

BOARD MEETING DATE: July 10, 2015

AGENDA NO. 8

PROPOSAL: Issue Program Announcement for Proposition 1B-Goods Movement Emission Reduction Program 

SYNOPSIS: In June 2015, CARB approved updates to the Proposition 1B-Goods Movement Emission Reduction Program Guidelines identifying new specifications and funding levels for eligible heavy-duty truck projects. The updates include funding for new and used diesel trucks for small fleets and near-zero and zero emission trucks for large fleets. In order to maximize participation statewide, air districts plan to release Program Announcements in a synchronized manner. A release date has not yet been established. This action is to issue a Program Announcement for heavy-duty truck projects once CARB has finalized the solicitation criteria in consultation with air districts.

COMMITTEE: Technology, June 19, 2015; Recommended for Approval.

RECOMMENDED ACTION:

Approve issuance of a Program Announcement for the heavy-duty truck category of the Proposition 1B-Goods Movement Emission Reduction Program once CARB has finalized the solicitation criteria in consultation with air districts.

Barry R. Wallerstein, D.Env.
Executive Officer

MMM:FM:VW

Background

Proposition 1B authorizes a total of \$1 billion to CARB for the Goods Movement Emission Reduction Program (Program). The Program is intended to reduce emissions from goods movement operations in four priority trade corridors: Los Angeles/Inland Empire, Central Valley, Bay Area and San Diego/Border. The availability of funding is contingent upon bond sales by the state and appropriation by the legislature. To date,

CARB has received approximately \$740 million from bond sales which have been awarded to implement various projects. SCAQMD has received approximately \$390 million of these funds for projects involving heavy-duty diesel trucks, freight locomotives and ships at berth. The majority of these projects have been completed providing significant emission reduction benefits to the region.

This year, SCAQMD expects to receive the final allocation of funds from CARB amounting to approximately \$85 to \$90 million. The Program will be focused on funding projects that go beyond existing requirements to provide “extra” emission reductions. For heavy-duty trucks, this includes funding for new and used diesel trucks for small fleets, near-zero and zero emission technologies, electric truck refrigeration units (TRUs), and infrastructure needed to support the zero-emission TRUs. CARB is scheduled to release a Notice of Funding Availability in July 2015 to solicit applications from eligible local and state agencies. SCAQMD will submit applications to CARB for the final funding allocation and then return to the Board for approval to adopt a resolution and enter into grant agreements to receive the funds and implement the Program.

Proposal

Since all participating air districts are seeking program funding for heavy-duty trucks, it has been agreed that a uniform solicitation for heavy-duty trucks will be prepared and released by each air district concurrently to allow for a more efficient outreach effort and increased participation. This PA will solicit applications for heavy-duty truck projects, including but not limited to: new and used diesel trucks for small fleets, near-zero and zero emission technologies, electric truck refrigeration units (TRUs), and infrastructure needed to support the zero-emission TRUs. Once CARB finalizes the details of the Program, air districts will incorporate the final changes into the solicitation packages for issuance in the near future. This action is to approve issuance of a Program Announcement for heavy-duty trucks once CARB has finalized the solicitation criteria in consultation with air districts. Following the solicitation and evaluation of the applications, staff will return to the Board for approval of the ranked list and specific awards for each project.

Outreach

In accordance with SCAQMD’s Procurement Policy and Procedure, a public notice advertising the PA and inviting bids will be 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 be notified utilizing SCAQMD’s own electronic listing of certified minority vendors. Notice of the PA will be 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>) where it can be viewed by making the selection "Grants & Bids".

Benefits to SCAQMD

The successful implementation of the proposed projects will reduce NOx and PM emissions in a cost-effective and expeditious manner to meet the goals of the 2007 AQMP. The proposed vehicles and equipment to be funded by the Proposition 1B Program will operate for many years in the South Coast region and provide long-term emission reductions.

Resource Impacts

SCAQMD expects to receive a final allocation of Proposition 1B-Goods Movement Emission Reduction Program funds from CARB amounting to approximately \$85 to \$90 million. Staff will seek the Board's approval of awards after completion of the evaluations and ranking of all the truck project applications in response to the solicitation that will be issued under the Proposition 1B-Goods Movement Emission Reduction Program.