

March 10, 2006

**2006 MULTIDISTRICT PROJECT SOLICITATION**  
**THE CARL MOYER MEMORIAL**  
**AIR QUALITY STANDARDS ATTAINMENT PROGRAM**

California Air Resources Board  
March 10, 2006

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## I. BACKGROUND

Although they comprise a small percentage of all mobile and portable engines in California, diesel engines produce approximately 50 percent of the emissions of oxides of nitrogen (NOx) and 45 percent of the combustion-generated particulate matter (PM) from such engines. NOx is a constituent of smog and PM is linked to a wide range of serious health problems. Diesel PM has also been classified as a toxic air contaminant capable of causing cancer. Over time these emissions are decreasing as older diesel engines are retired and replaced with newer models meeting more stringent emission standards. However, the turnover rate for diesel engines is slow so the full benefits of cleaner technologies will not be realized for decades. The Carl Moyer Memorial Air Quality Standards Attainment Program (Carl Moyer Program) addresses this problem by providing monetary incentives to encourage owners of heavy-duty diesel engines to reduce emissions by replacing their engines with cleaner models or retrofitting with low-emitting technologies.

Since its initial implementation in 1998, the Carl Moyer Program has helped replace approximately 7,000 dirty diesel engines resulting in NOx and PM reductions of eighteen tons per day and one ton per day, respectively.

Although the Air Resources Board is responsible for developing the Carl Moyer Program Guidelines, it is the participating air pollution control districts (air districts) that actually administer the program. Most air districts require all or most of the project's operation to take place within their district boundaries so the benefits accrue locally. Consequently, many worthwhile eligible projects have difficulty getting funded because they operate in more than one air district.

Section 44286 of the Health and Safety Code directs ARB to provide for such multidistrict projects. In accordance with this section, ARB may earmark up to ten percent of the program's funding for multidistrict projects. This solicitation seeks projects that qualify for this multidistrict funding: projects that operate in more than one air district or that impact air quality in more than one air district as a result of air pollutant transport.

## II. ELIGIBLE PROJECTS

The 2006 Multidistrict Project Solicitation is directed **only** at providing monetary grants to offset the incremental cost of reduced emission technologies in the following project categories:

- Goods movement projects, including:
  - marine vessels and locomotives
  - off-road equipment permanently located at a maritime port or rail yard
  - on-road heavy-duty vehicles that transport cargo to and from a maritime port or rail yard (at least 400 annual trips to a port or railyard)
  - transport refrigeration units (TRUs)

- Off-road construction equipment and mobile agricultural equipment that operates in more than one air district
- PM retrofit devices that also get NOx reductions for on-road heavy-duty vehicles that operate in more than one air district
- Idle reduction technologies installed in on-road heavy-duty vehicles operating in more than one air district
- TRUs on vehicles or equipment operating in more than one air district

Except for marine vessel projects, 75 percent of all fuel consumed or miles traveled must occur within California during the life of the project. All projects must provide at least three years of emission reductions that are surplus to all applicable rules, regulations and requirements. This includes, but is not limited to, in-use fleet rules affecting cargo handling equipment, TRUs, and the auxiliary power units used when trucks idle. All projects must also comply with the January 6, 2006 Carl Moyer Program Guidelines, the 2006 Carl Moyer Program Advisories, and the specific requirements of this solicitation. The January 6, 2006 Carl Moyer Program Guidelines and the 2006 Carl Moyer Program Advisories are available at: <http://www.arb.ca.gov/msprog/moyer/moyer.htm>.

Please note that if a bond or other significant funding mechanism is secured to target emission reductions from goods movement activities, future Carl Moyer Program solicitations will be redirected to other source categories that do not have a dedicated funding source.

Only complete and properly signed applications will be considered. Incomplete applications or proposals not meeting the minimum requirements will not receive consideration.

### **III. AVAILABLE FUNDING**

ARB has earmarked up to \$8,496,000 for multidistrict projects. These funds specifically target projects of the types listed above that qualify for the Carl Moyer Program and impact air quality in at least two air districts.

### **IV. DEFINITIONS**

The following definitions apply to the terms used to describe the requirements for the 2006 Carl Moyer Program Multidistrict Project Solicitation:

1. Air district - Air pollution control district or air quality management district.
2. Incremental cost - The difference in cost between the reduced emission engine or technology and the baseline engine or technology.
3. Cost-effectiveness – The cost of reducing a weighted ton of emissions. A weighted ton consists of NOx plus ROG plus twenty times combustion PM.

4. Multidistrict project – A goods movement project which impacts air quality in more than one air district (based on air pollution transport to downwind air districts) or a project involving equipment that operates in more than one air district.
5. Qualifying project - Vehicle or equipment meeting the requirements of all the applicable criteria specified in the January 6, 2006 Carl Moyer Program Guidelines, the 2006 Carl Moyer Program Advisories, and this solicitation.
6. Primary air district - Air district containing applicant's headquarters, main operating station, or depot, or the air district in which the vehicle or engine operates the largest portion of time.
7. Applicant - Local air pollution control districts or air quality management districts and private entities that apply directly or through an air district. Private applicants must own and control the equipment for which the grant is being requested. The private applicant may be an individual, a partnership, a corporation, a cooperative, or any other legal entity that is directly responsible for equipment purchase and operation. Anyone who owns 20 percent or more of the applicant business is considered to be an applicant principal. All applicant principals must provide financial disclosure. The private applicant must designate a main contact person for the proposal. The main contact person must have the legal authority to submit progress reports and sign legal documentation on behalf of all the applicant principals. The private applicant must be authorized to do business in the State of California and be in good tax standing with the California Franchise Tax Board. No third party applications will be accepted.

## **V. APPLICATION REQUIREMENTS**

Projects must meet the specific requirements stated within this solicitation and all applicable criteria in the January 6, 2006 Carl Moyer Program Guidelines and the 2006 Carl Moyer Program Advisories. Applicants must meet these criteria and fully complete project applications (found in Appendices A through F) to be considered for project funding.

ARB staff may request additional information during the application review process, if needed. Additional copies of this application form are available at: <http://www.arb.ca.gov/msprog/moyer/moyer.htm>.

## **VI. APPLICATION PROCESS**

Applications will be screened to determine that: (1) the application is complete; (2) the projects are multidistrict as defined above; (3) the cost-effectiveness will be no more than \$14,300 per weighted ton of NO<sub>x</sub> plus ROG plus twenty times combustion PM reduced; (4) the technology is commercially available; and (5) the emission reductions are real, surplus, quantifiable and enforceable. Locomotive projects require the installation of an electronic monitoring unit (EMU).

The cost of the EMU is an eligible expense for Carl Moyer Program funding and may be added to the incremental cost difference when calculating the cost-effectiveness.

All applications must be received by ARB **no later than 5:00 PM April 14, 2006**. Applications can be mailed or delivered to:

Ms. Stacey Dorais  
Mobile Source Control Division  
Air Resources Board  
1001 I Street  
Sacramento, CA 95812

#### **A. Project Evaluations and Scoring**

The ARB will conduct an evaluation of each qualifying project based on the evaluation criteria described below. The maximum score is 100 points. Qualifying projects with the highest overall scores will be eligible for funding.

In accordance with the Guidelines, applicants must disclose if they have applied for or received public financial assistance that reduces the project cost, including tax credits or deductions, grants, or any other public financial assistance given for the vehicles and engines listed in this application. The applicant must reduce the incremental cost of the project by the amount of any current financial incentive received. Any applicant failing to report additional funding for this project may be banned from future participation in the Carl Moyer Program and be subject to criminal sanctions.

The owner of the engine must sign and agree to the application. A third party (e.g., an engine dealer or distributor) may complete an application or part of an application on behalf of the owner. In this case, the third party must disclose their participation, as well as any payment received for their service.

#### **B. Evaluation and Scoring Guidelines**

- Cost-Effectiveness - (maximum 40 points) Cost-effectiveness will be calculated based on reductions of NOx, ROG and twenty times combustion PM, as described in the Carl Moyer Program Guidelines. The following chart shows the point rating system:

| <u>Cost-Effectiveness Range<br/>(\$ per weighted ton)</u> | <u>Points Awarded</u> |
|---|-----------------------|
| \$12,000 - \$14,300                                       | 8 points              |
| \$9,000 - \$12,000  | 16 points             |
| \$6,000 - \$9,000   | 24 points             |
| \$3,000 - \$6,000   | 32 points             |
| Less than \$3,000   | 40 points             |

- Project Implementation Plan - (maximum 15 points)
  - Reasonableness of work plan timeline. How quickly the project can be completed.
  - History of contracted parties/participants. Experience completing similar projects on time and within budget.
  - Long-term benefits. Likelihood and duration of continued surplus reductions beyond project life.
  
- Environmental Justice - (maximum 15 points)
  - ARB will work with local air districts to evaluate how projects impact areas disproportionately affected by air pollution.
  
- Need for Multidistrict Funding - (maximum 10 points)
  - Least likely to qualify for local Carl Moyer Program funds because of multidistrict nature of project.
  - Least likely to proceed without Carl Moyer Program multidistrict funding.
  
- Zero-Emission Projects - (maximum 10 points)
  - Projects in which the lower-emission technology is zero-emitting will receive 10 points.
  
- Application Completeness - (maximum 10 points)

**VII. PRE-BID CONFERENCE**

A pre-bid conference will be held Monday, April 3, 2006, from 1:00 p.m. to 4:00 p.m. in Training Room 1 at the Air Resources Board facility located at 1001 I Street, Sacramento, California. Applicants choosing to attend may do so in person or via conference call. The call-in number is (866) 709-8551 and the participant code is 3291241. The intent of the pre-bid conference is to provide potential project applicants with an opportunity to ask clarifying questions regarding general project requirements and specific technology questions. Written questions submitted before the bidders conference will be given priority. Questions may be e-mailed to Ms. Stacy Dorais at [sdorais@arb.ca.gov](mailto:sdorais@arb.ca.gov), or faxed to Ms. Dorais at (916) 322-3923. Questions may be submitted up to the close of business Wednesday, March 29, 2006. The questions and answers will be

posted on the ARB website no later than Thursday, April 6, 2006. Questions will not be answered before or after the pre-bid conference. Any verbal communication with an ARB employee concerning this solicitation is not binding on the State and shall in no way alter a specification, term or condition of the solicitation.

### **VIII. MONITORING AND REPORTING REQUIREMENTS**

- Grant awardees must maintain data for the life of the project (at least 3 years).
- Grant awardees must submit annual reports to the managing air district during the project term. The report shall contain all information required by the managing air district including appropriate documentation, such as fuel receipts or hour meter readings, confirming usage during the project life. Annual proof of insurance is also required. Grant awardees must inform the managing air district, in writing, of any change of ownership or disruption in project operation which could impact usage.
- Grant awardees must provide the above information in the required reporting format. ARB reserves the right to inspect all funded projects with 48-hour notice for the duration of the contract.

### **IX. DISBURSEMENT OF FUNDS**

All projects, whether submitted by individuals or local air districts, will be administered by the primary air district. Project awards will be made through a grant agreement between the ARB and the air district. Once the grant award process has been fully executed, payment will be made through a grant disbursement to the air districts. Project applicants must then enter into a formal agreement with the local air district.

### **X. CONTACT PERSON**

Please contact Ms. Stacy Dorais for questions relating only to the administration and processing of this solicitation. All other questions will be addressed at the pre-bid conference. Ms. Dorais may be reached at:

Ms. Stacey Dorais  
Mobile Source Control Division  
Air Resources Board  
1001 I Street  
Sacramento, CA 95812  
Phone: (916) 322-2383  
Fax: (916) 322-3923