

BOARD MEETING DATE: December 2, 2011

AGENDA NO. 9

PROPOSAL: Approve Diesel Freight Locomotive Projects, Approve Additional Heavy-Duty Diesel Trucks to Eligible List of Trucks under “Year 2” Proposition 1B-Goods Movement Program, and Amend Contracts

SYNOPSIS: On April 1, 2011, the Board approved the release of a Program Announcement to solicit projects in the category of “diesel freight locomotives” for the “Year 2” Proposition 1B–Goods Movement Program. This action is to approve funding for six diesel locomotives in the amount of \$4.5 million. On November 4, 2011, the Board approved over 2,500 truck projects under the “Year 2” Goods Movement Program subject to CARB’s final ranking approval. This action is to approve 18 additional trucks to be included in CARB’s final ranked list. Finally, this action is to approve no cost amendments to two contracts for natural gas truck projects by substituting two diesel trucks identified for replacement with two other eligible diesel trucks.

COMMITTEE: Technology, November 18, 2011. Less than a quorum was present; the Committee Members concurred that this item be approved by the Board.

RECOMMENDED ACTIONS:

1. Authorize the Executive Officer to execute a contact with BNSF for the repower of 6 diesel locomotives in an amount not to exceed \$4,500,000 as shown in Table 1 from the Proposition 1B-Goods Movement Program Fund (81).
2. Approve the addition of 18 trucks as listed in Table 2, to the list of truck projects that was approved by the Board on November 4, 2011, for inclusion in CARB’s final ranked list under the Heavy-Duty Diesel Trucks Grant of the “Year 2” Proposition 1B-Goods Movement Program.

3. Amend contracts with California Cartage Company (contract #C11550) and City National Bank (contract #C11551) by substituting two diesel trucks identified for replacement with two other eligible diesel trucks with no change in the funding amount.

Barry R. Wallerstein, D.Env.
Executive Officer

CSL:MMM:FM:CD

Background:

This is the second year of the Proposition 1B-Goods Movement Program, where CARB has allocated \$6.2 million to the AQMD for projects qualifying under the “Locomotives and Rail Yards” category. On April 1, 2011, the Board released a Program Announcement to solicit projects in this category, which is unique in that there are only two railroads that qualify as Class 1 in California and are therefore eligible to receive this funding. They are Union Pacific and BNSF, and for the past two years AQMD staff has contacted them both to discuss participation in the Proposition 1B Program. To date BNSF is the only railroad that has chosen to participate. The BNSF application was evaluated for completeness and eligibility by the AQMD, and the projects ranking list has been approved by CARB for funding of six locomotive repower projects to be operated at the Hobart Yard located in the City of Commerce. The BNSF Hobart Yard consists of a locomotive classification yard, intermodal facility, and administrative and equipment maintenance buildings. It is the largest intermodal rail yard facility in the United States, handling mostly the distribution of international containers to places such as Chicago and Memphis. The Hobart Yard processes about 1.5 million containers annually.

On November 4, 2011, the Board approved over 2,500 truck projects under the “Year 2” Goods Movement Program subject to CARB’s final ranking approval. A special database was designed and developed that helped the management and evaluation of the large number of truck applications. The development of the database was instrumental in meeting CARB’s schedule. However, after a quality assurance review of all the applications, it was discovered that 18 trucks had been excluded incorrectly from the list due to an obscure coding error in the database. Thus, it is necessary to approve the addition of these 18 trucks to the original list approved by the Board on November 4, 2011, so that they can be included in CARB’s final ranking and their subsequent posting.

On June 4, 2010, the Board awarded a contract to California Cartage Company and City National Bank for the replacement of 26 older diesel trucks with natural gas trucks in an amount up to \$100,000 per truck with funding from the DOE, the EPA and the CEC. Two of the diesel trucks identified for replacement became unavailable after contract execution. Subsequently California Cartage Company identified two other diesel trucks which were evaluated by AQMD and found to meet the minimum eligibility requirements of the program.

Proposal

This action is to approve the repower of six locomotives in ranked order as listed in Table 1, in an amount not to exceed \$750,000 per locomotive for the total amount of \$4.5 million from the Proposition 1B-Goods Movement Program Fund (81).

AQMD is working with CARB for the transfer of the remaining \$1.7 million from the Locomotives and Rail Yards Grant of the “Year 2” Proposition 1B Program to the Heavy-Duty Diesel Trucks funding category, which was heavily oversubscribed and was approved with a backup projects list by the Board on November 4, 2011.

This action is also to approve the addition of 18 trucks as listed in Table 2, to the list of truck projects that was approved by the Board on November 4, 2011, for inclusion in CARB’s final ranked list under the Heavy-Duty Diesel Trucks Grant of the “Year 2” Proposition 1B-Goods Movement Program.

Finally this action is to amend contracts with California Cartage Company (contract #C11550) and City National Bank (contract #C 11551) by substituting two diesel trucks identified for replacement with two other eligible diesel trucks with no change in the funding amount.

Outreach

In accordance with AQMD’s Procurement Policy and Procedure, a public notice advertising the RFP/RFQ and inviting bids was published in the Los Angeles Times, the Orange County Register, the San Bernardino Sun, and Riverside County Press Enterprise newspapers to leverage the most cost-effective method of outreach to the South Coast Basin.

Notice of the RFP/RFQ has been e-mailed to the Black and Latino Legislative Caucuses and various minority chambers of commerce and business associations, and placed on the Internet at AQMD’s website (<http://www.aqmd.gov>). Information is also available on AQMD’s bidder’s 24-hour telephone message line (909) 396-2724.

Benefits to AQMD

The successful implementation of the locomotive projects will reduce NO_x, PM and other pollutant emissions in a cost-effective and expeditious manner which will help achieve the goals of the 2007 AQMP. The new equipment/vehicles funded under this program are expected to operate for many years which will provide long-term emission reduction benefits in the region.

Resource Impacts

Total funding for the repower of six locomotives shall not exceed \$4.5 million from the Proposition 1B – Goods Movement Program Fund (81). There are sufficient funds in the Proposition 1B-Goods Movement Program Fund.

Total funding amount for the truck projects with the inclusion of the additional 18 trucks remains unchanged as approved by the Board on November 4, 2011.

Attachment

Table 1: Locomotive Repower Projects

Table 2: Additional Heavy-Duty Diesel Trucks for “Year 2” Proposition 1B Program

Table 1: Locomotive Repower Projects

| Project ID | Rank | Applicant Name | Project Type | Maximum Prop 1B Award |
|------------|------|----------------|--------------|-----------------------|
| MHP09.01 | 1 | BNSF | Repower | \$750,000 |
| MHP09.02 | 2 | BNSF | Repower | \$750,000 |
| MHP09.03 | 3 | BNSF | Repower | \$750,000 |
| MHP09.04 | 4 | BNSF | Repower | \$750,000 |
| MHP09.05 | 5 | BNSF | Repower | \$750,000 |
| MHP09.06 | 6 | BNSF | Repower | \$750,000 |

Table 2: Additional Heavy-Duty Diesel Trucks for “Year 2” Proposition 1B Program

| Project ID | Rank* | Applicant Name | Project Type | Maximum Prop 1B Award |
|------------|--------|--|--------------|-----------------------|
| 298-CB14 | 11.1 | California Bulk, Inc | Replacement | \$60,000 |
| 620-RPM042 | 88.1 | RPM Transportation, Inc. | Replacement | \$60,000 |
| 372-116 | 179.1 | Pacific Tank Lines | Replacement | \$60,000 |
| 620-RPM057 | 283.1 | RPM Transportation, Inc. | Replacement | \$40,000 |
| 422-000 | 405.1 | Corby Nguyen | Replacement | \$40,000 |
| 609-P235 | 444.1 | Matheson Trucking, Inc. | Replacement | \$40,000 |
| 467-50241 | 553.1 | Ralphs Grocery Company | Replacement | \$60,000 |
| 734-20 | 635.1 | Acevedo Distribution LLC | Replacement | \$40,000 |
| 653-6244 | 1012.1 | Foster Poultry Farms | Replacement | \$60,000 |
| 653-6254 | 1184.1 | Foster Poultry Farms | Replacement | \$60,000 |
| 620-RPM054 | 1186.1 | RPM Transportation, Inc. | Replacement | \$40,000 |
| 653-6245 | 1257.1 | Foster Poultry Farms | Replacement | \$60,000 |
| 509-002 | 1292.1 | Overseas Freight, Inc | Replacement | \$50,000 |
| 100-42377 | 1519.1 | Bragg Investment Co. Inc. DBA, Jba Co. | Replacement | \$30,000 |
| 113-002 | 1540.1 | Zap's Trucking, Inc. | Replacement | \$60,000 |
| 219-002 | 2048.1 | Metal Bars, Inc. | Replacement | \$60,000 |
| 013-000 | 2150.1 | Ricardo Luevanos | Replacement | \$40,000 |
| 568-22747 | 2295.1 | Winsome Enterprises, Inc | Replacement | \$60,000 |

*Rank number listed in this table is relative to the list approved by the Board on November 4, 2011, that is subject to CARB's final ranking approval.