

Heim Bridge Replacement Mitigation Truck Program

Grant Solicitation

Funded by:



California Department of Transportation

In Association with:



The Alameda Corridor Transportation Authority

1 Civic Plaza Drive #350

Carson, CA 90745

April 15, 2014

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SECTION 1 INTRODUCTION

1.1. Background

The Heim Bridge Replacement Project is under construction and is being administered by the California Department of Transportation (Caltrans). One of the adopted project mitigation measures is to develop a truck buyback program (Mitigation Measure AQ-9), involving the replacement of approximately 15 heavy-duty trucks to offset increased emissions caused by certain marine vessel detours during construction of the Heim Bridge. Hereafter, the AQ-9 Heavy Duty Truck Buyback Program will be referred to as the Heim Bridge Replacement Mitigation Truck Program (Truck Program). Under an Alameda Corridor Transportation Authority (ACTA) Board-approved Cooperative Agreement (No. 07-4914) with Caltrans, effective September 7, 2011, ACTA is responsible for implementing the Truck Program on behalf of Caltrans.

1.2. Purpose

Caltrans, in association with ACTA, is soliciting Truck Replacement Project applications to receive \$25,000 in grant funding toward the replacement of older trucks operating in and around the Port of Los Angeles and the Port of Long Beach, also referred to as the San Pedro Bay Ports (Ports). A total of \$375,000 is available to fund an estimated fifteen (15) Truck Replacement Projects. A Truck Replacement Project is defined as the replacement of an Existing Truck with a Replacement Truck. The Existing Truck must be scrapped in order to receive grant funds. An Existing Truck must be replaced with the same type of truck, for example a car carrier must be replaced by a car carrier. The Truck Replacement Project must meet minimum mileage requirements and at least 150 Service Trips to the Ports annually for a total term of 42 months (three and a half years)

ACTA has selected the replacement of on-road, Class 8 heavy-duty “exempt” trucks, as defined by the California Air Resources Board (CARB) Drayage Truck Regulation Exemption¹, as a method for reducing the diesel emissions generated during the construction of the Heim Bridge Replacement Project. The Truck Program has been designed with the goal of reducing oxides of nitrogen (NOx) emissions by 32.8 pounds per day (lbs/day) over the three-year Truck Program term. As such, Truck Replacement Projects are designed to reduce emissions from Eligible Trucks operating in and around the Ports.

¹ <http://www.arb.ca.gov/msprog/onroad/porttruck/exemption.htm>

1.3. Key Activities and Dates

Key activities and dates for this solicitation are presented below. The schedule will be published on <http://www.acta.org/truckgrant> for all of the activities described below.

ACTIVITY	DATE
Solicitation Release	April 15, 2014
Application Workshop	April 16, 2014
Questions/Answers Posted online Weekly Starting	April 18, 2014
Deadline to Submit Applications (Phase 1 of the Application Process)	May 27, 2014 by 4 p.m.
Lottery Held and Initial Results Posted Online	June 2, 2014
Verify Documentation for 15 Truck Replacement Projects (Phase 2 of the Application Process)	June 3 - June 23, 2014
Final Notice of Grant Awards Posted Online	Anticipated June 30, 2014
Execute Grant Agreements	July and August 2014
Award Funding to Grantees	August – October 2014

SECTION 2 PROGRAM INFORMATION

2.1 Program Description

The Truck Program has been designed with the goal of reducing NOx emissions by 32.8 lbs/day over the Program Term. The Truck Replacement Projects are an approved mitigation measure to reduce emissions in and around the Ports. Caltrans, in association with ACTA, is requesting applications for Truck Replacement Projects.

Approximately 15 Truck Replacement Projects will be funded as part of this Truck Program. This is a three-year Truck Program with a mandatory reporting period that will extend from approximately September 2014 through February 2018.

All applications will be submitted online via an electronic grant application. Applicants may submit up to three Truck Replacement Projects in the same application. Only one application per applicant is permitted. See Section 3 of this Solicitation for more information regarding the electronic grant application.

All eligible Truck Replacement Projects will be entered into a lottery. Grant awards will be awarded to 15 qualified Truck Replacement Projects selected via a random number drawing.

2.2 Eligibility

For the purposes of the Truck Program, Eligible Trucks will be defined as “exempt” according to the definition of the CARB Drayage Truck Regulation Exemption². Truck Replacement Projects must prove current operations in and around the Ports and reduce NOx emissions to be eligible for funding under this Program. A Truck Replacement Project consists of both:

1. A currently operational, insured and registered, diesel-fueled, Class 8, On-Road Vehicle with a Gross Vehicle Weight Rating (GVWR) greater than 33,001 pounds, equipped with a heavy-duty engine model year 2009 or older with a history of operating in the Ports, which will be scrapped (**Existing Truck**) and,
2. A new or used, diesel-fueled or alternative fuel, Class 8, On-Road Vehicle with a GVWR greater than 33,001 pounds, equipped with a heavy-duty engine that meets or exceeds model year 2007 California heavy-duty, Diesel-Fueled On-Road emissions standards, which is purchased by Grantee from a California licensed truck dealership, which will continue to operate in the Ports for three consecutive years (**Replacement Truck**).

Caution: You must read and familiarize yourself with Cal EPA Air Resources Board Truck and Bus Regulation for On Road Heavy-Duty Diesel Vehicles (In-Use).³

² <http://www.arb.ca.gov/msprog/onroad/porttruck/exemption.htm>

³ <http://www.arb.ca.gov/msprog/onrdiesel/onrdiesel.htm>

Operational Eligibility

The **Existing Truck** specified in the Truck Replacement Project application must meet the following operational eligibility criteria:

- Annual Mileage Requirement – Applicants must meet an annual vehicle miles traveled (VMT) requirement based on the engine year of their Existing Truck and the engine year of the Replacement Truck. Form A in the electronic application includes a VMT calculator that will aid in determining the annual mileage requirement for each Truck Replacement Project. See the Emissions Reduction section and Table 1 below for more information.
- Port Trip Requirement – Applicants must have made 150 Service Trips to the San Pedro Bay Ports in each of the last two years (2013 and 2012).
- California Department of Motor Vehicles (DMV) Registration – The Existing Truck identified in the Truck Replacement Project application must have current DMV registration covering the past two years (2013 and 2012).

Emission Reductions

In order to meet the emission reduction target, Existing Trucks must be replaced with a 2007 or newer qualifying Replacement Truck and achieve port trip requirements and an annual mileage requirement.

Table 1 below is intended to assist applicants with identifying a Replacement Truck that will achieve the necessary reductions based on:

- Existing Truck - engine model year
- Existing Truck - annual vehicle miles traveled (average of previous two years)
- Replacement Truck - engine model year

These factors will determine whether the Truck Replacement Project emission reduction target is met. The Existing Truck engine model year and average annual mileage (from previous two years) will be used to establish an emissions baseline for that truck. The emissions baseline will be used to determine the engine model year needed in the Replacement Truck in order to meet the emission reduction target. Applicants will be asked to choose a Replacement Truck engine model year in the electronic application which will be used to determine program eligibility. Using Table 1, applicants should identify the engine model year of their Existing Truck to identify the mileage requirements for a Replacement Truck. Applicants should carefully consider their existing mileage and current number of Service Trips to the Ports when choosing the Replacement Truck Engine Model year. Applicants should also consider the Cal EPA Air Resources Board Truck and Bus Regulation for On-Road Heavy Duty Diesel Vehicles (In-Use).

Table 1 – Minimum Annual Mileage Requirements Based on Engine Year *

Existing Trucks	Replacement Trucks	
Existing Engine Model (Engine Year)	2007 to 2009 Engine Model (Minimum Annual Mileage)	2010 to 2013 Engine Model (Minimum Annual Mileage)
1986 or Older	25,808	19,080
1987 to 1990	26,298	19,346
1991 to 1993	32,678	22,591
1994 to 1997	33,468	22,966
1998 to 2002	34,572	23,480
2003 to 2006	73,604	36,698
2007 to 2009	Not Applicable	73,187
2010 or Newer	Not Applicable	Not Applicable

*Truck Model Year may not be the same as the Engine Model Year

In addition, an emission reduction calculator has been included in Form A of the electronic application. See Section 3 of this Solicitation on how to access the electronic application and to determine whether a specific Truck Replacement Project is eligible.

2.3 Program Requirements

Application Submittal

Applicants will be required to submit an electronic Truck Replacement Project application via a link on ACTA's website (www.acta.org). Hard copies will not be accepted. Should applicants need the use of a computer, please notify the Grant Administrator at truckgrant@acta.org or call (323) 989-ACTA (2282) to schedule an appointment for assistance. Detailed information regarding the electronic application can be found in Section 3.

Program Term

The Truck Replacement Projects selected for funding will be required to enter into a legal agreement with ACTA for a Program Term of 42 months. Grantees will submit an IRS W-9 Form and receive an IRS 1099-G Form equal to the amount of the award, which makes the grantee responsible for the reportable income as a result of participation in the Truck Program.

Operational Requirements

Truck Replacement Projects are required to operate in and around the Ports. In addition, Truck Replacement Projects are required to meet the following requirements:

Operation Requirement – Replacement Trucks should be operational within 60 days of the effective date of the Grant Agreement.

Annual Mileage Requirement – Each Truck Replacement Project will be required to meet an annual mileage requirement based on the engine year of the Existing Truck and the engine year of the Replacement Truck identified in the Truck Replacement Project application.

Service Trip Requirement – Each Truck Replacement Project will be required to make a minimum of 150 Service Trips a year to the San Pedro Bay Ports during a 3 year period. Applicants will be required to submit documentation proving Service Trips to the Ports. Documentation may include manifests and driver logs. The applicant and the Grant Administrator will agree upon suitable documentation for proof of Service Trips.

Scrap Existing Truck

Truck Replacement Projects selected for funding will be required to scrap the Existing Truck/engine identified in the Truck Replacement Project application prior to receiving grant funds. Trucks must be scrapped with a California state certified recycler, and an ACTA representative must be present at the scrapping and receive a certificate. Please refer to the most current list of approved dismantlers as published by South Coast Air Quality Management District (SCAQMD) on their website: http://www.aqmd.gov/tao/implementation/VIP_Dismantlers.pdf. Applicants are responsible for monitoring the SCAQMD website for any updates.

Replacement Trucks

Replacement Trucks must be purchased from a California licensed truck dealership. Selected applicants will be required to disclose funding methods for the Replacement Truck. The California Pollution Control Financing Authority (CPCFA) publishes a list of approved lenders can be found at <http://www.treasurer.ca.gov/cpcfa/calcap/arb/lenders.pdf>. Applicants are responsible for monitoring the CPCFA website for any updates.

2.4 Reporting Requirements

Truck Replacement Projects selected to receive grant funding will be required to submit documentation verifying compliance with the Program requirements. The reporting requirements include, but are not limited to, the following:

Post-Funding Documentation (After the Purchase of Replacement Truck and within 60 days after receiving the Grant funds):

- Final Bill of Sale
- Certificate of Title
- Replacement Truck Registration and Insurance Certificate or other evidence of insurance satisfactory to ACTA

- Annual Vehicle Inspection Report conducted in accordance with Federal Motor Carrier Safety Regulations, 49 Code of Federal Regulations (CFR) 396, and conducted no longer than one month prior to the submission of the report
- Loan or financing documents required by grant agreement, if any portion of the purchase price of the Replacement Truck was financed

Quarterly Reporting

Three months after the purchase date of the Replacement Truck, and every three months thereafter, the grantee shall submit the following quarterly report:

- Quarterly vehicle miles traveled (including mileage/activity logs for documentation)
- Documentation of the number of Service Trips made to the Ports

Annual Reporting

Three annual reports shall be submitted within the term of the grant agreement and contain at a minimum the following information:

- Updated contact information (owner name, address, phone, etc.)
- Proof of California registration
- Proof of insurance
- Annual vehicle miles traveled (including mileage/activity logs for documentation)
- Summary of maintenance performed and inspections conducted
- Documentation of the number of Port visits within a 12-month period
- Certification that the Replacement Truck was operated in accordance with signed agreement and that all information submitted is true and accurate
- Other information as requested by the Grant Administrator

During the term of the agreement, the Grantees must:

- Make the Replacement Truck available for inspection
- Maintain proper California vehicle registration for the Replacement Truck
- Maintain adequate records of Replacement Truck operation
- Maintain adequate insurance as specified by the Grant Administrator
- Maintain Replacement Truck in operating condition according to manufacturer's records

Grantees are required to keep all documents relating to the award and the operation of the Replacement Truck for at least one year after the Program Term.

Default



Default procedures and remedies for default are in place should the grantee not perform according to the requirements set forth in the Grant Agreement. The default procedures and remedies are outlined in the Grant Agreement (see Appendix A).

SECTION 3 APPLICATION SUBMISSION & SELECTION PROCESS

3.1 Electronic Grant Application

All applicants are required to submit Truck Replacement Project applications electronically via a link on ACTA's website (www.acta.org). Hard copies of the grant application will not be accepted. Should an applicant need the use of a computer, they may contact the Grant Administrator at truckgrant@acta.org or call (323) 989-ACTA (2282) to schedule an appointment for assistance. The electronic application can be found at: <http://www.acta.org/truckgrant>.

Before Starting the Application

Applicants will be required to create a username and password to access and update the electronic application, and must have an email address to complete the application process. Each applicant will be required to register, and will be sent an email confirming registration. Each applicant will also be required to read and accept ACTA's Terms and Conditions as a condition to using the electronic application process.

The Electronic Application

A blank version of the electronic application can be found in Appendix B. The electronic application includes two phases. All applicants will be required to complete three forms in Phase 1 of the application process. Applicants may save and exit at any time and return to their saved work by logging back into the application from the ACTA website until the solicitation closes at 4 pm on May 27, 2014. After all the forms are completed, the applicant will be required to certify the application is complete and accurate; then the applicant will be permitted to submit the grant application online to the Grant Administrator. See Figure 1 for the list of the forms required in Phase 1 of the application process.

Figure 1: List of Forms for Phase 1

- Form A: Initial Survey
- Form B: Applicant Details
- Form C: Program Obligations

Once applicants have successfully completed Phase 1 of the application process, 15 Truck Replacement Projects will be chosen randomly through a lottery process. The applicants corresponding to the 15 Truck Replacement Projects will be required to complete two forms in Phase 2 of the application process. See Figure 2 for list of forms required in Phase 2 of the application process. The information requested in Phase 2 must be submitted within 2 weeks of when requested. Failure to comply with the given deadline may result in disqualification from the Grant Program.

Figure 2: List of Forms for Phase 2

- Form D: Existing Truck Information
- Form E: Dealership Information for Replacement Truck(s)
- Form F: Disclosure of Funding for the Replacement Truck(s)

Once a form is completed, a green check mark with a

"completed" message will appear next to the corresponding form.

Only application packages that have been submitted electronically on time will be reviewed by ACTA and the grant administration team. Upon submittal, ACTA reserves the right to make applications available as public record.

3.2 Selection Process

All eligible Truck Replacement Projects will be assigned a number and entered into a lottery. Fifteen (15) Truck Replacement Projects will be selected via a random number drawing. The date for the lottery will be posted on the ACTA website. The lottery drawing will not be a public event; however, the results will be posted immediately on the ACTA website. Information will be presented by Truck Replacement Project Number and name of the awarded company.

The applicants corresponding to these first 15 Truck Replacement Projects will be required to verify the information they have submitted in both phases of the application process. During the verification process, should it be determined by the Grant Administrator that any Truck Replacement Project fails to meet the minimum requirements, it will be removed from the Truck Program, and another random number drawing will take place. After a Truck Replacement Project and applicant have been fully vetted, a grant agreement will be executed. Grantees must return the signed Grant Agreement within two weeks from when it was received. The signed Grant Agreements should be addressed to the Heim Bridge Replacement Mitigation Truck Replacement Program Grant Administrator, c/o E2 ManageTech, Inc., 5001 Airport Plaza Drive, Suite 260, Long Beach, CA 90815. Grant Agreements must be signed by Grantees as presented; no modifications or changes will be allowed for any Grantee except to correct Grantee specific information.

Following execution of the Grant Agreement, the Grantee must notify the Grant Administrator of when the Existing Truck will be scrapped. Subsequent to entering into an agreement and scrapping the Existing Truck, the Grantee will be awarded the \$25,000.

ACTA may update and/or revise the solicitation up to the May 27, 2014 deadline. Potential applicants are obligated to monitor the ACTA website for any solicitation updates and to ensure that all requirements and rules of the solicitation have been followed.

ACTA reserves the right to suspend, cancel or terminate solicitation process at any time for any or no reason whatsoever, including after lottery selections have been made and notified. ACTA is not responsible for any actions or obligations made by an applicant or potential grantee, including business decisions or operations, at any time prior to executing a Grant Agreement.

SECTION 4 GRANT ADMINISTRATION PROCESS

Applicant Support

The Grant Administrator will conduct an Application Workshop for all interested parties prior to the opening of the electronic application timeframe. See Section 1.3 for Key Dates and Activities and <http://www.acta.org/truckgrant> for the most current program dates. A workshop for interested parties will be held on Wednesday, April 16, from 5 to 7 pm at Banning's Landing. A short presentation will be made at 5:10 pm and 6:10 pm.

Should applicants need the use of a computer, or have questions regarding the Heim Bridge Replacement Mitigation Truck Program and/or the application process, please notify the Grant Administrator at email address truckgrant@acta.org or call (323) 989-ACTA (2282) to schedule an appointment for assistance.

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Appendix A – Sample Grant Agreement

Appendix B – Blank Application Forms