

BOARD MEETING DATE: February 1, 2019

AGENDA NO. 4

**PROPOSAL:** Amend Contract for Tier 4 Passenger Locomotives and Carl Moyer Program Award

**SYNOPSIS:** Under the “Year 16” Carl Moyer Program, the Southern California Regional Rail Authority (SCRRA) requested \$58.85 million to cofund the replacement of 17 and the purchase of 3 new Tier 4 locomotives. In September 2015, the Board awarded \$22.85 million to SCRRA from the Carl Moyer Program AB 923 Fund (80), with a commitment to consider the remaining \$36 million over four phases. In December 2016 and 2017, the Board approved \$18 million of the remaining \$36 million. The SCAQMD cost-share of this \$129 million project is only for the replacement component of the project. This action is to amend the contract with SCRRA, adding \$9 million, comprised of \$8.5 million from the Carl Moyer Program AB 923 Fund (80) and \$500,000 from the Advanced Technology, Outreach and Education Fund (17), for a revised award total of \$49.85 million. The remaining \$9 million requested by SCRRA will be considered in a future Board request. This action is to also amend a “Year 19” Carl Moyer award approved in November 2017 to McMillan Farm Management for replacement of two instead of three off-road equipment.

**COMMITTEE:** Technology, January 18, 2019; Recommended for Approval

**RECOMMENDED ACTIONS:**

1. Authorize the Chairman to amend a contract with SCRRA, adding an additional \$9 million, comprised of \$8.5 million from the Carl Moyer Program AB 923 Fund (80) and \$500,000 from Advanced Technology, Outreach and Education Fund (17), for a revised award total of \$49.85 million.
2. Amend a Carl Moyer award with McMillan Farm Management to include the replacement of two instead of three off-road equipment, as originally proposed, at no additional cost.

Wayne Nastri  
Executive Officer

## **Background**

Under the “Year 16” Carl Moyer Program solicitation, SCRRA submitted a proposal requesting \$58.85 million for the replacement of 17 and the purchase of 3 new Tier 4 passenger locomotives. In September 2015, the Board approved \$22.85 million to SCRRA from the Carl Moyer Program AB 923 Fund (80), with a commitment to consider the remaining \$36 million over four phases. Subsequently, in December 2016 and 2017, the Board approved \$9 million in each year for a total of \$18 million out of the remaining \$36 million.

In June 2016, U.S. EPA awarded SCAQMD \$523,809 under the FY 2015-16 Diesel Emissions Reduction Act (DERA) Program to cofund the replacement of an older diesel locomotive with a new Tier 4 locomotive, with \$500,000 allocated for project funds and \$23,809 for administrative funds. In July and October 2016, the Board approved an award to Metropolitan Stevedore Company for \$1.7 million, comprised of \$1.2 million from Proposition 1B-Goods Movement Program Fund (81) and \$500,000 from DERA funds, to replace an old diesel locomotive with a new Tier 4 locomotive. In February 2017, CARB determined that the Metropolitan Stevedore Company’s locomotive was ineligible for funding. CARB’s determination was made after SCAQMD staff conducted the pre-inspection of the Metropolitan Stevedore Company locomotive and revealed that the locomotive had not been operated for some time. On November 13, 2018, U.S. EPA amended the grant agreement and allowed SCAQMD to reallocate the FY 2015-16 DERA award from Metropolitan Stevedore Company to SCRRA for the passenger locomotives replacement project.

In addition, under the “Year 19” Carl Moyer Program and the SOON Provision Program Announcements released in April 2017, McMillan Farm Management submitted a proposal for replacement of two off-road equipment. In November 2017, the Board approved McMillan Farm for an award which staff erroneously identified as the replacement of three off-road equipment, instead of two, in the amount of \$128,297.

## **Proposal**

This action is to amend a contract with SCRRA, adding an additional \$9 million, comprised of \$8.5 million from the Carl Moyer Program AB 923 Fund (80) and \$500,000 from the Advanced Technology, Outreach and Education Fund (17), for a revised award total of \$49.85 million. The remaining \$9 million of the requested funds will be considered in a future Board request.

The total project cost of \$129 million is cost-shared by Caltrans and Metrolink member agencies, with 31.9 and 22.5 percent, respectively. In compliance with the Carl Moyer Program requirements, the SCAQMD funds will be used only for the 11 replacement locomotives, since these funds cannot be comingled with Caltrans funds. However, SCAQMD’s participation is contingent upon implementation of all 20 locomotives.

The SCRRA application was evaluated according to CARB's Carl Moyer Program Guidelines, and the requested funding amount is within the cost-effectiveness limit of the Program. In addition, based on the location of the rail tracks, 53 percent of the locomotive operations will be in disproportionately impacted areas, as defined under SCAQMD's Carl Moyer Program criteria.

This action is to also amend a Carl Moyer award approved by the Board in November 2017 with McMillan Farm Management to include the replacement of two instead of three off-road equipment, as originally proposed, at no additional cost.

### **Benefits to SCAQMD**

The replacement of older diesel locomotives with new Tier 4 locomotives will help the South Coast Air Basin meet federal air quality standards. The procurement of Tier 4 locomotives has been identified in the recent U.S. EPA-approved 2007 8-hour Ozone SIP for the South Coast Air Basin (Basin). In addition, since SCRRA locomotives travel throughout the Basin, the cleaner Tier 4 locomotives will result in reduced exposure to diesel particulate emissions. Specifically, emissions reductions from NO<sub>x</sub>, PM and ROG from each locomotive will be around 12.3 tons per year, 0.3 tons per year and 1.0 ton per year, respectively.

Also, the successful implementation of the Carl Moyer Program and SOON Provision Program will provide direct emissions reductions for both NO<sub>x</sub> and PM as required by the programs. Since the vehicles and equipment funded under these programs will operate for the life of the contract and beyond, the emissions reductions will provide long-term benefits.

### **Resource Impacts**

The additional funding award for SCRRA's locomotive project will not exceed \$9 million, for a total of \$49.85 million from the Carl Moyer Program AB 923 Fund (80) and Advanced Technology, Outreach and Education Fund (17). There are sufficient funds available in each of the special revenue funds. The remaining \$9 million of the SCRRA requested funding will be considered in a future Board request.

The amendment to the "Year 19" Carl Moyer award is at no additional cost.