
Orange County Sheriff's Dept.	\$439,624	YRC Inc, dba YRC Freight	\$1,564,092
Neovia Logistics Distribution, LP	\$1,050,946	County Sanitation District of LA County	\$357,659
JKM Equipment, Inc.	\$148,131	KEC Engineering	\$299,578
L&S Construction, Inc.	\$107,604	McKenna General Engineering	\$232,026
Patriot Grading & Engineering, Inc.	\$1,179,604	Rentrac, Inc.	\$2,626,223
Sharma General Engineering Contr.	\$1,164,452	Sukut Equipment Inc.	\$144,673
West Coast Equipment, LLC	\$104,010	A&I Rock Company, Inc.	\$315,971
Apollo Wood Recovery	\$576,730	Bill Higgins Inc.	\$246,114
C&R Farms Inc.	\$1,414,411	Carniello Enterprises	\$78,845
Dependable Grading, Inc.	\$245,846	Desert Custom Farming Inc.	\$213,126
Goodwin Enterprises, Inc.	\$234,876	Joe B. Talley, Jr.	\$40,167
Las Virgenes Mineral Water District	\$38,936	LM Finance, LLC	\$65,985
M&H Transport, Inc.	\$269,612	Michael Willemssen	\$207,215
Muth Equipment, Inc.	\$125,448	Oasis Ranch Management, Inc.	\$140,526
Oostdam Dairy	\$145,059	P. Riley Enterprises, Inc.	\$117,940
Paul J. Nelson Equipment Rental	\$112,642	Pro-Organic Farms LLC	\$404,172
Sage Green, LLC	\$2,017,942	Rick's Backhoe	\$105,988
Shinkle & Sons Greenhouse Inc.	\$101,927	Southern California Landscape Supply	\$216,000
Sunny Slope Tree Farm, Inc.	\$378,325	T&W Parks Construction, Inc.	\$453,657
Viramontes Express Inc.	\$212,183	Washburn Grove Management, Inc.	\$120,740
Whittier Fertilizer Company	\$84,040	Jones Water Truck, Inc.	\$1,063,085
Total: \$19,166,130			
AB 923 Awards (Fund 80)			
JC Farming, Inc.	\$951,188	Jones Water Truck, Inc.	\$280,915
Williams Heavy Equipment Rentals, Inc.	\$15,936	Ralph D. Mitzel, Inc.	\$1,273,924
Total: \$2,521,963			
Carl Moyer Interest Awards (Fund 32)			
Williams Heavy Equipment Rentals, Inc.	\$151,197		
Total: \$151,197			
Grand Total \$21,839,290			

Table 3: Recommended SOON Provision Awards

SB 1107 Awards (Fund 32)			
Coburn Equipment Rentals, Inc.	\$4,693,702	Peed Equipment Company	\$560,000
Total: \$5,253,702			

Table 4: Funding Distribution of Recommended Awards

Awards in Disproportionately Impacted Areas			
Orange County Sheriff's Dept.	\$439,624	YRC Inc, dba YRC Freight	\$1,564,092
County Sanitation District of LA County	\$357,659	JKM Equipment, Inc.	\$148,131
KEC Engineering	\$299,578	L&S Construction, Inc.	\$107,604
Patriot Grading & Engineering, Inc.	\$1,179,604	West Coast Equipment, LLC	\$104,010
A&I Rock Company, Inc.	\$315,971	Apollo Wood Recovery	\$576,730
Bill Higgins Inc.	\$246,114	Rick's Backhoe	\$105,988
Whittier Fertilizer Company	\$84,040	Ralph D. Mitzel, Inc.	\$1,273,924
Total:			\$6,803,069
Awards Solely Based on Cost Effectiveness			
McKenna General Engineering	\$232,026	Rentrac, Inc.	\$2,626,223
Sharma General Engineering Contr.	\$1,164,452	Neovia Logistics Distribution, LP	\$1,050,946
C&R Farms Inc.	\$1,414,411	Sukut Equipment Inc.	\$144,673
Dependable Grading, Inc.	\$245,846	Carniello Enterprises	\$78,845
Goodwin Enterprises, Inc.	\$234,876	Desert Custom Farming	\$213,126
Las Virgenes Mineral Water District	\$38,936	Joe B. Talley, Jr.	\$40,167
M&H Transport, Inc.	\$269,612	LM Finance, LLC	\$65,985
Muth Equipment, Inc.	\$125,448	Michael Willemsen	\$207,215
Oostdam Dairy	\$145,059	Oasis Ranch Management, Inc.	\$140,526
Paul J. Nelson Equipment Rental	\$112,642	P. Riley Enterprises, Inc.	\$117,940
Sage Green, LLC	\$2,017,942	Pro-Organic Farms LLC	\$404,172
Shinkle & Sons Greenhouse Inc.	\$101,927	Southern California Landscape Supply	\$216,000
Sunny Slope Tree Farm, Inc.	\$378,325	T&W Parks Construction, Inc.	\$453,657
Viramontes Express Inc.	\$212,183	Washburn Grove Management, Inc.	\$120,740
Williams Heavy Equipment Rentals, Inc.	\$167,133	JC Farming	\$951,188
Jones Water Trucks, Inc.	\$1,344,000	Coburn Equipment Rental	\$4,693,702
Peed Equipment Company	\$560,000		
Total:			\$20,289,923

Table 5: List of Backup Projects

	Program	Project Description	Funding
Independent Construction	SOON	Replace 7 Off-Road Equipment	\$6,661,156
Power Move, Inc. / Crew, Inc.	SOON	Replace 6 Off-Road Equipment	\$1,456,293