

CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY
California Capital Access Program
Meeting Date: August 26, 2009
Executive Summary
Executive Director's Report (Information Item)

Trustee Services for the California Capital Access Program (CALCAP)

Staff is in the process of preparing a Request For Proposals (RFPs) to solicit Trustee Services for California Capital Access Program (CalCAP). Conducting an RFP process for CalCAP Trustee Services is consistent with current Authority policy to look at and re-bid contracts at least every three years.

Currently, the Bank of New York Mellon Trust Company, N.A. is serving as Trustee for CalCAP and is providing good service. The current contract is a two-year contract with allowance for a one-year extension for an amount not to exceed \$125,000. With the one-year extension, it will terminate no later than August 31, 2010.

The CalCAP Trustee maintains lenders' loan loss reserve accounts, tracks various program statistics, and prepares periodic management reports. The Trustee oversees 19 accounts on behalf of CalCAP and handles transfers of funds in and out of the accounts.

Staff proposes soliciting proposals to enter into a two-year contract with allowance for a one-year extension for an amount not to exceed \$160,000.00 over the term of the contract. The primary driver of the increased cost of the CalCAP Trustee Services Contract is California Pollution Control Financing Authority's (CPCFA) recent engagement by the California Air Resource Board (ARB) to provide assistance to small business truckers that have been impacted by recently enacted On-Road and Off-Road Diesel Emission Regulations. CPCFA and ARB entered into two Inter-Agency Agreements that established ARB Independent Contributor Programs. The Inter-Agency Agreements contain provisions that require ARB to reimburse CPCFA for costs associated with Program administration. The ARB Independent Contributor Programs have already resulted in a significant increase in reporting requirements and data management services for CPCFA and the program Trustee. Additionally, staff expects the ARB Independent Contributor Programs will result in a significant spike in loan enrollments.

Although the current contract has been extended to August 31, 2010 the increased duties, scope of work, and costs of the current CalCAP Trustee is handling was not envisioned at the time the contract was executed in 2007. The August 31, 2010 date can be moved forward upon establishment of a new contract. As such staff is initiating the RFP process early to meet the needs of all parties involved in the program. The new CalCAP Trustee contract is expected to be in place by January 1, 2010.