

BOARD MEETING DATE: February 6, 2015

AGENDA NO. 3

**PROPOSAL:** Recognize Funds, Adopt Resolution to Extend Caltrans Grant Agreement, and Execute and Amend Contracts

**SYNOPSIS:** On February 7, 2014, the Board recognized U.S. EPA funds for diesel emissions reduction projects under the Diesel Emissions Reduction Act (DERA). This action is to recognize \$110,627 in additional Fiscal Year 13 (FY13) DERA funds into the Lower-Emission School Bus Fund (33) and execute contracts totaling \$825,000 from the Lower-Emission School Bus Fund (33) to replace diesel school buses with electric buses. This action is also to adopt a resolution to extend a Caltrans grant agreement and amend contracts to reallocate unused funds for replacement of heavy-duty diesel trucks with CNG trucks totaling \$350,000 from the Proposition 1B-Goods Movement Program Fund (81). Finally, this action is to amend a contract at no additional cost under the Carl Moyer Program.

**COMMITTEE:** Technology, January 23, 2015; Recommended for Approval

**RECOMMENDED ACTIONS:**

- A. Recognize upon receipt \$110,627 of additional FY13 DERA funds from the U.S. EPA into the Lower-Emission School Bus Fund (33) to cosponsor replacement of diesel school buses with electric school buses.
- B. Authorize the Chairman to execute the following contracts from the Lower-Emission School Bus Fund (33) (includes \$110,627 in DERA funds plus unallocated monies in Fund 33):
  1. Colton Joint Unified School District to replace two diesel school buses with electric school buses in an amount not to exceed \$550,000 (Up to \$104,000 of this funding will be from the U.S. EPA DERA grant); and
  2. Los Angeles Unified School District to replace one diesel school bus with an electric school bus in an amount not to exceed \$275,000 (Up to \$52,000 of this funding will be from the U.S. EPA DERA grant).

- C. Authorize the Executive Officer to reimburse the General Fund for additional administrative expenditures funded by the DERA grant for project implementation in an amount not to exceed \$6,627 from the Lower-Emission School Bus Fund (33).
- D. Adopt a resolution approving a request to Caltrans to extend the agreement funding replacement of heavy-duty diesel trucks with natural gas trucks.
- E. Authorize the Chairman to amend the following contracts from the Proposition 1B-Goods Movement Program Fund (81) to reallocate unused Caltrans funds:
  - 1. City of Los Angeles adding \$125,000 to replace five diesel solid waste collection trucks with CNG solid waste collection trucks for a new total amount not to exceed \$375,000;
  - 2. USA Waste adding \$100,000 to replace four solid waste collection trucks with CNG solid waste collection trucks for a new total amount not to exceed \$275,000;
  - 3. Ware Disposal Co., Inc., adding \$75,000 to replace three diesel solid waste collection trucks with CNG solid waste collection trucks for a new total amount not to exceed \$150,000; and
  - 4. Waste Management Collection and Recycling, Inc., adding \$50,000 to replace two solid waste collection trucks with CNG solid waste collection trucks for a new total amount not to exceed \$175,000.
- F. Authorize the Chairman to amend a contract with Catalina Sea Ranch at no additional cost to repower one main and two auxiliary engines of a marine vessel instead of two main and one auxiliary engines under the Carl Moyer Program.

Barry R. Wallerstein, D. Env.  
Executive Officer

MMM:FM:AO:RC

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## **Background**

### FY13 DERA School Bus Replacement Project

On February 7, 2014, the Board recognized \$391,613 in U.S. EPA funds for diesel emissions reduction projects under the Diesel Emissions Reduction Act (DERA) and awarded contracts to replace eight diesel buses with CNG buses, convert two diesel buses to battery powered buses, and replace one diesel bus with a new electric bus. On August 21, 2014, SCAQMD received a supplemental \$110,627 award for FY13 for three additional diesel to electric school bus replacement projects. To utilize these funds, staff contacted seven school districts that had formerly expressed interest in electric school buses from a previously released program announcement. Two school districts have indicated their commitment to replace a total of three diesel buses with electric buses.

### U.S. DOT/Caltrans Solid Waste Collection Vehicle Replacement Project

On February 3, 2012, following a solicitation process, the Board awarded contracts to 11 waste collection companies to replace 72 diesel trucks with new natural gas trucks under a U.S. DOT/Caltrans grant. A total of 58 diesel trucks have been replaced with new natural gas trucks. In recent discussions, however, some of the companies indicated that they had not initiated all of the truck replacements and would be unable to complete the remaining 14 truck replacements within the time allowed by Caltrans. Caltrans has directed staff to either request a grant extension, or drawdown all funds by June 30, 2015, to avoid de-obligation of funds. Staff reached out to all of the companies that had completed their originally awarded truck replacements to determine any interest in additional truck replacements in order to utilize the unused funds. Three companies indicated their willingness to replace 35 additional diesel trucks with natural gas trucks. The 35 trucks were ranked by cost effectiveness to establish a new list of eligible trucks and the top ranked 14 were selected. On October 24, 2014, staff submitted a request to Caltrans to extend the grant funding deadlines to December 31, 2016. As part of this request, SCAQMD is required to provide a Board resolution authorizing the requested extension.

### Carl Moyer Project

On October 4, 2013, the Board awarded Catalina Sea Ranch a contract to repower two main engines and one auxiliary engine on a marine vessel under the “Year 16” Carl Moyer Program. The contractor has requested a no-cost amendment to the contract.

### **Outreach**

In accordance with SCAQMD’s Procurement Policy and Procedure, a public notice advertising Program Announcement PA#2012-13 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 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>).

Both the school districts and waste collection companies had previously participated in competitive bids and had received awards under those solicitations. On July 10, 2014, a notice was sent to seven school districts inviting interest in electric bus replacements. Public notification was not made as only school districts were eligible and only those who had expressed interest in electric bus replacements were invited to participate. For the waste collection companies, only those who had expended all their competitively awarded funds were contacted to determine interest, and all 35 proposed trucks from

those contractors were ranked based on cost effectiveness to award the 14 truck replacements.

## **Proposal**

### FY13 DERA School Bus Replacement Project

This action is to recognize the additional FY13 DERA award of \$110,627 into the Lower-Emission School Bus Fund (33) and to award two contracts from Fund 33. Colton Joint Unified School District will replace two diesel school buses with electric school buses and the Los Angeles Unified School District will replace one diesel school bus with an electric school bus.

### U.S. DOT/Caltrans Solid Waste Collection Vehicle Replacement Project

This action is to adopt a resolution (attached) approving a request to Caltrans to extend the agreement funding replacement of heavy-duty diesel trucks with natural gas trucks through December 31, 2016. This action is to also amend contracts to reallocate unused funds for replacement of 14 diesel solid waste collection trucks with natural gas trucks. The City of Los Angeles will replace five additional trucks. USA Waste will replace four additional trucks. Ware Disposal Co., Inc. will replace three additional trucks. Finally, Waste Management Collection and Recycling, Inc. will replace two additional trucks.

### Carl Moyer Project

This action is to also amend a contract with Catalina Sea Ranch at no additional cost to repower one main and two auxiliary engines of a marine vessel instead of two main and one auxiliary engines under the Carl Moyer Program. This change will better serve the technical operation of the vessel.

## **Benefits to SCAQMD**

The successful implementation of these projects will provide direct emissions reductions for NO<sub>x</sub>, PM and GHG emissions through the replacement of older diesel vehicles with new low-emission natural gas and zero-emission electric vehicles. Since the vehicles and equipment funded under these programs will operate for many years, the emissions reductions will provide long-term benefits. For example, replacement of three diesel buses with electric buses is expected to reduce NO<sub>x</sub> emissions by 0.72 tons per year and PM emissions by 0.03 tons per year.

## **Resource Impacts**

### FY13 DERA School Bus Replacement Project

Additional FY13 DERA funds will be recognized into the Lower-Emission School Bus Fund (33) in the amount of \$110,627, and the proposed contracts with Colton Joint and Los Angeles Unified School Districts for 3 additional diesel to electric school bus replacements shall not exceed \$825,000 from Fund 33. The \$825,000 consists of \$110,627 in DERA funds plus \$714,373 in unallocated monies within the Lower-Emission School Bus Fund (33).

U.S. DOT/Caltrans Solid Waste Collection Vehicle Replacement Project

The total cost for this project is \$4,130,000, with the four proposed contracts totaling \$350,000 to be executed from the Proposition 1B-Goods Movement Program Fund (81). The \$350,000 is funds previously recognized from Caltrans into Fund 81 but redirected from other contractors unable to use the funds.

<b>Contractor</b>	<b>Contractor Cost-Share</b>	<b>SCAQMD Funding (requested)</b>
City of Los Angeles	\$1,500,000	\$125,000
USA Waste	\$1,120,000	\$100,000
Ware Disposal Co., Inc.	\$600,000	\$75,000
Waste Management Collection and Recycling, Inc.	\$560,000	\$50,000
<b>Total</b>	<b>\$3,780,000</b>	<b>\$350,000</b>

Carl Moyer Project

The contract amendment for Catalina Sea Ranch is at no cost.

**Attachment**

Resolution Requesting Caltrans Extend Funding Agreement

Attachment

RESOLUTION NO. 15-

**A Resolution of the South Coast Air Quality Management District Board Requesting the California Department of Transportation (Caltrans) to Extend Funding of Agreement**

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; develop and implement other strategies and measures to reduce air contaminants and achieve the state and federal air quality standards; and

WHEREAS, SCAQMD was awarded funds up to \$1,799,612 from the U.S. Department of Transportation which is administered by Caltrans to replace heavy-duty diesel trucks with natural gas trucks; and

WHEREAS, Caltrans and SCAQMD have executed an Agreement implementing this project that requires funds to be spent by June 30, 2015; and

WHEREAS, SCAQMD has identified truck replacements that can be made with the awarded funds to fully expend the grant funds but this cannot be completed by June 30, 2015.

THEREFORE, BE IT RESOLVED that the Board of the South Coast Air Quality Management District, State of California, in regular session assembled on February 6, 2015, does hereby request that Caltrans extend the Agreement until December 31, 2016, and accepts that work begun in anticipation of receiving the extension must be completed with local funds if Caltrans does not agree to the extension.

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

\_\_\_\_\_  
Date

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Clerk of the Board