



Clean Transportation Funding

from the MSRC

Mobile Source Air Pollution Reduction Review Committee

www.CleanTransportationFunding.org

21865 Copley Drive
Diamond Bar, CA
91765
909.396.3269

April 16, 2019

Julie Garcia
City of Manhattan Beach
3621 Bell Ave.
Manhattan Beach, CA 90266

Dear Ms. Garcia:

Enclosed is a fully executed AB 2766 Discretionary Fund contract for your records. The contract number is **ML18173**. Please include your contract number on ALL correspondence sent to the MSRC when referencing this project. Please address all correspondence to:

Leah Alfaro
South Coast Air Quality Management District / MSRC
21865 Copley Drive
Diamond Bar, CA 91765
(909) 396-2036
leah@cleantransportationfunding.org

Included in this letter you will find copies of the MSRC's policies and procedures for progress reporting and contract modifications, samples of progress reports and invoices you will be submitting during the contract term, and a copy of the final report format. **Please read this information carefully and keep it in your contract file for future reference.**

Progress Reports

Progress reports should contain all pertinent information related to contract performance during the specified period. Informative progress reports are critical as they are used to evaluate the overall performance under the contract. MSRC staff also uses them as a tool for determining if any MSRC action needs to be taken due to problems or delays. If for some reason you need to extend the term of your contract or change the scope of the project, it is very important that you record this in your progress reports and notify us immediately. **Do not change your project/contract without prior approval of the MSRC.**

Please refer to the Schedule of Deliverables in your contract to determine if your reporting frequency is monthly or quarterly. Quarterly reports are used for contracts with a long lead-time, for example, buying vehicles or the conversion of vehicles. This basically covers the Alternative Fuels categories, which includes Public Transit Fleets, School Bus Fleets, and Fleet Acquisitions. Monthly reporting is typically used for TCM and all other categories. Exceptions to the monthly reporting rule may be considered if contract milestones are not triggered for a long length of time.

Note: All heavy-duty contracts include a supplemental requirement for Annual Reports. Please refer to the Schedule of Deliverables for further details. This reporting requirement is in addition to the Monthly/Quarterly and Final Reports. All vehicle purchase and fueling station contracts include the requirement to apply MSRC decals to MSRC-funded vehicles and/or fueling stations. Decals will be provided by MSRC staff upon notification that subject fueling station equipment and/or vehicles are placed into service.

A spreadsheet is used by Contracts staff to track the timely submission of progress reports. This spreadsheet is submitted to the MSRC-TAC and the MSRC for their review on a monthly basis. Be aware that failure to provide the required documentation of progress will delay the payment of any invoices that are submitted on the contract and can result in termination of your contract. You will find the "Policy to Terminate Contracts Due to Lack of Progress/Response by Contractors" and a sample progress report attached. Please refer to the Contract for reporting guidelines.

Contract Modifications

Any requests for contract modifications must be submitted to the MSRC Contract Administration staff in writing. Requests must be submitted at least ten days prior to the monthly MSRC-TAC meeting (typically held on the first Thursday of each month). The procedure for presenting your request to the MSRC for approval and the processing of subsequent paperwork takes approximately six to eight weeks to complete.

Upon receipt, your request will be presented to a subcommittee for evaluation. The subcommittee will present its recommendation to the MSRC-TAC, and the TAC will make a recommendation to the MSRC. The MSRC will grant final approval or disapproval of the request. **Any contract changes made without prior approval of the MSRC will be at the contractor's own risk. If the MSRC does not approve the change, the contractor will not be reimbursed for any costs incurred as a result of the unapproved change.** The "Policy for Contract Modifications" is attached.

Invoicing

Funds are dispersed on a reimbursement basis. Invoices must be submitted on your company/agency letterhead. Supporting documentation of individual charges, including equipment, materials, supplies, subcontractors and other charges, is required for all AB 2766 expenditures. Contractor's failure to provide receipts shall be grounds for nonpayment of such charges.

If any billed expenses are for Contractor's direct labor, they must be detailed in terms of number of hours by task, hourly rate, and professional category. Co-funding expenditures for the billing period must also be tracked and documented when invoicing for AB 2766 funds. For projects that involve the purchase of vehicles, a Letter of Certification and a Delivery Receipt should be included. Refer to your agreement for specific guidelines.

Promotion

Your contract has an outreach requirement to promote the MSRC's co-funding of this project to the media and/or community. Please refer to your contract to determine what outreach requirements are necessary.

Final Reports

Per the contract, a comprehensive final report shall be provided to the MSRC **prior to the end of the contract term**. The final report shall follow the MSRC's Final Report Format and is subject to review and approval by the MSRC. You are required to submit the final report in hard copy, as well as electronically, in a single Microsoft Word or Adobe Portable Document Format document. Project photographs are also to be submitted electronically. The Final Report Format is enclosed with this letter and is also available on the Clean Transportation Funding website under Contractor Resources.

I hope this letter answers most of your questions. Please feel free to call me at (909) 396-3269 to discuss any problems or concerns you may have.

Sincerely,



Cynthia Ravenstein
MSRC Contracts Administrator

Encl: Executed Contract
Policy to Terminate Contracts
Progress Report Template
Policy on Contract Modification
AQMD Standard Photo Release Form
Sample Outreach Plan



AB 2766/MSRC LOCAL GOVERNMENT PARTNERSHIP PROGRAM CONTRACT

1. PARTIES

The parties to this contract ("Contract") are the South Coast Air Quality Management District (referred to here as "SCAQMD") whose address is 21865 Copley Drive, Diamond Bar, California 91765-4178, and the City of Manhattan Beach (referred to here as "CONTRACTOR") whose address is 1400 Highland Avenue, Manhattan Beach, California 90266.

2. RECITALS

- A. SCAQMD is the local agency with primary responsibility for regulating stationary source air pollution within the geographical boundaries of the South Coast Air Quality Management District in the State of California (State). SCAQMD is authorized under State Health & Safety Code Section 44225 (AB 2766) to levy a fee on motor vehicles for the purpose of reducing air pollution from such vehicles and to implement the California Clean Air Act.
- B. Under AB 2766, SCAQMD's Governing Board has authorized the imposition of the statutorily set motor vehicle fee. By taking such action, the State's Department of Motor Vehicles (DMV) is required to collect such fee and remit it periodically to SCAQMD.
- C. AB 2766 further mandates that thirty (30) percent of such vehicle registration fees be placed by SCAQMD into a separate account for the sole purpose of implementing and monitoring programs to reduce air pollution from motor vehicles.
- D. AB 2766 creates a regional Mobile Source Air Pollution Reduction Review Committee (MSRC) to develop a work program to fund projects from the separate account. Pursuant to approval of the work program by SCAQMD's Governing Board, SCAQMD authorized this Contract with CONTRACTOR for equipment or services described in Attachment 1 - Statement of Work, expressly incorporated herein by this reference and made a part hereof of this Contract.
- E. CONTRACTOR has met the requirements for receipt of AB 2766 Discretionary Funds as set forth in CONTRACTOR's Local Government Partnership Program Application/Proposal dated August 2, 2018.
- F. CONTRACTOR is authorized to do business in the State of California and attests that it is in good tax standing with the California Franchise Tax Board.
- G. All parties to this Contract have had the opportunity to have this Contract reviewed by their attorney.

3. DMV FEES

CONTRACTOR acknowledges that SCAQMD cannot guarantee that the amount of fees to be collected under AB 2766 will be sufficient to fund this Contract. CONTRACTOR further acknowledges that payment under this Contract is contingent upon SCAQMD receiving sufficient funds from the DMV, and that SCAQMD assumes no responsibility for the collection and remittance of motor vehicle registration fees.

4. AUDIT AND RECORDS RETENTION

- A. CONTRACTOR shall, at least once every two years, or within two years of the termination of the Contract if the term is less than two years, be subject to an audit by SCAQMD or its authorized representative to determine if the revenues received by CONTRACTOR were spent for the reduction of pollution from motor vehicles pursuant to the Clean Air Act of 1988.
- B. CONTRACTOR agrees to maintain records related to this Contract during the Contract term and continue to retain these records for a period of two years beyond the Contract term, except that in no

9. EARLY TERMINATION

This Contract may be terminated early due to the following circumstances: The infrastructure identified in Attachment 1, Statement of Work, becomes inoperable, and is either not technically able to be repaired, or is too costly to repair, and such failure is not caused by CONTRACTOR's negligence, misuse, or malfeasance.

10. STOP WORK

SCAQMD may, at any time, by written notice to CONTRACTOR, require CONTRACTOR to stop all or any part of the Statement of Work tasks in this Contract. A stop work order may be issued for reasons including, but not limited to, the project exceeding the budget, out of scope work, delay in project schedule, or misrepresentations. Upon receipt of the stop work order, CONTRACTOR shall immediately take all necessary steps to comply with the order. CONTRACTOR shall resume the work only upon receipt of written instructions from SCAQMD cancelling the stop work order. CONTRACTOR agrees and understands that CONTRACTOR will not be paid for performing work while the stop work order is in effect, unless SCAQMD agrees to do so in its written cancellation of the stop work order.

11. INSURANCE

CONTRACTOR represents that it is permissibly self-insured and will maintain such self-insurance in accordance with applicable provisions of California law throughout the term of this Contract. CONTRACTOR shall provide evidence of sufficient coverage during the term of this Contract and any extensions thereof that meet or exceed the minimum requirements set forth by the SCAQMD below. The certificate of self-insurance shall be mailed to: SCAQMD, 21865 Copley Drive, Diamond Bar, CA 91765-4178, Attention: Cynthia Ravenstein, MSRC Contracts Administrator. **The SCAQMD Contract Number must be included on the face of the certificate.** If CONTRACTOR fails to maintain the required insurance coverage, SCAQMD reserves the right to terminate the Contract or purchase such additional insurance and bill CONTRACTOR or deduct the cost thereof from any payments owed to CONTRACTOR. Minimum insurance coverages are as follows:

- A. Worker's compensation insurance in accordance with either California or other state's applicable statutory requirements.
- B. General Liability insurance with a limit of at least \$1,000,000 per occurrence, and \$2,000,000 in general aggregate.
- C. Automobile Liability insurance with limits of at least \$100,000 per person and \$300,000 per accident for bodily injuries and \$50,000 in property damage, or \$1,000,000 combined single limit for bodily injury or property damage.

12. INDEMNIFICATION

CONTRACTOR agrees to hold harmless, defend and indemnify SCAQMD, its officers, employees, agents, representatives, and successors-in-interest against any and all loss, damage, costs, lawsuits, claims, demands, causes of action, judgments, attorney's fees, or any other expenses arising from or related to any third party claim against SCAQMD, its officers, employees, agents, representatives, or successors in interest that arise or result in whole or in part, from any actual or alleged act or omission of CONTRACTOR, its employees, subcontractors, agents or representatives in the performance of this Contract. This Indemnification Clause shall survive the expiration or termination (for any reason) of the Contract and shall remain in full force and effect.

maintain compliance for the full Contract term. CONTRACTOR shall ensure that the provisions of this clause are included in all subcontracts.

16. MOBILE SOURCE EMISSION REDUCTION CREDITS (MSERCs)

- A. The MSRC has adopted a policy that no MSERCs resulting from AB 2766 Discretionary Funds may be generated and/or sold.
- B. CONTRACTOR has the opportunity to generate MSERCs as a by-product of the project if a portion of the air quality benefits attributable to the project resulted from funding sources other than AB2766. These MSERCs, which are issued by SCAQMD, are based upon the quantified vehicle miles traveled (VMT) by project vehicles or other activity data as appropriate. Therefore, a portion of prospective MSERCs, generated as a result of AB 2766 Funds, must be retired. The portion of prospective credits funded by the AB 2766 program, and which are subject to retirement, shall be referred to as "AB 2766-MSERCs."
- C. The determination of AB 2766-MSERC's is to be prorated based upon the AB 2766 program's contribution to the cost associated with the air quality benefits. In the case where AB 2766 Discretionary Funds are used to pay for the full differential cost of a new alternative fuel vehicle or for the retrofitting or repowering of an existing vehicle, all MSERCs attributable to AB 2766 Discretionary Funds must be retired. The determination of AB 2766-MSERCs for infrastructure and other ancillary items is to be prorated based upon the AB 2766 program's contribution to the associated air quality benefits. Determination of the project's overall cost will be on a case-by-case basis at the time an MSERC application is submitted. SCAQMD staff, at the time an MSERC application is submitted, will calculate total MSERCs and retire the AB 2766-MSERCs. CONTRACTOR would then receive the balance of the MSERCs not associated with AB 2766 funding.

17. NOTICES

All notices that are required under this Contract shall be provided in the manner set forth herein, unless specified otherwise. Notice to a party shall be delivered to the attention of the person listed below, or to such other person or persons as may hereafter be designated by that party in writing. Notice shall be in writing sent by email, U.S. Mail, express, certified, return receipt requested, or a nationally recognized overnight courier service. In the case of email communications, valid notice shall be deemed to have been delivered upon sending, provided the sender obtained an electronic confirmation of delivery. Email communications shall be deemed to have been received on the date of such transmission, provided such date was a business day (Tuesday-Friday) and delivered prior to 5:30pm Pacific Standard Time. Otherwise, receipt of email communications shall be deemed to have occurred on the following business day. In the case of U.S. Mail notice, notice shall be deemed to be received when delivered or five (5) business days after deposit in the U. S. Mail. In the case of a nationally recognized overnight courier service, notice shall be deemed received when delivered (written receipt of delivery).

SCAQMD:

South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, CA 91765-4178

Attn: Cynthia Ravenstein, MSRC Contracts Administrator, email: cravenstein@aqmd.gov

and all amendments thereto, Executive Order No. 11246 (30 Federal Register 12319), and all administrative rules and regulations issued pursuant to said Acts and Order.

23. CITIZENSHIP AND ALIEN STATUS

- A. CONTRACTOR warrants that it fully complies with all laws regarding the employment of aliens and others, and that its employees performing services hereunder meet the citizenship or alien status requirements contained in federal and state statutes and regulations including, but not limited to, the Immigration Reform and Control Act of 1986 (P.L. 99-603). CONTRACTOR shall obtain from all covered employees performing services hereunder all verification and other documentation of employees' eligibility status required by federal statutes and regulations as they currently exist and as they may be hereafter amended. CONTRACTOR shall have a continuing obligation to verify and document the continuing employment authorization and authorized alien status of employees performing services under this Contract to insure continued compliance with all federal statutes and regulations. Notwithstanding the above, CONTRACTOR, in the performance of this Contract, shall not discriminate against any person in violation of 8 USC Section 1324b.
- B. CONTRACTOR shall retain such documentation for all covered employees for the period described by law. CONTRACTOR shall indemnify, defend, and hold harmless SCAQMD, its officers and employees from employer sanctions and other liability which may be assessed against CONTRACTOR or SCAQMD, or both in connection with any alleged violation of federal statutes or regulations pertaining to the eligibility for employment of persons performing services under this Contract.

24. ASSIGNMENT AND TRANSFER OF EQUIPMENT

- A. The rights and responsibilities granted hereby may not be assigned, sold, licensed, or otherwise transferred by CONTRACTOR without the prior written consent of SCAQMD, and any attempt by CONTRACTOR to do so shall be void upon inception.
- B. CONTRACTOR agrees to obtain SCAQMD's written consent to any assignment, sale, license or transfer of Equipment, if any, prior to completing the transaction. CONTRACTOR shall inform the proposed assignee, buyer, licensee or transferee (collectively referred to here as "Buyer") of the terms of this Contract. CONTRACTOR is responsible for establishing contact between SCAQMD and the Buyer and shall assist SCAQMD in facilitating the transfer of this Contract's terms and conditions to the Buyer. **CONTRACTOR will not be relieved of the legal obligation to fulfill the terms and conditions of this Contract until and unless the Buyer has assumed responsibility of this Contract's terms and conditions through an executed contract with SCAQMD.**

25. NON-EFFECT OF WAIVER

The failure of CONTRACTOR or SCAQMD to insist upon the performance of any or all of the terms, covenants, or conditions of this Contract, or failure to exercise any rights or remedies hereunder, shall not be construed as a waiver or relinquishment of the future performance of any such terms, covenants, or conditions, or of the future exercise of such rights or remedies, unless otherwise provided for herein.

26. TAX IMPLICATIONS FROM RECEIPT OF MSRC FUNDS

CONTRACTOR is advised to consult a tax attorney regarding potential tax implications from receipt of MSRC funds.

27. ATTORNEYS' FEES

In the event any action is filed in connection with the enforcement or interpretation of this Contract, each party in said action shall pay its own attorneys' fees and costs.

any interested party upon request, paying any applicable prevailing rates, posting copies thereof at the job site and flowing all applicable prevailing wage rate requirements to its subcontractors. Proof of compliance with these requirements must be provided to SCAQMD upon request. CONTRACTOR shall indemnify, defend and hold harmless the South Coast Air Quality Management District against any and all claims, demands, damages, defense costs or liabilities based on failure to adhere to the above referenced statutes.

36. ENTIRE CONTRACT

This Contract represents the entire agreement between CONTRACTOR and SCAQMD. There are no understandings, representations, or warranties of any kind except as expressly set forth herein. No waiver, alteration, or modification of any of the provisions herein shall be binding on any party unless in writing and signed by the authorized representative of the party against whom enforcement of such waiver, alteration, or modification is sought.

37. AUTHORITY

The signator hereto represents and warrants that he or she is authorized and empowered and has the legal capacity to execute this Contract and to legally bind CONTRACTOR both in an operational and financial capacity and that the requirements and obligations under this Contract are legally enforceable and binding on CONTRACTOR.

(THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK)



ATTEST

CITY CLERK
LISA TAMURA

**Attachment 1
Statement of Work
City of Manhattan Beach
Contract Number ML18173**

1. Project Elements

- A. The City of Manhattan Beach (hereinafter referred to as "CONTRACTOR") is to procure two on-road, light-duty (possessing a gross vehicle weight rating less than 8,501 pounds) zero emission vehicles (battery electric or fuel cell). Hybrid vehicles do not qualify as zero emission.
- B. CONTRACTOR is also to install a total of fourteen "Level II" type EV charging stations within the City of Manhattan Beach. These stations shall be accessible to the public 24 hours per day, 7 days per week. Installations must include signage with information on whom to contact in the event that users encounter malfunctions. Stations shall meet current Society of Automotive Engineers J1772 standards. Proposed locations are shown in the table below:

1600 Manhattan Beach Blvd
222 12th Street
3714 Highland Ave
4500 The Strand
1601 N Valley Drive
1300 Parkview Ave
1125 Ocean Drive
1121 Ocean Drive
1901 N. Valley Drive
1625 Marine Ave

These locations are understood to be tentative; CONTRACTOR shall notify MSRC staff of any location changes.

CONTRACTOR shall be reimbursed according to Attachment 2 – Payment Schedule.

2. Operation Requirements and Reimbursement for Noncompliance: Light Duty Vehicles

Light-duty vehicles are required to operate for a minimum of three years. CONTRACTOR is obligated to comply with the geographical restriction requirements as follows:

- A. Each of the light-duty vehicles funded under this Contract must accrue at least 85% of its annual mileage or engine hours of operation within the geographical boundaries of the South Coast Air Quality Management District for a period of no less than three (3) years from the date the vehicle enters service (new vehicles). Should CONTRACTOR deviate from or fail to comply with this obligation, CONTRACTOR shall reimburse SCAQMD for a prorated share of the funds provided for the vehicle as indicated in the table below:

**Attachment 1
Statement of Work
City of Manhattan Beach
Contract Number ML18173**

3 year Operational Availability Obligation Termination Occurs	Percentage of MSRC Funds to be Reimbursed
Within Year 1	100%
Between Years 1-2	66%
Between Years 2-3	33%
After Year 3	0%

- B. The appropriate reimbursable amount shall be paid to SCAQMD within sixty (60) days from the date the station ceases operation. CONTRACTOR shall not be responsible for any reimbursement to SCAQMD if the obligation is terminated as a result of one or more reasons set forth in the EARLY TERMINATION clause of this Contract.

4. Display of MSRC Logo

CONTRACTOR agrees to permanently display one MSRC decal in a prominent location on each vehicle purchased pursuant to this Contract. Decals will be provided by SCAQMD upon notification that each subject vehicle becomes operational. Decals are approximately twelve (12) inches in height and eighteen (18) inches in width (Note: a smaller decal may be provided if CONTRACTOR demonstrates that application of the standard decal is not feasible). CONTRACTOR shall maintain the decal for the life of the equipment subject to this Contract. Should any decal become damaged, faded, or otherwise unreadable, CONTRACTOR shall request a replacement decal from SCAQMD and apply the new decal in the same or other prominent location. SCAQMD shall not be responsible for damage to paint or other surfaces arising from application or removal of decals.

5. Promotion

CONTRACTOR shall prepare and submit a proposed Public Outreach Plan to promote the MSRC's co-funding of the vehicles and EV charging stations. Acceptable outreach may include, but is not limited to, notices in CONTRACTOR mailings to residents, newspaper notices, flyers, and information items at CONTRACTOR Board meetings and community events. The Public Outreach Plan shall automatically be deemed approved 30 days following receipt by SCAQMD staff, unless SCAQMD staff notify CONTRACTOR in writing of a Public Outreach Plan deficiency. CONTRACTOR shall implement the approved Public Outreach Plan in accordance with the Project Schedule below.

6. Reports

Quarterly Reports: Until vehicles are placed into service and EV charging stations commence operation, CONTRACTOR shall provide quarterly progress reports that summarize the project results to date including, but not limited to: tasks completed, issues or problems encountered, resolutions implemented, and progress to date. Progress reports that do not comply will be returned to the CONTRACTOR as inadequate.

**Attachment 2
Payment Schedule
City of Manhattan Beach
Contract Number ML18173**

Cost Breakdown

Purchase Category	Maximum AB2766 Discretionary Funds payable under this Contract	CONTRACTOR AB2766 Subvention Funds Applied	Other Funds Applied to Match	Other Project Co-Funding (not matched)	Total Cost
On-road light-duty zero emission vehicles	\$17,500	\$17,500	\$0	\$15,000	\$50,000
EV Charging Stations – Public Access	\$31,500	\$10,500	\$0	\$0	\$42,000
Totals	\$49,000	\$28,000	\$0	\$15,000	<u>\$92,000</u>

No funds shall be paid out to CONTRACTOR pursuant to this Contract, until the project described in Attachment 1 is completed and proof of completion is provided to SCAQMD. If the project described in Attachment 1 is not completed and satisfactory proof of completion is not provided to SCAQMD, no monies shall be due and payable to CONTRACTOR. However, reimbursement may be made for vehicles even if charging stations are not yet complete, or vice versa. Proof of completion shall include:

- For vehicles:
 - Proof of vehicle delivery, vehicle acceptance, and placement of vehicle into service; and
 - Documentation of the specific vehicle purchased, including the year, manufacturer, engine (if applicable) and model.
- For EV charging stations:
 - Representative photos of completed stations;
 - A report signed by a responsible official certifying that the station has been completed as described in Attachment 1; and
 - Receipts for equipment and/or invoice(s) from subcontractor(s) performing the installations, if any.

If, at the completion of the Project, the expenditures are less than the Total Cost amount above, the actual amount of AB 2766 Discretionary Funds reimbursed to CONTRACTOR shall be adjusted on a prorated basis, as follows:

- For vehicles, the amount reimbursed to CONTRACTOR shall not exceed the actual amount of AB 2766 Subvention and other funds applied after any manufacturer, federal or state

Let the Community know about your Clean Air Project



Sharing the news about your MSRC-funded clean air project is an important element of your project that helps demonstrate your commitment to cleaning our air to the public. To ensure that the benefits of your project are publicized, there is a public outreach requirement in your contract with the MSRC.

Making sure that people are aware about your investment in cleaning the air demonstrates your commitment to delivering a cleaner, healthier environment to your community. It also will inspire others to take their own actions to help clean up the community and creates public support for more publicly funded environmental programs.

The MSRC has resources available to help you publicly promote your project. Some promotional ideas could include:

- ◆ *Press releases and media outreach*
- ◆ *Articles for newsletters/websites*
- ◆ *Project informational flyers*
- ◆ *Promotional events such as groundbreakings, ribbon-cutting ceremonies or other community events to promote the program*
- ◆ *Utilization of our Digital Badge for your website or social media*

**Call Today
818-563-9111**

If you would like assistance with your outreach efforts, please contact our Outreach Coordinator, The Better World Group. Their services are complementary, but are only available on a first come-first served basis, so contact them early for support.

POLICY ON CONTRACT MODIFICATIONS SCOPE CHANGES, EXTENSIONS, AND COST REALLOCATIONS

1. Contract extensions or scope changes may be requested on AB 2766 Discretionary Fund Contracts. Contractors should submit requests in writing, using the Modification Request Form, to the Contract Administrator's office. Reasons for the request should be well documented by the Contractor. The Contract Administrator will present the requests to both the MSRC-TAC and the MSRC for the consideration and approval.
2. Contract extensions and scope changes must be submitted by 9:00 a.m. on the first Monday of the month to be considered by the MSRC-TAC and MSRC for that month. Requests received after the first Monday of the month will be considered at the following month's MSRC-TAC and MSRC meetings. Late extension requests for contracts expiring prior to the following months MSRC-TAC meeting, must include a discussion of the compelling reasons for the untimely submission of the request. Such requests will be considered on a case-by-case basis by the MSRC-TAC.
3. Extension requests and scope changes will be considered by the MSRC-TAC and MSRC on a case-by-case basis. An option clause shall be included in all contracts that will allow MSRC staff the ability to extend a contract an additional six months at no cost to the MSRC or the contractor. All subsequent extensions will be brought to the MSRC for its consideration.

If a contract extension or scope change is for **the contractor's convenience**, the MSRC shall have the discretion to request a downward adjustment in the contract price, an additional task, and additional report or seek other legal consideration as a condition of granting the extension or scope change. Situations defined as convenience are problems or delays caused by internal management or administration, for example, failure to submit progress reports or final reports in a timely manner, failure to aggressively monitor the project, and extensions merely to exhaust unexpected funds.

A delay due to problems with the delivery or manufacturing of equipment or vehicles and **circumstances beyond the control of the contractors** will not be considered as changes for the contractor's convenience. Documentation of delays will be required. The MSRC shall have the discretion to seek legal consideration for extension or requests granted under these circumstances.

4. Any contract changes made without prior approval of the MSRC will be at the contractor's own risk. If the MSRC does not approve the change, the contractor will not be reimbursed for any costs incurred as a result of the unapproved change.

5. The contractor is responsible for properly monitoring the project and should notify the Contract Administrator immediately if the Contractor feels the project is in jeopardy of falling behind schedule or problems arise.
6. Requests for extensions must be received in writing by the Contract Administrator 60 days prior to the close of the contract. The approval process for contract extensions and scope changes takes approximately six weeks. If a request is made within 60 days of end date of the contract, the contract may expire prior to review and approval of the request. If this situation occurs, the contractor must stop work until the time extension is approved. In the event the extension is not approved, the contractor must consider the end date of the contract term and may not bill for work done after this date.

Adopted May 25, 1995
Amended November 18, 1999



Policy to Terminate Contracts Due to Lack of Progress or Response by Contractors

The intent of this policy is to discourage Contractors from failing to provide documentation of progress made on AB 2766 Discretionary Fund projects. It is the intent of the MSRC to ensure that work is completed pursuant to the work statement set forth in the respective contracts. In the event that progress is not made without adequate justification by the Contractor and subsequent approval by the MSRC, the MSRC may recommend that the contract be terminated and funds be reallocated to other projects.

MSRC contracts require all contractors to submit progress reports within 15 days of the end of the reporting period (quarterly or monthly based upon the type of project). Under this policy, failure to submit progress reports within the allotted time may be considered a material breach and subject to termination. If the Contractor fails to submit progress reports as required by the contract, the following shall occur:

If after seven (7) days past the progress report due date, the Contractor fails to submit progress reports as required by the contract, Contract Staff will notify the Contractor in writing of the delinquency and request that the progress report be submitted within seven (7) days of the written notice.

For Monthly Reports: If the CONTRACTOR fails to submit a progress report for the second consecutive month, the Contracts Administrator shall send a second written notice indicating that two previous progress reports are due and that they must be submitted within 15 days. If the CONTRACTOR fails to provide a report for a third consecutive month, the AQMD's Contracts Manager shall provide written notice to the CONTRACTOR to cure the delinquency within 15 days of the notice or be subject to termination within 30 days.

For Quarterly Reports: If the CONTRACTOR fails to submit a progress report, the Contracts Administrator shall send a written notice indicating that the progress report is due and that it must be submitted within 15 days. If the CONTRACTOR does not respond within the allotted time, the AQMD's Contracts Manager shall provide written notice to the CONTRACTOR to cure the delinquency within 15 days of the notice or be subject to termination within 30 days.

Also, if the CONTRACTOR has a history of non-consecutive (three or more occasions) delinquent progress reports, this may be considered a material breach of the contract and be grounds for immediate termination of the contract. For example, if progress reports are submitted in such an inconsistent and sporadic fashion as to indicate a lack of compliance with this contract provision (e.g., progress report submitted one month, skipping several months thereafter).

In addition, if a contract is terminated as a result of this policy, the direct contractor involved will not be eligible to apply for AB 2766 Discretionary Funds for two program years.

Task 5 Bus Production

Contractor has in place an onsite manufacturing inspection team which monitors production quality and conformance to bus specifications. Once the production buses are completed and presented for acceptance, the inspection team will approve documents to allow for purchase and payment of buses.

Percent Completed this Reporting Period:	25%
Percent Complete	25%

Task 6 Service Preparation

Contractor has established a bus acceptance team to prepare new buses for service. Each new bus is safety checked, cleaned, and function tested prior to being placed into revenue service.

Percent Completed this Reporting Period:	13%
Percent Complete	13%

Task 7 Vehicle Performance Evaluation

New buses are assigned to designated service operating divisions for introduction into Contractors fleet. Performance of vehicles is monitored and warranty provisions of the contract are administered. This process is on-going throughout the life of the bus and has no completion date. The following percentages indicate buses presently in revenue service. While a number of new buses have been placed in service, any performance evaluation at this point would be premature. The buses, however, have not exhibited any evidence of major problems or concerns.

Percent Completed this Reporting Period:	2%
Percent Complete	2%

Issues During Current Reporting Period:

1. Engine performance issues related to stalling have been addressed by the manufacturer. The result has been a new engine electronic control module (ECM) software release. In addition, testing is underway on a prototype fuel pressure regulator.
2. Congestion at the fueling site was resolved by the addition and subsequent agreement for use of a new fueling site adjacent to the central terminal.

Letter of Certification

This letter certifies that **(PLEASE TYPE IN YOUR ORGANIZATION)** has received the vehicles that have been partially funded through the above-mentioned AB2766 Discretionary Fund Contract and those vehicles have been tested and placed into regular service.

Signature

Date

Please submit with all invoices for vehicle reimbursement

PROJECT SUMMARY (FINAL REPORT) FORMAT For Selected AB 2766 Discretionary Fund Contracts

For contracts from Fiscal Year (FY) 2004-05 and earlier Work Programs, the Final Report must be submitted in both paper copy and electronic Microsoft Word formats. For contracts from FY 2005-06 and later Work Programs, the Final Report only needs to be submitted electronically. The first two numeric characters of the contract number indicate the FY Work Program (e.g. contract #ML04999 would be from FY 2003-04).

The paper copy, if required, must be bound in a three (3) ring binder. Each page of the report must be legible and suitable for photo production. All pages should be of standard size (8 ½ x 11). Photo reduction is not acceptable for tables or figures; these should be presented on consecutive 8 ½ x 11 pages with each page containing one portion of the larger chart. Color presentations are acceptable; printing should be in black. Do not include corporate identification on any page of the Final Report, except on the title page.

The Project Summary Report should include the following:

Title Page – Include contract number, project title, contractor organization, and date, and include the statement: ***“Prepared for the Mobile Source Air Pollution Review Committee (MSRC) under the AB 2766 Discretionary Fund Work Program.”***

Acknowledgements – Only this section shall contain acknowledgements of key personnel and organizations who were associated with the project. The last paragraph shall be as follows: ***“This report was submitted in fulfillment of _____ (contract number) and (project title) by (contractor organization) under the (partial) sponsorship of the Mobile Source Air Pollution Reduction Review Committee (MSRC). Work was completed as of (date)”***.

Disclaimer – The following statement is to appear near the front of the report:

“The statement and conclusions in this report are those of the contractor and not necessarily those of the Mobile Source Air Pollution Reduction Review Committee (MSRC) or the South Coast Air Quality Management District (SCAQMD). The mention of commercial products, their sources or their uses in



STANDARD PHOTO RELEASE FORM

I hereby authorize the MSRC and AQMD to photograph, copy, publish, broadcast or otherwise distribute photographs or likenesses of my place of business, vehicles, advertisements, promotional materials or other work whether or not these materials are copyrighted, for use in the public service MSRC brochure, placement on the MSRC website for informational purposes, and/or use in other MSRC outreach media.

I hold the copyright or I am the owner of the rights to the materials specified herein and am authorized to grant the rights to such publication, reprint, broadcast or other distribution of the materials specified herein.

If copyrighted, I grant this license and authorization for no fee and will not require any copyright attribution for the described use for a public service and informational purpose.

I do not intend to waive any other rights to the reprint or representation or distribution of these materials and reserve said rights.

If I require copyright attribution, I will provide notice of such copyright to AQMD/MSRC at the time this authorization is executed.

I am empowered by and on behalf of the entity herein to consent and authorize the above-specified.

Authorized Signature

Organization

Title

Date