



CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

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November 17, 2015

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager to execute a contract and all necessary amendments, including term extensions, with the Mobile Source Air Pollution Reduction Review Committee (MSRC), to receive and expend Local Government Match Program funds, in an amount not to exceed \$1,445,400, for a period not to exceed 24 months from the date of contract execution;

Authorize a required cash match of \$1,445,400 over the course of the grant period; and

Increase appropriations in the Fleet Services Fund (IS 386) in the Financial Management Department (FM) by \$1,445,400. (Citywide)

DISCUSSION

City Council approval is requested to authorize the City Manager to execute a contract and all necessary amendments with the MSRC, in association with the South Coast Air Quality Management District (SCAQMD), for the receipt of grant funding in the amount of \$1,445,400; \$945,400 to partially offset the cost to purchase 64 alternative fuel vehicles (48 medium-duty and 16 heavy-duty), which are part of the approved replacement plan, and \$500,000 to partially offset construction costs of a new Compressed Natural Gas (CNG) fueling station for the City.

The MSRC grant funding is part of the Local Government Matching Program for 2015 that matches both AB2766 project allocations and funds provided by municipalities for projects that promote cleaner air within the SCAQMD through the use of alternative fuels. The AB2766 Motor Vehicle Subvention Program, adopted by the State of California in 1990, provides funding from DMV annual vehicle registration fee surcharges to fund the implementation of programs to reduce air pollution from motor vehicles.

The total cost for the replacement of the 64 medium- and heavy-duty vehicles is \$6,640,015. Fleet Services has also been awarded \$691,558 in AB2766 project funding and will accept the funds upon the purchase of eligible equipment. Combined with the \$945,400 from the MSRC, the net cost to the City will be reduced by \$1,636,958 for acquisition of these cleaner vehicles. The local match requirement will be funded by charges for equipment replacement collected from user departments.

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Construction of the new CNG fueling station is estimated at \$2,500,000, and the MSRC grant will provide \$500,000 toward the construction costs. The CNG fueling station project will be submitted to the City Council for approval of the contract award and appropriations for the remaining project costs will be requested at that time.

This matter was reviewed by Deputy City Attorney Kendra L. Carney on September 28, 2015 and by Budget Management Officer Victoria Bell on October 13, 2015.

TIMING CONSIDERATIONS

City Council action is requested on November 17, 2015, to ensure that the contract can be executed with all due speed, and alternative fuel vehicle orders can be placed expeditiously.

FISCAL IMPACT

As the MSRC Local Government Match Program is currently unbudgeted, an appropriations increase in the Fleet Services Fund (IS 386) in the Financial Management Department (FM) in the amount of \$1,445,400 is requested. Of the \$1,445,400 required City match, \$945,400 for the vehicle purchases is currently appropriated. The remaining City match of \$500,000 for the construction of the CNG fueling station will be provided from the Environmental Services Bureau replacement fund contributions and will be appropriated when the full project cost has been determined and brought to City Council for approval. Future maintenance costs for the alternative fuel vehicles and CNG fueling station acquired with these grant funds will be recovered through annual Fleet MOU charges to user departments. There is no local job impact associated with this recommendation.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED:



PATRICK H. WEST
CITY MANAGER