



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

BOARD OF DIRECTORS
MOBILE SOURCE COMMITTEE

COMMITTEE MEMBERS

SCOTT HAGGERTY - CHAIR
JOHN AVALOS
CAROLE GROOM
MAYOR ED LEE

NATE MILEY – VICE CHAIR
TOM BATES
CAROL KLATT
MARY PIEPHO
BRAD WAGENKNECHT

**THURSDAY
June 28, 2012
9:30 A.M.**

**4TH FLOOR CONFERENCE ROOM
939 ELLIS STREET
SAN FRANCISCO, CA 94109**

AGENDA

1. **CALL TO ORDER - ROLL CALL**

2. **PUBLIC COMMENT PERIOD**

(Public Comment on Non-Agenda Items Pursuant to Government Code § 54954.3) Members of the public are afforded the opportunity to speak on any agenda item. All agendas for regular meetings are posted at District headquarters, 939 Ellis Street, San Francisco, CA, at least 72 hours in advance of a regular meeting. At the beginning of the regular meeting agenda, an opportunity is also provided for the public to speak on any subject within the Committee's subject matter jurisdiction. Speakers will be limited to three (3) minutes each.

3. **APPROVAL OF MINUTES OF MAY 24, 2012**

4. **PROJECTS WITH PROPOSED GRANT AWARDS OVER \$100,000**

D. Breen/5041
dbreen@baaqmd.gov

The Committee will consider recommending Board of Directors approval of Carl Moyer and Transportation Fund for Clean Air (TFCA) Regional Fund projects requesting grant funding in excess of \$100,000 and authorization for the Executive Officer/APCO to execute Grant Agreements for the recommended projects.

5. **LAWNMOWER REPLACEMENT CONTRACTOR SELECTION**

D. Breen/5041
dbreen@baaqmd.gov

The Committee will consider recommending Board of Directors approval of a contractor to execute a \$364,050 lawnmower buyback program and authorization for the Executive Officer/APCO to enter into all contracts and make all expenditures necessary to execute this program.

6. **ENGINE MODEL YEAR 2005/2006 PORT TRUCK REPLACEMENT PROGRAM**

D. Breen/5041
dbreen@baaqmd.gov

The Committee will consider recommending Board of Directors approval of \$1.8 million in Transportation Fund for Clean Air (TFCA) regional fund monies for Cascade Sierra Solutions to execute an engine model year 2005/2006 port truck replacement program and authorization for the Executive Officer/APCO to enter into all contracts and make all expenditures necessary to execute this program.

7. **APPROVAL OF TRANSPORTATION FUND FOR CLEAN AIR ALLOCATIONS FOR THREE PROJECTS**

D. Breen/5041

dbreen@baaqmd.gov

The Committee will consider recommending Board of Directors approval of \$2.35 million in allocations for three projects 1) a bicycle rack voucher project, 2) a Marine Highway project and 3) an enhanced mobile source inspections project from the Transportation Fund for Clean Air.

8. **COMMITTEE MEMBER COMMENTS/OTHER BUSINESS**

Any member of the Committee, or its staff, on his or her own initiative or in response to questions posed by the public, may: ask a question for clarification, make a brief announcement or report on his or her own activities, provide a reference to staff regarding factual information, request staff to report back at a subsequent meeting concerning any matter or take action to direct staff to place a matter of business on a future agenda. (Gov't Code § 54954.2).

9. **TIME AND PLACE OF NEXT MEETING**

At 9:30 A.M., Thursday, July 26, 2012; at 939 Ellis Street, San Francisco, CA 94109

10. **ADJOURNMENT**

**CONTACT EXECUTIVE OFFICE - 939 ELLIS STREET
SAN FRANCISCO, CA 94109**

(415) 749-5130

FAX: (415) 928-8560

BAAQMD homepage:

www.baaqmd.gov

- To submit written comments on an agenda item in advance of the meeting.
- To request, in advance of the meeting, to be placed on the list to testify on an agenda item.
- To request special accommodations for those persons with disabilities notification to the Executive Office should be given at least three working days prior to the date of the meeting so that arrangements can be made accordingly.
- Any writing relating to an open session item on this Agenda that is distributed to all, or a majority of all, members of the body to which this Agenda relates shall be made available at the District's offices at 939 Ellis Street, San Francisco, CA 94109, at the time such writing is made available to all, or a majority of all, members of that body. Such writing(s) may also be posted on the District's website (www.baaqmd.gov) at that time.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
939 ELLIS STREET, SAN FRANCISCO, CALIFORNIA 94109
(415) 771-6000

EXECUTIVE OFFICE:
MONTHLY CALENDAR OF DISTRICT MEETINGS

JUNE 2012

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Executive Committee <i>(Meets 3rd Monday of each Month)</i> - CANCELLED	Monday	18	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i> - CANCELLED	Wednesday	20	9:45 a.m.	Board Room
Board of Directors Public Outreach Committee <i>(Meets Quarterly at the Call of the Chair)</i> - CANCELLED	Thursday	21	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Budget & Finance Committee <i>(Meets the 4th Wednesday Each Month)</i> - CANCELLED	Wednesday	27	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Mobile Source Committee <i>(Meets 4th Thursday each Month)</i>	Thursday	28	9:30 a.m.	4 th Floor Conf. Room

JULY 2012

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i> - CANCELLED	Wednesday	4	9:45 a.m.	Board Room
Advisory Council Regular Meeting <i>(Meets 2nd Wednesday each Month)</i>	Wednesday	11	9:00 a.m.	Board Room
Special Meeting of the Board of Directors <i>(Meets 1st & 3rd Wednesday of each Month)</i> - CANCELLED	Wednesday	11	1:30 p.m.	<u>Meeting Location:</u> ConocoPhillips 1380 San Pablo Avenue Rodeo, CA 94572 <u>Tour Location:</u> ConocoPhillips 1380 San Pablo Avenue Rodeo, CA 94572
Board of Directors Executive Committee <i>(Meets 3rd Monday of each Month)</i> - CANCELLED	Monday	16	9:30 a.m.	4 th Floor Conf. Room

JULY 2012

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Stationary Source Committee <i>(Meets the 3rd Monday Every Other Month)</i> - CANCELLED	Monday	16	10:30 a.m.	4 th Floor Conf. Room
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i> - CANCELLED	Wednesday	18	9:45 a.m.	Board Room
Board of Directors Public Outreach Committee <i>(Meets Quarterly at the Call of the Chair)</i>	Thursday	19	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Personnel Committee <i>(Meets at the Call of the Chair)</i>	Monday	23	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Budget & Finance Committee <i>(Meets the 4th Wednesday Each Month)</i> - CANCELLED	Wednesday	25	9:30 a.m.	4 th Floor Conf. Room
Special Meeting of the Board of Directors	Wednesday	25	1:30 p.m.	Board Room
Board of Directors Mobile Source Committee <i>(Meets 4th Thursday each Month)</i>	Thursday	26	9:30 a.m.	4 th Floor Conf. Room

AUGUST 2012

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i> - CANCELLED	Wednesday	1	9:45 a.m.	Board Room
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i> - CANCELLED	Wednesday	15	9:45 a.m.	Board Room
Board of Directors Executive Committee <i>(Meets 3rd Monday of each Month)</i> - CANCELLED	Monday	20	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Budget & Finance Committee <i>(Meets the 4th Wednesday Each Month)</i> - CANCELLED	Wednesday	22	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Mobile Source Committee <i>(Meets 4th Thursday each Month)</i> - CANCELLED	Thursday	23	9:30 a.m.	4 th Floor Conf. Room

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Haggerty and Members
of the Mobile Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: June 13, 2012

Re: Mobile Source Committee Draft Meeting Minutes

RECOMMENDED ACTION:

Approve attached draft minutes of the Mobile Source Committee meeting of May 24, 2012

DISCUSSION

Attached for your review and approval are the draft minutes of the May 24, 2012 Mobile Source Committee meeting.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Sean Gallagher
Reviewed by: Jennifer C. Cooper

Bay Area Air Quality Management District
939 Ellis Street
San Francisco, California 94109
(415) 771-6000

DRAFT MINUTES

Summary of Board of Directors
Mobile Source Committee Meeting
9:30 a.m., Thursday, May 24, 2012

1. Call to Order – Roll Call

Chairperson Scott Haggerty called the meeting to order at 9:30 a.m.

Present: Chairperson Scott Haggerty (telephonically); and Directors Tom Bates, Carole Groom, Carol Klatt, Mary Piepho (telephonically) and Brad Wagenknecht.

Absent: Vice Chairperson Nate Miley; and Directors John Avalos and Edwin M. Lee.

Also Present: None.

2. Public Comment Period: None.

3. Approval of Minutes of April 26, 2012

Committee Action: Director Piepho made a motion to approve the Minutes of April 26, 2012; Director Klatt seconded; carried unanimously without objection.

4. Projects with Proposed Grant Awards Over \$100,000

Damian Breen, Director of Strategic Incentives, introduced Anthony Fournier, Grants Manager of Strategic Incentives, who gave the staff presentation Carl Moyer Program Projects with Proposed Grant Awards over \$100,000, including a brief review of the program to date and a detail of the proposed projects for Carl Moyer Program Year 13.

NOTED PRESENT: Director Bates was noted present at 9:32 a.m.

Committee Comments: None.

Public Comments: None.

Committee Action:

Director Wagenknecht made a motion, seconded by Director Piepho and carried unanimously without objection to recommend the Board of Directors:

1. Approve Carl Moyer Program projects with proposed grant awards over \$100,000; and

2. Authorize the Executive Officer/Air Pollution Control Officer (APCO) to enter into agreements for the recommended Carl Moyer Program projects.

5. Allocation of Mobile Source Incentive Funds for Lower Emissions School Bus Program (LESBP)

Mr. Breen introduced Karen Schkolnick, Air Quality Program Manager of Strategic Incentives, who gave the staff presentation Allocation of LESBP, including background, summaries of 2008 LESBP projects and compressed natural gas (CNG) buses funded through 2007, project demand for CNG tank replacements and funds available, current solicitation and outreach efforts, and recommendations.

Committee Comments:

Director Wagenknecht stated that the presentation was very responsive to the Committee requests at the last meeting. Chairperson Haggerty agreed and expressed his appreciation to staff.

Public Comments: None.

Committee Action:

Director Wagenknecht made a motion, seconded by Director Piepho and carried unanimously without objection to recommend the Board of Directors authorize the Executive Officer/APCO to enter into funding agreements with grantees meeting the requirements of LESBP.

6. Marine Highway Project

Mr. Breen gave the staff presentation Marine Highway Project, including background, a review of the current truck transportation model, the marine highway concept, the current project and its possible emissions reductions, and next steps.

Mr. Breen noted, regarding slide 3, Background, the project was cancelled in January 2010 because the project partner was unable to meet the performance-based milestones, largely due to port tariffs and union issues regarding crew sizes.

Mr. Breen added, regarding slide 5, Marine Highway Concept, that shipping containers can be loaded at significantly greater weights when travelling off-road and will be loaded for travel each direction as opposed to travelling empty.

Committee Comments:

Chairperson Haggerty asked if the additional funding from the Transportation Fund for Clean Air resulted in \$750,000 going back into the Air District's general fund. Jean Roggenkamp, Deputy APCO, responded that it was deposited long ago when the project was canceled and the Air District does not now have the additional funds.

Director Piepho asked, regarding page 3 of the staff report and slide 7, Possible Emissions Reductions, why the net difference for reactive organic gases reflects an increase under the marine highway proposal. Mr. Breen responded that this is a result of the modeling, reported that staff is working to refine that number, and suggested a contributor to the difference in evaporative emissions to be from the varying engine types as ships are generally equipped with Caterpillar engines instead of the better-sealed automobile engines used for truck travel.

Director Groom asked for more information regarding the port tariffs and union issues concerning crew sizes. Mr. Breen responded that all of the ports in the western United States are covered under the longshoreman's contract by which crew sizes are governed but there is some lingering question whether inland ports are subject to the applicable provisions and that a tariff is imposed by the applicable port each time a cargo box lands and there were questions in the past about whether those tariffs can be lifted since a private company will be moving the cargo from one port to the next. John Hummer, Director, U.S. Department of Transportation, Maritime Administration, added that the tariff discussion is actually referring to the harbor maintenance tax, a tax the federal government imposes, and is one that has been deemed likely moot as the two ports in question are in the same coast guard and customs district and the Port of Stockton has unilaterally dropped its usual port tariffs for this project.

Director Wagenknecht expressed his support for the plan but asked why the truck travel model cannot be more fully integrated so there is a full truck heading each direction. Mr. Breen responded that this was proposed before but the cost for that level of integration was deemed significant and infeasible at the time but staff continues to look at it. Mr. Hummer added that there is no container yard in the central valley but an actual or virtual container yard appears to be in the works for the Port of Stockton.

Director Bates asked who would operate the barge. Mr. Breen responded that a request for proposals has been issued. Director Bates replied to confirm that it will be a private company. Mr. Breen responded in the affirmative and added that it may be one of the Air District's grantees, in which case an additional condition may be imposed of having the best available engines on the barge. Director Bates asked if a sensitive crop could utilize the barge service or, in other words, how often it would operate. Mr. Breen responded that it would operate twice weekly, once in each direction, and provide a starting point in moving a fraction of the significant cargo shipping out of the central valley.

Matt Davis, Government Affairs Manager, Port of Oakland, expressed the appreciation of the Port of Oakland for the Air District's efforts, reported that the Port of Oakland is a 57% net export port, with growth mainly in the agricultural sector, something that could capitalize on the marine highway project, that the Port of Oakland is working with its partners in China on the expansion of cold storage facilities, and the Port of Stockton is doing a great deal of marketing and outreach and receiving positive responses.

Mr. Hummer added that the parties are encouraged by the growth in railroad transport in connection with the Port of Stockton in conformance with federal initiatives geared towards transport of grains to export markets, heavy loading will be an incentive for shippers, that a ramp up period will be needed, that barges are currently being retrofitted, and operations should be ready in late July or August.

Director Bates asked the length of the barge trip. Mr. Breen responded eight hours. Director Bates asked about the 13 miles requiring offloading and suggested it is terribly inefficient. Mr. Breen responded that the San Joaquin Valley has some legislation in the state legislature to increase the maximum load of on-road traffic but was unsure if the Air District would be in favor of it as it creates other issues for increased road dust and other air quality concerns. Mr. Breen suggested that the rail line may be extended and even with the inefficiency of trans-loading taken into account, this concept would result in a net improvement in air quality.

Director Piepho suggested a tour of the Port, said there is a direct rail line at the Port of Stockton location and the suggested the concerns about additional emissions and vehicles may be moot if the rail line is used. Director Bates responded that he has been to the Port of Oakland but not the Port of Stockton.

Chairperson Haggerty noted the absence of an environmental impact report. Mr. Davis responded that the Port of Oakland completed a full National Environmental Policy Act and California Environmental Quality Act analysis and offered to provide it. Chairperson Haggerty responded that it was not necessary and asked what was said in the report about the impacts on the levies. Mr. Davis responded that this is the Stockton deep water channel and ancillary service to West Sacramento in later phases, both of which have pretty active movement so there is fairly minimal impact. Mr. Breen interjected that under the larger, initial program, the proposed moves at launch would have accounted for less than 1% of moves in the channel and there is not a significant impact.

Chairperson Haggerty asked if there would be timed loads to avoid prolonged delays in Oakland after leaving Stockton. Mr. Davis responded that timed loads to minimize shipper delays are the goal and part of the logistics challenge for management. Director Haggerty indicated that he would be interested in seeing more information on how this is expected to work to which Mr. Davis agreed. Mr. Breen added that staff will work to provide that information for review at the next Committee meeting.

Mr. Hummer said that the Port of Stockton has retained Savage Services as the management group, a sophisticated company with extensive experience related to large barge operations, and that timely shipping is essential, that the current vision is for cargo to travel both directions, and that the parties are aware that this is a very sensitive market that requires well timed ships.

Public Comments: None.

Committee Action: None; informational only.

Chairperson Haggerty asked Director Wagenknecht to serve as Chair for the remainder of the Committee meeting.

7. Port Drayage Truck Program

Mr. Breen introduced Mr. Fournier who gave the staff presentation Port Drayage Truck Program, including background and reviews of the current drayage truck population, California Goods Movement Bond Program (I-Bond) Year 3 funding, Engine Model Year (MY) 2004 Replacement Program, and Engine MY 2005/2006 Replacement Program.

Mr. Breen interjected, regarding slide 6, I-Bond: Year 3 Funding, that through the tremendous effort by staff, the Air District successfully processed the 950 applications received in the course of three weeks.

Director Wagenknecht asked, regarding slide 7, Engine MY 2004 Replacement Program, if the eligible trucks that did not apply had ceased to operate or found the funding to be inadequate. Mr. Breen said the truck operators had the option to move to over-the-road service and that is what most of them did as the deadline is further out for that service. Chair Pro Tem Wagenknecht suggested that politicians are not the only procrastinators. Mr. Breen suggested that replacement is a big investment for truck operators, there are other options available to them, and the retrofit price is steadily climbing to currently cost between \$70,000 and \$80,000. Chair Pro Tem Wagenknecht suggested that would make the offer of \$10,000 less appealing.

Committee Comments:

Director Groom agreed that if the contract cannot be finalized with Cascade Sierra Solutions then a new request for proposals should be issued. Mr. Breen said staff has been working with Cascade Sierra Solutions on a contract for eight weeks and they are so far unable to secure the trucks at the desired price; staff have looked at other approaches such as offering a scrap program at the same level as the older, dirtier trucks, which is around \$30,000, and found that truck operators come out in a worse position than the program offering \$10,000 plus trade-in value; and staff have gone out to talk with others in the industry and will likely issue, and bring back to the Committee in June, another request for proposals and should that prove unsuccessful, the Air District will need to make some decisions about how to proceed with the program.

Director Bates asked if the Air District can pay more per truck. Mr. Breen responded that the program operates on surplus so it might be up for consideration but because of constricted funding that will mean fewer trucks replaced. Director Bates replied that if the truck operators aren't taking advantage of the current program that may not be a problem. Mr. Breen said that there is also an equity issue in terms of an older, dirtier truck getting the same incentive as a newer truck with fewer emissions and that may be problematic as the Air District's baseline concern is and must be air quality. Director Wagenknecht noted the ramifications in terms of equity related to other Air District programs to which Mr. Breen agreed.

Mr. Davis expressed the appreciation of the Port of Oakland for the work of the Air District and expressed the Port's commitment to continuing to look for ways to support the truck operators in these tough times.

Mr. Breen relayed that the California Air Resources Board (CARB) promised a loan guarantee program and have sold additional bonds so staff will go back to follow up on the loan guarantee program for this portion of truck operators. Chair Pro Tem Wagenknecht suggested that Mr. Breen talk to CARB staff. Mr. Breen agreed.

Mr. Hummer asked if the entire truck or only the engine has to be switched out. Mr. Breen responded that staff did not look at repowers for these particular projects as they are generally not favored by truck operators but should be possible, although very difficult, in staff's experience. Mr. Breen indicated that staff will look into it.

Director Wagenknecht noted that the application processing time by staff is very impressive and asked if staff expect most of the 888 eligible projects to materialize. Mr. Breen responded that their materializing is another question but for many it will depend upon their personal financial circumstances, that he expects a high rate of contract signing, noted that under the CARB agreement the money for anyone who falls out goes back to CARB for reallocation but staff will work to retain it towards next year's funding, and more information will probably be available in late summer.

Public Comments: None.

Committee Action: None; informational only.

8. Committee Member Comments/Other Business:

Director Bates asked if the Committee will reconvene in June to which Mr. Breen responded in the affirmative.

9. Time and Place of Next Meeting: Thursday, June 28, 2012, at Bay Area Air Quality Management District Office, 939 Ellis Street, San Francisco, CA 94109 at 9:30 a.m.

10. Adjournment: The meeting adjourned at 10:25 a.m.

Sean Gallagher
Clerk of the Boards

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Haggerty and Members
of the Mobile Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: June 13, 2012

Re: Projects with Proposed Grant Awards over \$100,000

RECOMMENDATIONS:

Recommend the Board of Directors:

1. Approve Carl Moyer Program projects with proposed grant awards over \$100,000.
2. Authorize the Executive Officer/APCO to enter into agreements for the recommended Carl Moyer Program projects.

BACKGROUND

The Bay Area Air Quality Management District (Air District) has participated in the Carl Moyer Program (CMP), in cooperation with the California Air Resources Board (ARB), since the program began in fiscal year 1998/1999. The CMP provides grants to public and private entities to reduce emissions of oxides of nitrogen (NOx), reactive organic gases (ROG) and particulate matter (PM) from existing heavy-duty engines by either replacing or retrofitting them. Eligible heavy-duty diesel engine applications include on-road trucks and buses, off-road equipment, marine vessels, locomotives, stationary agricultural pump engines and forklifts.

Assembly Bill 923 (AB 923 - Firebaugh), enacted in 2004 (codified as Health and Safety Code Section 44225), authorized local air districts to increase their motor vehicle registration surcharge up to an additional \$2 per vehicle. The revenues from the additional \$2 surcharge are deposited in the Air District's Mobile Source Incentive Fund (MSIF). AB 923 stipulates that air districts may use the revenues generated by the additional \$2 surcharge for projects eligible for grants under the CMP.

Since 1991, the Transportation Fund for Clean Air (TFCA) program has funded projects that achieve surplus emission reductions from on-road motor vehicles. Sixty percent (60%) of TFCA funds are awarded directly by the Air District through a grant program known as the Regional Fund that is allocated on a competitive basis to eligible projects proposed by project sponsors. Funding for this program is provided by a \$4 surcharge on motor vehicles registered within the San Francisco Bay Area as authorized by the California State Legislature. The statutory authority

for the TFCA and requirements of the program are set forth in California Health and Safety Code Sections 44241 and 44242.

On February 2, 2011, the Board of Directors authorized Air District participation in Year 13 of the CMP, and authorized the Executive Officer/APCO to execute Grant Agreements and amendments for projects funded with CMP funds or MSIF revenues, with individual grant award amounts up to \$100,000. On November 18, 2009, the Air District Board of Directors authorized the Executive Officer/APCO to execute Grant Agreements and amendments for projects funded with TFCA funds, with individual grant award amounts up to \$100,000.

CMP and TFCA projects with grant award amounts over \$100,000 are brought to the Committee for consideration at least on a quarterly basis. Staff reviews and evaluates the grant applications based upon the respective governing policies and guidelines established by the ARB and/or the Air District's Board of Directors.

DISCUSSION

Carl Moyer Program:

The Air District started accepting applications for CMP Year 13 projects on August 8, 2011. The Air District has approximately \$14 million available for CMP projects from a combination of MSIF and CMP funds. Project applications are being accepted and evaluated on a first-come, first-served basis.

As of June 13, 2012, the Air District had received 100 project applications. Of the applications that have been evaluated between May 9, 2012 and June 13, 2012, three eligible projects have proposed individual grant awards over \$100,000. These projects will replace nine (9) pieces of off-road equipment, and four (4) marine engines which will result in the reduction of over 5 tons of NOx, ROG and PM per year. Staff recommends allocating \$568,869 to these projects from a combination of CMP funds and MSIF revenues. Attachment 1 to this staff report provides additional information on these projects.

Attachment 2 lists all of the eligible projects that have been received by the Air District as of June 13, 2012, and summarizes the allocation of funding by equipment category (Figure 1), and county (Figure 2). This list also includes the Voucher Incentive Program (VIP) on-road replacement projects awarded since the last committee update. Approximately 50% of the funds have been awarded to projects that reduce emissions in highly impacted Bay Area communities.

TFCA:

No TFCA applications requesting individual grant awards over \$100,000 received as of June 13, 2012 are being forwarded for approval at this time.

BUDGET CONSIDERATION / FINANCIAL IMPACT:

None. Through the CMP, MSIF and TFCA, the Air District distributes “pass-through” funds to public agencies and private entities on a reimbursement basis. Administrative costs for both programs are provided by each funding source.

Respectfully submitted,

Jack P. Broadbent
Executive Director/APCO

Prepared by: Anthony Fournier
Reviewed by: Damian Breen

- Attachment 1: BAAQMD Year 13 Carl Moyer Program/MSIF projects with grant awards greater than \$100,000 (evaluated between 5/9/12 and 6/13/12)
- Attachment 2: Summary of all CMP Year 13/MSIF and VIP approved/eligible projects (as of 6/13/12)

Attachment 1:

BAAQMD Year 13 Carl Moyer Program/ MSIF projects with grant awards greater than \$100k
(Evaluated between 5/9/12 and 6/13/12)

Project #	Applicant name	Equipment category	Project type	Proposed contract award	NOx (TPY)	ROG (TPY)	PM (TPY)	County
13MOY69	Sonoma-Cutrer Vineyards, Inc.	Off-road	Equipment replacement of nine (9) diesel-powered agricultural tractors	\$ 248,742.00	1.228	0.266	0.127	Sonoma
13MOY98	Benjamin D. Platt (Commercial fisherman)	Marine	Repower of one (1) diesel-powered propulsion engine on the commercial fishing marine vessel "Seastar"	\$ 123,635.00	1.078	0.038	0.041	San Mateo
13MOY91	Marine Science Institute	Marine	Repower of two (2) diesel-powered propulsion engines and one (1) diesel-powered auxiliary engine on the research marine vessel "Robert G. Brownlee"	\$ 196,492.00	2.259	0.049	0.086	San Mateo
				\$ 568,869.00	4.565	0.353	0.254	

Attachment 2

Summary of all CMP Yr 13/ MSIF and VIP approved/ eligible projects (As of 6/13/12)

Project #	Equipment category	Project type	# of engines	Proposed contract award	Applicant name	NOx (TPY)	ROG (TPY)	PM (TPY)	Board approval date	County
13MOY4	Off-road	Tractor replacement	2	\$ 122,000.00	Humberto Castaneda (farmer)	1.076	0.142	0.037	12/7/2011	Sonoma
13MOY6	Off-road	Tractor replacement	2	\$ 29,757.00	Ronald Palmer (Vineyard)	0.126	0.027	0.007	APCO	Sonoma
13MOY9	Off-road	Tractor replacement	1	\$ 23,576.00	Joesph Pinheiro (Dairy)	0.159	0.028	0.008	APCO	Sonoma
13MOY15	Off-road	Tractor replacement	1	\$ 23,576.00	David Evans dba Marin Sun Farms, Inc.	0.299	0.050	0.016	APCO	Marin
13MOY10	Off-road	Loader replacement	10	\$ 379,700.00	GreenWaste Recovery, Inc.	2.095	0.456	0.115	12/7/2011	Santa Clara
13MOY12	Off-road	Loader replacement	1	\$ 110,132.00	Deniz Dairy	0.541	0.066	0.025	12/7/2011	Sonoma
13MOY17	Off-road	Tractor replacement	1	\$ 36,163.00	Neil McIsaac & Son Dairy	0.158	0.029	0.013	APCO	Marin
13MOY19	Off-road	Tractor replacement	1	\$ 24,577.00	Foley Family Wines dba Sebastiani Vineyards	0.151	0.033	0.008	APCO	Sonoma
13MOY13	Off-road	Loader replacement	1	\$ 104,943.00	Renati Dairy	0.375	0.070	0.025	12/7/2011	Sonoma
13MOY18	Off-road	Tractor replacement	2	\$ 75,489.00	Gerald & Kristy Spaletta (Dairy)	0.520	0.088	0.029	APCO	Sonoma
13MOY14	Off-road	Tractor replacement	1	\$ 181,905.00	Silva Farms	1.270	0.151	0.055	3/7/2012	Santa Clara
13MOY16	Off-road	Tractor replacement	2	\$ 73,232.00	R. Castaneda Farms	0.490	0.085	0.030	APCO	Sonoma
13MOY23	Off-road	Tractor replacement	1	\$ 225,700.00	Simoni & Massoni Farms	1.365	0.088	0.031	3/7/2012	Contra Costa
13MOY28	Off-road	Tractor replacement	2	\$ 54,212.00	Boisset Family Estates (Vineyard)	0.305	0.062	0.019	APCO	Napa
13MOY21	Off-road	Tractor replacement	1	\$ 28,948.00	Roy and Beverly King (Dairy)	0.105	0.030	0.012	APCO	Sonoma
13MOY29	Off-road	Tractor replacement	2	\$ 158,666.00	RANKINS AG INC.	1.408	0.181	0.063	3/7/2012	Contra Costa
13MOY30	Off-road	Tractor replacement	1	\$ 28,651.00	Clos Du Val Wine Company, Ltd.	0.085	0.016	0.007	APCO	Napa
13MOY33	Off-road	Tractor replacement	1	\$ 29,920.00	Michael Meyer DBA: Meyer Farming	0.107	0.023	0.006	APCO	Sonoma
13MOY24	Marine	Engine reman and repower	4	\$ 585,928.00	Harley Marine Services, Inc.	40.012	0.636	1.192	3/7/2012	Alameda
13MOY37	Off-road	Tractor replacement	1	\$ 30,748.00	Greg Lyons (farmer)	0.324	0.054	0.020	APCO	Solano
13MOY35	Off-road	Tractor replacement	1	\$ 39,700.00	Dominus Estate Corporation	0.129	0.025	0.009	APCO	Napa
13MOY25	Marine	Engine reman and repower	3	\$ 549,078.00	Harley Marine Services, Inc.	37.843	0.602	1.126	3/7/2012	Alameda
13MOY26	Marine	Engine reman and repower	4	\$ 594,249.00	Harley Marine Services, Inc.	34.517	0.542	1.034	3/7/2012	Alameda
13MOY36	Off-road	Equipment replacement	2	\$ 45,106.00	Dutton Ranch Corp.	0.189	0.040	0.012	APCO	Sonoma
13MOY41	Off-road	Equipment replacement	1	\$ 114,014.00	F.A. Maggiore & Sons (Farming)	0.933	0.102	0.040	5/2/2012	Contra Costa
13MOY42	Off-road	Equipment replacement	2	\$ 55,966.00	Dutton Ranch Corp.	0.243	0.046	0.021	APCO	Sonoma
13MOY45	Off-road	Equipment replacement	1	\$ 30,900.00	Arthur Kunde and Sons Inc	0.092	0.018	0.005	APCO	Sonoma
13MOY46	Off-road	Equipment replacement	2	\$ 34,871.00	Carty Bros.	0.179	0.048	0.013	APCO	Solano
13MOY38	Off-road	Equipment replacement	1	\$ 24,175.00	Moon Vineyards	0.099	0.017	0.005	APCO	Napa
13MOY39	Marine	Engine repower	2	\$ 98,386.00	Sal Papetti (Commercial fisherman)	0.601	0.016	0.021	APCO	San Francisco
13MOY31	Marine	Engine repower	2	\$ 82,790.00	Blue & Gold Fleet LP	0.772	-0.017	0.028	APCO	San Francisco
13MOY58	Off-road	Equipment replacement	5	\$ 150,266.00	Diamond M Dairy	0.873	0.170	0.058	5/2/2012	Sonoma
13MOY63	Off-road	Equipment replacement	1	\$ 151,841.00	Andrew Poncia (Fertilizer co.)	0.928	0.106	0.037	5/2/2012	Sonoma
13MOY60	Off-road	Equipment replacement	1	\$ 14,210.00	Cameros Vineyard Management LLC	0.002	0.018	0.004	APCO	Sonoma
13MOY59	Off-road	Equipment replacement	2	\$ 58,766.00	Sinskey Vineyards, Inc., dba Robert Sinskey Vineyards	0.156	0.047	0.019	APCO	Napa

Project #	Equipment category	Project type	# of engines	Proposed contract award	Applicant name	NOx (TPY)	ROG (TPY)	PM (TPY)	Board approval date	County
13MOYFA1	Emergency Equipment	Equipment replacement	1	\$ 43,000.00	City of Sunnyvale	0.112	0.006	0.009	APCO	Santa Clara
13MOY73	Off-road	Equipment replacement	1	\$ 30,321.00	Renati Dairy	0.243	0.041	0.015	APCO	Sonoma
13MOY74	Off-road	Equipment replacement	1	\$ 39,507.00	Jacobs Farm Del Cabo Inc.	0.135	0.029	0.007	APCO	San Mateo
13MOY77	Off-road	Equipment replacement	1	\$ 142,164.00	Gregory Lyons (Lyon's Farm)	0.848	0.099	0.035	6/6/2012	Solano
13MOY79	Marine	Engine remanufacture kit	2	\$ 233,768.00	Sortwell Inc. (dba) Amnav Maritime Services	27.011	0.483	0.803	6/6/2012	San Francisco
13MOY61	Off-road	Equipment replacement	3	\$ 99,229.00	Diageo Chateau & Estate Wines	0.312	0.061	0.016	APCO	Napa
13MOY40	Off-road	Equipment replacement	4	\$ 172,050.00	Premier Recycle Company	1.486	0.220	0.051	6/6/2012	Santa Clara
13MOY72	Off-road	Equipment replacement	2	\$ 38,988.00	Triple C Ranch	0.245	0.059	0.014	APCO	Sonoma
13MOY65	Off-road	Equipment replacement	2	\$ 32,184.00	Twin Creeks Vineyard Company, LLC	0.152	0.043	0.011	APCO	Napa
13MOY69	Off-road	Equipment replacement	9	\$ 248,742.00	Sonoma-Cutrer Vineyards, Inc.	1.228	0.266	0.127	TBD	Sonoma
13MOY49	Off-road	Equipment replacement	2	\$ 50,949.00	Tri-Valley Vineyard Management Inc.	0.235	0.042	0.010	APCO	Sonoma
13MOY70	Off-road	Equipment replacement	1	\$ 36,756.00	Mcdonald ranches	0.138	0.023	0.008	APCO	Marin
13MOY52	Off-road	Equipment replacement	2	\$ 47,337.00	Regusci Vineyard Management, Inc.	0.150	0.032	0.011	APCO	Napa
13MOY43	Off-road	Equipment replacement	3	\$ 64,518.00	Silverado Farming Company	0.465	0.084	0.025	APCO	Napa
13MOY75	Off-road	Equipment replacement	1	\$ 16,325.00	La Prenda vineyards management, Inc.	0.014	0.019	0.004	APCO	Sonoma
13MOY89	Off-road	Equipment replacement	1	\$ 26,373.00	Ronald E. Palmer (Vineyard)	0.162	0.034	0.009	APCO	Sonoma
13MOY90	Off-road	Equipment replacement	1	\$ 25,200.00	Comerstone Certified Vineyard	0.048	0.015	0.006	APCO	Sonoma
13MOY50	Off-road	Equipment replacement	4	\$ 85,047.00	Francis V. Mahoney dba Mahoney Vineyards	0.356	0.870	0.028	APCO	Napa
13MOY54	Off-road	Equipment replacement	1	\$ 17,715.00	MCE Amos Inc. (Dairy)	0.177	0.031	0.009	APCO	Sonoma
13MOY78	Off-road	Equipment replacement	2	\$ 58,242.00	Sanchiotti Ranch	0.228	0.047	0.017	APCO	Sonoma
13MOY48	Off-road	Equipment replacement	2	\$ 28,870.00	Capp Bros Vineyard Management	0.031	0.035	0.007	APCO	Napa
13MOY68	Off-road	Equipment replacement	2	\$ 58,196.00	Dale Ricci dba Ricci Vineyards Carneros, Inc.	0.198	0.048	0.017	APCO	Sonoma
13MOY80	Off-road	Equipment replacement	1	\$ 22,106.00	Christine & Robert Bianchi (Bianchi Ranches)	0.140	0.025	0.006	APCO	Santa Clara
13MOY71	Off-road	Equipment replacement	1	\$ 23,570.00	L. Corda & Sons Dairy	0.105	0.032	0.013	APCO	Sonoma
13MOY83	Off-road	Equipment replacement	1	\$ 28,948.00	Double M Dairy LLC	0.131	0.023	0.007	APCO	Marin
13MOY64	Off-road	Equipment replacement	1	\$ 11,900.00	Mitchell Knight dba Black Knight Vineyards	0.010	0.014	0.003	APCO	Sonoma
13MOY66	Off-road	Equipment replacement	2	\$ 37,411.00	Wight Vineyard Management, Inc.	0.101	0.041	0.013	APCO	Napa
13MOY84	Off-road	Equipment replacement	1	\$ 26,373.00	Domenico J. Carinalli, Jr.	0.192	0.040	0.011	APCO	Sonoma
13MOY98	Marine	Engine repower	1	\$ 123,635.00	Benjamin D. Platt (Commercial fisherman)	1.078	0.038	0.041	TBD	San Mateo
13MOY91	Marine	Engine repower	3	\$ 196,492.00	Marine Science Institute	2.259	0.049	0.086	TBD	San Mateo
13MOY82	Off-road	Engine repower	2	\$ 63,041.00	CES-Controlled Environmental Services Inc.	0.172	0.068	0.026	APCO	Contra Costa
VIP41	VIP	Truck replacement	1	\$ 40,000.00	James Bell	0.550	0.017	0.036	APCO	Santa Clara
VIP42	VIP	Truck replacement	1	\$ 40,000.00	Robert E. Poole	0.547	0.002	0.036	APCO	Marin
VIP43	VIP	Truck replacement	1	\$ 45,000.00	Thomas Garcia	0.970	0.019	0.022	APCO	San Mateo
VIP44	VIP	Truck replacement	1	\$ 20,000.00	Clark's Rock	0.280	0.010	0.019	APCO	Napa
VIP45	VIP	Truck replacement	1	\$ 45,000.00	Nanak Singh	0.970	0.019	0.022	APCO	Contra Costa
VIP48	VIP	Truck replacement	1	\$ 20,000.00	Jill Lee	0.282	0.009	0.019	APCO	Contra Costa

Project #	Equipment category	Project type	# of engines	Proposed contract award	Applicant name	NOx (TPY)	ROG (TPY)	PM (TPY)	Board approval date	County
VIP49	VIP	Truck replacement	1	\$ 35,000.00	Domingo Rodriguez III	0.649	0.016	0.022	APCO	Alameda
VIP50	VIP	Truck replacement	1	\$ 15,000.00	Kon Chen	0.464	0.009	0.000	APCO	Alameda
VIP51	VIP	Truck replacement	1	\$ 10,000.00	Kon Chen	0.314	0.006	0.000	APCO	Alameda
VIP52	VIP	Truck replacement	1	\$ 10,000.00	Kon Chen	0.314	0.006	0.000	APCO	Alameda
VIP53	VIP	Truck replacement	1	\$ 10,000.00	Kon Chen	0.314	0.006	0.000	APCO	Alameda
VIP54	VIP	Truck replacement	1	\$ 45,000.00	Richard Renfro	0.452	0.000	0.048	APCO	Alameda
VIP55	VIP	Truck replacement	1	\$ 5,000.00	James Bell	0.000	0.000	0.008	APCO	Santa Clara
VIP56	VIP	Truck replacement	1	\$ 45,000.00	James Key	0.970	0.190	0.022	APCO	San Benito
VIP57	VIP	Truck replacement	1	\$ 20,000.00	Saleem M. Salimi	0.281	0.000	0.007	APCO	Alameda
VIP58	VIP	Truck replacement	1	\$ 5,000.00	All Points Rolloff Inc.	0.160	0.000	0.011	APCO	Santa Clara
VIP60	VIP	Truck replacement	1	\$ 45,000.00	Tammy Huang	2.786	0.056	0.000	APCO	San Mateo
VIP61	VIP	Truck replacement	1	\$ 45,000.00	Tammy Huang	2.786	0.056	0.000	APCO	San Mateo
VIP62	VIP	Truck replacement	1	\$ 35,000.00	Freddy Alberto Largaespada	2.143	0.053	0.000	APCO	Los Angeles
VIP63	VIP	Truck replacement	1	\$ 45,000.00	Edward Eric Martinez	2.786	0.056	0.000	APCO	Placer County
VIP64	VIP	Truck replacement	1	\$ 45,000.00	S/S Trucking	2.786	0.056	0.000	APCO	Alameda
VIP65	VIP	Truck replacement	1	\$ 25,000.00	Don White	1.546	0.034	0.000	APCO	Alameda
VIP66	VIP	Truck replacement	1	\$ 45,000.00	Jaswinder Singh	2.768	0.058	0.000	APCO	Contra Costa
VIP67	VIP	Truck replacement	1	\$ 20,000.00	Wilson Chiem	0.978	0.006	0.014	APCO	San Francisco
VIP68	VIP	Truck replacement	1	\$ 45,000.00	Robert Kenny	2.786	0.056	0.000	APCO	San Francisco
VIP69	VIP	Truck replacement	1	\$ 40,000.00	Tien Cong Huynh	2.427	0.081	0.000	APCO	Alameda
VIP70	VIP	Truck replacement	1	\$ 20,000.00	William Ballinger	1.236	0.032	0.000	APCO	Alameda
VIP71	VIP	Truck replacement	1	\$ 45,000.00	CBA Intertrans Inc.	2.011	0.026	0.040	APCO	San Francisco
94 Projects			157	\$ 7,366,098.00		201.245	7.892	5.922		

Figure 1: CMP/ MSIF Funding Distribution by Equipment Category as of 6/13/12

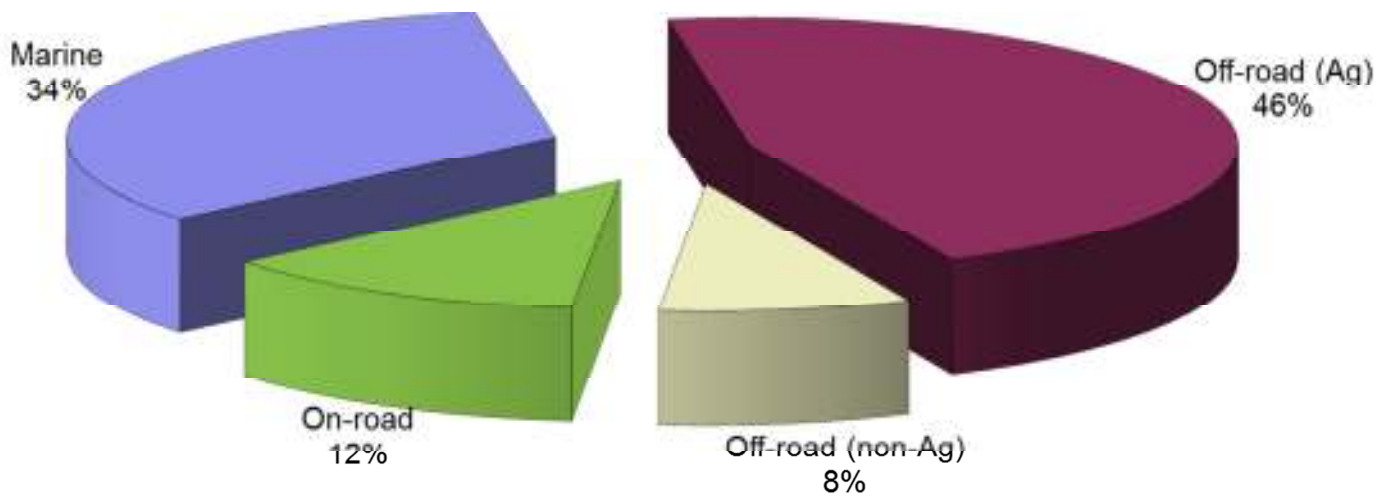
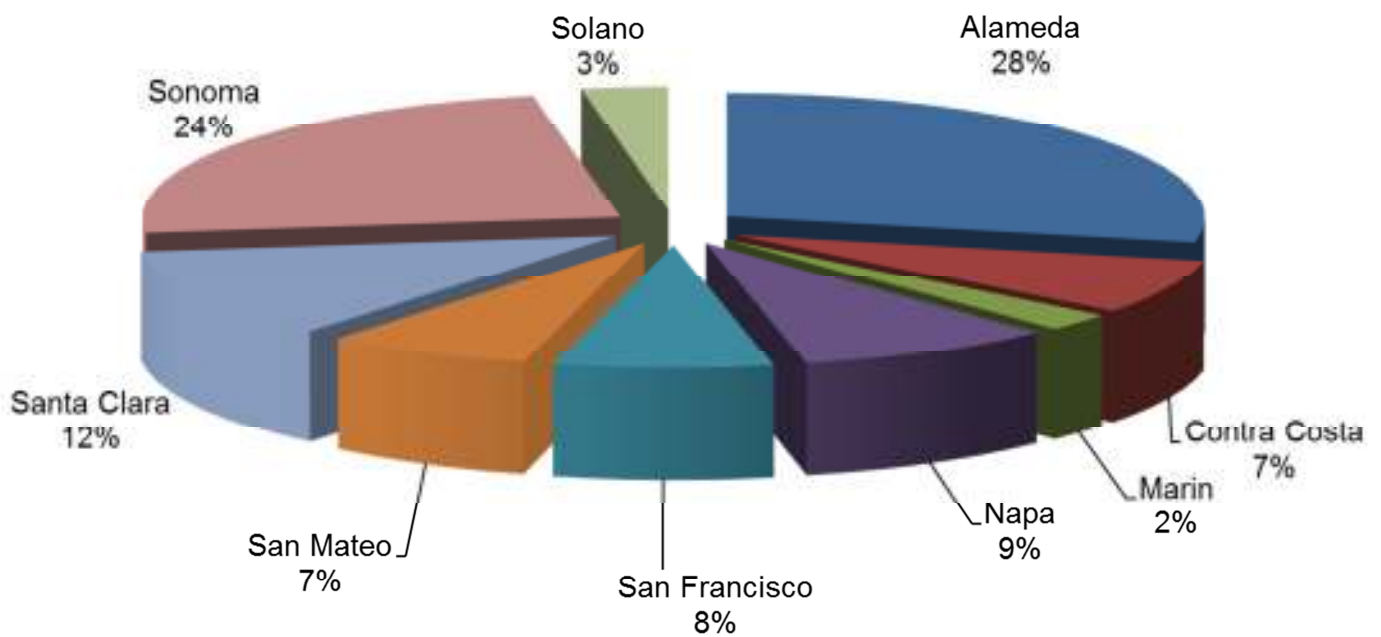


Figure 2: CMP/ MSIF Funding Distribution by County as of 6/13/12



BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Haggerty and Members
of the Mobile Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: June 21, 2012

Re: Lawn Mower Replacement Contractor Selection

RECOMMENDATION:

Recommend the Board of Directors:

1. Approve the selection of RW Direct-WORX, a contractor to assist the Bay Area Air Quality Management District (Air District) in the implementation of a lawn mower replacement program under a grant from the California Air Resources Board (ARB).
2. Authorize the Executive Officer/APCO to enter into all necessary agreements with RW Direct-WORX to implement the program funded by the ARB not to exceed \$364,050.

BACKGROUND

Lawn mower replacement programs provide a streamlined approach to reduce emissions by replacing existing gasoline lawn mowers with cordless, zero-emission equipment. Replacement programs provide real emission benefits by providing lawn mower owners the incentivized option of purchasing a cordless, zero-emission mower instead of higher polluting gasoline equipment. Zero-emission lawn mowers are not required by regulation, so all emissions reduced by equipment “change outs” are surplus.

In order to fund the current program, the Air District submitted a proposal to the ARB to implement a lawn mower replacement program under ARB’s Air Quality Improvement Program (AQIP) and was awarded a grant of \$182,025. Under the guidelines for the AQIP grant a one-to-one match is required from the Air District. The Air District’s Board of Directors passed Resolution No. 2011-05 on May 4, 2011, allocating a match of \$182,025 from Mobile Source Incentive Funds (MSIF). The Air District receives MSIF funds from local motor vehicle surcharges under AB 923. The total funding for this project including AQIP and MSIF funds is \$364,050.

Under the Air District’s Lawn Mower Replacement Program residents of the Air District will be able to obtain a \$145 discount voucher for the purchase of a new, cordless electric lawn mower after turning in an operable gasoline lawn mower for scrapping. The Air District plans to replace approximately 2,400 mowers through the Program,

which will run from August 1, 2012, until October 31, 2012, or until the funds are exhausted, whichever happens first. The guidelines for administering the Program are contained in the Carl Moyer Guidelines.

DISCUSSION

Air District staff issued a Request for Proposals (RFP) on January 12, 2012, seeking a contractor(s) to assist with the implementation of the Lawn Mower Replacement Program. The Air District invited proposals from cordless electric mower manufacturers, cordless electric mower merchants, and other companies that could provide on a turn-key basis a range of services, including all customer interfacing aspects of the Program. The RFP contains all of the requirements in the Carl Moyer Guidelines including the details regarding customer registration, used-mower turn-in and recycling, hazardous materials disposal, new-mower sales and service, advertising, and required data and reports to the Air District. The voucher amount of \$145 per lawn mower is the only reimbursement that the Air District will provide to the contractor selected under this RFP. The timeline for completion of the Program is the Fall of 2012, and the expenditure deadline for ARB funds is June 30, 2013.

The RFP closed on April 25, 2012, at which time completed applications were due to the Air District offices by 4 PM. The Air District received a total of two (2) applications for the RFP. Four Air District staff analyzed and scored the applications received against the following criteria:

Table 1 - RFP Scoring Criteria and Percentages

Criteria	Allotted Percentage
Technical expertise, size and structure of the firm and personnel assigned to RFP tasks; firm's ability to perform and complete the work in a professional and timely manner.	30%
Past experience of the firm and, in particular, experience of the team working on projects of similar scope for other governmental agencies.	20%
Responsiveness of the proposal, based upon a clear understanding of the work to be performed.	20%
Cost	20%
References of the firm, local business/Green Business	10%

Based on the combined average score for each submittal provided by the Panel (see Table 2), staff is recommending that the Committee recommend the Board of Directors award a contract for this project to RW Direct-WORX.

RW Direct-WORX has managed lawn mower exchange programs for the South Coast Air Quality Management District as well as in nine other states and was recently awarded a contract to conduct a program for the Yolo-Solano AQMD. They have a selection of four (4) WORX electric lawn mowers that would be eligible for the program and WORX mowers have service centers in Fremont, El Cerrito, Novato, Vallejo and Santa Rosa. RW Direct-WORX will hold up to five (5) local events to conduct exchanges and will have on-line information and registration for the program in addition to on-line sales. They will also manage marketing and advertising for the program including print, radio and TV advertisements. RW Direct-WORX will work with Recology to scrap the old lawn mowers. Participants in the program may scrap their old lawn mowers at the local events or by visiting one of the eight (8) facilities operated by Recology in the Bay Area.

Table 2 - Ranked RFP Scores by Contractor

	Technical Expertise (30 Pts.)	Past Experience (20 Pts.)	Responsiveness (20 Pts.)	Cost (20 Pts.)	References (10 Pts.)	Score & Ranking
RW Direct - WORX	22	18	18	18	2	78
TSR Construction	3	0	5	6	2	16

BUDGET CONSIDERATION / FINANCIAL IMPACT:

None. The Air District match and administrative funding for these projects comes from the MSIF program.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Joseph Steinberger
Reviewed by: Jean Roggenkamp

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Haggerty and Members
Members of the Mobile Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: June 13, 2012

Re: Engine Model Year 2005/ 2006 Port Truck Replacement Program

RECOMMENDATION:

Recommend the Board of Directors:

1. Approve the selection of Cascade Sierra Solutions, as a contractor to assist the District in the implementation of an engine model year 2005/ 2006 drayage truck replacement program.
2. Authorize the Executive Officer/APCO to enter into all necessary agreements with Cascade Sierra Solutions to implement the program.

BACKGROUND

In December of 2007, the California Air Resources Board (ARB) approved a regulation to reduce emissions from drayage trucks operating at California's ports and intermodal rail yards. The first phase of the regulation went into effect on December 31, 2009, and Phase 2 of the regulation goes into effect on December 31, 2013. A summary of the regulation's compliance requirements is shown in Table 1:

Table 1: ARB Drayage Truck Regulation Compliance Schedule

Phase	Date	Engine Model Years (MY)	Regulation requirement
Phase 1	12/31/09	1993 and older	Prohibited from operation as a drayage truck
		1994 – 2003	Install a Level 3 retrofit device
	12/31/11	2004	Install a Level 3 retrofit device
	12/31/12	2005 and 2006	Install a Level 3 retrofit device
Phase 2	12/31/13	1994 – 2006	Meet 2007 * engine emissions standards

* Trucks with 2007-2009 model year engines are compliant through 2022. Trucks with 2010 and newer engines are fully compliant

As part of this report, the Committee will be updated on the Bay Area Air Quality Management District's (Air District) continued efforts to assist port truck drivers reduce their emissions ahead of these regulatory deadlines.

DISCUSSION

Table 2, below contains data from ARB's Drayage Truck Registry database, and describes the population of vehicles calling on Northern California ports by engine model year. Table 2 also identifies the number of trucks that received grant funds from the original Air District Drayage Truck Program in 2009/2010 that provided over \$25 million for port truck retrofits and replacements.

Table 2: Drayage truck population as of November 2011

Engine MY	Compliant until	# of Drayage trucks in Northern CA ¹	# of trucks that received grant funds	Grant funds expended ³
1994-2003 (w/ retrofits)	12/31/13	1,700	1,319	\$15,586,534
2004	12/31/11	700	TBD ²	TBD
2005 & 2006	12/31/12	2,200	TBD	TBD
2007 – 2009	2022	1,400	203	\$10,150,000
2010 +	Fully compliant	500		
Total		6,500	1,522	\$25,736,534

Notes:

1. The number of trucks registered in the ARB Drayage Truck Registry (DTR) with zip codes North of Fresno.
2. Final payments for the engine MY 2004 port truck program have not yet been made.
3. Funding sources for the Air District's Year 1 port truck funding program: TFCA (\$5 million), Port (\$5 million), ARB Prop 1B (\$13,835,133), and DERA (~\$2 million)

In analyzing the data from Table 2, staff determined that there are a significant number of engine MY 2005/2006 drayage trucks that need to comply with the upcoming requirements of the ARB rule. A further staff analysis revealed that 916 of the 2,200, engine MY 2005/2006 Northern California drayage trucks required to meet upcoming ARB deadlines are registered within the boundaries of the Air District (Table 3).

Table 3: Analysis of Northern California MY2005/2006 Drayage Trucks

County	# of trucks	Bay Area %
Alameda	550	60.0%
Contra Costa	126	13.8%
Santa Clara	108	11.8%
San Mateo	16	1.7%
Solano	33	3.6%
San Francisco	35	3.8%
Sonoma	46	5.0%
Napa	2	0.2%
Marin	0	0.0%
Total	916	

On March 7, 2012, the Air District's Board of Directors approved a grant program for engine MY 2005/ 2006 port trucks registered in the Bay Area. The program is funded by a combination of the balance of the 2004 drayage truck program funding, \$1 million in TFCA Regional Funds, and \$1.43 million in Alameda County TFCA Program Manager Funds. The program will provide \$10,000 in assistance for the replacement of more than 300 of the 916 eligible Bay Area trucks.

Request for Proposals

On May 24, 2012, staff issued an RFP to identify a contractor to assist with program implementation. Public comments/questions on the RFP were accepted until June 4, 2012 and responses to all questions received by the deadline were posted on June 5, 2012 (see Attachment 1). The RFP closed on June 13, 2012.

Two (2) bids were submitted, one by Cascade Sierra Solutions (CSS), and one by Central Cal Transportation. These proposals were evaluated by a team of four (4) Air District staff from the Strategic Incentives, Engineering, and Administration divisions. The evaluation team reviewed and scored both bids according to the criteria shown in Table 4.

Table 4: RFP Evaluation Criteria and Scoring

CRITERIA (POINTS)	Cascade Sierra Solutions	Central Cal Transportation
<i>Technical expertise and past experience (40)</i>	27	14
<i>Responsiveness of Proposal (20)</i>	17	7
<i>Cost of the replacement trucks (30)</i>	22	5
<i>References/ Local /Green Business (10)</i>	5	4
Total Points (100)	71	30

Based on the results of the evaluation and ranking shown in Table 4, staff is recommending the Board of Directors award a program administration contract to the top-scoring applicant, CSS. As part of the contract administration CSS would:

- Provide up to 330 replacement trucks at an individual truck cost of up to \$70,000 or less.
- Provide the trade-in value of at least \$15,000 on the engine MY 2005/ 2006 truck being traded in (dependent on condition).
- Coordinate the out-of-state sale of the replaced engine MY 2005/ 2006 trucks.
- Provide financing assistance in order to ensure that local truckers with poor credit scores can receive loan guarantees under an ARB program being run concurrently.

- Assist truckers in availing themselves of the program and meet all Air District administrative requirements.

Additionally, as part of the operation of this program, CSS will be provided with \$500 in administrative cost (5% of grant funding total for each truck) by the Air District for every successful truck replacement. This administrative revenue and a \$250 upfront application fee (which is put towards the cost of the truck when a grantee follows through on to purchase a vehicle) ensures that Cascade Sierra Solutions can operate the program at the level of services envisioned in the RFP.

BUDGET CONSIDERATION / FINANCIAL IMPACT:

None. The Air District receives funding for the administration of these programs as part of the TFCA program.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Damian Breen
Reviewed by: Jean Roggenkamp

Attachment 1: Air District responses to RFP questions

Attachment 1
Air District responses to RFP questions

- 1. Question: *We work closely with a used truck dealer in the state of California. Can we sell trucks to him with the verbiage that trucks must be sold outside of California and cannot return for 5 years?***

Response: The contractor selected for this program is responsible for making sure the trucks are sold out of state, even if they contract with a 3rd party to sell the trucks. The District would consider a proposal like this if the engine model year 2005/2006 trucks leave CA soon after the engine model year 2007 (or newer) truck is delivered. If proposing an alternative method for removing the trucks from the state, please include a detailed description of the proposal with your response to the RFP.

- 2. Question: *It is impossible for a dealer to control what an end user does after truck is sold. Therefore, if we sell a truck out of state and have written language on the invoice stating truck cannot come back into California for 5 years will that suffice your contract criteria for guaranteeing a truck stays out of state for 5 years?***

Response: The contractor selected for this program is responsible for making sure the engine model year 2005/2006 trucks are sold out of state, and will have to report on the location of the trucks for 5 years. The District will consider alternative approaches to this requirement, but a statement in the invoice that the truck not return does not remove the requirement to monitor the location of the truck for the 5 year period. The contractor could also increase the likelihood of the trucks staying out of CA by selling the vehicles to locations in the mid-west or east coast where they would operate on local service routes. If proposing an alternative method for removing the trucks from the state, please include a detailed description of the proposal with your response to the RFP.

- 3. Question: *The terms of your contract are unique. You limited the truck buyer to \$69,400? If buyer wants and can afford a MY 2010 engine but cost exceeds \$69,400 then he can't buy a cleaner engine. Is this accurate? Why is there a dollar limit?***

Response: The costs listed in the contract were developed for trucks with engines meeting the 2007 emissions standards. If an applicant wants to purchase a more expensive truck certified to the 2010 emissions standard they can do so, but the grant award amount would not change.

- 4. Question: *If prospect with MY 2005 and 2006 engine comes in and truck is worth less than \$15,000 do we have a right to reject the deal?***

Response: The figures listed in the RFP are our expected trade-in values, but we understand that the trade-in value will vary from truck-to-truck based on the condition of the vehicle. If a truck comes in that is in extremely poor condition and not worth \$15,000 the contractor could offer the truck owner a lower amount or reject the deal. We would request that the contractor inform the Air District of cases where the trade-in value comes in below the \$15,000 limit.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Haggerty and Members
of the Mobile Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: June 13, 2012

Re: Approval of Transportation Fund for Clean Air Allocations for Three
Projects

RECOMMENDATIONS:

Recommend the Board of Directors:

1. Authorize the Executive Officer/APCO to enter into and execute all necessary contracts with:
 - Dero Bike Rack Co., Sportsworld Northwest Inc. and Creative Pipe Inc., not to exceed a total of \$600,000 for a Bicycle Rack Voucher Project.
 - Port of Oakland for a performance-based contract not to exceed \$750,000 for a Marine Highway project.
2. Authorize the Executive Officer/APCO to expend up to \$1 million in TFCA funding to execute an Enhanced Mobile Sources Inspections project.

BACKGROUND

In 1991, the California State Legislature authorized the Air District to impose a \$4 surcharge on motor vehicles registered within the San Francisco Bay Area to fund projects that reduce on-road motor vehicle emissions. The Air District has allocated these funds to its Transportation Fund for Clean Air (TFCA) to fund eligible projects. The statutory authority for the TFCA and requirements of the program are set forth in California Health and Safety Code Sections 44241 and 44242.

Sixty percent (60%) of TFCA funds are allocated to eligible programs implemented directly by the Air District, including the Smoking Vehicle Program and the Spare the Air Program. The balance is allocated on a competitive basis to eligible projects proposed by project sponsors through the TFCA Regional Fund.

DISCUSSION

Bicycle Rack Voucher Project (BRVP)

Staff has developed a Bicycle Rack Voucher Project (BRVP) for public agencies to acquire bicycle parking racks. This voucher-based project is designed to provide Bay Area public agencies with access to low (bulk rate) pricing which will allow a greater number of agencies to access bicycle funds. Under the BPVP, the Air District would contract directly with the selected bicycle rack vendors and would issue vouchers in the amount of up to \$60 for each bicycle parking space provided (a typical two space bicycle rack would qualify for a \$120 voucher). The \$60 cap allows these projects to meet the \$90,000 per ton of emissions reduced cost effectiveness criteria for these projects imposed by the Air Districts Board of Directors. The project itself will run in two phases: Phase 1 will allow public agencies to apply for vouchers totaling up to \$12,000 (200 racks) during the first four months of the project. This will allow 50 or more agencies to qualify for funding under this project phase. Phase 2 of the project will expend any remaining funds by raising the maximum voucher amount to \$60,000 per agency.

To seek contractors for this project, the Air District issued a Request for Proposals (RFP) on May 22, 2012. The RFP required vendors to offer a fixed, competitive price for the purchase of bicycle parking equipment. The deadline to respond to the RFP was June 5, 2012 and five proposals were received. An evaluation committee comprised of staff from the Air District, the City of San Mateo, and the City and County of San Francisco vetted the proposals received.

Three out of the five proposals received scores of 81% or better. Two proposals were not evaluated as they did not meet the RFP criteria (i.e., Cycle Safe did not respond to the project requirements and eLock submitted their proposal after the submission deadline and they do not sell bicycle racks). Based on the combined scores (Table 1), staff is recommending that the Air District execute contracts for bicycle rack purchases with Dero Bike Rack Co., Sportwork Northwest Inc., and Creative Pipe, Inc. Although these companies offer similar types of equipment, staff is recommending that all three companies be included in the project in order to allow greater choice to participating agencies.

Table 1 – Maximum Points by Criteria and Bidder Scores and Ranking

	Creative Pipe	Sportwork	Dero	Cycle Safe	eLock
Proposal (30 pts.)	22	27	27	*	*
Price (60 pts.)	60	60	60	*	*
Green/Local (30 pts.)	2	0	0	*	*
Total	81	87	87	*	*

During the development of the BRVP, staff determined that the voucher project is not an appropriate vehicle for electronic locker projects. In order to make funding available to public agencies for this funding type, staff is working to include this project category in the FYE 2013 Regional Fund proposed policies that will be brought to next meeting of the Committee with a recommendation for additional funding.

Marine Highway Project (MHP)

The current Marine Highway project proposed by the Ports of Oakland (Oakland) and Stockton (Stockton) will eliminate 744 truck trips weekly between the ports based on the transportation of 350 overweight containers (52,000 pounds) via barge between those ports twice-weekly. The project assumes that containers transported to Stockton are moved approximately 13 miles to and from railhead to distribution centers in that area, that the barges used in the transportation of containers meet United States Environmental Protection Agency (EPA) Tier 2 emissions standards and that comparative transportation emissions would be generated by trucks meeting an engine model year 2007 emissions standards. Under that scenario, the following emissions would result from the implementation of the Marine Highway project in the Bay Area:

Table 1- Bay Area Emissions from Marine Highway Project Vs. Truck Transportation

	NOx (tpy)	ROG (tpy)	PM10 (tpy)	PM2.5 (tpy)	CO2 (metric tpy)
Truck Travel Emissions	67.1	0.8	1.6	0.8	6,826
Marine Highway Emissions	22.4	1.8	0.6	0.5	2,206
Net Difference	44.6	(1.0)	1.0	0.3	4,620

While the proposed project slightly increases the amount of reactive organic gases (ROG) emitted in the Bay Area, staff believes that this increase is more than offset by the additional reductions of nitrogen oxides, greenhouse gases (CO2) and more importantly the reductions in diesel particulate matter (PM 2.5). Diesel particulate matter is responsible for 85% of the cancer health risk from toxic air contaminants in the Bay Area. This project would reduce the total emissions from on-road heavy diesel trucks in the Bay Area and the resultant health risk in both the community surrounding the Port of Oakland and along Bay Area highways. Additionally, the estimated cost-effectiveness of this project is \$4,060 dollars per ton reduced; well under cost-effectiveness cap imposed by the Air Districts Board of Directors for TFCA.

Oakland and Stockton are requesting \$750,000 to support the purchase of barges and the operation of tugs boats for this project. However, due to the legislative requirements of the TFCA program it will also be necessary for the Port of Oakland to make the Marine Highway a "physical improvement project" that achieves motor vehicle emissions reductions under their Maritime Air Quality Improvement Plan (MAQIP). Provided the Board of Directors approves this project, Staff will work with Oakland to ensure that the required changes to the MAQIP are made. Additionally, the Air District contract with

Oakland will contain conditions that require the levels of container moves and emissions reductions detailed in the table above be met or funding will be required to be returned.

Enhanced Mobile Sources Inspections Project

In order to further reduce mobile source emissions, staff is proposing an enhanced inspections program for two areas (smoking vehicles and port trucks) for the upcoming fiscal year. An explanation of these enhanced inspections is as follows:

Smoking Vehicles

Under this project, staff is proposing to conduct enhanced enforcement patrols for smoking vehicles to reduce their particulate matter emissions. Currently, the Air District is in non-attainment of federal standards for particulate matter (PM 2.5). Automotive emissions are a significant source of this criteria pollutant (approximately 6 % of the Bay Area total). It is anticipated that each of the Air District's 55 Inspectors will patrol for smoking vehicles on route between performing inspections and answering complaints. As part of these patrols, inspectors will report vehicles observed to be emitting excess particulates to Air District dispatchers who will contact vehicle owners by letter using information extracted from DMV records. Letters sent by the Air District will request that the owners of the vehicles repair them. As a result of these efforts, it is estimated that upwards of 40 additional tons per year of combined NO_x, ROG and PM can be reduced by this project. Also, as the Air District considers the future of the smoking vehicle program, the results of this project will be used to advise the Committee on next steps.

Port Trucks

In order to ensure that projected emissions reductions for the California Air Resources Board (ARB) drayage truck regulation are achieved at the Port of Oakland (Port), staff proposes to undertake additional inspections under its current enforcement effort. This enhanced enforcement effort is targeted at ensuring upgrades and modifications to engine model year 2004, 2005 and 2006 trucks are completed in compliance with the requirements of Phase 1 and Phase 2 of ARB's regulation and that no non-compliant trucks are entering the Port. This enhanced effort will ensure that the West Oakland community receives the benefit of the projected 11 tons per year of combined NO_x and PM reductions that result from the drayage truck industry's compliance with the rule. This project will also include an outreach component to educate truckers on upcoming regulatory deadlines over the next two years and of the availability of Air District grants.

BUDGET CONSIDERATION / FINANCIAL IMPACT:

The Air District distributes "pass-through" funds to public agencies and private entities on a reimbursement basis. Administrative costs for the TFCA Regional Fund program is provided by the funding source. Funding for the BRVP is provided through FYE 2011 TFCA Funds, funding for the Marine Highway project is provided through FYE 2013 TFCA Funds and funding for the Enhanced Mobile Sources Inspections Project is provided via unspent project funds from previous TFCA fiscal years. Upon approval of the Board of Directors, these projects and associated revenues will be added as addenda to the Air District FYE 2013 budget.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

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