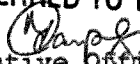


DEPARTMENT OF PUBLIC WORKS

BUREAU OF SANITATION
BOARD REPORT NO. 1
October 7, 2015

CD: ALL

ADOPTED BY THE BOARD
PUBLIC WORKS OF THE CITY
of Los Angeles California
**AND REFERRED TO THE MAYOR
OCT - 7 2015
AND REFERRED TO THE CITY COUNCIL**

Executive Officer
Board of Public Works

AUTHORITY TO ACCEPT \$125,000 OF GRANT FUNDING FROM THE SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT (SCAQMD) UNDER THE PROPOSITION 1B: GOODS MOVEMENT EMISSION REDUCTION PROGRAM IN SUPPORT OF THE LA SANITATION CLEAN FUEL PROGRAM FOR SOLID RESOURCES COLLECTION VEHICLES

RECOMMENDATIONS

1. Approve and forward this report, with its transmittals, to the Mayor and the City Council, with the recommendation that the City Council, subject to concurrence of the Mayor, authorize the Director of LA Sanitation, or designee, to accept \$125,000 in grant funds from the SCAQMD, to conduct all negotiations, to provide additional information, and to execute and submit all documents, including, but not limited to, agreements, amendments, subject to the approval of the City Attorney as to form and legality, which may be necessary to secure funding with respect to the purchase of 5 new heavy-duty natural gas powered Solid Resources Collection Vehicles (SRCV). This is an amendment of contract #12884 to provide an additional \$125,000 award to replace an additional 5 old diesel SRCV with 5 new natural gas powered SRCV. Authority to apply for grant funding was approved on October 26, 2011, by the City Council per Council File No. 11-1703 (Transmittal No. 1).
2. Request the City Council to adopt the Resolution (Transmittal No. 3) approving the acceptance of grant funding in the amount of \$125,000 and appointing the Director of the LA Sanitation, or designee, to conduct all negotiations and to execute and submit all documents necessary to accept and expend grant funding for the purchase of 5 heavy-duty natural gas powered SRCV.

FISCAL IMPACT STATEMENT

There is no impact to the General Fund. The receipt of grant funds will enable the City of Los Angeles to reduce the cost of purchasing 5 new heavy-duty natural gas powered SRCV from the **Solid Waste Resources Revenue Bond, Series 2013-A**. Failure to accept the grant award of \$125,000 from the SCAQMD will eliminate available funding to the City of Los Angeles to help offset the purchase cost of new SRCV.

TRANSMITTALS

1. Copy of adopted Resolution (C.F. 11-1703) by the City Council on October 26, 2011, authorizing the Director of LA Sanitation, or designee, to apply for grant funding under the SCAQMD's PA2012-03 Heavy-Duty Natural Gas Truck Projects
2. Copy of adopted Resolution (C.F. 11-1703) by the City Council and Mayor in May 2013, authorizing the Director of LA Sanitation, or designee, to accept grant funding under the SCAQMD's PA2012-03 Heavy-Duty Natural Gas Truck Projects
3. Copy of proposed Resolution
4. Copy of the letter from SCAQMD, dated July 28, 2015, informing LASAN of \$125,000 additional grant award towards the purchase of 5 additional heavy-duty natural gas vehicles under the amended contract number 128841

DISCUSSION

The City of Los Angeles, LA Sanitation (LASAN) is committed to air pollution reduction through its Clean Fuel Program for its fleet of Solid Resources Collection Vehicles (SRCV). To offset the incremental cost of new clean fuel vehicles, LASAN staff continues to actively seek external funding opportunities to support the implementation of the Clean Fuel Program.

On September 9, 2011, the South Coast Air Quality Management District (SCAQMD) released the program announcement for PA2012-03 Heavy-Duty Natural Gas Truck Projects. Under this program, SCAQMD is to provide grant funding to owners of existing heavy-duty diesel collection vehicles to replace these with new, lower emitting natural gas engines, certified by CARB at or below 0.2 g/bhp-hr for oxides of nitrogen (NOx) and 0.01 g/bhp-hr for particulate matter (PM). In response, LASAN submitted an application to the SCAQMD with a proposed project to purchase 10 natural gas powered heavy-duty collection vehicles with 2010 compliant engines and certified with enhanced NOx emission reduction capability and subsequently, was awarded a total of \$250,000 under grant contract #12884.

Recently, SCAQMD notified LASAN of additional funding to replace existing heavy-duty diesel SRCV with new, lower emitting natural gas SRCV. LASAN submitted an application and was approved for an additional award of \$125,000 towards the purchase of 5 additional new natural gas-powered heavy-duty SRCV. Purchase of a new natural gas-powered heavy-duty vehicle costs about \$360,000 each; with the funding assistance of \$25,000 per vehicle, the purchase cost will be offset by 6.9%. This \$125,000 award will amend Contract #12884 to replace an additional 5 old diesel SRCV with 5 new natural gas powered SRCV.

With this successful award, the purchase of 5 additional new natural gas-powered SRCV will be offset by a total of \$125,000. Upon deployment of and payment for the 5 new natural gas-powered SRCV, LASAN will seek reimbursement in the amount of \$125,000. Since the implementation of the Clean Fuel Program by LA Sanitation for the solid resources collection fleet, LA Sanitation has successfully been awarded over \$26 million from various grant funding sources.

STATEMENT AS TO FUNDING

There is no impact to the General Fund. The total funding for this project is not to exceed \$125,000. Funding in the amount of \$125,000 is available in the **Solid Waste Resources Revenue, Bond Series 2013-A** (Fund 55L, Dept. 50, Account 50J303).

The monies will be deposited in Alternative Fuel Program Fund 45T, Dept. 50, Dept. Revenue Source Code 336100.

Respectfully submitted,



ENRIQUE C. ZALDIVAR, Director
Bureau of Sanitation

APPROVED AS TO FUNDS:



VICTORIA A. SANTIAGO, Director
Office of Accounting

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