

BOARD MEETING DATE: October 7, 2016

AGENDA NO. 8

PROPOSAL: Recognize Funds and Amend Award for Locomotive Replacement Project 

SYNOPSIS: In June 2016, U.S. EPA notified SCAQMD that an award had been approved under the FY 2015-16 Diesel Emissions Reduction Act (DERA) to replace an older diesel locomotive with a new Tier 4 diesel locomotive. On July 8, 2016, the Board awarded a contract to Metropolitan Stevedore Company under the Proposition 1B–Goods Movement Program for the diesel locomotive replacement project. Subsequently, CARB approved additional funds under the Proposition 1B–Goods Movement Program for the replacement project. This action is to recognize up to \$523,809 from U.S. EPA DERA into the Advanced Technology, Outreach and Education Fund (17). These actions are to also amend the award to Metropolitan Stevedore Company to increase project funding in an amount not to exceed \$608,400, comprising \$500,000 from the U.S. EPA DERA funds and \$108,400 from Proposition 1B-Goods Movement Program Fund (81), and to reimburse the General Fund for administrative costs up to \$23,809 necessary to implement the DERA grant.

COMMITTEE: Technology, September 16, 2016; Recommended for Approval

RECOMMENDED ACTIONS:

1. Recognize, upon receipt, up to \$523,809 in DERA funds from U.S. EPA into the Advanced Technology, Outreach and Education Fund (17);
2. Authorize the Chairman to amend the award to Metropolitan Stevedore Company to increase funding awarded for replacement of a diesel locomotive in an amount not to exceed \$608,400, using \$500,000 in DERA funds from U.S. EPA in the Advanced Technology, Outreach and Education Fund (17) and \$108,400 from CARB funds in the Proposition 1B–Goods Movement Program Fund (81) for a revised total award of \$1,700,000; and

3. Authorize reimbursement to the General Fund from DERA funds in the Advanced Technology, Outreach and Education Fund (17) for administrative costs up to \$23,809 necessary to implement the DERA grant.

Wayne Natri
Acting Executive Officer

MMM:FM:AAO

Background

In February 2016, the Board approved issuance of Program Announcement #PA2016-04 for locomotives under Proposition 1B-Goods Movement Program. In April 2016, staff applied for funding under the FY 2015-16 U.S. EPA Diesel Emissions Reduction Act (DERA) to cofund the replacement of an older diesel locomotive with a new Tier 4 diesel locomotive with mandatory matching funds from Metropolitan Stevedore Company and the Proposition 1B-Goods Movement Program. In June 2016, U.S. EPA notified SCAQMD that its proposal was approved for an award of \$523,809 from the FY 2015-16 DERA Program.

On July 8, 2016, to fulfill DERA's mandatory matching funds requirement, the Board awarded a \$1,091,600 contract to Metropolitan Stevedore Company for the locomotive replacement project under the Proposition 1B-Goods Movement Program solicitation which was released in February and closed on March 31, 2016. Soon thereafter, CARB approved an additional \$108,400 to Metropolitan Stevedore Company because upon a clarification of a guideline requirement it was determined that Stevedore's locomotive replacement project was eligible for a higher funding award under the Proposition 1B-Goods Movement Program.

Proposal

Staff evaluated the two locomotive replacement projects received in response to the Proposition 1B-Goods Movement Program solicitation which closed on March 31, 2016, and selected Metropolitan Stevedore Company for DERA cofunding because the project met both the DERA and Proposition 1B-Goods Movement Program requirements. These actions are to recognize up to \$523,809 in DERA funds from the U.S. EPA, amend the contract with Metropolitan Stevedore Company to increase project funding in an amount not to exceed \$608,400 (for a revised total award of \$1,700,000) and reimburse the General Fund for administrative costs up to \$23,809 necessary to implement the DERA grant.

Benefits to SCAQMD

The successful implementation of the projects under the DERA and Proposition 1B-Goods Movement Program will provide direct emission reductions for both NO_x and PM as required by these programs. Since the locomotive funded under these programs will operate for the life of the contract and beyond, the emission reductions will provide long-term benefits.

Resource Impacts

The \$523,809 in FY 2015-16 DERA funds from U.S. EPA will be recognized into the Advanced Technology, Outreach and Education Fund (17). Of this \$523,809 in funding, \$23,809 will be used to reimburse the General Fund for administrative costs to implement the DERA grant and \$500,000 will be added to the award to Metropolitan Stevedore Company, in addition to \$108,400 from the Proposition 1B-Goods Movement Program Fund (81), for a total revised award of \$1,700,000.