

**Feather River
Air Quality Management District**

Request For Proposals

Blue Sky Program

Allocation of Air District

Motor Vehicle Registration Funds

(AB 2766 and AB 923)

August 17th, 2009

I. PURPOSE

To assist in meeting the requirements of the California Clean Air Act, the Feather River Air Quality Management District (District) is soliciting proposals for projects and programs that will: 1) reduce air pollution emission from motor vehicles, 2) implement transportation control measures (TCMs), or 3) establish public education programs that support and do not duplicate any of the District's efforts. The District has approximately \$225,000 available for allocation to these projects for the 2009/2010 fiscal year from AB 2766. In addition, the District has allocated approximately \$250,000 from the AB 923 fund. The AB 923 projects include new school bus purchases as well as the required local school district match for Proposition 1B school bus replacement per the Lower Emission School Bus Guidelines (Air Resources Board, 2008).

The District is soliciting requests for proposals in accordance with the schedules in Section VII.

Entities with proposals that are selected for either full or partial funding must enter into contracts with the District setting forth performance criteria. Public and private entities are eligible to apply either individually or in combination for this funding. All proposals will be evaluated to ensure they result in public benefit.

Credits for emission reductions from a project or program funded by AB 2766 and AB 923 funds are not transferable and may not be used as emission offsets. They may be used to meet the emission reductions mandated for the District by the California Clean Air Act and the Federal Clean Air Act Amendments.

II. BACKGROUND

Sections 44220 through 44247 of the Health and Safety Code (AB 2766) authorize air pollution control districts to impose a \$2 to \$4 motor vehicle registration fee to provide funds for air districts to meet new responsibilities mandated under the California Clean Air Act. The District has set the fee at \$4 per registered motor vehicle.

The California Health and Safety Code states that the fees collected shall be used to support District operated planning, monitoring and enforcement and technical studies necessary to implement the California Clean Air Act. Three additional uses allowed are: 1) to support programs that reduce air pollution from motor vehicles; 2) to support implementation of transportation control measures by a council of governments, regional agency, or local agency; and 3) to meet the requirements of Government Code section 65089 (Congestion Management Programs). The District Board determines what amount of AB 2766 fees are to be budgeted to fulfill the District's requirements for implementing the California Clean Air Act, and what amount will be allocated to fund motor vehicle emission reduction projects that will further the District's goals and are proposed and administered by other entities. The budget allocation may vary from year to year based on available funding, legislative mandates and District priorities. See Chapter VII (Allocation Policies) for specific policies adopted by the District Board.

Section 44225 of the Health and Safety Code (AB 923), amended in 2004, authorized air pollution control districts to increase this motor vehicle registration fee to \$6 per registered vehicle. The District Board of Directors approved Resolution 2005-13 in December 2005, which allowed the District to collect the additional \$2 motor vehicle registration fee. The fee increase provides funding for specific types of clean air projects, including the new purchase of school buses pursuant to the Lower Emission School Bus Guidelines (LESBP) developed by the California Air Resources Board (CARB).

A committee has been established to recommend to the District Board the allocation of the fees. The Committee ranks proposed projects and programs based on the evaluation criteria in Section V. The District Board may reject or approve the recommendations from the Committee or refer the recommendations back to the Committee for reconsideration with the District Board's comments.

III. PROJECT TERM

Projects must be completed within one year from the signing of the contract with the District. Multiple-year or phased projects may apply each year for the next year's funding. Exceptions to this policy may be made at the discretion of the Committee with the approval of the District Board.

IV. ELIGIBLE PROJECTS

Projects or programs eligible for AB 2766 funding include projects that implement transportation control measures (TCMs). More specifically, any program or project that would result in reductions of emissions from motor vehicles, reductions in vehicle miles traveled or reductions in vehicle trips, or a public education/awareness program that supports any of the above programs.

Below are some examples of projects and programs that could be funded by AB 2766 funds. They are not listed by priority and additional innovative projects are encouraged.

- **Traffic Flow Improvements (Not all traffic flow improvements are considered TCMs)**
- **Public Transit**
- **Passenger Rail and Support Facilities**
- **Rideshare – Carpool – Vanpool Programs**
- **Park and Ride Lots**
- **Bicycling and Pedestrian Programs**
- **Trip Reduction Programs**
- **Telecommunications**
- **Fleet Operator Alternative Clean Fuels**
- **Clean Fuel Refueling Facilities**
- **Public Education – Awareness Projects**
- **Auto Buy Back Programs**

Projects that may apply for AB 923 funding include new purchase of school buses, and other project types as defined in the statute. School districts who operate model year 1977 through 1986 diesel buses, who have applied for replacement through the LESBP using Prop 1B funds, should not apply to the District's AB 923 fund for the same bus which applied for Prop 1B funding. The District's Board of Directors approved the use of AB 923 funds to assist local school districts with the match requirement for bus replacement under Prop 1B at the December 1, 2008, meeting. Therefore, school districts should only apply for AB 923 funds for buses that are not receiving Prop 1B funding.

V. EVALUATION CRITERIA

All projects will be evaluated using the following criteria:

A. Project Benefit and Feasibility

The project benefit will be evaluated based on feasibility and --

- 1) the cost effectiveness of quantifiable mobile source emission reductions for each non-attainment pollutant or its precursor

Or

- 2) if quantifiable reductions are not easily derived, the extent to which the projects that they advance or support transportation control measures, a reduction in motor vehicle trips and vehicle miles traveled, or other transportation related goals of the District's Air Quality Attainment Plan.

- B. Development and Implementation of Clean Air Plans** – Applies to projects that apply emission reduction measures and strategies included in the District Clean Air Plan.
- C. Leveraging Funds** – Applies to projects that have co-funding from other sources, particularly if leveraging funds will result in increased cost-effectiveness.
- D. Demonstration and Introduction of New Technology** – Applies to projects that develop, demonstrate, and introduce new technologies (as identified in the District Clean Air Plans).
- E. Broad Application** – Applies to projects with concepts that are easily copied or applied to other areas, government agencies, or private businesses.
- F. Broad-Based Support** – Applies to projects that are sponsored and supported across jurisdictions, government agencies, and economic sectors.
- G. Other Desirable Factors**
 - Rapid results
 - Regional distribution
 - Creative/innovative
 - Database development
 - Low administrative costs
 - Increased public awareness
 - Coordination with projects funded by other air quality improvement funds.

Projects that have merit but are not funded and those projects that are only partially funded may be placed on a list for future funding. The District Board may direct that funds allocated for projects for which no contract was completed within the allotted time be allocated to the next project(s) on the established list.

VI. ALLOCATION POLICIES ESTABLISHED BY THE FRAQMD BOARD OF DIRECTORS

The District Board has adopted the following policies regarding allocation of funds from Vehicle Registration Fees:

- 1) The District Board shall emphasize allocation of funds proportionate to the population distribution between the Yuba and Sutter counties and cities. However, the Board may, depending on the value of a project, allocate the funds as determined to be most beneficial.

- 2) The amount of funding available for public education programs shall be limited to five percent (5%) of the total available funds, as approved in the District budget.
- 3) Five percent (5%) of the total available funds shall be set aside as “reserve” funding.

VII. TENTATIVE SCHEDULE

RELEASE OF REQUEST FOR PROPOSALS	August 17, 2009
PROPOSALS MUST BE SUBMITTED	October 16, 2009
DISTRICT REVIEW AND EVALUATION	October 19-30, 2009
FINANCE COMMITTEE MEETING	Week of Nov 2, 2009
RECOMMENDATIONS TO DISTRICT BOARD	December 7, 2009
CONTRACTS SIGNED FOR PROJECTS APPROVED BY BOARD	January 2009

VIII. CONTENTS OF PROPOSALS

Submitted proposals must follow the format outlined below and all requested information must be supplied. Failure to submit proposals in the required format may result in elimination from proposal evaluation at the District’s discretion.

All proposals shall be submitted on white paper and stapled (not bound). The maximum acceptable length is ten (10) 8 ½” x 11” sheets of paper in addition to the Cover Letter and Proposal Summary Form. These ten sheets may be printed on both sides. Technical appendices of no more than twenty (20) 8 ½” x 11” sheets of paper, including information on project proponent’s past projects and experience, may be attached. If the proposal will exceed these lengths, approval must be obtained prior to submittal. No videos will be accepted.

Some proposals may be reduced in scope and/or funding level so that a greater number of proposals may be approved. Proposals should be presented in segments, so portions of a proposal may be easily approved for funding. The Committee may recommend to the District Board only a portion of the scope of work and funding requests. In that case, the proponent may be requested to submit a revised work statement, schedule of deliverables, and cost breakdown. A proposal shall include the following documents:

Cover Letter – Must include the name, address, telephone number and contact person for the project proponent, and be signed by the person or persons authorized to represent the proposing entity. For proposals from more than one entity, a letter of support or memorandum of understanding from all proposing entities must be included.

Proposal Summary – The “Proposal Summary” form is included in the RFP as Attachment 1 and **must be completed in full and attached to the proposal immediately following the Cover Letter**. Provide basic information indicated, including a brief project overview in the space provided.

Funding Request – Briefly define the proposal to be funded. Include the amount of money requested from the Blue Sky fund, and the amount of money available from each co-funding source. Clearly state the total project cost.

It is recommended that proposals include alternative funding levels in case the Committee cannot fully fund the proposal.

Statement of Objectives – Identify the objective(s) of the proposal and describe the scope of work of the proposed project. This section shall clearly state the estimated emission reductions, vehicle miles traveled (VMT) reductions, vehicle trip reductions, or persons served. The calculations and assumptions necessary to derive and support these estimates shall be included in the technical appendix.

Background – Provide a description of the project proponent and an explanation of its need for funding for the proposal. If sub-contractors are to be used on the project, identify them and state their qualifications. If sub-contractors have not yet been identified, state the specific qualifications that they must meet.

Project Organization – Describe the project proponent’s proposed management structure, any program monitoring procedures, the organization of the contractor, and the facilities available for the proposal.

Work Statement – Describe separately each phase of the work to be performed. List and describe tasks within each phase of work. State the sequence of work activities, including starting and completion dates. Include all relevant information regarding (a) the technology involved in the project and (b) the parties involved in the project. NOTE: The work statement, subject to modification by the Committee, will be attached to the contract for successful applicants.

Cost Breakdown – Include total project costs, including but not limited to the following:

- Total project costs.
- Indicate estimated costs by task.
- All sources of funds, including the Blue Sky funds, plus all direct and in-kind (non-dollar) contributions and their source.
- An itemized list of equipment to be purchased and the proportion of the cost of each piece of equipment to be funded by Blue Sky funds. The intent of this program is to fund only that portion of the equipment’s cost that is related to the provision of an air quality benefit (e.g., the District may fund the cost of labor and add-on equipment to convert a vehicle to run on a clean alternative fuel but may not fund the base price of the vehicle).
- A letter of commitment from each co-funding source, indicating the status of the funds designated for the project.
- The names of all subcontractors, plus their hourly or daily rates of compensation and the number of hours their services will be utilized. If subcontractors are not identified, provide an estimate of their rates of compensation and number of hours or days the subcontractors’ services will be utilized.

Projects will normally be reimbursed on a quarterly basis for work completed. Exceptions can be made for projects requiring startup funds and more frequent reimbursement, but the need for an exception must be documented in the proposal.

IX. SUBMISSION OF PROPOSALS

All proposals must be submitted according to specifications set forth in Section VIII – **Contents of Proposal** and this section. **Failure to adhere to these specifications shall be cause for rejection of proposal.**

Signature – All proposals shall be signed by an authorized representative of the proponent.

Copies – The project proponent shall submit **2 complete copies** of the proposal in a sealed envelope, plainly marked in the upper, left-hand corner with the name and address of the proponent and the Fund Proposal.

Due Date - All proposals are due no later than **5:00 p.m., October 16, 2009** and shall be delivered to:

Feather River AQMD
1007 Live Oak Blvd. Suite B-3
Yuba City, CA 95991

Late proposals *will not* be accepted.

Grounds for Rejection – A proposal shall be rejected if:

- 1) It is received at any time after the date and time set for receipt of proposals, or
- 2) It is signed by an individual not authorized to represent the project proponent.

Applicants should contact the District at (530) 634-7659 if they have any questions regarding this program.

Disposition of Proposals – The District may reject any or all proposals. All proposals become property of the District.

Modification or Withdrawal – Once submitted, proposals may not be altered without the prior written consent of the District. All proposals shall constitute firm offers and shall not be withdrawn for a period of ninety (90) days following the last day to accept proposals.

X. AUDIT PROCEDURES

Any entity which receives monies from the AB 2766 funds shall be subject to an audit of each program or project funded. The audit shall be conducted by District staff or by an independent auditor selected by the District. Any entity which receives monies from the AB 923 funds shall be subject to an audit by the District or by an independent auditor selected by the District, as well as CARB, as outlined in the LESBP Guidelines.

Upon the completion of an audit, the District shall make the audit available to the public and to the proponent upon request. The District shall review the audit to determine if the monies were used for the reduction of air pollution from motor vehicles pursuant to the California Clean Air Act of 1988 and the District Air Quality Attainment Plan.

XI. CONTRACT PREPARATION

Proponents whose projects are selected for funding must enter into a written contract with the District as a condition of receiving funds. Contract preparation shall begin immediately upon approval of projects by the District Board and shall be reviewed and approved for legal form by the District Counsel. The contract shall include the attachments listed below, to be provided by the proponent after notification of selection. These attachments are to describe only those portions of the original proposal which 1) have

been approved by the District Governing Board, and 2) are funded by Blue Sky funds. The required attachments are:

- Work statement
- Schedule of deliverables
- Cost schedule
- For proposals from more than one entity, a letter of support or memorandum of understanding from all proposing entities.

The contract may include, at the District's discretion, provisions requiring the proponent to carry insurance in amounts and coverage deemed adequate by the District and to indemnify the District and its officers, employees, and agents against all liabilities arising from the proponent's acts or omissions. It also may require adequate record keeping to allow the District to take credit for any emission reductions and include requirements for monitoring and reporting by the proponent. The District reserves the right to conduct a fiscal audit to ensure appropriate expenditure of Blue Sky funds.

After the District Board approves a project for funding, the District shall present the project proponent with a contract, and the proponent shall sign and return the contract to the District within 30 days. Failure to do so may release the funding for other projects, at the Board's discretion.