



Solano Transportation Authority

... working for you!

SOLANO TRANSPORTATION AUTHORITY

Member Agencies:
Benicia ♦ Dixon ♦ Fairfield ♦ Rio Vista ♦ Suisun City ♦ Vacaville ♦ Vallejo ♦ Solano County

One Harbor Center, Suite 130, Suisun City, CA 94585-2473 ♦ Telephone (707) 424-6075 / Facsimile (707) 424-6074
Email: staplan@sta-snci.com ♦ Website: solanolinks.com

May 4, 2011

Re: Solano TFCA Program Manager Funds

To Interested Applicants:

The Solano Transportation Authority is currently seeking applications for the Solano Transportation for Clean Air Fund (TFCA) Program Manager Funds. Approximately \$35,000 will be available for projects that improve air quality, such as: bicycle and pedestrian facilities, clean fuel shuttle service, clean fuel technology, clean air vehicle retrofit, smart growth and arterial management projects.

Enclosed you will find a copy of the Solano TFCA Program Manager Guidelines and the Solano TFCA Application for Fiscal Year 2011-12. Please review the enclosed guidelines carefully as there are new program requirements.

Applications are also available electronically online at the STA's website: www.solanolinks.com.

Public agencies located in Benicia, Fairfield, Suisun City, Vallejo, and southwestern portions of Solano County are eligible for TFCA funding. Non-public entities can apply with restrictions detailed on Page 14 of the enclosed County Program Manager Fund Expenditure Plan Guidance.

Solano TFCA applications are due **no later than 3 p.m., Wednesday, June 8, 2011** to:

Solano Transportation Authority
Attention: Robert Guerrero, Senior Planner
One Harbor Center, Suite 130
Suisun, CA 94585

Potential applicants are encouraged to contact me at 707.424.6014 or rguerrero@sta-snci.com for more information.

Sincerely,

Robert Z. Guerrero

Enclosures:

- A. Solano TFCA Application for Fiscal Year 2011-12
- B. County Program Manager Fund Expenditure Plan Guidance Fiscal Year 2011-



Solano Transportation Fund for Clean Air Application Fiscal Year 2011-12

- ❑ **Submit a cover letter and two (2) hard copies and e-mail one (1) electronic copy of the complete application, project details form and insurance documentation to:
Robert Guerrero
Solano Transportation Authority
One Harbor Center, Suite 130
Suisun, CA 94585**
- ❑ **Applications are due to the Solano Transportation Authority (STA) before 3p.m., Thursday, June 8, 2011.**
- ❑ **Electronic copies of the entire TFCA application are available online at www.solanolinks.com and can be obtained by contacting Robert Guerrero, STA Senior Planner at 707.424.6014.**

*Please note that there are new requirements for all TFCA Program Manager submittals this year. Applicants must provide **documentation of insurance** and **a project details form** as part of a complete TFCA application. The project details form is attached to the TFCA Program Manager application. Electronic copies can be obtained at www.solanolinks.com and can be obtained by contacting Robert Guerrero, STA Senior Planner at 707.424.6014. Additional information on the new insurance requirement can be found on pages 4, 10 and 11.

7. Attach agency's insurance documentation. (See pages 15, 21 and 22 of the attached County Program Manager Fund Expenditure Plan Guidance Fiscal Year 2011/2012)

8. Locate the project category that best describes your proposed project in the following pages and include all listed information as specified on a separate sheet of paper. Applicants may be required to submit additional information for purposes of determining air emission reductions prior to final grant approval by the Bay Area Air Quality Management District (BAAQMD).

Category #1: Ridesharing/ Trip Reduction

- Estimated target population (provide assumptions for estimates and attach relevant reference material)
- Days per year vehicle trips are reduced

For Transit Incentives Campaigns please also provide the following

- Average length of reduced trip (one-way)

Category #2: Bicycle Projects

- Indicate the type of bicycle route to be constructed (Class I, Class II, or Class III) and the length of the project segment.
- Indicate the Average Daily Traffic (ADT) on a parallel road closest to the proposed bicycle route project and highlight the parallel road in the required map for the project area (see Application Question #2).
- Indicate if the project is consistent with the California Highway Design Manual for construction of path, trails or bridges (Class I), bicycle lanes (Class II) or bike routes (Class III). Estimate number of bicycle users for the project and include assumptions.
- Indicate bicycle capacity, which the project will serve at any given time for bicycle racks (including bike racks on buses), bicycle lockers, bicycle storage facilities or police bikes (electric or non-electric).
- Has this project been reviewed by the STA's Bicycle Advisory Committee and/or is it identified in the Solano Countywide Bicycle Plan.
- Indicate how bike routes serve regional, sub-regional or multi-jurisdictional travel demand.
- Indicate estimated number of auto trips, number of days/year of the reduced auto trips apply and the approximate auto trip length removed as a result of this project. Clearly define your assumptions.

Category #3: Shuttle Buses/Feeder Buses

- Indicate whether or not the shuttle bus route serves a transit facility. Indicate what the average one-way trip length would be eliminated to access a transit service.
- Indicate number of trips per day eliminated based on survey results for new service if this is a new service. For existing service, provide shuttle/feeder bus seating capacity.
- Estimate number of operating days/year the proposed shuttle/feeder bus will be in service
- Description of shuttle/feeder bus service: type of buses used, year built, and fuel type

Category #4: Arterial Management Projects

- Provide name of arterial and location of Project
- Segment Length (miles)
- Days/yr project would affect traffic
- Time Period (describe expected time over which speeds will change and include all the hours in a period that will benefit, not just the peak)
- Indicate the traffic volume before project implementation for the corresponding time period indicated in the previous bullet
- Provide travel speed without the proposed project
- Provide estimated travel speed without the proposed project
- Project estimated travel speed with the proposed project

Category #5: Clean Air Vehicle Projects

Light Duty Clean Air Vehicles- For clean air vehicles with of gross vehicle weight of 10,000 pounds or less.

- Indicate California Air Resources Board (CARB) vehicle certification

Heavy Duty Clean Air Vehicles- For clean air vehicles with a gross vehicle weight of more than 10,000 pounds.

- If your agency is replacing a Heavy Duty vehicle: Indicate if the vehicle is proposed to be replaced with an existing similar or equivalent vehicle or if a CARB certified diesel particulate filter is proposed to be added to reduce emissions.
- If your agency is proposing to reduce emissions from an existing heavy-duty engine: A) Indicate CARB certification (must be certified to at least CARB's optional reduced emission NOx plus non-methane hydrocarbon (NMHC) standard for 2004), B) Indicate if ultra-low sulfur diesel (15 ppm or less) will be used, C) Indicate if the particulate matter retrofit filter meets the CARB 2004 standard of no more than 20% NO2 slip.

Category #6: Clean Air Vehicles Infrastructure Project

- The maximum amount of funding is limited to the amount necessary to satisfy the demand created by the demonstration project.
- After satisfying the project needs, the facility must be accessible, to the extent feasible, to other public agencies, private fleets and the general public.
- Funds may be used for both natural gas and fuel cell infrastructure.

Category #7: Smart Growth and Pedestrian Projects

- State whether or not project is included in the Solano Countywide Pedestrian Plan.
- Identify other plans the project is listed under (i.e. redevelopment plan, traffic calming plan, bicycle plan, pedestrian plan, TLC plan, or general plan)
- Demonstrate what elements or components the project includes to qualify it as a 'Smart Growth' project.
- Indicate estimated number of pedestrian users that the project will serve at any given time (include assumptions)
- Indicate how pedestrian project will provide access to transit, schools, shopping, or employment

- Indicate estimated number of auto trips, number of days/year of the reduced auto trips apply and the approximate auto trip length removed as a result of this project. Clearly define your assumptions.

BAY AREA
AIR QUALITY



TRANSPORTATION
FUND FOR
CLEAN AIR

County Program Manager Fund Expenditure Plan Guidance Fiscal Year 2011/2012

Transportation Fund for Clean Air



Bay Area Air Quality Management District
939 Ellis Street, San Francisco, CA 94109
December 22, 2010

APPENDIX D

BOARD-ADOPTED TFCA COUNTY PROGRAM MANAGER FUND POLICIES FOR FY 2011/2012

Adopted December 1, 2010

The following policies apply only to the Transportation Fund for Clean Air (TFCA) County Program Manager Fund.

BASIC ELIGIBILITY

1. **Reduction of Emissions:** Only projects that result in the reduction of motor vehicle emissions within the Air District's jurisdiction are eligible.

Projects must conform to the provisions of the California Health and Safety Code (HSC) sections 44220 et seq. and these Air District Board of Directors adopted TFCA Program Manager Fund Policies for FY 2011/2012.

Projects must achieve surplus emission reductions, beyond what is currently required through regulations, ordinances, contracts, or other legally binding obligations at the time of the execution of a funding agreement between the Program Manager and the Air District.

2. **TFCA Cost-Effectiveness:** Projects must achieve TFCA cost-effectiveness, on an individual project basis, equal to or less than \$90,000 of TFCA funds per ton of total of emissions reduced, unless a different value is specified in the below policy for that project type. Cost-effectiveness is based on the ratio of TFCA funds awarded divided by the sum total tons of reactive organic gases (ROG), oxides of nitrogen (NO_x), and weighted particulate matter 10 microns in diameter and smaller (PM10) reduced (\$/ton).

Program Manager administrative costs are excluded from the calculation of TFCA cost-effectiveness.

3. **Eligible Projects, and Case-by-Case Approval:** Eligible projects are those that conform to the provisions of the California Health and Safety Code (HSC) section 44241, Air District Board adopted policies and Air District guidance. On a case-by-case basis, Program Managers must receive approval by the Air District for projects that are authorized by the HSC Section 44241 and achieve Board-adopted TFCA cost-effectiveness, but do not fully meet other Board-adopted Policies.

4. **Consistent with Existing Plans and Programs:** All project categories must comply with the transportation control measures and mobile source measures included in the Air District's most recently approved plan for State and national ambient air quality standards and, when applicable, with other adopted State, regional, and local plans and programs.

5. **Eligible Recipients:** Grant recipients must be responsible for the implementation of the project, have the authority and capability to complete the project, and be an applicant in good standing.

A. Public agencies are eligible to apply for all project categories.

B. Non-public entities are only eligible to apply for new alternative-fuel (light, medium, and heavy-duty) vehicle and infrastructure projects, and advanced technology

demonstrations, as described in HSC section 44241(b)(7). No single non-public entity may be awarded more than \$500,000 in TFCA County Program Manager Funds in each funding cycle.

6. **Readiness:** Projects must commence in calendar year 2012 or sooner. For purposes of this policy, “commence” means to order or accept delivery of vehicles, equipment, services, or to award a construction contract.
7. **Maximum Two Years Operating Costs:** Projects that provide a service, such as ridesharing programs and shuttle and feeder bus projects, are eligible to apply for a period of up to two (2) years. Grant applicants that seek TFCA funds for additional years must reapply for funding in the subsequent funding cycles.

APPLICANT IN GOOD STANDING

8. **Failed Audit:** Project sponsors who have failed either the fiscal audit or the performance audit for a prior TFCA-funded project will be excluded from future funding for five (5) years, or duration determined by the Air District Air Pollution Control Officer (APCO). Existing TFCA funds already awarded to the project sponsor will not be released until all audit recommendations and remedies have been satisfactorily implemented. A failed fiscal audit means an uncorrected audit finding that confirms an ineligible expenditure of TFCA funds. A failed performance audit means that the project was not implemented as set forth in the project funding agreement.

In case of a failed audit, a Program Manager may be subject to a reduction of future revenue in an amount equal to the amount which was inappropriately expended pursuant to the provisions of HSC Section 44242(c)(3).

9. **Authorization for County Program Manager to Proceed:** Only a fully executed funding agreement (i.e., signed by both the Air District and the County Program Manager) constitutes the Air District’s award of funds for a project. Program Managers may only incur costs (i.e., an obligation made to pay funds that cannot be refunded) after the funding agreement with the Air District has been executed.
10. **Insurance:** Each County Program Manager and project sponsor must maintain general liability insurance, workers compensation insurance, and additional insurance as appropriate for specific projects, with estimated coverage amounts provided in Air District guidance and final amounts specified in the respective funding agreements.

INELIGIBLE PROJECTS

11. **Duplication:** Grant applications for projects that duplicate existing TFCA-funded projects (including Bicycle Facility Program projects) and therefore do not achieve additional emission reductions are ineligible. Combining TFCA County Program Manager Funds with TFCA Regional Funds to achieve greater emission reductions for a single project is not considered project duplication.
12. **Planning Activities:** Feasibility studies are not eligible, nor are projects that only involve planning activities and that do not include an implementation phase.
13. **Employee Subsidies:** Projects that provide a direct or indirect financial transit or rideshare subsidy or shuttle/feeder bus service exclusively to employees of the project sponsor are not eligible.

USE OF TFCA FUNDS

14. **Cost of Developing Proposals:** The costs of developing grant applications for TFCA funding are not eligible to be reimbursed with TFCA funds.
15. **Combined Funds:** TFCA County Program Manager Funds may be combined with TFCA Regional Funds for the funding of an eligible project with the exception of clean air vehicle projects. For the purpose of calculating TFCA cost-effectiveness, the combined sum of TFCA County Program Manager Funds and TFCA Regional Funds shall be used to calculate the TFCA cost of the project.
16. **Administrative Costs:** Administrative costs for TFCA County Program Manager Funds are limited to a maximum of five percent (5%) of the actual Department of Motor Vehicles (DMV) fee revenues that correspond to each county, received for a given fiscal year. Interest earned on prior DMV funds received shall not be included in the calculation of the administrative costs. To be eligible for reimbursement, administrative costs must be clearly identified in the expenditure plan application and in the funding agreement between the Air District and the Program Manager.
17. **Expend Funds within Two Years:** County Program Manager Funds must be expended within two (2) years of receipt of the first transfer of funds from the Air District to the County Program Manager in the applicable fiscal year. A County Program Manager may, if it finds that significant progress has been made on a project, approve no more than two (2) one-year (1-year) schedule extensions for a project. Any subsequent schedule extensions for projects can only be given on a case-by-case basis, if the Air District finds that significant progress has been made on a project, and the funding agreement between the Program Manager and the Air District is amended to reflect the revised schedule.
18. **Unallocated Funds:** Pursuant to HSC 44241(f), any TFCA County Program Manager funds that are not allocated to a project within six months of the Air District Board of Directors approval of the Program Manager's Expenditure Plan may be allocated to eligible projects by the Air District. The Air District shall make reasonable effort to award these funds to eligible projects within the same county from which the funds originated.
19. **Reserved for potential future use.**
20. **Reserved.**
21. **Reserved.**

ELIGIBLE PROJECT CATEGORIES

22. **Alternative Fuel Light-Duty Vehicles:**

Eligibility: For TFCA purposes, light-duty vehicles are those with a gross vehicle weight rating (GVWR) of 8,500 lbs. or lighter. Light-duty vehicle types and equipment eligible for funding include:

- A. New hybrid-electric, electric, fuel cell, and CNG/LNG vehicles certified by the CARB as meeting established super ultra low emission vehicle (SULEV), partial zero emission vehicle

(PZEV), advanced technology-partial zero emission vehicle (AT-PZEV), or zero emission vehicle (ZEV) standards.

- B. New electric neighborhood vehicles (NEV) as defined in the California Vehicle Code.
- C. CARB emissions-compliant vehicle system retrofits that result in reduced petroleum use (e.g., plug-in hybrid systems).

Gasoline and diesel (non-hybrid) vehicles are not eligible for TFCA funding. Funds are not available for non-fuel system upgrades such as transmission and exhaust systems and should not be included in the incremental cost of the project.

TFCA funds awarded may not exceed incremental cost after all other applicable manufacturer and local/state/federal rebates, tax credits, and cash equivalent incentives are applied. Incremental cost is the difference in cost between the purchase or lease price of the new vehicle and/or retrofit, and its new conventional vehicle counterpart that meets, but does not exceed, 2011 emissions standards.

Each vehicle funded must meet the cost-effectiveness requirement.

23. Alternative Fuel Medium Heavy-Duty and Heavy Heavy-Duty Service Vehicles (low-mileage utility trucks in idling service):

Eligibility: For TFCA purposes, medium and heavy-duty service vehicles are on-road motor vehicles with a Gross Vehicle Weigh Rating (GVWR) of 14,001 pounds or heavier. This category includes only vehicles in which engine idling is required to perform the primary function (for example, crane or aerial bucket trucks). In order to qualify for this incentive, each new vehicle must be placed into a service route that has a minimum idling time of 520 hours/year, and a minimum mileage of 500 miles/year.

TFCA funds awarded may not exceed the difference in the purchase or lease price of the new clean air vehicle that surpasses the applicable emissions standards and its new conventional vehicle counterpart that meets, but does not exceed, current emissions standards (incremental cost).

Each vehicle funded must meet the cost-effectiveness requirement.

Scrapping Requirements: Project sponsors of heavy-duty clean air vehicles purchased or leased with TFCA funds that have model year 1998 or older heavy-duty diesel vehicles in their fleet are required to scrap one model year 1998 or older heavy-duty diesel vehicle for each new clean air vehicle purchased or leased with TFCA funds. Costs related to the scrapping of heavy-duty vehicles are not eligible for reimbursement with TFCA funds.

24. Alternative Fuel Heavy-Duty Vehicles (high mileage):

Eligibility: For TFCA purposes, Alternative Fuel Heavy-Duty Vehicles are defined as follows: Light-heavy-duty vehicles (LHDV) are those with a GVWR between 8,501 lbs. and 14,000 lbs., medium-heavy-duty vehicles (MHDV) are those with a GVWR between 14,001 lbs. and 33,000 lbs., and heavy-heavy-duty vehicles (HHDV) are those with a GVWR equal to or greater than 33,001 lbs. LHDV, MHDV and HHDV types and equipment eligible for funding include the following:

- A. New hybrid-electric, electric, and CNG/LNG vehicles certified by the CARB or that are listed by the IRS as eligible for a federal tax credit pursuant to the Energy Policy Act of 2005.
- B. CARB emissions-compliant vehicle system retrofits that result in reduced petroleum use.

TFCA funding may not be used to pay for non-fuel system upgrades such as transmission and exhaust systems.

TFCA funds awarded may not exceed incremental cost after all other applicable manufacturer and local/state rebates, tax credits, and cash equivalent incentives are applied. Incremental cost is the difference in cost between the purchase or lease price of the vehicle and/or retrofit, and its new conventional vehicle counterpart that meets, but does not exceed, 2011 emissions standards.

Scrapping requirements are the same as those in Policy #23. Each vehicle funded must meet the cost-effectiveness requirement.

25. Alternative Fuel Buses:

Buses are subject to the same Eligibility and Scrapping requirements listed in Policy #24. Each vehicle funded must meet the cost-effectiveness requirement.

For purposes of transit and school bus replacement projects, a bus is any vehicle designed, used, or maintained for carrying more than fifteen (15) persons, including the driver. A vehicle designed, used, or maintained for carrying more than ten (10) persons, including the driver, which is used to transport persons for compensation or profit, or is used by any nonprofit organization or group, is also a bus. A vanpool vehicle is not considered a bus.

26. Alternative Fuel Infrastructure:

Eligible refueling infrastructure projects include new dispensing and charging facilities, or additional equipment or upgrades and improvements that expand access to existing alternative fuel fueling/charging sites. This includes upgrading or modifying private fueling/charging stations to allow public and/or shared fleet access. Funding may be used to cover the cost of equipment and installation.

TFCA-funded infrastructure projects must be available to and accessible by the public. Equipment and infrastructure must be designed, installed and maintained as required by the existing recognized codes and standards and approved by the local/state authority.

Eligible infrastructure projects include new electric vehicle charging facilities, or additional equipment or upgrades and improvements that expand access to existing electric vehicle charging sites. This includes upgrading or modifying private charging sites to allow public and/or shared fleet access. Funding may be used to cover the cost of equipment and installation.

TFCA-funded charging infrastructure projects must be available to and accessible by the public. Charging/charging equipment and infrastructure must be designed, installed and maintained as required by the existing recognized codes and standards and approved by the local/state authority.

Project sponsors are required to maintain the equipment for at least five years after installation.

TFCA funding is limited to 50% of the total project cost and may not exceed a maximum award amount of \$200,000 per project sponsor.

TFCA funding may not be used to pay for fuel, electricity, operation, and maintenance costs.

27. Reserved.

28. Shuttle/Feeder Bus Service:

Shuttle/feeder bus service projects are those requesting funds to operate a shuttle or feeder bus route to or from a rail station, airport, or ferry terminal. To be eligible, shuttle/feeder bus service schedules must be coordinated with connecting rail or ferry schedules.

Shuttle/feeder bus service applicants must either: 1) be a public transit agency or, 2) submit documentation from the General Manager of the transit agency that provides service in the area of the proposed shuttle route, which demonstrates that the proposed shuttle service does not duplicate or conflict with existing transit agency service.

All vehicles used in shuttle/feeder bus service must meet the applicable CARB standards for public transit fleets use one of the following types of shuttle/feeder bus vehicles:

- A. an alternative fuel vehicle (CNG, liquefied natural gas, propane, electric);
- B. a hybrid-electric vehicle;
- C. a post-1998 diesel vehicle with a CARB Verified Diesel Emission Control Strategy (e.g., retrofit); or
- D. A post-1990 gasoline-fueled vehicle.

Pilot shuttle/feeder bus service projects are required to meet a cost-effectiveness of \$125,000/ton during the first two years of operation (see Policy #2). A pilot project is a defined route that is at least 70% unique and has not previously been funded through TFCA. Applicants must provide data supporting the demand for the service, letters of support from potential users and providers, and plans for financing the service in the future.

29. Bicycle Projects:

New bicycle facility projects that are included in an adopted countywide bicycle plan or Congestion Management Program (CMP) are eligible to receive TFCA funds. Eligible projects are limited to the following types of bicycle facilities for public use that result in motor vehicle emission reductions:

- A. New Class-1 bicycle paths;
- B. New Class-2 bicycle lanes;
- C. New Class-3 bicycle routes;
- D. New bicycle boulevards;
- E. Bicycle racks, including bicycle racks on transit buses, trains, shuttle vehicles, and ferry vessels;
- F. Bicycle lockers;
- G. Capital costs for attended bicycle storage facilities;
- H. Purchase of two-wheeled or three-wheeled vehicles (self-propelled or electric), plus mounted equipment required for the intended service and helmets; and

I. Development of a region-wide web-based bicycle trip planning system.

All bicycle facility projects must, where applicable, be consistent with design standards published in Chapter 1000 of the California Highway Design Manual.

30. Arterial Management:

Arterial management grant applications must specifically identify a given arterial segment and define what improvement(s) will be made to affect traffic flow on the identified arterial segment. Projects that provide routine maintenance (e.g., responding to citizen complaints about malfunctioning signal equipment) are not eligible to receive TFCA funding. Incident management projects on arterials are eligible to receive TFCA funding. Transit improvement projects include, but are not limited to, bus rapid transit and transit priority projects. For signal timing projects, TFCA funds may only be used for local arterial management projects where the affected arterial has an average daily traffic volume of 20,000 motor vehicles or more, or an average peak hour traffic volume of 2,000 motor vehicles or more (counting volume in both directions). Each arterial segment must meet the cost-effectiveness requirement in Policy #2.

31. Smart Growth/Traffic Calming:

Physical improvements that support development projects and/or calm traffic, resulting in motor vehicle emission reductions, are eligible for TFCA funds, subject to the following conditions:

- A. The development project and the physical improvements must be identified in an approved area-specific plan, redevelopment plan, general plan, bicycle plan, traffic-calming plan, or other similar plan; and
- B. The project must implement one or more transportation control measures (TCMs) in the most recently adopted Air District plan for State and national ambient air quality standards. Pedestrian projects are eligible to receive TFCA funding.

Traffic calming projects are limited to physical improvements that reduce vehicular speed by design and improve safety conditions for pedestrians, bicyclists or transit riders in residential and retail areas. Only projects with a completed and approved environmental plan may be awarded TFCA funds.

APPENDIX E

INSURANCE GUIDELINES

This appendix provides guidance on the insurance coverage and documentation typically required for TFCA Program Manager Fund projects. Note that the Air District reserves the right to specify different types or levels of insurance in the funding agreement.

The typical funding agreement requires that each Project Sponsor provide documentation showing that the Project Sponsor meets the following requirements for each of its projects. The Program Manager is not required to meet these requirements itself, unless it is acting as a project sponsor.

1. **Liability Insurance:**

Corporations and Public Entities - a limit of not less than \$1,000,000 per occurrence. Such insurance shall be of the type usual and customary to the business of the Project Sponsor, and to the operation of the vehicles, engines or equipment operated by the Project Sponsor.

Single Vehicle Owners - a limit of not less than \$750,000 per occurrence. Such insurance shall be of the type usual and customary to the business of the Project Sponsor, and to the operation of the vehicles, engines or equipment operated by the Project Sponsor.

2. **Property Insurance:**

New Equipment Purchases - an amount of not less than the insurable value of Project Sponsor's vehicles, engines or equipment funded under this Agreement, and covering all risks of loss, damage or destruction of such vehicles, engines or equipment.

Retrofit Projects - 2003 model year vehicles or engines or newer in an amount of not less than the insurable value of Project Sponsor's vehicles, engines or equipment funded under this Agreement, and covering all risks of loss, damage or destruction of such vehicles, engines or equipment.

3. **Workers Compensation Insurance:**

Construction projects – including but not limited to bike/pedestrian paths, bike lanes, smart growth and vehicle infrastructure, as required by California law and employers insurance with a limit not less than \$1 million.

4. **Acceptability Of Insurers:**

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A: VII. The Air District may, at its sole discretion, waive or alter this requirement or accept self-insurance in lieu of any required policy of insurance.

The following table lists the type of insurance coverage generally required for each project type. The requirements may differ in specific cases. Program Managers should contact the Air District liaison with questions, especially about unusual projects.

County Program Manager Fund Contract Activity	Insurance Required
Vehicle Purchase	Automobile Liability and Automobile Physical Damage
Engine Repowers/Retrofits	Automobile Liability and Automobile Physical Damage
Operation of shuttle from transit hubs	Commercial General Liability, Automobile Liability and Automobile Physical Damage
Transit pass subsidy or commute incentives	None
Transit Marketing Program	Commercial General Liability
Guaranteed Ride Home Program	None
Bicycle lockers and racks.	Commercial General Liability
Constructing bike/pedestrian path or overpass, bike lane, or smart growth or vehicle infrastructure	Commercial General Liability, Automobile Liability and Workers Compensation
Signal timing	Commercial General Liability