



BOARD MEETING DATE: October 3, 2014

AGENDA NO. 13

PROPOSAL: Approve Contract Award and Modifications Approved by MSRC

SYNOPSIS: The MSRC approved one new contract under the Alternative Fuel Infrastructure Program, as well as two contract value increases under the Alternative Fuel School Bus Incentives Program, as part of their FYs 2012-14 AB 2766 Discretionary Fund Work Program. At this time the MSRC seeks Board approval of the contract award and modifications under the FYs 2012-14 Work Program.

COMMITTEE: Mobile Source Air Pollution Reduction Review, September 18, 2014, Recommended for Approval

**RECOMMENDED ACTIONS:**

1. Approve funding augmentations totaling \$527,000 under the Alternative Fuel School Bus Incentives Program as part of approval of the FYs 2012-14 Work Program, as described in this letter and as follows:
  - a. An augmentation to existing contract #MS14009 with A-Z Bus Sales in an amount not to exceed \$93,000; and
  - b. An augmentation to existing contract #MS14048 with BusWest in an amount not to exceed \$434,000;
2. Approve contract award to Midway City Sanitary District in an amount not to exceed \$250,000 for installation of a limited-access CNG station and modification of their vehicle maintenance facility 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;
3. Authorize MSRC the authority to adjust contract awards up to five percent, as necessary and previously granted in prior work programs; and
4. 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

## **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. At its September 18, 2014 meeting, the MSRC considered a recommended award under the Alternative Fuel Infrastructure Program. The MSRC also received requests for additional incentive funding from both 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 Alternative Fuel Infrastructure Program Announcement 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 solicitation was 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 solicitation 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>). Further, the solicitation was 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 September 18, 2014 meeting, the MSRC considered recommendations from its MSRC-TAC and 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. The MSRC previously deemed both A-Z Bus Sales and BusWest qualified for Program participation and authorized them to offer buy-down incentives to qualifying school districts or private providers of pupil transportation. The MSRC approved initial awards to both vendors, in November 2013 and January 2014 respectively, and in subsequent actions the MSRC approved contract value increases to incentivize additional buses ordered. In September, the MSRC approved a new request from A-Z Bus Sales for an additional \$93,000 to

incentivize three full-sized CNG buses ordered by Orange Unified School District, as well as a new request from BusWest for an additional \$434,000 to incentivize a total of fourteen full-sized school buses ordered by Tumbleweed Transportation, Hemet Unified School District and Hacienda La Puente Unified School District, all as part of the FYs 2012-14 AB 2766 Discretionary Fund Work Program.

#### 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 fourteen applications and awarded a total of \$1,653,000 for those projects; one award for \$175,000 was subsequently declined. One additional application, from Midway City Sanitary 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 Midway City Sanitary District in an amount not to exceed \$250,000 for installation of a limited-access CNG fueling station and modifications to their vehicle maintenance facility.

At this time the MSRC requests the SCAQMD Board to approve the contract award 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.