

BOARD MEETING DATE: February 7, 2025

AGENDA NO. 2

PROPOSAL: Issue Program Announcement for Lower Emission School Bus Program

SYNOPSIS: Since 2001, South Coast AQMD has funded the replacement of over 1,900 publicly owned diesel school buses and retrofitted nearly 3,400 diesel school buses as part of the Lower Emission School Bus Program using various sources of funds, including U.S EPA Targeted Airshed Grant, Proposition 1B, and Carl Moyer AB 923. These actions are to: 1) allocate \$45 million from the Carl Moyer Program AB 923 Fund (80) for the Lower Emission School Bus Program; 2) issue a Program Announcement (PA) #PA2025-02 to solicit applications to replace older and higher-emitting school buses owned by public school districts under the Lower Emission School Bus Program; and 3) based on the results of the PA, authorize the Executive Officer to award and execute contracts with public school districts.

COMMITTEE: Technology, January 24, 2025; Recommended for Approval

RECOMMENDED ACTIONS:

1. Allocate \$45 million from the Carl Moyer Program AB 923 Fund (80) for the Lower Emission School Bus Program, to replace combustion school buses;
2. Issue Program Announcement (PA) #PA2025-02 for replacement of pre-2005 school buses with combustion engines owned by public school districts with new zero-emission buses under the Lower Emission School Bus Program; and
3. Based on the results of the PA, authorize the Executive Officer to award and execute contracts with public school districts for a total amount not to exceed \$45 million from the Carl Moyer AB 923 Special Revenue Fund (80).

Wayne Natri
Executive Officer

Background

Since the commencement of the Lower Emission School Bus Program in 2001, South Coast AQMD has awarded nearly \$372 million in local, state, and federal funds to replace over 1,900 highly polluting publicly owned diesel school buses with alternative fuel or zero-emission buses and to retrofit 3,400 diesel school buses with particulate traps. This program has enabled thousands of students to commute in the cleanest school buses in the country. South Coast AQMD has used a variety of funding sources for the Lower Emission School Bus Program, including but not limited to, U.S. EPA Targeted Airshed Grant Program, Proposition 1B – Lower Emission School Bus Program and Carl Moyer Program AB 923 Special Revenue Fund. During the last funding cycle of South Coast AQMD’s Lower Emission School Bus Program, many school districts were able to leverage the South Coast AQMD grant with funds from CARB’s Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP).

South Coast AQMD is soliciting zero-emission school bus project applications through PA2025-02. The maximum eligible funding amount for each type of school bus is summarized below:

Maximum Program Funding Amounts^{1,2}			
School Bus Type	Fuel Type	South Coast AQMD Maximum Award	Infrastructure per School Bus
Type A	Zero-Emission	\$325,000 ^{1,2}	\$20,000
Type C or D	Zero-Emission	\$370,000 ^{1,2}	\$20,000

¹ Projects that receives other funding sources (such as HVIP) may still be eligible. All funding sources must be disclosed on the application and South Coast AQMD will review and determine if the funding can be combined.

² The funding amounts may be reduced if the project also receives other incentive funding.

A Type A school bus is a conversion or body constructed upon a van-type or cutaway front-section vehicle capable of transporting 10 to 24 passengers. A Type C school bus is a heavy-duty vehicle with a front mounted engine and is capable of transporting 42 to 72 passengers. A Type D school bus is a heavy-duty vehicle that is capable of transporting 66 or more passengers.

Proposal

This action is to issue PA2025-02 for replacing pre-2005 model year school buses with combustion engines owned by public school districts and joint power authorities with new zero-emission buses. Funding for supporting charging infrastructure is also available upon request. The PA will close on April 8, 2025, after a two-month application period. Funding will be provided from the Carl Moyer Program AB 923 Fund (80).

Outreach

In accordance with South Coast AQMD's Procurement Policy and Procedure, a public notice advertising the PA and inviting bids will be published in the Los Angeles Times, the Orange County Register, the San Bernardino Sun, and Riverside County's Press Enterprise newspapers to leverage the most cost-effective method of outreach to the South Coast Basin.

Additionally, potential bidders may be notified utilizing South Coast AQMD's own electronic listing of certified minority vendors. Notice of the PA will be emailed to the Black and Latino Legislative Caucuses and various minority chambers of commerce and business associations, and placed on South Coast AQMD's website (<http://www.aqmd.gov>) where it can be viewed by making menu selection "Grants & Bids."

Bid Evaluation

Proposals will be reviewed and evaluated in accordance with the Lower-Emission School Bus Program Guidelines, including all advisories and mail-outs, and the criteria in the attached PA.

Benefits to South Coast AQMD

The successful implementation of the Lower Emission School Bus Program will ensure less polluting and safer school transportation for school children and will reduce public exposure to toxic diesel particulate matter emissions. This program will reduce NOx emissions and diesel particulate, which is a carcinogen.

Resource Impacts

Funding for the Lower Emission School Bus Program will be provided from the Carl Moyer Program AB 923 Fund (80). Sufficient funding of \$45M is available in the Carl Moyer AB 923 Fund (80) for this program.

Attachment

PA2025-02 - Lower Emission School Bus Program



Lower Emission School Bus Program

SOUTH COAST AQMD PROGRAM ANNOUNCEMENT

PA2025-02

The South Coast Air Quality Management District (South Coast AQMD) is pleased to announce this funding opportunity for public school districts to replace older combustion school buses with zero emission bus technologies. The Lower Emission School Bus Program is designed to reduce air pollution and children's exposure to the harmful emissions from combustion engine school buses. This Program Announcement applies to all public school districts, including those participating under a Joint Powers Authority agreement (JPA) in the South Coast Air Basin.

SECTION I – OVERVIEW

The South Coast AQMD is soliciting zero-emission school bus project applications for the 2025 Lower Emission School Bus Program (LESBP).

- WHO:** Public school districts and JPAs formed by public school districts within the geographical boundaries of South Coast AQMD are eligible to apply.
- WHAT:** Replacement of older combustion engine school buses to zero emission buses. The new school bus must be CARB-certified to zero emission. Funding for infrastructure to support the new school bus is also available upon request.
- HOW:** All applications must be submitted according to specifications in the Application Portal. Failure to adhere to these specifications may be cause for rejection of the application without evaluation. The Application Portal can be found on South Coast AQMD's program page on February 7, 2025: www.aqmd.gov/schoolbus. Please note: Hardcopy, Facsimile or Email submittals will not be accepted.
- WHEN:** Solicitation opens on February 7, 2025 and **closes on April 18, 2025 at 3:00 p.m.**

SECTION II - GENERAL PROGRAM INFORMATION

Since 2001, South Coast AQMD has replaced over 1,900 high polluting school buses with new alternative fuel or zero emission buses and retrofitted nearly 3,400 diesel buses with particulate traps. Over 50 percent of these funds have focused on reducing air pollution in underserved communities in the South Coast Air Basin. This program has enabled thousands of school children to commute in some of the cleanest school buses in the South Coast AQMD jurisdictional area.

Applicants should be advised that this is a competitive process and there may be a possibility that due to program priorities, cost effectiveness or funding limitations (i.e., caps), applicants may be offered only partial funding, and not all applications meeting the eligibility criteria may be funded.

Funding awards will be made based on several factors, including an equitable distribution of the program funds based on county population, benefits to underserved communities, model year and cumulative mileage of the old school bus, and project cost effectiveness. A school bus project will be considered as benefitting an underserved community if it meets any one of the following: 1) it is domiciled within an underserved community, 2) it will operate a majority of time in an underserved community, or 3) makes at least one stop in an underserved community census tract.

SECTION III - PROJECT CRITERIA

Applicant Eligibility

Public school districts and Joint Power Authorities (JPAs) formed by several public school districts within the geographical boundaries of the South Coast AQMD are eligible to apply.

Project Eligibility

Existing School Bus Requirements:

South Coast AQMD is seeking applications from public school districts to replace older school buses with combustion engines (Type A, C, or D) that are at least 20 years old (including MY2005 or older), and with a Gross Vehicle Weight Rating (GVWR) of over 14,000 lbs. At a minimum, applicants will need to provide information identifying each of the school buses proposed for replacement, as well as documentation demonstrating current DMV registration, title, continuous CHP certification for the past three years, and photos of the school bus vehicle identification number, GVWR and engine tag. The school buses proposed for replacement must be dismantled as required by the LESBP Guidelines.

Table 1, below, provides a summary of the key eligibility requirements for the existing school buses proposed for replacement.

<u>Table 1: Existing School Bus Requirements</u>
1) Existing school bus must be diesel, CNG, or propane fueled.
2) Must be a Type A, C, or D school bus.
3) Model Year of school bus must be 2005 or older.
4) The existing school bus must have GVWR greater than 14,000 lbs.
5) The existing school bus must be currently registered with the DMV.
6) Existing school bus must have a current, valid CHP certificate at the time of application
7) Must have maintained continuous CHP Certificates for at least the past 3 years.*
8) Must be willing to crush/dismantle existing school bus once replaced.

* If a lapse in the CHP safety certification exists, the school district must submit additional information/documentation as determined by South Coast AQMD staff to demonstrate regular use of the school bus.

All existing combustion school buses proposed for replacement must be in current use. The application calls for specific information related to the existing school bus to be replaced. Additional information may be required as evidence that the existing school bus is in operation. If there is a break in documentation, please inform South Coast AQMD staff.

The applicant is required to attach on the application a copy of the Truck Regulations Upload, Compliance and Reporting System (TRUCRS) Fleet List located on the Vehicle Info tab showing the compliance option each vehicle in the fleet is using and a copy of the TRUCRS General Fleet and Compliance Information Summary showing compliance located on the Compliance Status tab (“Meets Small Fleet Option” will specify “yes” if the fleet is using the Small Fleet option). The TRUCRS website can be accessed at: https://ssl.arb.ca.gov/ssltrucrsto/trucrs_reporting/login.php.

Replacement School Bus Requirements:

For replacement of 2005 or older combustion school buses, applicants may only purchase zero emission school buses. Applicants may choose to purchase a zero-emission school bus that is certified or approved by CARB, including zero emission school buses that are eligible through the state’s Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP). Executive Orders from CARB may be downloaded at: <http://www.arb.ca.gov/msprog/onroad/cert/cert.php>

Table 2, below, provides an itemized summary of the key eligibility requirements for the replacement school buses.

Table 2: Replacement School Bus Requirements
1) New school bus must be zero emission.
2) Must be a Type A, C, or D school bus.
3) Replacement school bus must be in the same weight class as the existing school bus, unless otherwise approved by South Coast AQMD
3) Replacement school bus must be model year 2025 or newer
4) Replacement school bus must have GVWR greater than 14,000 lbs.
5) Maintain CHP Certificates during the term of contract
6) Replacement school bus must be CARB certified zero-emission school bus technology, including HVIP-listed zero emission school bus technologies.

Applicant will need to provide a price quote and CARB Executive Order for the proposed new school bus and specify which bid will be used to order the new school bus. Executive Orders from CARB may be downloaded at: <http://www.arb.ca.gov/msprog/onroad/cert/cert.php>. Public school districts may rely on any legally valid piggy-back bid in the State of California to purchase the new replacement school buses. Examples include, but are not restricted to, the Waterford and Hemet bids. Funding requested for purchase of a bus shall be consistent with the prices on the legally valid piggy-back bid.

School Districts will need to own and operate the new school bus for a minimum of five years from the date of initial CHP certification.

Infrastructure Requirements:

School Districts can request up to \$20,000 per school bus for the purchase and installation of infrastructure to support the new zero emission school bus. If funds for infrastructure are needed, the applicant must make such request on the application, and provide justification for the funds requested, including a disclosure of all funding sources that will be used for the purchase/installation of the infrastructure. Requested funds may be used to offset the cost of procuring/installing new infrastructure equipment or expanding the capacity of an existing station. Funding for expansion of an existing station must be related to the capacity needed by the zero emission buses awarded through this program.

SECTION IV - PROGRAM FUNDING

The maximum eligible funding amount for each type of school bus is summarized in Table 3. The maximum funding amounts include sales tax and the cost of fire suppression and gas detection systems; however, school districts will have to pay for any additional discretionary options that they may choose to include on the school bus. Funding for charging infrastructure to support the new school buses is also available to school districts.

Applicants must disclose all sources of co-funding, including the name of the funding source and amount of funding at the time of application and prior to invoice payment. If a school district is approved to receive funding through another program, the maximum funding amount may be reduced. The sum of all grants and other funds applied toward the project shall not exceed the total cost of the school bus.

Table 3: Maximum Program Funding Amounts¹			
School Bus Type	Fuel Type	South Coast AQMD Maximum Award	Infrastructure per School Bus
Type A	Zero Emission	\$325,000 ¹	\$20,000
Type C or D	Zero Emission	\$370,000 ¹	\$20,000

¹The funding amounts shown in this table may be reduced if the project also receives other incentive funding.

Any school district match funding required by the Lower Emission School Bus Program Guidelines will be provided by the South Coast AQMD on behalf of the school districts up to the maximum funding amount shown in Table 3.

SECTION V – DELIVERABLES

The contract will describe how the project will be monitored and what type of information must be submitted as part of the reporting requirements. At a minimum, the South Coast AQMD expects to receive an annual report for each year during the full contract term, or project life, which provides the annual miles, and operational and maintenance issues encountered and how they were resolved. South Coast AQMD reserves the right to verify the information provided.

SECTION VI: APPLICATION SUBMITTAL REQUIREMENTS

All online applications must be submitted according to specifications set forth herein. Failure to adhere to these specifications may be cause for rejection of the application without evaluation.

**ALL APPLICATIONS MUST BE RECEIVED VIA SOUTH COAST AQMD'S
ONLINE GRANT MANAGEMENT SYSTEM (GMS)
NO LATER THAN FRIDAY, APRIL 18, 2025 at 3:00 PM**

**TO APPLY, PLEASE VISIT
www.aqmd.gov/schoolbus**

All applications must be **signed by the school's superintendent**. Applications without authorizing signatures will not be accepted.

A resolution from the school district governing board authorizing the submittal of the application and identifying the individual authorized to implement the school bus replacement project **must** be submitted in the online application.

Grounds for Rejection:

An application may be immediately rejected if the application:

- Does not include correct documentation and other forms required.
- Is not signed by an individual authorized to represent the school district.

Electronic Submittal:

The proposer must submit the application using the South Coast AQMD online system (known as the Grant Management System (GMS)). A link to access the GMS will be available on February 7, 2025 at: www.aqmd.gov/schoolbus. The GMS will allow applicants to submit their application electronically to the South Coast AQMD prior to the date and time the application is due. **Applications must be submitted through the GMS by April 18, 2025 at 3:00PM.** The GMS will not allow applications to be submitted after the due date and time. South Coast AQMD "Business Information Forms" requiring signatures must be scanned and uploaded to the electronic application in PDF format.

First-time users must register as a new user to access the system. Applicants will receive a confirmation email after all required documents have been successfully uploaded.

Disposition of Applications:

South Coast AQMD reserves the right to reject any or all applications. All responses become the property of South Coast AQMD. A copy of the proposal shall be retained for South Coast AQMD files. Additional copies and materials will be returned only if requested and at the applicant's expense.

SECTION VII: APPLICATION EVALUATION/SELECTION CRITERIA

Given that funds may be limited, the program will prioritize funding awards to each school district with consideration for the older school buses and/or school buses with the highest accumulated mileages. Depending upon the number of applications received and availability of funding, all the requests may not be funded in their entirety. Be aware that there is a possibility that due to program priorities, cost effectiveness or funding limitations (i.e., caps), applicants may be offered only partial funding, and not all applications meeting the eligibility criteria may be funded. South Coast AQMD retains discretion to make full awards, partial awards, or no awards.

All proposals will be evaluated based on criteria set forth in this PA. South Coast AQMD will evaluate and/or verify information submitted by the applicant. Data verification during the evaluation and contracting process may cause initial project rankings, and associated awards, to change. Furthermore, South Coast AQMD reserves the right to make adjustments to awards based on the subsequent verification of information as well as changes in project ranking. South Coast AQMD staff will evaluate all eligible online applications and make recommendations to the Governing Board for final selection of project(s) to be funded.

Be aware that there is a possibility that due to program priorities, cost effectiveness or funding limitations (i.e., caps), applicants may be offered only partial funding, and not all applications meeting the eligibility criteria may be funded. South Coast AQMD retains discretion to make full awards, partial awards, or no awards.

SECTION VIII: PAYMENT TERMS

1. Following receipt of the fully executed grant from South Coast AQMD, the school district must provide a copy of the grant agreement and key attachments to the selected vendor(s). Per the provisions of the grant, a purchase order shall be placed without delay to allow for the prompt delivery of the buses.
2. Funds will be paid on a reimbursement basis to the vendor, following the delivery of the new school bus(es) to the applicant (and all supporting documents required by the grant have been submitted satisfactorily).
3. Vendors should be encouraged to directly invoice South Coast AQMD for South Coast AQMD's share of funds. Applicants shall cooperate fully with the vendor to provide the vendor with the various documents South Coast AQMD would need before reimbursing the vendor. These documents are listed in the grant agreement.
4. Proof of vehicle delivery and supporting documents, as required in the grant, must accompany any request for reimbursement of approved funds. School district must identify any options purchased over and above those included in the base price. Besides the fire suppression and/or gas detection systems, other discretionary options must be paid by the school district. The receipt of vehicle should be signed by the Director of Transportation before submission to South Coast AQMD.
5. Funds will be paid on a reimbursement basis at the time of completion of the infrastructure. Proof of completion shall accompany any request for reimbursement of approved funds. All request for reimbursement must be signed by the transportation director and received by South Coast AQMD. Monies owed will be paid directly to the infrastructure provider.

SECTION IX: LEGAL UPDATES

CONFLICT OF INTEREST

Applicant must address any potential conflicts of interest with other clients affected by actions performed by the firm on behalf of South Coast AQMD. Although the applicant will not be automatically disqualified by reason of work performed for such firms, South Coast AQMD reserves the right to consider the nature and extent of such work in evaluating the application. Conflicts of interest will be screened on a case-by-case basis by the South Coast AQMD General Counsel's Office. Conflict of interest provisions of the state law, including the Political Reform Act, may apply to work performed pursuant to this agreement. An example of a conflict of interest may occur when a consultant applying on behalf of an applicant for funding under the Carl Moyer Program is also contracted with South Coast AQMD.

COMPLIANCE WITH APPLICABLE LAWS

Applicants must comply with all federal, state, and local laws, ordinances, codes and regulations. If the application is eligible for funding, all vehicles and/or equipment to be purchased, or installed must be compliant with all applicable federal, state, and local air quality rules and regulations, and will maintain compliance for the full Contract term.

COMPLIANCE WITH LABOR LAWS

If an application is deemed eligible, the applicant will be required to provide any labor violations that have occurred within the last three years to be further considered for an award. If awarded, the contractor will be required to notify South Coast AQMD in writing if they have been found by a court or federal or state agency to have violated labor laws. The contractor will complete a yearly certification in which they will either state that they have not been found by a court or federal or state agency to have violated labor laws or, if such violations have been found, the contractor will give South Coast AQMD details about those violations in the certification. If the contractor has previously provided that information to South Coast AQMD, they will be required to reattach that previous notification to the certification and provide any additional details about those violations that have not previously been provided. The contractor's yearly certification will be due at the same time as the annual progress reports. South Coast AQMD reserves the right to terminate the contract with a contractor that has been found to have violated labor laws, and the contractor may be required to return any and all contract funds, as determined by South Coast AQMD. The contractor will also ensure that these requirements are included in all subcontracts.

STATEMENT OF COMPLIANCE

Government Code Section 12990 and California Administrative Code, Title II, Division 4, Chapter 5, require employers to agree not to unlawfully discriminate against any employee or applicant because of race, religion, color, national origin, ancestry, physical handicap, medical condition, marital status, sex, or age. A statement of compliance with this clause is included in all South Coast AQMD contracts.

ECONOMIC SANCTIONS (RUSSIA/UKRAINE)

On March 4, 2022, Governor Gavin Newsom issued Executive Order N-6-22 (EO) regarding sanctions in response to Russian aggression in Ukraine. Applicants who are considered eligible for funds under this Program Announcement and received executed contracts from South Coast AQMD, are obligated to comply with existing economic sanctions imposed by the U.S. government in response to Russia's actions in Ukraine.

SECTION X - CONTACT FOR ADDITIONAL INFORMATION

This Program Announcement and Application can be obtained by accessing the South Coast AQMD website at <http://www.aqmd.gov/nav/grants-bids>. South Coast AQMD staff members are available to answer questions during the application acceptance period. In order to help expedite assistance, please direct your inquiries to the applicable staff person, as follows:

For General, Administrative, or Technical Assistance, please contact:

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