

BOARD MEETING DATE: July 8, 2016

AGENDA NO. 4

**PROPOSAL:** Approve Locomotive, Ships at Berth and Cargo Handling Equipment Projects Under Proposition 1B-Goods Movement Program, and Amend Award 

**SYNOPSIS:** On February 5, 2016, the Board approved issuance of Program Announcements for locomotives as well as ships at berth and cargo handling equipment projects under the Proposition 1B-Goods Movement Program. The Program Announcements closed on March 31, 2016. Staff has completed the evaluation of applications and recommends approval of awards for projects involving the replacement of locomotives with Tier 4 or cleaner engines, the replacement of diesel cargo handling equipment with zero emission technology and associated charging infrastructure, and the installation of ship emission capture-and-control systems. These actions are to execute contracts for eligible locomotive replacements and ships at berth and cargo handling equipment projects, subject to CARB's approval, in an amount not to exceed \$32,776,568 from the Proposition 1B-Goods Movement Program Fund (81). This action is also to approve a contractor's same funding amount as earlier awarded but under the SOON Provision instead of the Carl Moyer Program.

**COMMITTEE:** Technology, June 17, 2016; Recommended for Approval

**RECOMMENDED ACTIONS:**

1. Authorize the Executive Officer to execute contracts for locomotive replacements with Tier 4 or cleaner engines, as listed in Table 1, subject to CARB approval, in an amount not to exceed \$20,291,600 from the Proposition 1B-Goods Movement Program Fund (81).
2. Authorize the Executive Officer to execute contracts for ships at berth and cargo handling equipment projects, as listed in Table 2, subject to CARB approval, in an amount not to exceed \$12,484,968 from the Proposition 1B-Goods Movement Program Fund (81).

3. Approve the same funding amount to D.A McCosker Construction Co. dba Independent Construction Co. to repower 4 off-road equipment as per their February 5, 2016, award but under the SOON Provision instead of the Carl Moyer Program.

Wayne Nastri  
Acting Executive Officer

MMM:FM:VW

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### **Background**

Proposition 1B authorizes \$1 billion to CARB for the Goods Movement Emission Reduction Program (Program). Projects funded by this Program must achieve early or extra emission reductions not otherwise required by rules or regulations. To date, CARB has granted close to \$740 million to local agencies for various goods movement projects. SCAQMD has received about \$400 million of these funds for projects involving heavy-duty diesel trucks, locomotives and ships at berth. The vast majority of these projects are currently operational, providing significant emission reduction benefits to the region.

In September 2015, CARB approved funding awards for the Program including \$137.9 million for the Los Angeles/Inland Empire trade corridor. About \$100.9 million of these funds are set aside for heavy-duty truck projects, zero emission transportation refrigeration units and supporting infrastructure. The remaining \$37 million are allocated for locomotive, ships at berth and cargo handling equipment projects. In February 2016, the Board approved issuance of Program Announcements for locomotives (#PA2016-04) and ships at berth and cargo handling equipment projects (#PA2016-03), which closed on March 31, 2016. Staff has completed the evaluations of these projects.

### **Outreach**

Relative to the Proposition 1B-Goods Movement Program projects, and 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 has been 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 execute contracts totaling \$32,776,568 from the Proposition 1B-Goods Movement Program Fund (81), comprised of locomotive replacements with Tier 4 or cleaner engines, as listed in Table 1, in an amount not to exceed \$20,291,600 and ships at berth and cargo handling equipment projects, as listed in Table 2, in an amount not to exceed \$12,484,968. All the projects have been submitted to CARB for compliance check-and-rank list approval. The total estimated emission reductions from the proposed projects are 226 tons per year of NOx and 6 tons per year of PM2.5.

On February 5, 2016, the Board approved funding for D.A. McCosker Construction Co. dba Independent Construction Co. under the Carl Moyer Program. The award should have been approved under the SOON Provision due to the size of the company. This action is to approve the same funding amount for D.A. McCosker Construction Co. dba Independent Construction Co. to repower 4 off-road equipment under the SOON Provision instead of the Carl Moyer Program.

## **Benefits to SCAQMD**

The successful implementation of the locomotive, ships at berth and cargo handling equipment projects will reduce NOx, PM and other pollutant emissions in a cost-effective and expeditious manner, which will help achieve the goals of the AQMP. The new equipment/vehicles funded under this Program are expected to operate for many years providing long-term emission reduction benefits in the region.

## **Resource Impacts**

Funding for the proposed projects shall not exceed \$32,776,568 from the Proposition 1B-Goods Movement Program Fund (81), as reflected in Tables 1 and 2 attached.

## **Attachments**

Table 1: Locomotive Projects

Table 2: Ships at Berth and Cargo Handling Equipment Projects

**Table 1: Locomotive Projects**

| <b>Applicant</b>                                      | <b>Project Type</b>  | <b>Number of Units</b> | <b>Maximum Prop. 1B Award</b> |
|---|--|------------------------|-------------------------------|
| BNSF Railway Company                                  | Replace line-haul locomotives with Tier 4 or cleaner engines       | 10                     | \$19,200,000                  |
| Metropolitan Stevedore Company                        | Replace medium horsepower locomotive with Tier 4 or cleaner engine | 1                      | \$1,091,600                   |
| <b>Total Prop. 1B Awards for Locomotive Projects:</b> |  |                        | <b>\$20,291,600</b>           |

**Table 2: Ships at Berth/Cargo Handling Equipment Projects**

| <b>Applicant</b>   | <b>Project Type</b>   | <b>Number of Units</b> | <b>Prop. 1B Funds Requested</b> | <b>Total Maximum Prop. 1B Award</b> |
|--|---|------------------------|---------------------------------|-------------------------------------|
| International Transportation Service, Inc.   | Replace diesel yard trucks with zero emission yard trucks         | 68                     | \$6,800,000                     | \$7,625,000                         |
|  | Replace diesel forklifts with zero emission forklifts             | 3                      | \$55,000                        |                                     |
|  | Multi-unit chargers   | 22                     | \$770,000                       |                                     |
| Total Terminals International, LLC   | Replace yard trucks with zero emission yard trucks                | 3                      | \$300,000                       | \$335,000                           |
|  | Multi-unit charger  | 1                      | \$35,000                        |                                     |
| Advanced Environmental Group, LLC  | Install ship emission capture-and-control systems (barge-mounted) | 2                      | \$4,524,968                     | \$4,524,968                         |
| <b>Total Prop. 1B Awards for Ships at Berth/Cargo Handling Equipment Projects:</b> |   |                        |                                 | <b>\$12,484,968</b>                 |