

REVISED



South Coast Air Quality Management District

21865 Copley Drive, Diamond Bar, CA 91765-4178
(909) 396-2000 • www.aqmd.gov

ADMINISTRATIVE COMMITTEE MEETING

Committee Members

Dr. William A. Burke, Chair
Council Member Ben Benoit, Vice Chair
Mayor Judith Mitchell
Dr. Clark E. Parker, Sr.
Council Member Michael Cacciotti
Supervisor Janice Hahn (Item 18 only)

**April 12, 2019 ♦ 10:00 a.m. ♦ Conference Room CC-8
21865 Copley Drive, Diamond Bar, CA 91765**

Teleconference Location

11461 West Sunset Boulevard
The Brentwood Room 1
Los Angeles, CA 90049

(The public may attend at any location listed above.)

Call-in for listening purposes only is available by dialing:

Toll Free: 866-244-8528

Listen Only Passcode: 5821432

In addition, a webcast is available for viewing and listening at:

<http://www.aqmd.gov/home/library/webcasts>

AGENDA

Members of the public may address this body concerning any agenda item before or during consideration of that item (Gov't. Code Section 54854.3(a)). Please provide a Request to Address the Committee card to the Committee Secretary if you wish to address the Committee on an agenda item. If no cards are available, please notify SCAQMD staff or a Board Member of your desire to speak. All agendas for regular meetings are posted at District Headquarters, 21865 Copley Drive, Diamond Bar, California, at least 72 hours in advance of the regular meeting. Speakers may be limited to three (3) minutes each.

CALL TO ORDER

DISCUSSION ITEMS – Items 1 through 8:

1. Board Members' Concerns (***No Motion Required***)
Any member of the Governing Board, on his or her own initiative may raise a concern to the Administrative Committee regarding any SCAQMD items or activities.

Dr. William A. Burke
Committee Chair

- | | | | |
|----|---|---|------------|
| 2. | Chairman's Report of Approved Travel (<i>No Motion Required</i>) | Dr. Burke | pg. 1 |
| 3. | Report of Approved Out-of-Country Travel
(<i>No Motion Required</i>) | Wayne Nastri
Executive Officer | |
| 4. | Review May 3, 2019 Governing Board Agenda | Wayne Nastri | pgs. 2-11 |
| 5. | Approval of Compensation for Board Member Assistant(s)/
Consultant(s) (Any material, if submitted, will be distributed at
the meeting.) (<i>Motion Requested if Proposal Made</i>) | Dr. Burke | |
| 6. | Bid Evaluation Panel for RFP to Select Consultant Evaluating
Meteorological Factors and Trends Contributing to Recent Poor
Air Quality in South Coast Air Basin (<i>No Motion Required</i>)
<i>Pursuant to direction from a previous Administrative Committee
meeting, staff is providing a list of proposed members for a panel to
review bids for a recently released RFP to evaluate meteorological
factors and trends contributing to recent poor air quality in South Coast
Air Basin.</i> | Philip Fine
DEO, Planning, Rule
Development & Area
Sources | |
| 7. | Status Report on Major Ongoing and Upcoming Projects for
Information Management (<i>No Motion Required</i>)
<i>Information Management is responsible for data systems management
services in support of all SCAQMD operations. This action is to
provide the monthly status report on major automation contracts and
planned projects.</i> | Ron Moskowitz
ADEO/CIO,
Information
Management | pgs. 12-22 |
| 8. | Improving Communication During Major Incidents and Review
of Recent Refinery Fire (<i>No written material</i>) (<i>No Motion
Required</i>)
<i>Staff is evaluating how to improve communication to communities when
there is a major incident, and will provide information about the recent
fire at the Phillips 66 refinery.</i> | Derrick J. Alatorre
DEO, Legislative,
Public Affairs & Media | |

ACTION ITEMS - Items 9 through 18:

MAY ITEMS

- | | | | |
|-----|--|---------------|------------|
| 9. | Transfer Funds and Amend Contracts to Provide Short- and Long-
Term Systems Development, Maintenance and Support Services
(<i>Motion Requested</i>)
<i>SCAQMD currently has contracts with several companies for short- and
long-term systems development, maintenance and support services.
These contracts are periodically amended as additional needs are
defined. This action is to transfer and appropriate funds and amend
four contracts previously approved by the Board to add additional
funding for needed development and maintenance work.</i> | Ron Moskowitz | pgs. 23-25 |
| 10. | Authorize Purchase of OnBase Software Support
(<i>Motion Requested</i>)
<i>SCAQMD uses OnBase software for its electronic document
management system to manage critical documents and to support the
Record Retention Policy. Software subscription and support for</i> | Ron Moskowitz | pgs. 26-27 |

OnBase expires on July 31, 2019. This action is to obtain approval for sole source purchase of OnBase software subscription and support for one year from Information Management's FY 2019-20 Budget. Funds for this purchase (\$140,000) are conditional on approval of the Proposed FY 2019-20 Budget.

- | | | | |
|-----|---|-----------------------------|------------|
| 11. | <p>Authorize Transfer of Monies from General Fund to Health Effects Research Fund (<i>Motion Requested</i>).</p> <p><i>In 2008, the Board established the Health Effects Research Fund (48) and authorized, upon annual Board approval, the transfer of 20 percent of annual penalty money received each fiscal year that exceeds \$4 million in receipts from the General Fund to the Health Effects Research Fund. Approval is needed for the transfer of 20 percent of annual penalty money that exceeded \$4 million received in FY 2010-11, FY 2011-12, FY 2012-13, FY 2015-16 and FY 2016-17. This action is to authorize the transfer of 20 percent of annual penalty money that exceeded \$4 million received in these fiscal years, for a total of \$4,206,765, from the General Fund to the Health Effects Research Fund (48) over a period of five fiscal years with installment payments of \$841,353 per year, starting in FY 2018-19.</i></p> | Sujata Jain
ADEO/Finance | pgs. 28-30 |
| 12. | <p>Approve Compensation Adjustments for Board Member Assistants and Board Member Consultants for FY 2019-20 (<i>Motion Requested</i>)</p> <p><i>The Board Member Assistant and Board Member Consultant compensation is proposed to be amended to adjust the compensation level the SCAQMD may make per Board Member, per fiscal year, based on the Board-approved assignment-of-points methodology. The points are calculated based on the level of complexity, number of meetings and role (Chair/Vice-Chair).</i></p> | Sujata Jain | pgs. 31-44 |
| 13. | <p>Adopt Executive Officer's FY 2019-20 Proposed Goals and Priority Objectives, and Proposed Budget; Determine that Proposed Amendments to Regulation III – Fees and Rule 209 – Transfer and Voiding of Permits Are Exempt from CEQA and Amend Regulation III – Fees and Rule 209 – Transfer and Voiding of Permits; and Amend SCAQMD Salary Resolution and Class Specification (<i>No Motion Required</i>)</p> <p><i>The Executive Officer's Proposed Goals and Priority Objectives, and Proposed Budget for FY 2019-20 have been developed and are recommended for adoption. The Proposed Budget is balanced and includes implementation of the phased fee increase adopted by the Board on June 2, 2017 to continue cost recovery efforts. In addition, staff is proposing amendments to Regulation III – Fees and Rule 209 – Transfer and Voiding of Permits. The amendments include: 1) pursuant to Rule 320, an increase of most fees by 3.5% consistent with the Consumer Price Index; 2) new or increased fees which are necessary to provide more specific cost recovery for other regulatory actions taken by the agency; and 3) administrative changes that include clarification, deletions, or corrections of existing rule language, which have no fee impact, and 4) a clarification on how permit transfers are considered when there is a change of owner/operator. The fee increases have been presented at two public consultation meetings in March and April, a</i></p> | Sujata Jain | pgs. 45-67 |

Budget Study Session, and a Budget Advisory Committee meeting with recommendations and comments provided to the Board. This action is to: 1) Determine that the proposed amendments to Regulation III - Fees and Rule 209 – Transfer and Voiding of Permits are exempt from the California Environmental Quality Act; 2) Adopt the Executive Officer's Proposed Goals and Priority Objectives, and Proposed Budget for FY 2019-20; 3) Amend Regulation III; and 4) Amend Rule 209.

14. **Revise Procurement Policy and Procedure (*Motion Requested*)**
This action is to approve amendments to SCAQMD's Procurement Policy and Procedure to revise the definition of Low-Emission Vehicle Businesses for use in awarding procurement incentive points/percentages, as well as updates reflecting enhancements and current operating processes.
Sujata Jain pgs. 68-91
15. **Transfer Funds for Enhanced Particulate Monitoring Program (*Motion Requested*)**
This action is to transfer up to \$160,000 into Science and Technology Advancement's FY 2018-19 Budget between Major Objects to realign expenditures for the FY 2018-19 Enhanced Particulate Monitoring Program.
Jason Low pgs. 92-93
ADEO, Science &
Technology
Advancement
16. **Recommendation to Appoint Member to SCAQMD Home Rule Advisory Group (*Motion Requested*)**
Council Member Ben Benoit recommends the Committee review and approve the removal of Bill Quinn as CCEEB's representative and appoint Frances Keeler as his replacement to the Home Rule Advisory Group.
Philip Fine pgs. 94-95
DEO, Planning, Rule
Development & Area
Sources
17. **Execute Contract for Engineering Consultant to Review BARCT Assessment for Proposed Rule 1109.1 – NOx Emission Reduction for Refinery Equipment (*Motion Requested*)**
On December 7, 2018, the Board approved the release of an RFP for the review of staff's BARCT technology assessment, estimated emission reductions, and cost-effectiveness for NOx emitting equipment at petroleum refineries to support Proposed Rule 1109.1. This action is to award two separate contracts, one to Norton Engineering and one to Fossil Energy Research Corp to review various portions of staff's BARCT assessment for Proposed Rule 1109.1. To fund both contracts, staff is requesting that funding be increased from \$100,000 to \$200,000 from the original RFP request. Each qualified consulting firm will be awarded a fixed price contract of up to \$100,000 and total funding for both contracts combined shall not exceed \$200,000. Funds are available from CARB's Community Air Protection Program under AB 617.
Susan Nakamura pgs. 96-100
ADEO, Planning, Rule
Development & Area
Sources
18. **Appoint Members to SCAQMD Hearing Board (*Motion Requested*)**
The terms of office for the Hearing Board Medical Member and Alternate and two Public Members and their Alternates expire June 30, 2019. The Administrative Committee will interview candidates at its meeting on April 12, 2019, and make recommendations to the full
Denise Garzaro pgs. 101-102
Clerk of the Boards

Board to appoint members to fill the new terms.

WRITTEN REPORT:

19. Local Government & Small Business Assistance Advisory Group Minutes for the February 8, 2019 Meeting
(No Motion Required)
Attached for information only are the Local Government & Small Business Assistance Advisory Group minutes for the February 8, 2019 meeting.
- Derrick J. Alatorre pgs. 103-105

OTHER MATTERS:

20. Other Business
Any member of the Committee, or its staff, on his or her own initiative or in response to questions posed by the public, may ask a question for clarification, may make a brief announcement or report on his or her own activities, provide a reference to staff regarding factual information, request staff to report back at a subsequent meeting concerning any matter, or may take action to direct staff to place a matter of business on a future agenda. (Govt Code Section 54954.2)
- Dr. Burke
21. Public Comment
At the end of the regular meeting agenda, an opportunity is provided for the public to speak on any subject within the Committee's authority that is not on the agenda. Speakers may be limited to three (3) minutes each.
22. **Next Meeting Date:** May 10, 2019 at 10:00 a.m.

ADJOURNMENT

Document Availability

All documents (i) constituting non-exempt public records, (ii) relating to an item on an agenda for a regular meeting, and (iii) having been distributed to at least a majority of the Committee after the agenda is posted, are available prior to the meeting for public review at the South Coast Air Quality Management District, Public Information Center, 21865 Copley Drive, Diamond Bar, CA 91765.

Americans with Disabilities Act

The agenda and documents in the agenda packet will be made available, upon request, in appropriate alternative formats to assist persons with a disability (Govt. Code Section 54954.2(a)). Disability-related accommodations will also be made available to allow participation in the Administrative Committee meeting. Any accommodations must be requested as soon as practicable. Requests will be accommodated to the extent feasible. Please contact Nancy Velasquez at 909-396-2557 from 7 a.m. to 5:30 p.m. Tuesday through Friday, or send the request to nvelasquez@aqmd.gov.



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Item 2

BOARD MEETING DATE: May 3, 2019

REPORT: Administrative Committee

SYNOPSIS: The Administrative Committee met April 12, 2019 and reviewed the proposed agenda for the May 3, 2019 Board meeting. The Committee also discussed various issues detailed in the Committee report. The next Administrative Committee meeting is May 10, 2019, at 10:00 a.m., in CC-8.

RECOMMENDED ACTION:

Approve this report.

Dr. William A. Burke, Chair
Administrative Committee

NV

Attendance:

[Will be inserted subsequent to the April 12, 2019 Administrative Committee meeting.]

Administrative Committee Discussion Items:

[Will be inserted subsequent to the April 12, 2019 Administrative Committee meeting.]

Report on Board Member Travel Authorized by the Chairman subsequent to the March 8, 2019 Administrative Committee meeting:

DATE	TRAVELER	DESTINATION	PURPOSE
April 9, 2019	Dr. William Burke	Sacramento, CA	Dr. Burke will attend legislative meetings in Sacramento.
April 9, 2019	Mayor Judith Mitchell	Sacramento, CA	Mayor Mitchell will attend the CARB/CTC Joint meeting as the SCAQMD Board Representative.

Report on Board Member Travel Authorized by the Chairman at the April 12, 2019 Administrative Committee meeting:

DATE	TRAVELER	DESTINATION	PURPOSE
April 24-26, 2019	Mayor Judith Mitchell	Sacramento, CA	Mayor Mitchell will attend the monthly CARB Board Meeting as the SCAQMD Board Representative.

4/5/19 4:21 PM

DRAFT

MEETING, MAY 3, 2019

A meeting of the South Coast Air Quality Management District Board will be held at 9:00 a.m., in the Auditorium at SCAQMD Headquarters, 21865 Copley Drive, Diamond Bar, California.

The agenda and documents in the agenda packet will be made available upon request in appropriate alternative formats to assist persons with a disability. Disability-related accommodations will also be made available to allow participation in the Board meeting. Any accommodations must be requested as soon as practicable. Requests will be accommodated to the extent feasible. Please telephone the Clerk of the Boards Office at (909) 396-2500 from 7:00 a.m. to 5:30 p.m. Tuesday through Friday.

All documents (i) constituting non-exempt public records, (ii) relating to an item on the agenda, and (iii) having been distributed to at least a majority of the Governing Board after the agenda is posted, are available prior to the meeting for public review at the South Coast Air Quality Management District Clerk of the Boards Office, 21865 Copley Drive, Diamond Bar, CA 91765.

Please note: This is a draft agenda and is subject to change.

CALL TO ORDER

- Pledge of Allegiance
- Opening Comments: William A. Burke, Ed.D., Chair
Other Board Members
Wayne Nastri, Executive Officer

Staff/Phone (909) 396-

CONSENT CALENDAR (Items 1 through XX)

Note: Consent Calendar items held for discussion will be moved to Item No. XX

- | | | |
|--------|--|---------------------|
| 10587. | Approve Minutes of April 5, 2019 Board Meeting | Garzaro/2500 |
| 10588. | Set Public Hearings June 7, 2019 to Consider Adoption of and/or Amendments to SCAQMD Rules and Regulations | Nastri/3131 |

Budget/Fiscal Impact

- | | | |
|--------|---|----------------------|
| 10582. | Execute Contract to Develop and Demonstrate Battery Electric Medium-Duty Truck | Miyasato/3249 |
| | <p>Demand for commercially available heavy-duty battery electric trucks continues to increase, but availability is limited to a few suppliers. Roush CleanTech, LLC, (Roush) proposes to develop a battery electric medium-duty Class 6-7 commercial vehicle and demonstrate the technology with local commercial fleets. This action is to execute a contract with Roush to develop and demonstrate a medium-duty electric truck in an amount not to exceed \$937,500 from the Clean Fuels Program Fund (31). (Reviewed: Technology Committee, April 19, 2019; Recommended for Approval)</p> | |

10592. **Recognize Funds, Execute and Amend Agreements for Installation and Maintenance of Air Filtration Systems, and Reimburse General Fund for Administrative Costs** **Miyasato/3249**
- The City and County of Los Angeles and the California Attorney General's Office, with SoCalGas, executed a consent decree that includes a Supplemental Environmental Project (SEP) and have asked SCAQMD to act as the SEP administrator to install and maintain air filtration systems at Los Angeles City and County schools located in environmental justice communities. This action is to recognize up to \$7,100,000 from the Aliso Supplemental Environmental Project Fund, a special revenue fund administered by the City and County of Los Angeles and the California Attorney General's Office, into the Air Filtration Fund (75). These actions are to also execute agreements to install and maintain air filtration systems in an amount not to exceed \$6,745,000; execute or amend access agreements with local school districts; amend contract to purchase additional filters using unspent administrative funds; and reimburse the General Fund for administrative costs up to \$355,000 for administration. (Reviewed: Technology Committee, April 19, 2019; Recommended for Approval)
10586. **Execute Contracts for Engineering Consultant to Review BARCT Assessment for Proposed Rule 1109.1 – NOx Emission Reduction for Refinery Equipment** **Nakamura/3105**
- On December 7, 2018, the Board approved the release of an RFP for the review of staff's BARCT technology assessment, estimated emission reductions, and cost-effectiveness for NOx emitting equipment at petroleum refineries to support Proposed Rule 1109.1. This action is to award two separate contracts, one to Norton Engineering and one to Fossil Energy Research Corporation to review various portions of staff's BARCT assessment for Proposed Rule 1109.1. To fund both contracts, staff is requesting that funding be increased from the original RFP request of \$100,000 to \$200,000. Each qualified consulting firm will be awarded a fixed price contract of up to \$100,000 and total funding for both contracts combined shall not exceed \$200,000. Funds are available from CARB's Community Protection Program under AB 617. (Reviewed: Administrative Committee, April 12, 2019; Recommended for Approval)
10583. **Transfer Funds for Enhanced Particulate Monitoring Program** **Low/2269**
- This action is to transfer up to \$160,000 into Science and Technology Advancement's FY 2018-19 Budget between Major Objects to realign expenditures for the FY 2018-19 Enhanced Particulate Monitoring Program. (Reviewed: Administrative Committee, April 12, 2019; Recommended for Approval)

10581. **Authorize Transfer of Monies from General Fund to Health Effects Research Fund** **Jain/2804**

In 2008, the Board established the Health Effects Research Fund (48) and authorized, upon annual Board approval, the transfer of 20 percent of annual penalty money received each fiscal year that exceeds \$4 million in receipts from the General Fund to the Health Effects Research Fund. Approval is needed for the transfer of 20 percent of annual penalty money that exceeded \$4 million received in FY 2010-11, FY 2011-12, FY 2012-13, FY 2015-16 and FY 2016-17. This action is to authorize the transfer of 20 percent of annual penalty money that exceeded \$4 million received in these fiscal years, for a total of \$4,206,765, from the General Fund to the Health Effects Research Fund (48) over a period of five fiscal years with installment payments of \$841,353 per year, starting in FY 2018-19. (Reviewed: Administrative Committee, April 12, 2019; Recommended for Approval)

10594. **Approve Compensation Adjustments for Board Member Assistants and Board Member Consultants for FY 2019-20** **Jain/2804**

The Board Member Assistant and Board Member Consultant compensation is proposed to be amended to adjust the compensation level the SCAQMD may make per Board Member, per fiscal year, based on the Board-approved assignment-of-points methodology. The points are calculated based on the level of complexity, number of meetings and role (Chair/Vice-Chair). (Reviewed: Administrative Committee, April 12, 2019; Recommended for Approval)

10597. **Revise Procurement Policy and Procedure** **Jain/2804**

This action is to approve revisions to SCAQMD's Procurement Policy and Procedure to amend the definition of Low-Emission Vehicle Businesses for use in awarding procurement incentive points/percentages, as well as updates reflecting enhancements and current operating processes. (Reviewed: Administrative Committee Meeting, April 12, 2019; Recommended for Approval)

10593. **Authorize Purchase of OnBase Software Support** **Moskowitz/3329**

SCAQMD uses OnBase software for its electronic document management system to manage critical documents and to support the Record Retention Policy. Software subscription and support for OnBase expires on July 31, 2019. This action is to obtain approval for the sole source purchase of OnBase software subscription and support for one year from Information Management's FY 2019-20 Budget. Funds for this purchase (\$140,000) are conditional on approval of the Proposed FY 2019-20 Budget. (Reviewed: Administrative Committee, April 12, 2019; Recommended for Approval)

10579. Transfer Funds and Amend Contracts to Provide Short- and Long-Term Systems Development, Maintenance and Support Services **Moskowitz/3329**

SCAQMD currently has contracts with several companies for short- and long-term systems development, maintenance and support services. These contracts are periodically amended as additional needs are defined. This action is to transfer funds and amend four contracts previously approved by the Board to add additional funding for needed development and maintenance work. (Reviewed: Administrative Committee, April, 12, 2019; Recommended for Approval)

10456. Approve Contract Awards and Modifications as Approved by MSRC **McCallon**

Action Item/No Fiscal Impact

10496. Appoint Members to SCAQMD Hearing Board **Garzaro/2500**

The terms of office for the Hearing Board Medical Member and two Public Members, and their Alternates, expire June 30, 2019. An Advisory Committee was appointed as required by law. The Advisory Committee interviewed medical member and public member candidates at its meeting on March 28, 2019, and made its recommendations to the Administrative Committee. The Administrative Committee interviewed candidates at its meeting on April 12, 2019, and made a final recommendation. This action is to appoint members to fill the new terms. (Reviewed: Administrative Committee, April 12, 2019; Recommended for Approval)

Items XX through XX - Information Only/Receive and File

10441. Legislative, Public Affairs, and Media Report **Alatorre/3122**

This Report highlights the March 2019 outreach activities of the Legislative, Public Affairs and Media Office, which includes: Major Events, Community Events/Public Meetings, Environmental Justice Update, Speakers Bureau/Visitor Services, Communications Center, Public Information Center, Business Assistance, Media Relations and Outreach to Business and Federal, State, and Local Government. (No Committee Review)

10589. **Hearing Board Report** **Prussack/2500**
This reports the actions taken by the Hearing Board during the period of March 1 through March 31, 2019. (No Committee Review)
10511. **Civil Filings and Civil Penalties Report** **Gilchrist/3459**
This reports the monthly penalties from March 1 through March 31, 2019, and legal actions filed by the General Counsel's Office from March 1 through March 31, 2019. An Index of District Rules is attached with the penalty report. (Reviewed: Stationary Source Committee, April 19, 2019)
10480. **Lead Agency Projects and Environmental Documents Received by SCAQMD** **Nakamura/3105**
This report provides, for the Board's consideration, a listing of CEQA documents received by the SCAQMD between March 1, 2019 and March 31, 2019, and those projects for which the SCAQMD is acting as lead agency pursuant to CEQA. (Reviewed: Mobile Source Committee, April 19, 2019)
10517. **Rule and Control Measure Forecast** **Fine/2239**
This report highlights SCAQMD rulemaking activities and public hearings scheduled for 2019. (No Committee Review)
10580. **Status Report on Major Ongoing and Upcoming Projects for Information Management** **Moskowitz/3329**
Information Management is responsible for data systems management services in support of all SCAQMD operations. This action is to provide the monthly status report on major automation contracts and planned projects. (Reviewed: Administrative Committee, April 12, 2019)

XX. **Items Deferred from Consent Calendar**

BOARD CALENDAR

10418. **Administrative Committee (Receive & File)** **Chair: Burke** **Nastri/3131**
10467. **Legislative Committee (Receive & File)** **Chair: Mitchell** **Alatorre/3122**
10395. **Mobile Source Committee (Receive & File)** **Chair: Parker** **Fine/2239**

- | | | | |
|--------|---|-----------------------|----------------|
| 10537. | Stationary Source Committee (Receive & File) | Chair: Benoit | Tisopulos/3123 |
| 10372. | Technology Committee (Receive & File) | Chair: Buscaino | Miyasato/3249 |
| 10428. | Mobile Source Air Pollution Reduction Review Committee (Receive & File) | Board Liaison: Benoit | Berry/2363 |
| 10561. | California Air Resources Board Monthly Report (Receive & File) | Board Rep: Mitchell | Garzaro/2500 |

Staff Presentation/Board Discussion

- | | | |
|--------|--|-----------|
| 10599. | Request for Reclassification of Coachella Valley for the 1997 8-Hour Ozone Standard (<i>Presentation in lieu of Board Letter</i>) | Fine/2239 |
|--------|--|-----------|

The Coachella Valley is classified as a “severe-15” nonattainment area for the 1997 8-hour ozone standard, with an attainment date of June 15, 2019. Although the air quality in the Coachella Valley area has steadily improved over the years, higher ozone levels were experienced throughout the State of California, including Coachella Valley in 2017 and 2018, resulting in levels greater than the 1997 8-hour ozone standard. As a result, additional time will be needed to bring the Coachella Valley into attainment of this standard. Staff recommends requesting that U.S. EPA reclassify the Coachella Valley from severe to extreme with a new attainment date of June 15, 2024. If the reclassification request is not made, U.S. EPA would be required to issue a finding of failure to attain the standard. Staff will provide a summary of the Coachella Valley attainment status for the 1997 8-hour ozone standard and a recommendation for attainment reclassification. This action is to review this issue with proposed action scheduled for the June Board meeting. (No Committee Review)

PUBLIC HEARINGS

10591. Adopt Executive Officer's FY 2019-20 Proposed Goals and Priority Objectives, and Proposed Budget; Determine that Proposed Amendments to Regulation III – Fees and Rule 209 – Transfer and Voiding of Permits Are Exempt from CEQA and Amend Regulation III – Fees and Rule 209 – Transfer and Voiding of Permits; and Amend SCAQMD Salary Resolution and Class Specification

Jain/2804

The Executive Officer's Proposed Goals and Priority Objectives, and Proposed Budget for FY 2019-20 have been developed and are recommended for adoption. The Proposed Budget is balanced, and includes implementation of the phased fee increase adopted by the Board on June 2, 2017 to continue cost recovery efforts. There are also proposed amendments to the SCAQMD Salary Resolution relating to Executive Management staff. In addition, staff is proposing amendments to Regulation III – Fees, and Rule 209 – Transfer and Voiding of Permits. The amendments include: 1) pursuant to Rule 320, an increase of most fees by 3.5% consistent with the Consumer Price Index; 2) new or increased fees, including toxics fees, which are necessary to meet the requirements of recently adopted rules and state mandates and will provide more specific cost recovery for activities by the agency; 3) certain fee reductions related to agency efficiency; 4) administrative changes that include clarification, deletions, or corrections of existing rule language, which have no fee impact, and 5) a clarification on how permit transfers are considered when there is a change of owner/operator. The fee increases were presented at a public consultation meeting on March 22, 2019; and the fee increases and proposed budget were presented at a Budget Study Session, a Budget Advisory Committee meeting, and a public consultation meeting in April with recommendations and comments provided to the Board. This action is to: 1) Adopt the Executive Officer's Proposed Goals and Priority Objectives, and Proposed Budget for FY 2019-20; 2) Determine that the proposed amendments to Regulation III - Fees and Rule 209 – Transfer and Voiding of Permits are exempt from the California Environmental Quality Act; 3) Amend Regulation III; 4) Amend Rule 209; and 5) Amend SCAQMD Salary Resolution and Class Specification. (Reviewed: Special Board Meeting/Budget Study Session, April 12, 2019)

10596. Certify Revised Final Environmental Assessment, Amend Rule 1106 – Marine Coating Operations, as set forth in Proposed Amended Rule 1106 - Marine and Pleasure Craft Coatings, and Rescission of Rule 1106.1 - Pleasure Craft Coating Operations **Rees/2856**

The proposed amendments would revise VOC content limits for marine and pleasure craft coatings to align limits with U.S. EPA Control Techniques Guidelines and other air districts, add new categories for coatings and sealants, and require the most restrictive VOC content limit for products that may be marketed for both marine and pleasure craft coatings use. The proposed amendments would also prohibit possession and sale of non-compliant coatings and establish requirements for transfer efficiency. Finally, the proposed amendments would move the requirements of Rule 1106.1 to Rule 1106 so that there would be a single rule covering both marine and pleasure craft coatings. This action is to adopt the Resolution: 1) Certifying the Revised Final Environmental Assessment for Proposed Amended Rule 1106 – Marine and Pleasure Craft Coatings and rescission of Rule 1106.1 – Pleasure Craft Coating Operations; 2) Amending Rule 1106 – Marine Coating Operations; and 3) Rescinding Rule 1106.1 – Pleasure Craft Coating Operations. (Reviewed: Stationary Source Committee, March 15, 2019)

PUBLIC COMMENT PERIOD – (Public Comment on Non-Agenda Items, Pursuant to Government Code Section 54954.3)

BOARD MEMBER TRAVEL – (No Written Material)

Board member travel reports have been filed with the Clerk of the Boards, and copies are available upon request.

CONFLICT OF INTEREST DISCLOSURES – (No Written Material)

CLOSED SESSION - (No Written Material)

Gilchrist/3459

ADJOURNMENT

*****PUBLIC COMMENTS*****

Members of the public are afforded an opportunity to speak on any agenda item before consideration of that item. Please notify the Clerk of the Board, (909) 396-2500, if you wish to do so. All agendas are posted at SCAQMD Headquarters, 21865 Copley Drive, Diamond Bar, California, at least 72 hours in advance of the meeting. At the end of the agenda, an opportunity is also provided for the public to speak on any subject within the SCAQMD's authority. Speakers will be limited to a total of three (3) minutes for the Consent Calendar and Board Calendar and three (3) minutes or less for other agenda items.

Note that on items listed on the Consent Calendar and the balance of the agenda any motion, including action, can be taken (consideration is not limited to listed recommended actions). Additional matters can be added and action taken by two-thirds vote, or in the case of an emergency, by a majority vote. Matters raised under the Public Comment Period may not be acted upon at that meeting other than as provided above.

Written comments will be accepted by the Board and made part of the record, provided 25 copies are presented to the Clerk of the Board. Electronic submittals to cob@aqmd.gov of 10 pages or less including attachment, in MS WORD, PDF, plain or HTML format will also be accepted by the Board and made part of the record if received no later than 5:00 p.m., on the Tuesday prior to the Board meeting.

ACRONYMS

AQ-SPEC = Air Quality Sensor Performance
Evaluation Center

AQIP = Air Quality Investment Program

AQMP = Air Quality Management Plan

AVR = Average Vehicle Ridership

BACT = Best Available Control Technology

BARCT = Best Available Retrofit Control Technology

Cal/EPA = California Environmental Protection Agency

CARB = California Air Resources Board

CEMS = Continuous Emissions Monitoring Systems

CEC = California Energy Commission

CEQA = California Environmental Quality Act

CE-CERT = College of Engineering-Center for Environmental
Research and Technology

CNG = Compressed Natural Gas

CO = Carbon Monoxide

DOE = Department of Energy

EV = Electric Vehicle

FY = Fiscal Year

GHG = Greenhouse Gas

HRA = Health Risk Assessment

LEV = Low Emission Vehicle

LNG = Liquefied Natural Gas

MATES = Multiple Air Toxics Exposure Study

MOU = Memorandum of Understanding

MSERCs = Mobile Source Emission Reduction Credits

MSRC = Mobile Source (Air Pollution Reduction) Review
Committee

NATTS = National Air Toxics Trends Station

NESHAPS = National Emission Standards for
Hazardous Air Pollutants

NGV = Natural Gas Vehicle

NOx = Oxides of Nitrogen

NSPS = New Source Performance Standards

NSR = New Source Review

OEHHA = Office of Environmental Health Hazard
Assessment

PAMS = Photochemical Assessment Monitoring
Stations

PEV = Plug-In Electric Vehicle

PHEV = Plug-In Hybrid Electric Vehicle

PM10 = Particulate Matter \leq 10 microns

PM2.5 = Particulate Matter \leq 2.5 microns

RECLAIM = Regional Clean Air Incentives Market

RFP = Request for Proposals

RFQ = Request for Quotations

SCAG = Southern California Association of Governments

SIP = State Implementation Plan

SOx = Oxides of Sulfur

SOON = Surplus Off-Road Opt-In for NOx

SULEV = Super Ultra Low Emission Vehicle

TCM = Transportation Control Measure

ULEV = Ultra Low Emission Vehicle

U.S. EPA = United States Environmental Protection
Agency

VOC = Volatile Organic Compound

ZEV = Zero Emission Vehicle

DRAFT

BOARD MEETING DATE: May 3, 2019

AGENDA NO.

REPORT: Status Report on Major Ongoing and Upcoming Projects for Information Management

SYNOPSIS: Information Management is responsible for data systems management services in support of all SCAQMD operations. This action is to provide the monthly status report on major automation contracts and planned projects.

COMMITTEE: Administrative, April 12, 2019; Reviewed

RECOMMENDED ACTION:
Receive and file.

Wayne Nastri
Executive Officer

RMM:MAH:XC:agg

Background

Information Management (IM) provides a wide range of information systems and services in support of all SCAQMD operations. IM's primary goal is to provide automated tools and systems to implement Board-approved rules and regulations, and to improve internal efficiencies. The annual Budget and Board approved amendments to the Budget specify projects planned during the fiscal year to develop, acquire, enhance, or maintain mission-critical information systems.

Summary of Report

The attached report identifies each of the major projects/contracts or purchases that are ongoing or expected to be initiated within the next six months. Information provided for each project includes a brief project description and the schedule associated with known major milestones (issue RFP/RFQ, execute contract, etc.).

Attachment

Information Management Status Report on Major Ongoing and Upcoming Projects During the Next Six Months

ATTACHMENT
May 3, 2019 Board Meeting
Information Management Status Report on Major Ongoing and
Upcoming Projects During the Next Six Months

Project	Brief Description	Estimated Project Cost	Completed Actions	Upcoming Milestones
Renewal of OnBase Software Support	Authorize the sole source purchase of OnBase software subscription and support for one year.	\$140,000		<ul style="list-style-type: none"> • Board approval May 3, 2019 • Execute contract July 15, 2019
Telecommunications Services	Select vendor(s) to provide local, long distance, telemetry, internet, cellular services, and phone system maintenance for a three-year period	\$750,000	<ul style="list-style-type: none"> • Released RFP October 5, 2018 • Board approval January 4, 2019 • Migrated and upgraded services 	
Office 365 Implementation	Acquire and implement Office 365 for SCAQMD staff	\$350,000	<ul style="list-style-type: none"> • Pre-assessment evaluation and planning completed • Board- approved funding on October 5, 2018 • Developed implementation and migration plan • Acquired Office 365 licenses • Implemented Office 365 email (Exchange) and migrated all users 	<ul style="list-style-type: none"> • Implement Office 365 file storage (OneDrive for Business) and migrate users • Implement Office 365 internal website (SharePoint) and migrate existing content

Project	Brief Description	Estimated Project Cost	Completed Actions	Upcoming Milestones
Permitting System Automation Phase 1	New Web application to automate the filing of all permit applications with immediate processing and issuance of permits for specific application types: Dry Cleaners, Gas Stations and Automotive Spray Booths	\$694,705	<ul style="list-style-type: none"> • Phase 1 Automated 400A form filing, application processing, and online permit generation for Dry Cleaner module deployed to production completed • Facility ID Creation Module deployed to production completed • Phase 1.1 Automated 400A form filing, application processing, and online permit generation for Automotive Spray Booth and Gas Station Modules deployed to production completed • Enhanced calculations of sensitive receptor distances • Enhanced processing of school locations with associated parcels • Upgraded GIS Map integration and enhanced sensitive receptor identification and distance measurement work • Enhanced calculations of sensitive receptor distances • Deployed new version of system to production 	<ul style="list-style-type: none"> • Continue Phase 1.1 project outreach support

Project	Brief Description	Estimated Project Cost	Completed Actions	Upcoming Milestones
Permitting System Automation Phase 2	Enhanced Web application to automate filing process of Permit Applications, Rule 222 equipment, and registration process for IC Engines; implement electronic permit folder and workflow for internal SCAQMD users	\$525,000	<ul style="list-style-type: none"> • December 2017 Board-approved initial Phase 2 funding • May 2018 Phase 2 project startup and detail planning completed • Business process model approved • Development of Negative Air Machines, Boilers/Water Heaters/Process Heaters, Cooling Towers, Portable Heaters, and Food Ovens filing process completed • October 5, 2018 Board- approved remaining Phase 2 funding • Code development for Boilers, Heaters, Ovens, Baghouses, and IC Engines completed • Application submittals, and form filing of Negative Air Machines, Boilers/Water Heaters/Process Heaters, Cooling Towers, Portable Heaters, and Food Ovens, Char Broilers, Small Boilers, and Oil Wells processing completed 	<ul style="list-style-type: none"> • Wireframes, user stories, and code development for new set of Rule 222 forms including Diesel Fueled Boilers, Fuel Cell with a Non-Electric Supplemental Heater, Facilities with No Written Permit and Emits Four Tons or More of VOC Emissions Per Year Equipment, Internal Combustion Engines at Remote Radio Transmission Towers, Printing, Coating & Drying Equipment, Oil & Gas Production Wells, Natural Gas Well Heads, Well Pumps, Transfer Pumps & Re-pressurizing Equipment, and Agricultural Engine.

Project	Brief Description	Estimated Project Cost	Completed Actions	Upcoming Milestones
Permitting System Automation Phase 2 (Continued)			<ul style="list-style-type: none"> • Application submittals, and form filing of Tar Pots/Tar Kettles, Asphalt Day Tankers, and Asphalt Pavement Heaters completed • Engines, IC Engines at Radio Tower, Diesel Fuel Boiler, and Fuel Cell with Heater completed • Application submittals, and form filing of Agricultural Engines, IC Engines at Radio Tower, Diesel Fuel Boiler, and Fuel Cell with Heater completed 	
Information Technology Review Implementation	Complete Board requested Information Technology review and initiate work on implementation of key recommendations	\$75,000 (cost part of \$350,000 Office 365 implementation-project)	<ul style="list-style-type: none"> • Initiated Implementation Planning and Resource Requirements for key recommendations • Completed Microsoft Project Plan training for all IM Managers, Supervisors and Secretaries • Established Information Technology Steering Committee, members and charter • Configured and deployed Project Management software for IM team 	<ul style="list-style-type: none"> • Office 365 deployment

Project	Brief Description	Estimated Project Cost	Completed Actions	Upcoming Milestones
Permit Application Status and Dashboard Statistics	New Web application to allow engineers to update intermediate status of applications; create dashboard display of status summary with link to FIND for external user review	\$100,000	<ul style="list-style-type: none"> • December 2017 Board -approved funding • April 2018 project startup and detail planning completed • June 2018 wireframe and user story approved for Release 1 • User story and wireframe approved for application search module • User stories approved and coding completed for Dashboard Data Entry screens • Code development for Release 1 completed • Code development for application search module completed • User acceptance testing for data capture module completed • User acceptance testing for user reports completed • Internal deployment of application for engineers to populate application related data completed 	<ul style="list-style-type: none"> • User data input for all open applications • Deployment of External application (and linked to FIND) for regulated community to view application related data

Project	Brief Description	Estimated Project Cost	Completed Actions	Upcoming Milestones
Agenda Tracking System Replacement	Replace aging custom agenda tracking system with state-of-the-art, cost-effective Enterprise Content Management (ECM) system, which is fully integrated with OnBase, SCAQMD's agency-wide ECM system	\$86,600	<ul style="list-style-type: none"> • Released RFP December 4, 2015 • Awarded contract April 1, 2016 • Continued parallel testing • Conducted survey of stakeholder satisfaction • As a result of the survey responses, the decision was made to develop a custom user interface for the application • Revised project scope to include custom user interface • Developed plan and schedule for revised scope 	Identify funding source
Document Conversion Services	Document Conversion Services to convert paper documents stored at SCAQMD facilities to electronic storage in OnBase	\$83,000	<ul style="list-style-type: none"> • Released RFQ October 5, 2018 • Approved qualified vendors January 4, 2019 • Converted over 350,000 rule administrative record documents for Planning and Rules 	<ul style="list-style-type: none"> • Execute purchase orders for scanning services • Convert over 1,000,000 contract documents for Technology Advancement Office
Replace Your Ride (RZR)	New Web application to allow residents to apply for incentives to purchase newer, less polluting vehicles	\$301,820	<ul style="list-style-type: none"> • Phase 2 Fund Allocation, Administration and Management Reporting modules deployed and in production 	<ul style="list-style-type: none"> • Phase 3 user approval for production • Implementation of Electric Vehicle Service Equipment and alternative mode of transportation in the RZR application

Project	Brief Description	Estimated Project Cost	Completed Actions	Upcoming Milestones
Replace Your Ride (RZR) (continued)			<ul style="list-style-type: none"> • Final Phase 2 user requested enhancements: VIN Number, Case Manager, Auto e-mail and document library updates deployed to production • Phase 3 Data Migration development work completed 	<ul style="list-style-type: none"> • Approval of data migration • Approval of Phase 3 move to production
SCAQMD Mobile Application for Android devices Phase 1	New mobile application for Android devices which will have the same functionality as the new iOS application	\$133,010	<ul style="list-style-type: none"> • Project Charter released • Proposal received • Task order issued • System design completed • System development 	<ul style="list-style-type: none"> • User testing
SCAQMD Mobile Application for iOS devices Phase 2	Enhancement of Mobile application with addition of Enhanced Notifications, Complaint Filing and Facility Information Detail	\$100,000	<ul style="list-style-type: none"> • Project Charter released • Proposal received 	<ul style="list-style-type: none"> • Identifying funding source
Legal Division New System Development	Develop new web-based case management system for Legal Division to replace existing JWorks System	\$500,000	<ul style="list-style-type: none"> • Task order issued, evaluated and awarded • Project initiated and project charter finalized • Business Process Model completed • Business Process Model completed • Sprint 1 functional and system design completed • Sprint 1 data model received • Sprint 1 mock-up reviewed 	<ul style="list-style-type: none"> • Code development and testing for Sprint 1 • Data model approval for Sprint 1 • Sprint 2 functional requirements

Project	Brief Description	Estimated Project Cost	Completed Actions	Upcoming Milestones
Flare Event Notification – Rule 1118	Develop new web-based application to comply with Rule 1118 to improve current flare notifications to the public and staff	\$100,000	<ul style="list-style-type: none"> • Vision and Scope issued • Charter Document and proposal approved • Task order to be issued • Requirement gathering for Sprint 1 & 2 completed • System Design for Sprint 1 & 2 completed • Requirement gathering for Sprint 3 completed • System design for Sprint 3 completed • Compliance integration design completed • Data model approval for Sprint 1, 2, and 3 	<ul style="list-style-type: none"> • Continuation of Sprint 4: Implementation of Sprint 1 and 2 • Beginning Sprint 5: Public Portal Implementation
VW Environmental Mitigation Action Plan Project	CARB has assigned SCAQMD to develop web applications for two projects: Zero-Emission Class 8 Freight and Port Drayage Truck Project & Combustion Freight and Marine Project. SCAQMD is responsible for developing a web application for both incentive programs, and maintaining a database that will be queried for reporting perspectives for CARB	\$355,000	<ul style="list-style-type: none"> • Draft Charter Document issued • Project Initiation completed • Task order issued 	<ul style="list-style-type: none"> • Detailed system design for Phase 1

Project	Brief Description	Estimated Project Cost	Completed Actions	Upcoming Milestones
AQ-SPEC Cloud Platform	Develop a cloud-based platform to manage and visualize data collected by low-cost sensors	\$385,500	<ul style="list-style-type: none"> • Task Order Issued • Proposals Received • Task Order Awarded • Business Requirements Gathering Completed • Sprint 1 Completed (System Architecture, Data Storage Design, Data Ingestion) Completed. • Sprint 2 Requirements Gathering Completed 	<ul style="list-style-type: none"> • Sprint 2 Implementation • Sprint 3 Requirements Gathering
PeopleSoft Electronic Requisition	SCAQMD is implementing electronic requisition for PeopleSoft Financials. This will allow submittal of requisitions online. Additional benefits include tracking of multiple levels of approval, electronic archival of requisition documents, pre-encumbrance of budget, and streamlined workflow.	\$75,800	<ul style="list-style-type: none"> • Project Charter Approved • Task Order Issued • Proposal Received • Task Order Awarded • Requirement Gathering for Sprint 1 Completed • Design for Sprint 1 Completed • Code Development for Sprint 1 • User Acceptance Testing (UAT) for Sprint 1 • Design for Sprint 2 	<ul style="list-style-type: none"> • Code Development for Sprint 2 • UAT for Sprint 2
Renewal of HP Server Maintenance & Support	Purchase of maintenance and support services for servers and storage devices	\$120,000	<ul style="list-style-type: none"> • Board approval March 1, 2019 • Executed contract April 30, 2019 	

Projects that have been completed within the last 12 months are shown below.

Completed Projects	
Project	Date Completed
Renewal of HP Server Maintenance & Support	April 6, 2018
Implementation of Enterprise Geographic Information System (EGIS) Phase I	May 30, 2018
Fiber Cable Network Infrastructure Upgrade	May 30, 2018
Air Quality Index Rewrite and Migration	June 29, 2018
AQMD Mobile Application for iOS devices Phase 1	November 2, 2018
CLASS Database Software Licensing and Support	November 30, 2018
Implementation of Enterprise Geographic Information System (EGIS) Phase II	March 11, 2019

Item 9

DRAFT

BOARD MEETING DATE: May 3, 2019

AGENDA NO.

PROPOSAL: Transfer Funds and Amend Contracts to Provide Short- and Long-Term Systems Development, Maintenance and Support Services

SYNOPSIS: SCAQMD currently has contracts with several companies for short- and long-term systems development, maintenance and support services. These contracts are periodically amended as additional needs are defined. This action is to transfer funds and amend four contracts previously approved by the Board to add additional funding for needed development and maintenance work.

COMMITTEE: Administrative, April 12, 2019; Recommended for Approval

RECOMMENDED ACTIONS:

1. Transfer \$28,000 from Information Management's FY 2018-19 Budget, Services and Supplies Major Object, Professional and Specialized Services Account to Information Management's FY 2018-19 Capital Outlays Major Object, Capital Outlays Account for CLASS/PeopleSoft system enhancements.
2. Authorize the Executive Officer to execute amendments to the contracts for systems development services in the amount of \$180,000 to AgreeYa Solutions, \$135,800 to Prelude Systems, \$128,000 to Sierra Cybernetics and \$80,250 to Varsun eTechnologies from Information Management's FY 2018-19 Budget for the specific task orders listed in the Attachment.

Wayne Nastri
Executive Officer

RMM:XC:jga

Background

At the March 2, 2018 Board meeting, the Board authorized staff to initiate level-of-effort contracts with several vendors for systems development, maintenance and support services. At the time these contracts were executed, it was expected that they would be modified in the future to add funding from approved budgets as system development requirements were identified and sufficiently defined so that task orders could be

prepared. The contracts are for one year with the option to renew for two one-year periods.

Systems development and maintenance efforts are currently needed (see Attachment) to enhance system functionality and to provide staff with additional automation for improving productivity. The estimated cost to complete the work on these additional tasks exceeds the amount of funding in the existing contracts.

Proposal

Staff proposes a transfer of \$28,000 from Information Management's FY 2018-19 Budget, Services and Supplies Major Object to Information Management's FY 2018-19 Capital Outlays Major Object, Capital Outlays Account, to fund CLASS/PeopleSoft system enhancements.

In addition, staff proposes to amend the contracts to add \$180,000 to AgreeYa Solutions, \$135,800 to Prelude Systems, \$128,000 to Sierra Cybernetics and \$80,250 to Varsun eTechnologies for the specific task orders listed in the Attachment.

Resource Impacts

Upon Board approval, sufficient funding will be available in Information Management's FY 2018-19 Budget.

Attachment

Task Order Summary

Attachment

Task Order Summary

Section A – Funding Totals for all Systems Development Contracts

CONTRACTOR	PREVIOUS FUNDING	PROPOSED ADDITION	TOTAL FUNDING
AgreeYa Solutions	\$328,010	\$180,000	\$508,010
Prelude Systems	\$368,075	\$135,800	\$503,875
Sierra Cybernetics	\$544,891	\$128,000	\$672,891
Varsun eTechnologies	\$1,432,885	\$80,250	\$1,513,135
TOTAL	\$2,673,861	\$524,050	\$3,197,911

Section B – Task Orders Scheduled for Award

TASK	DESCRIPTION	ESTIMATE	AWARD TO
Mobile Application Enhancements and Maintenance	Enhance AQMD Mobile Application to allow residents to file air quality complaints, get enhanced notifications and to support iOS and Android version upgrades and new device releases	\$180,000	AgreeYa
Electronic Reporting Systems Enhancements	Technology upgrades and system enhancements for public facing reporting applications such as Security Portal, Interactive Voice Response System and other online reporting systems	\$135,800	Prelude
CLASS/PeopleSoft System Enhancements	Technology upgrades and system enhancements for CLASS and payroll time reporting system	\$48,000	Sierra
Web Application UI/UX Designer	Web Application User Interface and User Experience design services for startup and enhancement of all web application development projects	\$50,000	Sierra
Permit Application Dashboard Maintenance	Maintenance of Permit Application Dashboard System	\$30,000	Sierra
CLASS/PeopleSoft System Enhancements	Enhance PeopleSoft Payroll System for changes resulting from labor agreements and regulatory changes	\$80,250	Varsun
TOTAL		\$524,050	

Item 10

DRAFT

BOARD MEETING DATE: May 3, 2019

AGENDA NO.

PROPOSAL: Authorize Purchase of OnBase Software Support

SYNOPSIS SCAQMD uses OnBase software for its electronic document management system to manage critical documents and to support the Record Retention Policy. Software subscription and support for OnBase expires on July 31, 2019. This action is to obtain approval for sole source purchase of OnBase software subscription and support for one year from Information Management's FY 2019-20 Budget. Funds for this purchase (\$140,000) are conditional on approval of the Proposed FY 2019-20 Budget.

COMMITTEE: Administrative, April 12, 2019; Recommended for Approval

RECOMMENDED ACTIONS:

Authorize the Procurement Manager to purchase OnBase software subscription and support for one year from Hyland Software at a cost not to exceed \$140,000 contingent on approval of this funding in Information Management's Proposed FY 2019-20 Budget, Services and Supplies Major Object, Professional and Special Services Account.

Wayne Nastri
Executive Officer

RMM:MH:cj

Background

SCAQMD uses OnBase software as its electronic document management system, which has maintained the SCAQMD's documents and other critical records since 1990. Total storage to date is over three million multi-page documents. OnBase is used by many of SCAQMD's mission critical web applications including Online Application Filing, Asbestos Notifications, and Oil and Gas Well Electronic Notification and Reporting. OnBase is a Windows-based, menu-driven, document management system designed to store and retrieve critical documents in electronic format. The system provides concurrent information to multiple workstations simultaneously. It has a flexible compound document structure where black-and-white or color images co-exist with text

and data within a single document. It stores various types of documents such as Microsoft Word documents, Outlook emails, PDFs, videos and data files.

The system also includes document routing and ad-hoc, scheduled point-to-point, and broadcast distribution of documents. It contains a complete set of markup and annotation tools that allow users to add notes, comments and drawings to pages without compromising the original document's integrity. The system has full network support so information can be distributed rapidly within an organization regardless of architecture. Finally, the system has an extensive number of features to allow the secure display of documents on SCAQMD's internal and external websites and on iPhone, iPad, and Android mobile applications. OnBase software subscription and support expires on July 31, 2019.

On December 4, 2015, the Board approved release of an RFP to select a vendor(s) capable of providing a high quality, cost-effective Enterprise Content Management (ECM) solution. X responses were received for this RFP. Hyland Software, Inc. was identified as the most capable and qualified vendor to provide the ECM solution to the SCAQMD.

Sole Source Justification

Section VIII.B.2 of the Procurement Policy and Procedure identifies circumstances under which a sole source purchase award may be justified. This request for a sole source award is made under provision VIII.B.2.c.(2) and (3). The products and services are available from only the sole source; involve the use of proprietary technology; and use key contractor-owned assets for project performance. Also, the cost of these support services reflects General Services Administration pricing.

Hyland Software is the sole manufacturer and provider of OnBase software and is, therefore, the only source for its maintenance support licensing agreements. Staff recommends the purchase of OnBase software subscription and support for one year from Hyland Software at a cost of \$140,000.

Resource Impacts

Sufficient funds are included in Information Management's Proposed FY 2019-20 Budget within the Services and Supplies Major Object Professional and Special Services Account.

Item 11

DRAFT

BOARD MEETING DATE: May 3, 2019

AGENDA NO

PROPOSAL: Authorize Transfer of Monies from General Fund to Health Effects Research Fund

SYNOPSIS: In 2008, the Board established the Health Effects Research Fund (48) and authorized, upon annual Board approval, the transfer of 20 percent of annual penalty money received each fiscal year that exceeds \$4 million in receipts from the General Fund to the Health Effects Research Fund. Approval is needed for the transfer of 20 percent of annual penalty money that exceeded \$4 million received in FY 2010-11, FY 2011-12, FY 2012-13, FY 2015-16 and FY 2016-17. This action is to authorize the transfer of 20 percent of annual penalty money that exceeded \$4 million received in these fiscal years, for a total of \$4,206,765, from the General Fund to the Health Effects Research Fund (48) over a period of five fiscal years with installment payments of \$841,353 per year, starting in FY 2018-19.

COMMITTEE: Administrative, April 12, 2019; Recommended for Approval

RECOMMENDED ACTIONS:

Authorize the transfer of \$841,353 per year from the General Fund, Unreserved (Unassigned) Fund Balance, to the Health Effects Research Fund (48) in five installment payments during each of the following fiscal years for a total transfer of \$4,206,765: FY 2018-19, FY 2019-20, FY 2020-21, FY 2021-22, and FY 2022-23.

Wayne Nastri
Executive Officer

Background

At their June 2008 meeting, the Board established the Health Effects Research Fund and initially funded it with \$1.5 million from the BP Arco Settlement Fund. The Board further authorized, upon annual Board approval, the transfer of 20 percent of annual penalty money that exceeded \$4 million received each fiscal year from the General Fund to the Health Effects Research Fund. Authorization is needed for the transfer of 20 percent of annual penalty money that exceeds \$4 million received in FY 2010-11, FY 2011-12, FY 2012-13, FY 2015-16 and FY 2016-17. The amount totals \$4,206,765.

Funding from the Health Effects Research Fund has been used to fund a number of research projects at local universities and research institutions, including the Health Effects of Air Pollution Foundation. Findings from research conducted by Health Effects of Air Pollution Foundation and funded by the Health Effects Research Fund have indicated that fine particulate exposure is associated with biochemical changes in the brains of laboratory animals that are consistent with the biochemical pattern found in human brain tumors. Another project funded by the Health Effects Research Fund found preliminary associations of particulate matter levels and the risk of childhood brain tumors. These findings are being followed up with additional study to better understand the relationship between pollution exposure and the risk of contracting brain tumors. In a current study, laboratory animals are exposed to ambient particulate matter, including ultrafine particles, for investigation of potential stem cell activation into cancer precursor cells. The elucidation of molecular pathways involved in survival, proliferation, and differentiation of cancer stem cells may be fundamental information to help develop therapies for brain tumors and to develop potential preventive measures.

The requested Board action will provide funding to conduct additional health effects research, which may include follow-up on the results described above, and will provide information to better assess the health risks of exposure to air pollutants.

Results from these studies will provide scientific information to inform policy choices for reducing emissions and exposures to pollutants in the South Coast Air Basin and potentially world-wide.

Proposal

Staff is proposing that the Board authorize the transfer of 20 percent of annual penalty money received in FY 2010-11, FY 2011-12, FY 2012-13, FY 2015-16 and FY 2016-17

that exceeded \$4 million from the General Fund to the Health Effects Research Fund (48) in five installment payments over a period of five fiscal years, starting in FY 2018-19. The total amount to be transferred is \$4,206,765 as detailed in Table 1. The installment payment would be \$841,353 during each of the five fiscal years as detailed in Table 2.

TABLE 1

Calculation of Proposed Transfer Amount from General Fund to Health Effects Research Fund

Fiscal Year	General Fund Penalty Money	20% over \$4M
2010-11	\$ 7,348,657	\$ 669,731
2011-12	4,906,391	181,278
2012-13	11,562,529	1,512,505
2015-16	5,704,685	340,937
2016-17	11,511,570	1,502,314
	Total	\$ 4,206,765

Note: Funds have already been transferred from the General Fund to the Health Effects Research Fund for FY 2008-09, 2009-10, 2013-14, 2014-15 and 2017-18.

TABLE 2

Proposed Yearly Transfer Amount from General Fund to Health Effects Research Fund

Fiscal Year	Amount
2018-19	\$ 841,353
2019-20	841,353
2020-21	841,353
2021-22	841,353
2022-23	841,353
Total	\$4,206,765

Resource Impacts

Funds are available from the General Fund Unreserved (Unassigned) Fund Balance in FY 2018-19 and will be included in the budget process for each of the additional four fiscal years.

Item 12

DRAFT

BOARD MEETING DATE: May 3, 2019

AGENDA NO.

PROPOSAL: Approve Compensation Adjustments for Board Member Assistants and Board Member Consultants for FY 2019-20

SYNOPSIS: The Board Member Assistant and Board Member Consultant compensation is proposed to be amended to adjust the compensation level the SCAQMD may make per Board Member, per fiscal year, based on the Board approved assignment-of-points methodology. The points are calculated based on the level of complexity, number of meetings and role (Chair/Vice-Chair).

COMMITTEE: Administrative, April 12, 2019; Recommended for Approval

RECOMMENDED ACTION:

Approve adjustments to compensation for Board Member Assistants and Board Member Consultants for FY 2019-20 in accordance with the Administrative Code and described in the Attachment.

Wayne Nastri
Executive Officer

SJ:jk

Background

Board members must address an ever-increasing range of complex issues related to performance of their duties, requiring increased assistance, and it is appropriate to make adjustments to the maximum support level expenditure the SCAQMD may make per Board Member, per fiscal year, based on the assignment-of-points methodology that was approved at the July 2015 Board Meeting and incorporated into the Administrative Code.

The Administrative Code describes an assignment-of-points methodology that is based on the level of complexity, number of meetings, role (Chair/Vice-Chair), etc. Additionally, the Administrative Code defines the minimum and maximum amounts that may be allocated per Board Member.

Proposal

This action is to approve the support level of expenditures for Board Member Assistants and Board Member Consultants for FY 2019-20 in accordance with the Administrative Code. Upon approval, Board Members will select Board Assistants and Consultants and allocate their funds.

Resource Impacts

Sufficient funding will be requested in the FY 2019-20 Budget to accommodate the recommended adjustments.

Attachment

Board Member Committee/Advisory/Other Group Assignment Points Calculation for FY 2019-20.

ATTACHMENT

Board Member Committee/Advisory/Other Group Assignment Points Calculation for FY 2019-20

Governing Board Member	Committee/Advisory/Other Group Assignment Points *	Calculated Maximum Support Level **
Cacciotti	68	\$39,624
McCallon	65.5	\$39,624
Robinson	77	\$39,624
Hahn	84	\$41,433
Bartlett	88	\$43,406
Rutherford	104	\$51,297
Buscaino	128	\$63,135
Perez	148	\$73,000
Governor's appointee (vacant)	---	---
B. Benoit	242.5	\$118,872
Mitchell	269	\$118,872
Parker (Vice-Chair)	241	\$118,872
Burke (Chair)	239	\$118,872
* Point Calculation does not account for additional responsibilities for Chair and Vice-Chair.		
** Calculated Maximum Support Level based on the Board Member's total points in comparison to the Vice-Chair's total points (not to go below \$39,624 and above \$118,872).		

BOARD MEETING DATE: May 3, 2019

AGENDA NO.

PROPOSAL: Adopt Executive Officer's FY 2019-20 Proposed Goals and Priority Objectives, and Proposed Budget; Determine that Proposed Amendments to Regulation III – Fees and Rule 209 – Transfer and Voiding of Permits Are Exempt from CEQA and Amend Regulation III – Fees and Rule 209 – Transfer and Voiding of Permits; and Amend SCAQMD Salary Resolution and Class Specification

SYNOPSIS: The Executive Officer's Proposed Goals and Priority Objectives, and Proposed Budget for FY 2019-20 have been developed and are recommended for adoption. The Proposed Budget is balanced and includes implementation of the phased fee increase adopted by the Board on June 2, 2017 to continue cost recovery efforts. There are also proposed amendments to the SCAQMD Salary Resolution relating to Executive Management staff. In addition, staff is proposing amendments to Regulation III – Fees, and Rule 209 – Transfer and Voiding of Permits. The amendments include: 1) pursuant to Rule 320, an increase of most fees by 3.5% consistent with the Consumer Price Index; 2) new or increased fees, including toxics fees, which are necessary to meet the requirements of recently adopted rules and state mandates and will provide more specific cost recovery for activities by the agency; 3) certain fee reductions related to agency efficiency; 4) administrative changes that include clarification, deletions, or corrections of existing rule language, which have no fee impact, and 5) a clarification on how permit transfers are considered when there is a change of owner/operator. The fee increases were presented at a public consultation meeting on March 22, 2019, and the fee increases and proposed budget were presented at a Budget Study Session, a Budget Advisory Committee meeting, and a public consultation meeting in April with recommendations and comments provided to the Board.

COMMITTEE: Special Governing Board Meeting/Budget Study Session, April 12, 2019, Reviewed

RECOMMENDED ACTIONS:

1. Remove from Reserves and Designations all amounts associated with the FY 2018-19 Budget;

2. Approve appropriations in the Major Objects for FY 2019-20 of:

Salary and Employee Benefits	\$141,667,712
Services and Supplies	27,992,660
Capital Outlays	395,000
Transfers Out	<u>841,353</u>
Total	<u>\$170,896,725</u>

3. Approve revenues for FY 2019-20 of \$170,896,725;
4. Approve the addition of 1 net authorized/funded position as detailed in the FY 2019-20 Budget;
5. Approve the Executive Officer's FY 2019-20 Goals and Priority Objectives;
6. Approve a projected June 30, 2020 Fund Balance of the following:

Classification¹	Reserves/Unreserved Designations	Amount
Committed	Reserve for Encumbrances	\$16,321,000
Nonspendable	Reserve for Inventory of Supplies	80,000
Assigned	Designated for Enhanced Compliance Activities	883,018
Assigned	Designated for Other Post Employment Benefit (OPEB) Obligations	2,952,496
Assigned	Designated for Permit Streamlining	234,159
Assigned	Designated for Self-Insurance	2,000,000
Assigned	Designated for Unemployment Claims	80,000
Total Reserves & Unreserved Designations		\$22,550,673
Unassigned	Undesignated Fund Balance	\$43,597,488

7. Adopt the attached Resolution regarding the Proposed Amended Regulation III – Fees (Attachment F):

- a. Determining that the proposed amendments to Regulation III – Fees (which includes Proposed Amended Rule 301 – Permitting and Associated Fees, Proposed Amended Rule 303 – Hearing Board Fees, Proposed Amended Rule 304 – Equipment, Materials and Ambient Air Analyses, Proposed Amended Rule 304.1 – Analyses Fees, Proposed Amended Rule 306 – Plan Fees, Proposed Amended Rule 307.1 – Alternative Fees for Air Toxics Emissions Inventory, Proposed Amended Rule 308 – On-Road Motor Vehicle Mitigation Options Fees, Proposed Amended Rule 309 – Fees for Regulation XVI and Regulation XXV, Proposed Amended Rule 311 – Air Quality Investment Program (AQIP) Fees, Proposed Amended Rule 313 – Authority to Adjust Fees and Due Dates, Proposed Amended Rule 314 – Fees for Architectural Coatings, Proposed

¹ The fund balance classifications of Committed, Nonspendable, Assigned, and Unassigned are established by the Government Accounting Standards Board 54.

- Amended Rule 315 – Fees for Training Classes and License Renewal, and Proposed Amended Rule 209 – Transfer and Voiding of Permits) are exempt from the requirements of the California Environmental Quality Act; and
- b. Amending Rules 301 – Permitting and Associated Fees, Rule 303 – Hearing Board Fees, Rule 304 – Equipment, Materials and Ambient Air Analyses, Rule 304.1 – Analyses Fees, Rule 306 – Plan Fees, Rule 307.1 – Alternative Fees for Air Toxics Emissions Inventory, Rule 308 – On-Road Motor Vehicle Mitigation Options Fees, Rule 309 – Fees for Regulation XVI and Regulation XXV, Rule 311 – Air Quality Investment Program (AQIP) Fees, Rule 313 – Authority to Adjust Fees and Due Dates, Rule 314 – Fees for Architectural Coatings, and Rule 315 – Fees for Training Classes and License Renewal, and Rule 209 – Transfer and Voiding of Permits.
8. Amend the Salary Resolution to add and delete Designated Deputy positions and to modify the salary of the Chief Operating Officer position, to take effect on July 1, 2019 (Attachment N and O):
- a. Deleting the Chief Administrative Officer position, due to the reorganization of the Administrative Office unit;
 - b. Adding Deputy Executive Officer positions for the Finance, Information Management, and Administrative & Human Resources divisions, including Chief Information Officer and Chief Financial Officer, partially offset by deleting the Assistant Deputy Executive Officer positions in each division;
 - c. Increasing the Chief Operating Officer position salary to \$194,037; and
 - d. Revising the Class Specification for the Health Effects Officer position to change the title to Director of Community Air Programs/Health Effects Officer.

Wayne Nastri
Executive Officer

SJ:DRP:tm

Background

Budget

The period covered by the FY 2019-20 budget is July 1, 2019 to June 30, 2020. The General Fund budget is the agency's operating budget and is structured by office and account code. The accounts are categorized into three Major Objects: Salaries and Employee Benefits; Services and Supplies; and Capital Outlays. The budget is supplemented with a Work Program which estimates staff resources and expenditures along program and activity lines. A Work Program Output Justification is completed for each Work Program which identifies performance goals, measurable outputs, legal mandates, activity changes and revenue categories.

The annual expenditure and revenue budget for the General Fund is adopted on a modified accrual basis. All annual expenditure appropriations lapse at fiscal year-end if they have not been expended or encumbered. Throughout the year, budget amendments may be necessary to accommodate additional revenues and expenditure needs.

The Executive Officer's Budget and Work Program for FY 2019-20 represents the input over the past several months from Board members, the public, executive management, and staff. This year's process included meetings with the Budget Advisory Committee, a public consultation meeting held on April 9, 2019 and a budget and fees study session held for the Board on April 12, 2019.

Regulation III – Fees, establishes the fee rates and schedules to recover SCAQMD's reasonable costs of regulating and providing services to the regulated community, primarily permitted sources. The Permitted Source Program is principally supported by three types of fees – permit processing fees for both facility permits and equipment-based permits, annual permit renewal fees, and emissions-based annual operating fees, all of which are contained in Rule 301. Also included in the Permitted Source Program are Rule 222 registration fees and plan fees, since these are similar to permits for the sources to which they apply. Regulation III also establishes fees and rates for other fee programs, including, but not limited to, Transportation Programs fees and Area Source fees (architectural coatings). The above referenced fees comprise approximately 60.8 percent of SCAQMD's revenue.

In FY 2017-18, the Board adopted a phased-in fee increase applicable to both Title V and non-Title V facilities. With respect to Title V facilities, the Board approved an increase of 10.67 percent in each of FY 2017-18 and 2018-19, and 10.66 percent in FY 2019-20. With respect to non-Title V facilities, the Board approved an increase of 4 percent in each of FY 2017-18 and 2018-19. These fee increases were necessary because SCAQMD was not collecting fees sufficient to cover the reasonable costs of its regulatory programs. In addition, the increases for the Title V facilities were a necessary response to a U.S. EPA review of SCAQMD's Title V Program. That review also found that SCAQMD was not recovering sufficient revenues to support the costs of that program. Deficits for the Permitted Source Program, including the Title V Program, had been routinely covered through use of reserves which have been primarily funded with one-time penalty revenue. The non-Title V fee increase has been fully implemented. FY 2019-20 represents the final year of the phased in Title V fee increase.

The SCAQMD continues to implement cost recovery initiatives and cost reduction efforts, including limited increases in Services and Supplies expenditures, an increased vacancy rate, the implementation of the California Public Employees' Pension Reform Act (PEPRA) for new employees, and the early payoff of the Diamond Bar headquarters. In the upcoming years, the SCAQMD will continue to face a number of

fiscal challenges and uncertainties, including potential changes in federal and state grant funding levels, increased retirement costs due to actuarial and investment adjustments that could impact pension liability, the need for major information technology and building infrastructure improvement projects, and annual variations in one-time penalties and settlement revenue.

Proposal

Budget

The proposed budget for FY 2019-20 proposes a balanced budget with expenditures and revenues of \$170,896,725. The proposed FY 2019-20 budget represents an increase of \$8,265,624 (5.1%) in total expenditures from the budget adopted by the Board in June 2018, primarily due to an increase in retirement costs and grant-funded positions. The proposed budget includes the net addition of 62.6 positions for FY 2019-20 from the FY 2018-19 Adopted Budget and a net increase of one position from the FY 2018-19 Amended Budget. In Services and Supplies, the proposal for FY 2019-20 reflects a decrease of \$681,821 (2.4%) compared to the FY 2018-19 adopted budget while Capital Outlays are decreased by \$693,300 (63.7%).

The proposed FY 2019-20 budget represents an increase of \$8,265,624 (5.1%) in total revenue from the budget adopted by the Board in June 2018. As part of this budget package, specific fees in Regulation III – Fees, will be automatically adjusted by the California Consumer Price Index (CPI) as provided for under SCAQMD Rule 320. The revenue projections do not include potential increased revenue from proposed amendments to Regulation III.

Regulation III and Rule 209

Proposed Amended Regulation III will: 1) pursuant to Rule 320, increase fees where applicable by 3.5 percent consistent with the Consumer Price Index; 2) add new fees which are necessary to meet the requirements of recently adopted rules and state mandates; 3) add new or increased fees which are necessary to provide more specific cost recovery for other regulatory actions taken by the agency, including but not limited to fees for toxic air contaminants; and 4) make administrative changes that include clarification, deletions, or corrections of existing rule language, which have no fee impact. Proposed Amended Rule 209 will add a clarification on how permit transfers are considered when there is a change of owner/operator.

In recent years, SCAQMD's efforts have substantially increased on monitoring, rulemaking, and enforcement of rules for toxic air contaminants. As a result of these efforts, the amount of time staff spends monitoring, inspecting, and auditing facilities' TAC emission inventories has substantially increased. Because of this recent increased workload and its expected continuation into the future, staff estimated the amount of work the SCAQMD is currently conducting annually associated with toxics emissions and compared it with the amount of fees collected from toxics emissions. Facilities

paid a total of about \$19.5 million in emission fees for emissions that occurred in calendar year 2017, of which about \$0.5 million was attributable to emissions of toxic air contaminants. The SCAQMD currently conducts about \$20 million of work annually for which toxics emissions fees could be applied, about half of which is from AB 617 work and the half from other ongoing work on stationary source toxics. There is additional work that the SCAQMD conducts on toxic air contaminants that is not reflected in this analysis (e.g., AB 2588 Toxic Hot Spots, mobile source toxics, etc.). The difference between the amount collected and the amount of staff resources expended is paid from a variety of sources, including emissions fees from criteria pollutants (because toxics emissions fees are a component of all emissions fees), one-time penalties, and most recently from portions of one-time allocations from the state legislature of about \$31 million for the implementation of the first two years of AB 617. There is no guarantee that these one-time revenues will continue into the future.

With respect to costs incurred by the SCAQMD, there are two key drivers when considering how resources are spent to conduct work related to the permitting, investigation, audit, and enforcement of limits on toxics emissions. First, facilities with high toxicity-weighted emissions require greater effort because permitting and enforcement related activities in large part are driven by the potential for public health impacts. Second, staff spends extra time working on facilities with more permitted devices with toxics emissions than facilities with the same emissions but less permitted devices. The current fee schedule in Rule 301 does not result in higher fees collected from facilities with higher toxicity of emissions or with more emission sources.

In order to address the disparity in their workload staff is proposing to change both the structure of how facilities pay air toxics fees, and how much they pay. The proposal seeks to more closely connect fees to current workload from higher toxic emitting facilities. Specifically, the following fee levels are proposed.

- A new Base Toxics Fee of \$78.03 to cover the basic annual software needs and minimal staffing needed to ensure that facilities can readily report emissions to SCAQMD. This fee would apply to any permitted facility that reports any toxic air contaminant above existing reporting thresholds in Table IV of Rule 301.
- A new Flat Rate Device Fee of \$341.89 per emission source at a permitted facility that emits a toxic air contaminant above reporting thresholds in Rule 301. These fees would be equal to the resources needed to run the entire toxics inventory program, including inventorying, auditing, and coordination with CARB and U.S. EPA, as well as reporting data to those agencies.
- A new Cancer-Potency Weighted Fee of \$10 per cancer-potency weighted pound of emissions above reporting thresholds in Table IV of Rule 301. As described above, the SCAQMD conducts about \$19.7 million of work every year for which toxics emissions fees could be used as a funding source. The proposed Base Toxics Fee and the Flat Rate Device Fee are anticipated to only recover about \$1.5 million

from facilities that currently report emissions to the SCAQMD, leaving a significant shortfall. Much of the remaining work not covered by those fees is focused on facilities in which there is significant public health concern. For example, AB 617 communities are chosen largely due to public health concerns from local toxic emissions, and much of the work in those communities is focused on investigating and enforcing rules on those stationary sources with the highest cancer-potency weighted emissions (e.g., refineries). Similar work is conducted outside of AB 617 communities on other facilities, again focused on facilities with the potential greatest public health impact. Therefore, in order to ensure that toxics emissions fees beyond the Base Toxics Fee and the Flat Rate Device Fee are equitably distributed, the Cancer-Potency Weighted Fee weights each facility's toxics emissions using the state-mandated cancer potency factors used to determine potential health risks in all other SCAQMD programs. Facilities with higher potential public health concern due to their emissions will pay higher fees to cover the higher level of effort from the SCAQMD for investigating and enforcement of those facilities.

These fees would be phased in over a two year period starting January 1, 2021. Because of the fluctuating nature of toxics work every year, staff anticipates revisiting this fee and workload in future years and will propose rebalancing this fee up or down as necessary.

These newly proposed fees are expected to have the following effect after final phase in.

Fee	New Revenue
Base Toxics Fee	\$0.1 million
Flat Rate Device Fee	\$1.4 million
Cancer-Potency Weighted Fee	\$3.4 million
Total New Toxics Fees	\$4.9 million
Current Toxics Fees	(\$0.5 million)
Net New Toxics Fees Revenue	\$4.4 million

The new fee schedule would affect all permitted facilities already required to report toxic emissions pursuant to Rule 301, but would not expand the number of facilities required to report emissions or pay associated fees. CARB is currently undergoing rulemaking that may require that more facilities report emissions to the SCAQMD outside of any amendments proposed here for Regulation III; however, most of those facilities are expected to have relatively low emissions, and associated toxics fees are expected to be minor.

Salary Resolution

Proposed Amendments to the Salary Resolution reflect recommended changes in the Executive Management structure. The Administrative Office unit is currently comprised of the Finance, Information Management, and Administrative & Human Resources divisions and is headed by a Chief Administrative Officer position. Upon review of organizational functions, it was determined that the complex operations and scope of these divisions do not interrelate closely enough to warrant joint management under a single administrator. Efficiencies and cost-savings will be realized through the re-establishment of these three units as separate departments, each led by a Deputy Executive Officer-level position. The existing Assistant Deputy Executive Officer positions in these departments will be deleted. In addition, the proposed amendments to the Salary Resolution assign a higher salary to the Chief Operating Officer (COO) position to better reflect the duties and responsibilities of the role as a direct report to the Executive Officer, with all departments reporting to the COO. Additional proposed amendments would revise the class specification for the Health Effects Officer position, as well as the Salary Resolution, to change the title to Director of Community Air Programs/Health Effects Officer, to better reflect the scope of program responsibilities for the position.

Public Process

The proposed FY 2019-20 budget assumes a 3.5 percent fee increase, consistent with Rule 320 which was adopted by the Board on October 29, 2010 to allow for an increase of fees based on the change in the California CPI. In accordance with Rule 320, the Draft Socioeconomic Impact Assessment for the automatic CPI-based fee increase was made available to the public on March 15, 2019. Public comments and responses related to the Proposed Budget and CPI-based fee increase, along with recommendations from the Budget Advisory Committee, were provided to the Board by the April 12, 2019 deadline. Additionally, the Draft Socioeconomic Impact Assessment of Proposed Amended Regulation III - Fees was made available to the public on April 2, 2019.

Copies of the Proposed Budget and Work Program for FY 2019-20 have been transmitted to the Board and the document is also available via SCAQMD's web site at <http://www.aqmd.gov/nav/about/finance#Budgets>.

During the rulemaking process for Proposed Amended Regulation III, two Public Consultation Meetings were held on March 22, 2019 and April 9, 2019. Proposed Amended Regulation III was also discussed at the Budget Advisory Committee on April 5, 2019 and the Governing Board Special Meeting on Budget and Fee Rules on April 12, 2019. Documents related to Proposed Amended Regulation III, including draft rule language, staff report, and presentation materials, have been made available on SCAQMD's website at <http://www.aqmd.gov/home/rules-compliance/rules/proposed-rules#REG%20III>.

Key Issue

Industry stakeholders have provided preliminary feedback primarily focused on the toxics emissions fees. They have expressed concern about the potential level of the increase, and have expressed a delay and/or longer phase-in may be appropriate. They have also expressed concerns about not having enough time to review the proposed changes.

California Environmental Quality Act

Pursuant to the California Environmental Quality Act (CEQA) and SCAQMD Rule 110, the SCAQMD, as lead agency for the proposed project, has reviewed the proposed amendments to Regulation III and Rule 209 pursuant to: 1) CEQA Guidelines Section 15002(k) – General Concepts, the three-step process for deciding which document to prepare for a project subject to CEQA; and 2) CEQA Guidelines Section 15061 – Review for Exemption, procedures for determining if a project is exempt from CEQA. With respect to the proposed new and increased fees, and the administrative changes in Proposed Amended Regulation III and Proposed Amended Rule 209 that are strictly administrative in nature, it can be seen with certainty that there is no possibility that the proposed project may have a significant adverse effect on the environment. Thus, the project is considered to be exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) – Activities Covered by General Rule. Additionally, the entirety of Proposed Amended Regulation III is statutorily exempt from CEQA requirements pursuant to CEQA Guidelines Section 15273 – Rates, Tolls, Fares, and Charges, because the proposed new and increased fees, and the proposed amendments to Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315 involve charges by public agencies for the purpose of meeting operating expenses and financial reserve needs and requirements. Also, the proposed amendment to Rule 209 is categorically exempt because it is designed to further protect or enhance the environment pursuant to CEQA Guidelines Section 15308 – Action by Regulatory Agencies for Protection of the Environment. Further, SCAQMD staff has determined that there is no substantial evidence indicating that any of the exceptions to the categorical exemptions apply to the proposed amendments to Rule 209 pursuant to CEQA Guidelines Section 15300.2 – Exceptions. Therefore, the proposed project is exempt from CEQA. A Notice of Exemption will be prepared pursuant to CEQA Guidelines Section 15062 – Notice of Exemption. If the project is approved, the Notice of Exemption will be filed with the county clerks of Los Angeles, Orange, Riverside, and San Bernardino counties.

Socioeconomic Impact Assessment

Two socioeconomic reports are included as attachments to the staff report. The first report (Attachment I) analyzes the impacts of the Rule 320 3.5 percent CPI adjustment to Regulation III fees. The second report (Attachment J) analyzes the impacts of the proposed amendments to PAR III with fee impacts beyond the CPI-based fee increase. Nearly all facilities regulated by SCAQMD would be affected by the proposed fee increases. About 42 percent of the CPI-based fee increase is estimated to be incurred by

the manufacturing sector, followed by the services sector (19 percent) and the retail trade sector (14 percent). With respect to the proposed amendments with fee impacts beyond the CPI-based fee increase, facilities within the petroleum and coal products manufacturing and utilities sectors are expected to incur 33 and 17 percent of the additional fee increase, respectively, due to the overall increase in fees on TAC emissions and proposed new toxicity-weighted emission fee. While the fee increase resulting from the proposed amendments is estimated to lead to approximately four jobs foregone in the manufacturing sector, it would result in job gains in other sectors, such as finance and insurance, health care and social assistance, and the state and local government sector including SCAQMD. Overall, an annual average of 21 net job gains are projected between 2019 and 2028.

Implementation and Resource Impacts

The proposed across-the-board CPI-based adjustments by 3.5 percent to Regulation III fees (excluding fee rates set by state law and Rule 311(c) Air Quality Investment Program fees), which is commensurate with the change in the California CPI from December 2017 to December 2018 pursuant to Rule 320, is estimated to result in an increase in SCAQMD's revenue by \$3.4 million for FY 2019-20.

Based on the proposed amendments, the fee impact of PAR III is estimated to be -\$0.29 million in FY 2019-20, \$1.76 million in FY 2020-21, and \$4.12 million in FY 2021-22 and thereafter.

Attachments

- A. Summary of Proposals
- B. FY 2019-20 Draft Budget and Work Program
- C. Key Issues and Responses
- D. Rule Development Process for Regulation III and Rule 209
- E. Key Contacts List
- F. Resolution
- G. Proposed Amended Regulation III Rule Language
- G1-G13 Proposed Amended Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, 315, and Rule 209
- H. Final Staff Report for Proposed Amended Regulation III - Fees
- I. Final Socioeconomic Impact Assessment for Rule 320 - Automatic Adjustment Based on Consumer Price Index for Regulation III - Fees
- J. Final Socioeconomic Impact Assessment for Proposed Amended Regulation III - Fees
- K. Notice of Exemption
- L. Article 7 – Designated Deputy Annual Salaries
- M. Proposed Amended SCAQMD Salary Resolution
- N. Proposed Amended Class Specification
- O. Board Meeting Presentation

Materials for the proposed budget and rules can be accessed via the SCAQMD website at: <http://www.aqmd.gov/docs/default-source/finance-budgets/fy-2019-20/fy2019-20-proposed-budget.pdf?sfvrsn=12> (Proposed Budget) and <http://www.aqmd.gov/home/rules-compliance/rules/proposed-rules#REG%20III> (Proposed Amended Rules)

The staff presentation for the Governing Board Special Meeting on Budget and Fee Rules is included as an attachment to this item.

FY 2019-20 SCAQMD Proposed Budget, Goals and Priority Objectives and Regulation III

Governing Board Workshop
April 12, 2019



FY 2019-20

Workshop Topics

- Goals and Priority Objectives
- General Fund Budget
- Reg. III Fee Adjustments

Hierarchy

Mission Statement

Goal I

Goal II

Goal III

Priority
Objectives (9)

Priority
Objectives (4)

Priority
Objectives (6)

Mission Statement

"To clean the air and protect the health of all residents in the South Coast Air District through practical and innovative strategies."

Goals

- I. Achieve clean air standards.
- II. Enhance public education and ensure equitable treatment for all communities.
- III. Operate efficiently and transparently.

Goal I Priority Objectives

Goal I. Achieve Clean Air Standards

Priority Objective		Performance Indicator	Performance Measurement
1	Implementation of the 2016 AQMP	Adherence to adoption and implementation schedules for rules, working groups, assessments and programs as adopted in the 2016 AQMP.	Complete 6 rule adoptions and/or actions that result in achievements towards AQMP emissions reductions.
2	Secure Incentive Funding for Emissions Reduction	Dollar amount of new funding sources for pollution reduction projects.	Secure \$400 \$300 Million of new funding sources.
3	AB 617 Implementation the SCAQMD Action Plan for Toxics Facilities in Communities	Conduct monitoring and achieve emissions reductions if necessary at previously unknown high risk facilities. Conduct air monitoring and implement Community Emission Reduction Plans for each of the three Year 1 communities, and conduct outreach to develop recommendations for Year 2 communities	Conduct monitoring of at least 10 facilities and reduce emissions from those found to have high toxics risk to the Community Complete the development and begin implementation of the Community Emission Reduction Plans for each of the three Year 1 communities. Complete the first year of air monitoring for each of the three Year 1 communities.
4	Ensure Efficient Air Monitoring and Laboratory Operations	Achieve acceptable completion of valid data points out of the scheduled measurements in the SCAQMD air monitoring network for NAAQS pollutant before U.S. EPA deadline.	Achieve acceptable valid data completion submitted to U.S. EPA before deadline.

Goal I Priority Objectives

Goal I. Achieve Clean Air Standards (cont.)

Priority Objective		Performance Indicator	Performance Measurement
5	Ensure Timely Inspections of Facilities	Total number of Title V Inspections completed annually.	Complete 378 100% Title V Inspections.
6	Maintain progress in reducing the permit applications inventory	Number of pending permit applications.	Maintain pending permit applications inventory excluding Permits to Construct issued and RECLAIM transition applications between 2,500 and 3,000 at or near 3,000.
7	Support Development of Cleaner Advanced Technology	Amount of Clean Fuels Program projects funded.	Fund \$10 Million of Clean Fuels program projects with a 1:4 leveraging ratio.
8	Incentive Programs	% of grant money executed in contracts.	50% of grant money contracted within six months after Board approval.
9	Initiate implementation of the fifth Multiple Air Toxics Exposure Study Complete field study and begin data analysis for the fifth Multiple Air Toxics Exposure Study	Conduct monitoring and updates to emissions inventory for the evaluation of air toxics health impacts.	Conduct fixed-site monitoring at 10 sites, began work on updating the emissions inventory, and deploy 5 different advanced monitoring methods. Finalize data for fixed-site monitoring at 10 sites, continue updating the emissions inventory, and complete deployment of 5 different advanced monitoring methods.

Goal II Priority Objectives

Goal II. Enhance Public Education and Equitable Treatment for All Communities

Priority Objective		Performance Indicator	Performance Measurement
1	Evaluation of Low Cost Air Quality Sensors	Evaluation and posting of results of low cost air quality sensors that have reached the market.	Evaluate and post results of 75% of sensors that have reached the market.
2	Outreach Events and Media Relations	Number of large community outreach events conducted in each County and Media Outreach effective information distribution for major incidents.	Conduct 4 large community outreach events, including 1 in each County. Develop and implement SOPs to provide information to the public as quickly and accurately as possible.
3	Timely Investigation of Community Complaints	Initiate complaint investigation within 2 hours of complaint receipt.	During normal SCAQMD business hours, contact 90% of complainants within 2 hours of complaint receipt.
4	Social Media Efforts	Percentage increase in number of social media followers.	30% increase in social media
5	Engage Young Persons	Conduct meetings with the Young Persons advisory group.	Conduct 4 meetings with the Young Persons advisory group.

Goal III Priority Objectives

Goal III. Operate Efficiently and Transparently.

Priority Objective		Performance Indicator	Performance Measurement
1	Ensure Transparent Governance	Percentage of Committee and Board meeting agendas with materials made available to the public one week prior to the meeting.	100% of Committee and Board meeting agendas with materials made available to the public one week prior to the meeting.
2	Ensure Transparent Governance	Percentage of Stakeholder and Working Group meeting agendas with materials made available to the public one week prior to the meeting.	100% of Stakeholder and Working Group meeting agendas with materials made available to the public 72 hours three days prior to the meeting.
3	Maintain a Well Informed Staff	Number of all staff information sessions offered and conducted.	Offer and conduct 10 information sessions/training for all staff.
4	Partner with Public Agencies, Stakeholder Groups, & Business Community	Number of meetings with Permit Streamlining Task Force subcommittee and stakeholders.	Conduct 2-4 meetings of the Permit Streamlining Task Force subcommittee and stakeholders.
5	IT Systems Improvements	Number of completed Enterprise GIS improvement projects.	Complete the remaining 6 of the 15 Enterprise GIS projects identified in the GIS Implementation Plan
5	Timely Financial Monitoring	Timely budgetary financial reporting.	Submit quarterly budgetary financial reports to the Governing Board within 6 working days of the end of the quarter.
6	Implement Cloud Office Suite	Percentage of staff migrated to a particular cloud office service.	Migrate 100% of staff to cloud office email service.

FY 2019-20 General Fund Budget Summary

	FY 2018-19			FY 2019-20
	<u>Budget</u>	<u>Amended*</u>	<u>Estimate**</u>	<u>Proposed***</u>
Revenue***	\$162.6	\$167.5	\$165.5	\$170.9
Program Cost	<u>\$162.6</u>	<u>\$175.9</u>	<u>\$170.6</u>	<u>\$170.9</u>
Change to Fund Balance	<u>\$0.0</u>	<u>-\$8.4</u>	<u>-\$5.1</u>	<u>\$0.0</u>

* Board approved changes through March 2019.

** FY 2018-19 estimate includes potential April Board actions for Health Effects transfer and elevator replacement.

*** FY 2019-20 Proposed Revenue Budget includes a projected CPI fee increase of 3.5% with the third and final year of an additional 10.66% increase for Title V annual operating permit renewal and permit processing fees.

FY 2019-20 General Fund Budget Expenditure Summary

(\$ in Millions)	FY 2018-19			FY 2019-20
	<u>Adopted</u>	<u>Amended*</u>	<u>Estimate</u>	<u>Proposed</u>
Salaries & Benefits	\$132.9	\$134.5	\$129.2	\$141.7
Services & Supplies	\$28.6	\$34.3	\$34.3	\$28.0
Capital Outlays	\$1.1	\$5.0	\$5.0	\$0.4
Transfers Out	<u>\$0.0</u>	<u>\$2.1</u>	<u>\$2.1</u>	<u>\$0.8</u>
Total	<u>\$162.6</u>	<u>\$175.9</u>	<u>\$170.6</u>	<u>\$170.9</u>
Staffing (FTEs)	876.4	938		939

*Board approved changes through March 2019

FY 2019-20 Proposed Staffing Changes

Operational Support

- Add:
 - 1 Administrative Secretary - Legislative & Public Affairs/Media Office
 - 1 Deputy Executive Officer - Finance
 - 1 Deputy Executive Officer - Administrative & Human Resources
 - 1 Deputy Executive Officer - Information Management
 - 2 Supervising Office Assistant – Engineering & Permitting and Information Management
- Delete:
 - 1 Chief Administrative Officer - Finance
 - 1 Assistant Deputy Executive Officer - Finance
 - 1 Assistant Deputy Executive Officer - Administrative & Human Resources
 - 1 Assistant Deputy Executive Officer - Information Management
 - 2 Principal Office Assistant – Engineering & Permitting and Information Management

Customer Services and Business Assistance

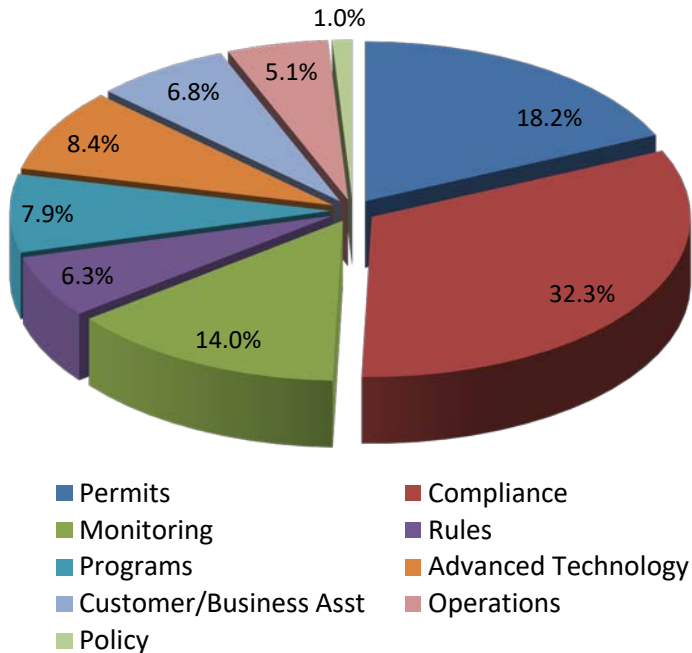
- Add:
 - 1 Program Supervisor – Legislative & Public Affairs/Media Office

Develop Rules

- Title Change:
 - From Health Effects Officer to Director of Community Air Programs/Health Effects Officer

Expenditures by Activity

FY 2019-20 Proposed Budget **



Program	Activities
Compliance	Inspections, Investigations, PERP, Arch Coatings
Customer/Business Assistance	Billings Services, Outreach, Public Records
Programs	AQMP, CEQA, Transportation
Rules	Rulemaking, Modeling
Monitoring	PM Sampling, Ambient Network/Air Analysis
Permits	Permit Processing/Services
Operations	Bldg Maint/Systems, Comp Ops, Fin, HR, Purchasing, Training
Policy	Outreach, Legislation, Advisory Groups/Governing Board
Advance Technology	Mobile Sources/Carl Moyer, Clean Fuels, Prop. 1B, MSRC

*Expenditures are fully burdened

FY 2019-20 General Fund Budget Revenue Summary

	FY 2018-19			FY 2019-20
<u>Revenue Type</u>	<u>Budget</u>	<u>Amended*</u>	<u>Estimate*</u>	<u>Proposed**</u>
Emission Fees	\$19.7	\$19.7	\$20.0	\$20.7
Annual Renewal Fees	\$57.3	\$57.3	\$56.2	\$59.3
Permit Processing Fees	\$19.9	\$19.9	\$18.8	\$20.6
Area Sources	\$2.3	\$2.3	\$2.3	\$2.3
Mobile Sources	\$30.6	\$30.6	\$26.0	\$28.2
Transportation Programs	\$1.0	\$1.0	\$1.0	\$1.0
Other	<u>\$31.8</u>	<u>\$36.7</u>	<u>\$41.2</u>	<u>\$38.8</u>
Total	<u>\$162.6</u>	<u>\$167.5</u>	<u>\$165.5</u>	<u>\$170.9</u>

* Amended Budget and Estimate include Governing Board approved increases for federal grant revenues and one-time needs.

** FY 2019-20 Proposed Revenue Budget includes a CPI fee adjustment of 3.5% with the third and final year of an additional 10.66% increase for Title V annual operating permit renewal and permit processing fees.

FY 2019-20 General Fund Budget

Five Year Projection

(\$ in millions)	FY 18-19 Estimated	FY 19-20 Projected	FY 20-21 Projected	FY 21-22 Projected	FY 22-23 Projected	FY 23-24 Projected
STAFFING		939	939	939	939	939
Revenues *	\$165.5	\$170.9	\$175.1	\$175.0	\$176.1	\$178.4
Program Costs	\$170.6	\$170.9	\$180.7	\$184.0	\$185.0	\$179.2
Change in Fund Balance	-\$5.1	\$0.0	-\$5.6	-\$9.0	-\$8.9	-\$0.8
UNRESERVED FUND BALANCE (at Year-End)	\$49.7	\$49.7	\$44.1	\$35.1	\$26.2	\$25.4
% of REVENUE	30%	29%	25%	20%	15%	14%
<ul style="list-style-type: none"> Includes projected CPI fee increase of 3.5% for FY 2019-20 with the third and final year of an additional fee increase approved by the Governing Board in June 2017,(10.66% for Title V annual operating permit renewal and permit processing fees). FY 20-21, FY 21-22, FY 22-23 and FY 23-24 have CPI fee increases of 3.7%, 3.2%, 2.9% and 2.8% respectively. 						

Proposed Amended Regulation (PAR) III - Fees

- Annual CPI-based fee increase: 3.5% across the board
- 5 proposals with new fees or fee increases
 - Toxics Emissions Fees (next slides)
 - Four minor fee adjustments
- 6 proposals for fee reduction or relief
- 4 proposals with no fee impact and/or administrative changes
 - One additional proposal to Rule 209 to clarify change of owner/operator

Toxics Emissions Fees

Two key issues

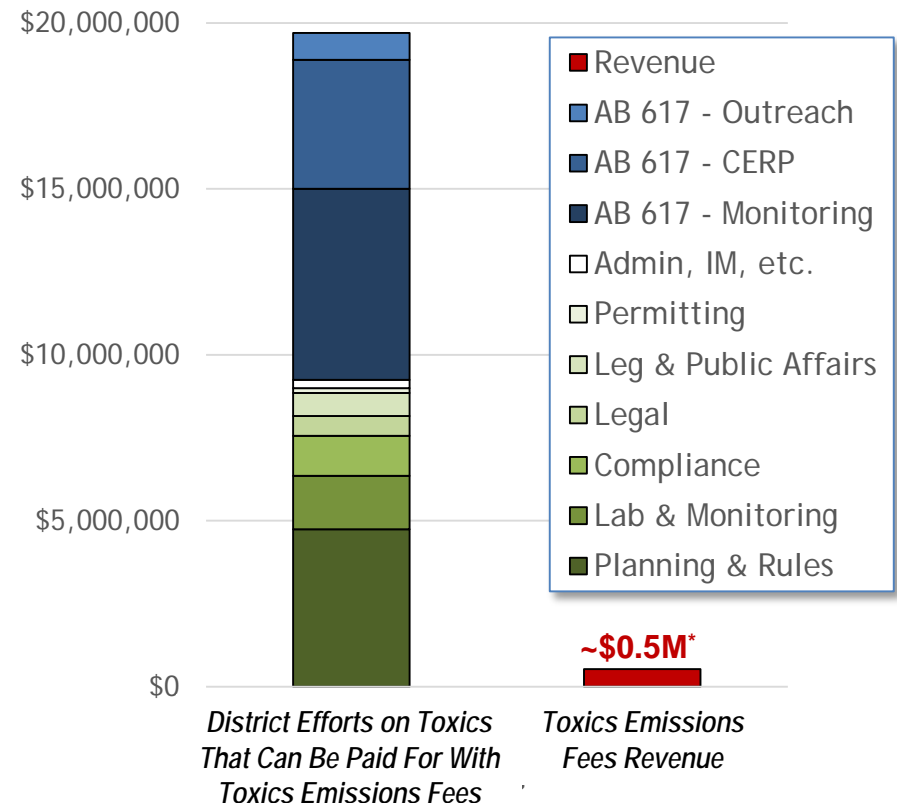
1. Significant recent and anticipated upcoming District efforts on toxics emissions from stationary sources

- Examples: toxic metals, fugitive hydrocarbons, new state health risk assessment guidance, AB 617

2. Structure of toxic emissions fees does not correlate with recent and anticipated upcoming workload




- Workload most closely correlated to:
 - Toxicity of emissions from a facility
 - Complexity of emissions sources at a facility (e.g., # of devices)

Subset of District Effort on Toxics vs. Toxics Emissions Fees



*~\$20M collected for criteria pollutant emissions

Proposed Toxics Emissions Fees

- 1) Introduce a new Base Toxics Fee to recover costs for basic functioning of toxics reporting program (software + minimal staffing)
 - \$78.03/facility if toxics reported **\$0.1M**
- 2) Introduce a new Flat Rate Device Fee to recover costs for staff toxics inventory work
 - \$341.89 per permitted device with toxics emissions
 - Inventory workload highly correlated with number of devices **\$1.4M**
- 3) Introduce a new Cancer Potency-Weighted Fee to recover costs for staff enforcement and related efforts for higher toxicity facilities (AB 617, monitoring, source testing, rulemaking)
 - \$10 per cancer potency-weighted pound of toxics emissions
 - Add Diesel PM to the list of 21 common toxics that require fees
 - Fees for ammonia and ozone depleters would not change **\$3.4M**

\$4.9M*

**~\$4.4M higher than current fees*

Toxic Emissions Fees - Proposed Schedule

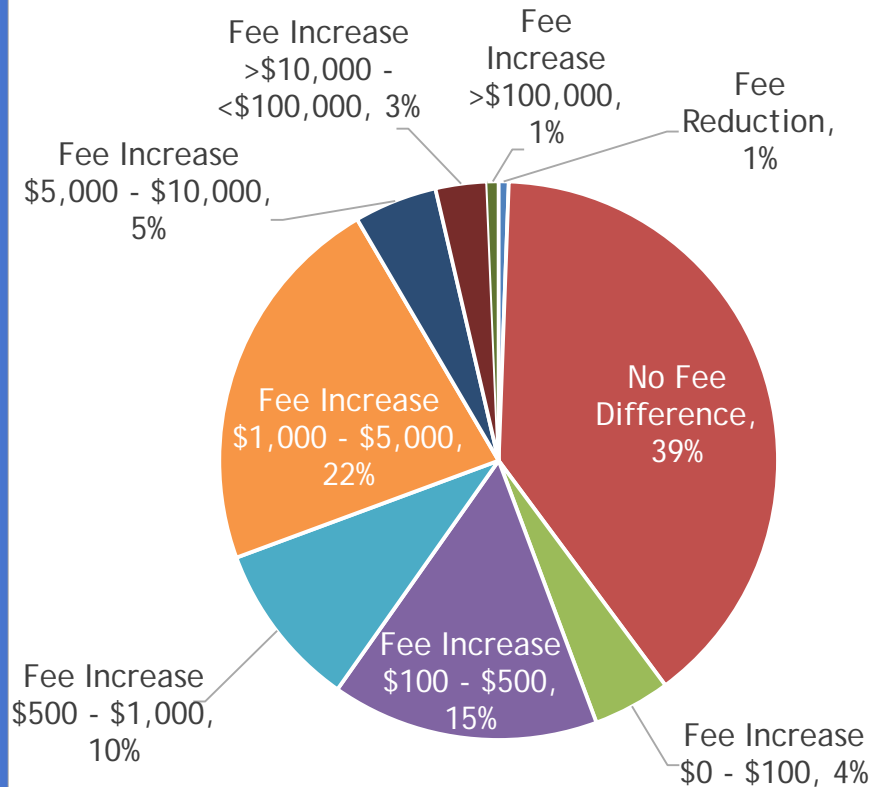
- Increase in full proposed fees would begin January 1, 2021
 - Proposal would increase emissions fees revenue ~22%
 - Including both toxics and criteria pollutants

- Proposed phase in:

	January 1, 2020	January 1, 2021	January 1, 2022
Flat fee	No change other than typical CPI increase	\$78.03	\$78.03
Per device fee		\$170.95	\$341.89
Cancer potency-weighted fee (per lb.)		\$5.00	\$10.00

- Due to fluctuating nature of toxics work, staff will revisit fee level in future and propose rebalancing up or down as necessary

Toxic Emissions Fee Impact



Industry Sector	# of Facilities	Average Difference	Max Difference
<i>Refineries</i>	8	\$146,690	\$427,369
<i>Utilities</i>	126	\$5,667	\$182,228
<i>Waste Management</i>	61	\$5,214	\$160,368
<i>Transp. & Warehousing</i>	46	\$4,553	\$46,325
<i>Education</i>	22	\$4,474	\$28,239
<i>Arts, Entertainment, & Recreation</i>	8	\$3,278	\$13,440
<i>Health Care</i>	52	\$3,278	\$15,433
<i>Information Technology</i>	11	\$2,838	\$9,012
<i>Manufacturing</i>	653	\$1,828	\$211,092
<i>Mining and Oil/Gas Extraction</i>	89	\$1,754	\$15,481
<i>Wholesale Trade</i>	67	\$1,595	\$18,800
<i>Professional & Technical Services</i>	24	\$1,490	\$13,805
<i>Public Administration</i>	29	\$1,444	\$8,167
<i>Construction</i>	24	\$883	\$5,695
<i>Retail Trade</i>	106	\$853	\$7,580
<i>Hotels & Restaurants</i>	4	\$332	\$625
<i>Agriculture & Forestry</i>	34	\$319	\$9,030
<i>Other</i>	176	\$76	\$4,111

➤ *Staff has received preliminary feedback from stakeholders*

Total Estimated Fee Impacts of PAR III

- CPI-based fee increase: ~\$3 million in FY 2019-20 to cover cost of inflation
- 11 targeted proposals with fee impacts:

Proposed Amendment	FY2019-2020	FY2020-2021	FY 2021-2022 and thereafter
Update Air Toxic Contaminant (TAC) Fees	\$0	\$2,055,836	\$4,417,564
Update Table VI in Rule 301 Applying Rule 1403	-\$303,000	-\$303,000	-\$303,000
Amend Rule 301(x) to Include Rule 1118.1 Notification Fee	\$0	\$1,600	\$3,200
Update Enforcement Inspection Fees for PERP Regulations	\$3,520	\$3,520	\$3,520
Aligning Inspection Fee Rates in Rule 306 and 309	\$2,100	\$2,100	\$2,100
Remove Fee in Rule 308 for Adding/Deleting Site From a Multi-site or Geographic Program	\$0	\$0	\$0
Change of Owner/Operator Fee Cap	\$0	\$0	\$0
Clean Air Solvent Certification Fees	\$0	\$0	\$0
Certified Copy Fees for Title V Facilities in Rule 301	\$0	\$0	\$0
Amend Rule 301(aa) to Remove Delek U.S. Holdings, Inc.	\$0	\$0	\$0
Exemption From Surcharge for Emissions Developed From Source Tests	\$0	\$0	\$0
Total	-\$290,236	\$1,760,056	\$4,123,384

Summary of Key Dates

Estimated Date	Activity
March 15 th	Socioeconomic Impact Analysis available for public review and comment.*
Early April	FY 2019-20 Draft Budget & Work Program available for public review.
April 5 th	Budget Advisory Committee meeting. Presentation on FY 2019-20 Draft Budget & Work Program, CPI Fee Adjustment* and Proposed Amended Regulation (PAR) III – Fees.
April 9 th	Public Consultation Meeting on FY 2019-20 Draft Budget & Work Program, CPI Fee Adjustment* and PAR III – Fees.
April 12 th	SCAQMD Governing Board Workshop on the FY 2019-20 Draft Budget & Work Program, CPI Fee Adjustment and PAR III – Fees.
April 12 th	Public Comments and Budget Advisory Committee Recommendations to Governing Board.*
May 3 rd	Governing Board Meeting - FY 2019-20 Budget & Work Program, CPI Fee Adjustment* and PAR III - Fees.

*Rule 320 – Automatic Adjustment Based on Consumer Price Index for Reg. III Fees

Questions/Comments?

Item 14

DRAFT

BOARD MEETING DATE: May 3, 2019

AGENDA NO.

PROPOSAL: Revise Procurement Policy and Procedure

SYNOPSIS: This action is to approve amendments to SCAQMD's Procurement Policy and Procedure to revise the definition of Low-Emission Vehicle Businesses for use in awarding procurement incentive points/percentages, as well as updates reflecting enhancements and current operating processes.

COMMITTEE: Administrative, April 12, 2019; Recommended for Approval

RECOMMENDED ACTIONS:

Adopt the revised Procurement Policy and Procedure.

Wayne Nastri
Executive Officer

SJ:DH:tm

Background

The SCAQMD's Procurement Policy and Procedure, adopted January 9, 1998 and last amended September 4, 2015, provides that 5 additional points may be awarded to bidders committing to deliveries of materials and supplies using low-emission vehicles.

The current definition of low-emission vehicles as provided in the Procurement Policy and Procedure and SCAQMD RFP/RFQs does not adequately reflect the current near-zero and zero-emission vehicle fuel technologies.

Proposal

It is recommended that SCAQMD's Procurement Policy and Procedure be amended to include a revised definition of vehicle deliveries that would qualify for the bid evaluation incentive, as follows:

“Near-Zero and Zero-Emission Vehicle Business” as used in this policy means a company or contractor that uses near-zero or zero-emission vehicles in conducting deliveries to SCAQMD. Near-zero or zero-emission vehicles include vehicles powered by electric, compressed natural gas (CNG), liquefied natural gas (LNG), liquefied petroleum gas (LPG), ethanol, methanol, and hydrogen and are certified to 90% or lower than the existing standard.

Subsequent to approval of this revision, SCAQMD RFP/RFQs will contain the revised definition.

Further, the revised Policy and Procedure contains enhancements and reflects current operating processes.

Resource Impacts

Staff anticipates no specific resource impacts from this change, but the change may increase the number of cleaner vehicles for deliveries of supplies and materials based upon the revised definition.

Attachment

Revised Procurement Policy and Procedure

Proposal

It is recommended that the AQMD's Procurement Policy and Procedure, Sections III and VIII, be amended to reflect the award of two (2) additional points for a RFP to a Bidder who commits in their proposal that supplies or materials delivered to the AQMD will be delivered during off-peak traffic hours, defined as between 10AM and 3PM. Similarly, for a RFQ, an Off-Peak Hours Delivery Business will be granted a preference equal to two (2) percent of the lowest cost responsive bid. Such commitment would also be contained in the AQMD purchase order or contract.

Resource Impacts

None

Attachments

Revised Procurement Policy and Procedure

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

PROCUREMENT POLICY AND PROCEDURE

SECTION I: PURPOSE

- A. It is the policy of the South Coast Air Quality Management District (SCAQMD) to make available to all its offices and employees those services, supplies, equipment, materials, and fixed assets which are essential to the operation of the SCAQMD.
- B. The execution of this policy is the function of the responsible officer as set forth herein.
- C. The procedures set forth in this policy govern contracting and/or purchasing of services, materials, equipment, supplies, and fixed assets by the SCAQMD.
- D. The SCAQMD Board may contract for services, materials, equipment, supplies, and fixed assets as may be necessary or convenient for the exercise of duties imposed upon the SCAQMD.

SECTION II: GOVERNING BODY AND APPLICABLE LAWS

- A. The SCAQMD is organized pursuant to Chapter 5.5, Part 3, Division 26 of the Health and Safety Code.
- B. The governing body of the SCAQMD is a Board of Directors composed in accordance with Health and Safety Code Section 40420 ("SCAQMD Board").
- C. The SCAQMD is required to adopt a purchasing policy pursuant to Government Code Section 54202.

SECTION III: PARTICIPATION IN THE PROCUREMENT PROCESS

A. General

It is the policy of the SCAQMD to ensure that all businesses including minority business enterprises, women business enterprises, disabled veteran business enterprises and small businesses have a fair and equitable opportunity to compete for and participate in SCAQMD contracts.

B. Definitions

The definition of minority, women and disadvantaged business enterprises set forth below is included for purposes of determining compliance with the affirmative steps requirement described in paragraph (F) below on procurements funded in whole or in part with federal funds which involve the use of subcontractors. The definitions provided for disabled veteran

business enterprise, local business, small business enterprise, ~~low-emission~~near-zero or zero-emission vehicle business, off-peak hours delivery business and benefits incentive business are provided for purposes of determining eligibility for point or cost considerations in the evaluation process.

1. "Women business enterprise" (~~W~~WBE) as used in this policy means a business enterprise that meets all of the following criteria:
 - a. a business that is at least 51 percent owned by one or more women, or in the case of any business whose stock is publicly held, at least 51 percent of the stock is owned by one or more or women.
 - b. a business whose management and daily business operations are controlled by one or more women.
 - c. a business which is a sole proprietorship, corporation, or partnership with its primary headquarters office located in the United States, which is not a branch or subsidiary of a foreign corporation, foreign firm, or other foreign-based business.
2. "Disabled veteran" as used in this policy is a United States military, naval, or air service veteran with at least 10 percent service-connected disability who is a resident of California.
3. "Disabled veteran business enterprise" (DVBE) as used in this policy means a business enterprise that meets all of the following criteria:
 - a. is a sole proprietorship or partnership of which at least 51 percent is owned by one or more disabled veterans or, in the case of a publicly owned business, at least 51 percent of its stock is owned by one or more disabled veterans; a subsidiary which is wholly owned by a parent corporation but only if at least 51 percent of the voting stock of the parent corporation is owned by one or more disabled veterans; or a joint venture in which at least 51 percent of the joint venture's management and control and earnings are held by one or more disabled veterans.
 - b. the management and control of the daily business operations are by one or more disabled veterans. The disabled veterans who exercise management and control are not required to be the same disabled veterans as the owners of the business.
 - c. is a sole proprietorship, corporation, or partnership with its primary headquarters office located in the United States, which is not a branch or subsidiary of a foreign corporation, firm, or other foreign-based business.
4. "Local business" as used in this policy means a company that has an ongoing business within the South Coast AQMD at the time of bid or proposal submittal and performs 90% of the work related to the contract within the South Coast AQMD and satisfies the requirements of subparagraph H below.

5. "Small business" as used in this policy means a business that meets the following criteria:
- a. 1) an independently owned and operated business; 2) not dominant in its field of operation; 3) together with affiliates is either:
 - A service, construction, or non-manufacturer with 100 or fewer employees, and average annual gross receipts of ten million dollars (\$10,000,000) or less over the previous three years, or
 - A manufacturer with 100 or fewer employees.
 - b. Manufacturer means a business that is both of the following:
 - 1) Primarily engaged in the chemical or mechanical transformation of raw materials or processed substances into new products.
 - 2) Classified between Codes 311000 and 339000, inclusive, of the North American Industrial Classification System (NAICS) Manual published by the United States Office of Management and Budget, 2007 edition.
6. "Joint ventures" as defined in this policy pertaining to certification means that one party to the joint venture is a DVBE or small business and owns at least 51 percent of the joint venture.
7. "~~Low-Emission Vehicle Business~~Near-Zero or Zero-Emission Vehicle Business" as used in this policy means a company or contractor that uses ~~low-emission~~near-zero or zero-emission vehicles in conducting deliveries to the SCAQMD. ~~Low-emission~~Near-zero or zero-emission vehicles include vehicles powered by electric, compressed natural gas (CNG), liquefied natural gas (LNG), liquefied petroleum gas (LPG), ethanol, methanol, hydrogen ~~and diesel retrofitted with particulate matter (PM) traps and are certified to 90% or lower than the existing standard.~~
8. "Off-Peak Hours Delivery Business" as used in this policy means a company or contractor that commits to conducting deliveries to the SCAQMD during off-peak traffic hours defined as between 10:00 a.m. and 3:00 p.m.
9. "Benefits Incentive Business" as used in this policy means a company or contractor that provides janitorial, security guard or landscaping services to the SCAQMD and commits to providing employee health benefits (as defined below in Section VIII.D.2.d) for full time workers with affordable deductible and co-payment terms.
10. "Minority Business Enterprise" as used in this policy means a business that is at least 51 percent owned by one or more minority person(s), or in the case of any business whose stock is publicly held, at least 51 percent of the stock is owned by one or more or minority persons.
- a. a business whose management and daily business operations are controlled by one or more minority persons.

- b. a business which is a sole proprietorship, corporation, or partnership with its primary headquarters office located in the United States, which is not a branch or subsidiary of a foreign corporation, foreign firm, or other foreign-based business.
 - c. "Minority person" for purposes of this policy, means a Black American, Hispanic American, Native-American (including American Indian, Eskimo, Aleut, and Native Hawaiian), Asian-Indian (including a person whose origins are from India, Pakistan, and Bangladesh), Asian-Pacific-American (including a person whose origins are from Japan, China, the Philippines, Vietnam, Korea, Samoa, Guam, the United States Trust Territories of the Pacific, Northern Marianas, Laos, Cambodia, and Taiwan).
11. "Most Favored Customer" as used in this policy means that the SCAQMD will receive at least as favorable pricing, warranties, conditions, benefits and terms as other customers or clients making similar purchases or receiving similar services.
12. Disadvantaged Business Enterprise" as used in this policy means a business that is an entity owned and/or controlled by a socially and economically disadvantaged individual(s) as described by Title X of the Clean Air Act Amendments of 1990 (42 U.S.C. 7601 note) (10% statute), and Public Law 102-389 (42 U.S.C. 4370d)(8% statute), respectively;
- a Small Business Enterprise (SBE);
 - a Small Business in a Rural Area (SBRA);
 - a Labor Surplus Area Firm (LSAF); or
 - a Historically Underutilized Business (HUB) Zone Small Business Concern, or a concern under a successor program.
- C. Under Request for Quotations (RFQ), DVBEs, DVBE business joint ventures, small businesses, and small business joint ventures shall be granted a preference in an amount equal to 5 percent of the lowest cost responsive bid. ~~Low-Emission~~Near-Zero or Zero-Emission Vehicle Businesses shall be granted a preference in an amount equal to 5 percent of the lowest cost responsive bid. Off-Peak Hours Delivery Businesses shall be granted a preference in an amount equal to 2 percent of the lowest cost responsive bid. Local businesses (if the procurement is not funded in whole or in part by ~~EPA~~federal grant funds) shall be granted a preference in an amount equal to 2 percent of the lowest cost responsive bid.
- D. Under Request for Proposals (RFP), DVBEs, DVBE joint ventures, small businesses, small business joint ventures and benefits incentive businesses shall be awarded ten (10) points in the evaluation process. A non-DVBE or large business shall receive seven (7) points for subcontracting at least 25 percent of the total contract value to a DVBE or small business. ~~Low-Emission~~Near-Zero or Zero-Emission Vehicle Businesses shall be awarded five (5) points in the evaluation process. On procurements that are not funded in whole or in part by ~~EPA~~federal grant funds local businesses shall receive five (5) points. Off-Peak Hours Delivery Businesses shall be awarded two (2) points in the evaluation process.
- E. The SCAQMD will ensure that discrimination in the award and performance of contracts does not occur on the basis of race, color, sex, national origin, marital status, sexual

preference, creed, ancestry, medical condition, or retaliation for having filed a discrimination complaint in the performance of SCAQMD contractual obligations.

- F. When contracts are funded in whole or in part by federal funds, and if subcontracts are to be let, the Contractor must comply with the following, evidencing a good faith effort to solicit disadvantaged businesses. Contractor shall submit a certification signed by an authorized official affirming its status as a MBE or WBE, as applicable, at the time of contract execution. The SCAQMD reserves the right to request documentation demonstrating compliance with the following good faith efforts prior to contract execution.
 - 1. Ensure Disadvantaged Business Enterprises (DBEs) are made aware of contracting opportunities to the fullest extent practicable through outreach and recruitment activities. For Indian Tribal, State and Local Government recipients, this will include placing DBEs on solicitation lists and soliciting them whenever they are potential sources.
 - 2. Make information on forthcoming opportunities available to DBEs and arrange time frames for contracts and establish delivery schedules, where the requirements permit, in a way that encourages and facilitates participation by DBEs in the competitive process. This includes, whenever possible, posting solicitations for bids or proposals for a minimum of 30 calendar days before the bid or proposal closing date.
 - 3. Consider in the contracting process whether firms competing for large contracts could subcontract with DBEs. For Indian Tribal, State and Local Government recipients, this will include dividing total requirements when economically feasible into smaller tasks or quantities to permit maximum participation by DBEs in the competitive process.
 - 4. Encourage contracting with a consortium of DBEs when a contract is too large for one of these firms to handle individually.
 - 5. Using the services and assistance of the Small Business Administration and the Minority Business Development Agency of the Department of Commerce.
 - 6. If the prime contractor awards subcontracts, require the prime contractor to take the above steps.
- G. To the extent that any conflict exists between this policy and any requirements imposed by federal and state law relating to participation in a contract by a MBE, WBE, and/or DVBE as a condition of receipt of federal or state funds, the federal or state requirements shall prevail.
- H. When contracts are not funded in whole or in part by federal funds, a local business preference will be awarded. For such contracts that involve the purchase of commercial off-the-shelf products, local business preference will be given to suppliers or distributors of commercial off-the-shelf products who maintain an ongoing business within the geographical boundaries of the SCAQMD. However, if the subject matter of the RFP or RFQ calls for the fabrication or manufacture of custom products, only companies performing 90% of the manufacturing or fabrication effort within the geographical boundaries of the SCAQMD shall be entitled to the local business preference.

- I. For federally funded procurements, the SCAQMD shall comply, where applicable, with federal fair share requirements set forth in 40 CFR 33, or equivalent federal regulations.
- J. It is the policy of the SCAQMD to receive at least as favorable pricing, warranties, conditions, benefits and terms as other customers or clients making similar purchases or receiving similar services. To this purpose, formal bidding procedures, sole source awards, and RFP/RFQ processes will include a certification for “most favored customer” status. SCAQMD will give preference, where appropriate, to vendors who certify that they will provide “most favored customer” status to the SCAQMD.

K. Responsibilities of SCAQMD Personnel:

- 1. The Manager of the Procurement Section shall be responsible for:
 - a. Developing and maintaining SCAQMD procedures to ensure proper implementation of this policy.
 - b. Reviewing solicitations to ensure compliance with this policy prior to public release.
 - c. Preparing a monthly report to the SCAQMD Board on solicitations scheduled to be released within the next month and preparing a semi-annual report to the SCAQMD Board on contract activity.
 - d. Reviewing contracts and purchase orders to ensure compliance with this policy and applicable laws and regulations.
 - e. Providing periodic training to SCAQMD personnel on contracting and purchasing policies and procedures.
 - f. Developing and maintaining a database of vendors seeking to do business with the SCAQMD.
 - g. Participating at trade fairs and other procurement outreach programs.
 - h. Publication of Notices Inviting Bids or Proposals.
 - i. Maintaining records sufficient to detail the significant elements of the procurement, including, but not limited to: authorizing Board Letter or memorandum to authorizing contract signatory; the Contract Request Authorization Memorandum from the originating organization; the Request for Proposal, if applicable; the contractor’s final proposal; and any miscellaneous SCAQMD internal correspondence concerning the terms of the contract.
- 2. SCAQMD Legal Counsel shall be responsible for:
 - a. Representing the SCAQMD in all litigation actions involving implementation of this policy.
 - b. Providing legal opinions regarding the interpretation of bid specifications, proposal requirements, and contract provisions.
- 3. SCAQMD staff is responsible for:

- a. Taking all necessary and reasonable steps in accordance with applicable SCAQMD requirements to execute this policy and to ensure that all businesses including MBEs, WBEs, DVBES and small businesses have fair and equitable participation in the solicitation process.
- b. Screening the SCAQMD's vendor database to obtain names of companies which have expressed an interest in doing business with the SCAQMD.
- c. Ensuring that relevant business enterprises listed in the database will receive copies of solicitations.
- d. Coordinating the advertising of solicitations with the Manager of the Procurement Section or his or her designee in conformance with the policies and procedures of this policy.
- e. Providing the Manager of the Procurement Section with a draft of the solicitation for review prior to public release and issuance of an RFQ or RFP number by the procurement staff.
- f. For contracts funded in whole or in part with federal funds, performing and documenting a cost or price analysis as appropriate, including a lease versus purchase analysis, as set forth in 40 CFR 31.36(f) and 31.36(b)(4). Appropriate staff shall also maintain records sufficient to detail the significant history of a procurement, including the method of procurement, selection of the contract type, contractor selection or rejection, and the basis for the contract price.
- g. Providing the Manager of the Procurement Section with all documents showing the history of the procurement as set forth in Section III(~~JK~~)(1)(i).

SECTION IV: PURCHASING OF SUPPLIES, SERVICES AND EQUIPMENT

A. Manager of the Procurement Section Authority and Responsibilities

1. The Manager of the Procurement Section may purchase, upon appropriate authorization, services, materials, equipment, supplies, and fixed assets.
2. The Manager of the Procurement Section shall designate those persons who will have authority to make purchases.
3. The Manager of the Procurement Section shall act in the best interests of the SCAQMD in negotiating the best price on all goods and services, cost and other factors considered; and in accordance with all rules, regulations, and policies herein set forth, and all applicable provisions of law.
4. For non-consultant services and supplies which can reasonably be expected to exceed \$50,000 on an annual basis, the Manager of the Procurement Section may use a competitive prequalification process. As used in this policy, the term "prequalified vendors" shall be defined as the list of vendors whom the SCAQMD has determined to be qualified to provide particular services or supplies. As requirements become identified, competitive bids will be sought only from those vendors on the prequalified vendor list.

5. Whenever possible, to effect economies of scale purchasing, the Manager of the Procurement Section shall pursue the policy of cooperative purchasing, provided that the quality of the available items meets SCAQMD requirements. Cooperative or leveraged purchasing is the policy of ~~allowing the Manager of the Procurement Section to place the SCAQMD's name on other governmental agencies' bid lists for items the SCAQMD is interested in purchasing.~~ utilizing pricing established from competitively bid state or national contracts established pricing to procure required materials, i.e., the California Department of General Services sponsored California Multiple Award Schedules (CMAS) or equivalent. This allows the SCAQMD to enjoy the same terms, discounts, prices, and availability of items that would not be possible in all cases under small-scale purchasing.
6. The Manager of the Procurement Section shall advertise for public bidding, as set forth in Section VII hereof, any item directed by the SCAQMD Board or Executive Officer. In any event, the procedure described in Section VI must be followed for purchases in excess of \$25,000.
7. Subject to the supervision and direction of the Executive Officer, it shall be the duty of the Manager of the Procurement Section to purchase from time to time such quantities of supplies as may be required for official use and keep same in such storeroom or rooms as the SCAQMD shall provide. Such supplies shall be disbursed upon receipt of regular requisitions presented to the Manager of the Procurement Section or his or her designee.

B. Purchasing Methods:

The following purchasing methods shall be utilized, as applicable:

1. Formal Bid - A written bid solicited through public advertising and submitted under sealed bid procedures and which is opened and read on a specified date and time. This method is primarily used for equipment or services costing \$25,000 or more.
2. Informal bid – For procurements above \$2,500 and below \$25,000 an unadvertised written bid from a vendor may be utilized when the cost of the equipment or supplies is so low as to not justify the costs of the formal bidding procedure.
3. Telephone Bid – For procurements not to exceed \$2,500, telephone bids may be utilized by the Manager of the Procurement Section or his or her designee when the best interests of the SCAQMD may be served due to the need for immediate delivery or for other valid reasons.
4. Sole or Single Source – For procurements in excess of \$10,000, the Executive Officer may approve that the award may be made without a formal bid when the item or service to be purchased may be obtained from only one source and the item or service is one which does not lend itself to substitution. Said bids must be confirmed in writing and justified in accordance with the provisions of Section VIII.(B): using a Single/Sole-Source Procurement Request form approved by the Executive Officer.

5. Prior Bid, Last Price - After confirming the validity of a prior price, an award may be made on the basis of a prior bid or on the basis of a last price, if the conditions of a previous purchase are similar.
 6. Request for Quotation - A written request describing materials, equipment, fixed assets, supplies or services sought which may contain certain plans and specifications. Quotations may be solicited through either formal or informal bid procedures.
 7. Formal bidding shall be used when economies of scale can be achieved, when there are equal and competitive products, or when discounts are applicable.
- C. Fixed Assets purchases shall be defined as purchases of assets that have a life of at least three years and a total acquisition cost of \$5,000 or more. Purchases of fixed assets are governed by the following:
1. The Manager of the Procurement Section shall be the responsible officer authorized to approve the purchase of budgeted fixed assets up to the amount of \$10,000 upon the request of the appropriate Deputy or Assistant Deputy Executive Officer.
 2. The Executive Officer may approve purchases of budgeted fixed assets from \$10,000 to \$75,000 and unbudgeted fixed assets up to \$10,000, or in case of an emergency or interruption of SCAQMD operations, up to \$50,000.
 3. Purchases of budgeted fixed assets over \$75,000 and unbudgeted fixed assets over \$10,000, except as provided in paragraph two above, require Board approval.
 4. The Manager of the Procurement Section may, by direct sales or otherwise, sell or dispose of any fixed assets belonging to the SCAQMD and found by the SCAQMD Board not to be required for public use. Fixed assets procured with federal funds may require prior approval from the awarding federal agency, which if required, shall be secured by SCAQMD staff prior to requesting the SCAQMD Board to approve disposal of the applicable asset(s).
 - a. All moneys collected from the proceeds of sales are to be deposited in the SCAQMD's bank account.
 - b. No member of the SCAQMD Board or family member and no SCAQMD employee or family member shall be permitted to purchase any assets or supplies of the SCAQMD, except those items disposed of in an open public auction.
 - c. Upon finding that it is in the best interests of the SCAQMD, the SCAQMD Board may authorize transfer of equipment, supplies, and materials for nominal monetary consideration to public agencies, nonprofit organizations that meet the requirements of Section 501(c) of the Internal Revenue Code, or educational institutions for use in air quality improvement or other activities in the public interest.
 5. The Manager of the Procurement Section may upon written approval of the Executive Officer or his or her designee purchase unbudgeted fixed asset items having a total unit cost not exceeding \$10,000, (including freight and taxes). The purchase of unbudgeted

fixed assets having a total unit cost in excess of \$10,000 shall be made by the Manager of the Procurement Section only after approval of such purchase by the SCAQMD Board.

SECTION V: CONSTRUCTION, ALTERATION, OR IMPROVEMENT OF SCAQMD FACILITIES

A. Executive Officer approval required:

1. The Executive Officer may contract for the construction, alteration, or improvement of SCAQMD facilities when the total cost of the proposed, budgeted construction, alteration, or improvement does not exceed \$75,000. The Executive Officer may approve up to an additional \$75,000 in costs in each subsequent fiscal year.
2. Depending on the nature of the work to be performed, detailed plans and specifications are not required. However, any change or alteration of such plans and specifications shall be in writing.
3. The contracting methods utilized by the Executive Officer under these provisions shall be in accordance with Section IV.B.

B. Governing Board approval required:

1. The SCAQMD Board may contract for the construction, alteration, or improvement of SCAQMD facilities.
2. The SCAQMD Board shall adopt detailed plans and specifications for the work.
3. All bidders shall be afforded the opportunity to examine the plans and specifications. Any changes or alterations of the plans and specifications shall be in writing.
4. The bidding procedures set forth in Section VI of this policy shall be followed for idle projects when the cost of proposed construction alteration or improvement is estimated to exceed \$75,000.
5. The SCAQMD Board shall, to the greatest extent practicable, award the contract to the lowest cost responsive bidder, except as provided in Section VI.(B). The person to whom the contract is awarded shall perform the work in accordance with the plans and specifications.
6. The ~~person~~Contractor to whom the contract is awarded shall execute a completion and performance bond, to be approved by the Executive Officer or designee, for the faithful performance of ~~the contracts~~over \$75,000 per fiscal year.
7. If the cost of work is reduced by reason of any modification of the plans and specifications, such reduced cost shall be credited to the SCAQMD.
8. If the cost of the work increases for any reason, the Executive Officer may authorize the additional work up to an amount not to exceed \$75,000 in any one fiscal year. The

Executive Officer may approve up to an additional \$75,000 in costs in each subsequent fiscal year. If the cost exceeds the original contract by over \$75,000 in any one fiscal year, Board approval will be required.

- C. All solicitations for construction, alteration, or improvement of SCAQMD facilities shall require contractors to comply with applicable federal laws including but not limited to the Copeland Anti-Kickback Act, the Davis Bacon Act, the Contract Work Hours and Safety Standards Act, Occupational Safety and Health Act and applicable state laws governing health and safety, workers compensation, prevailing wage rates, and labor hours.

SECTION VI: BIDDING PROCEDURES

A. Request for Quotations or Proposals

1. When the term "Request for Quotations" (RFQ) or "Request for Proposal" (RFP) is used in this policy, the following is meant: The responsible staff person shall, in writing, solicit quotations from qualified bidders. The prospective bidders shall be sent an RFQ or RFP which specifies the materials, equipment, fixed assets, supplies, or services sought and the date by which bids are required, which date shall be at least 30 days from the date and time the RFQ or RFP is ~~mailed~~ **sent or posted on the SCAQMD website**. For RFQs or RFPs approved by the Executive Officer, waiver of the 30-day period may be approved by the Executive Officer. For any RFP or RFQ, the Executive Officer may extend the response period.
2. In all cases in which written specifications are prepared and submitted for public bid and a trade name is specified, the specifications shall contain the phrase "or equal" and a bidder shall be allowed to bid upon a specific trade name product or its equivalent in quality and performance.
3. Subject to other provisions of this policy, a bid will be awarded to the lowest responsive, qualified bidder whose bid is in accordance with prescribed requirements and/or specifications.
4. The preparation of detailed specifications or obtaining of bids may be waived by the Executive Officer or his or her designee if proper justification has been provided that:
 - a. The items are available from only one source;
 - b. Public health or property may be endangered by delay;
 - c. An emergency or interruption of SCAQMD operations has occurred;
 - d. Required construction, repair, or project completion dates cannot be met;
 - e. Used or surplus equipment or supplies cannot be covered by specifications or plans;
or
 - f. Other circumstances exist which, in the determination of the Executive Officer, require waiver in the best interests of the SCAQMD.

B. Acceptance or Rejection of Bids

1. The SCAQMD Board or appropriate officer may accept or reject all or any bids and quotations or may accept or reject a part of any bid and to waive technical defects if to do so best serves the interests of the SCAQMD. Preference will be given, however, to the lowest cost responsive bidder.
2. In the event all bids or quotations are rejected, the SCAQMD Board or appropriate officer, may take any of the following actions:
 - a. Solicit new bids or quotations. In the event that a "Notice Inviting Bids/Proposals" was required, the notice must be re-advertised.
 - b. Proceed to purchase equipment, materials, services, fixed assets or supplies through the State General Services Agency pursuant to Government Code Section 54205, or other leveraged/cooperative purchasing opportunities, if feasible.
3. The Executive Officer and/or Governing Board may award the contract to a bidder, other than the bidder determined to be the lowest bidder, in the event the Executive Officer and/or the Governing Board determine that another bidder would provide the best value to the SCAQMD. In such case, the supporting rationale for such a determination must be provided. The determination shall be on the bids or quotations and on evidence provided in the quotation and/or any other evidence provided during the bid review process. Evidence provided during the bid review process is limited to clarification by the bidder of information presented in his/her proposal/quotation.
4. In the event that no bids were received after a written solicitation or advertising, the SCAQMD Board or Executive Officer, may reissue the solicitations, or contract for the equipment, fixed assets supplies, materials, or services on a sole-source basis.

SECTION VII: PUBLICATION REQUIREMENTS FOR ADVERTISED PROCUREMENTS

- A. For any purchase of alterations or improvements to SCAQMD facilities, services, materials, equipment, or fixed assets estimated to exceed \$25,000, the following procedures apply unless a written determination has been made by the Executive Officer or his or her designee that the estimated cost of the procurement does not justify the cost of advertising:
 1. A "Notice Inviting Bids/Proposals" shall be published in a newspaper of general circulation at least once a week for two successive weeks. Two publications in a newspaper published once a week or more often, with at least five days intervening between the respective publication dates are sufficient. The period of notice commences on the first day of publication and terminates at the close of business on the fourteenth day.
 2. One or more "Notices Inviting Bids/Proposals" shall be published in one or more of the following, whichever would allow the notice to be distributed to the largest number of persons or firms qualified to do the work:

- a. Newspapers of general circulation (mandatory)
 - b. California State Contracts Register
 - c. Journal of the Air & Waste Management Association
 - d. ARB Computer Bulletin Board
 - e. Professional journals and trade publications including small, minority, women, and veteran business publications, and
 - f. SCAQMD Website on the Internet
3. The "Notice Inviting Bids/Proposals" shall contain a brief description of the equipment, materials, supplies, or services sought, the address where the plans and/or specifications may be inspected or where additional information may be obtained, and time and place of delivery of the Bid or Proposal.
 4. A listing of open RFQs and RFPs will be made available to various legislative caucuses, community groups, trade organizations, chambers of commerce and other interested parties at the time the Notice Inviting Bids/Proposals is submitted for publication. Parties desiring copies of any of the RFQs or RFPs will be advised that a complete copy can be obtained by downloading it from the SCAQMD website or requesting a hard copy from the designated SCAQMD contact.

SECTION VIII: CONTRACTING FOR CONSULTING AND PROFESSIONAL SERVICES

A. General

1. It is the policy of the SCAQMD to utilize the most highly qualified professional services to carry out the responsibilities of the SCAQMD.
2. Due to the nature of the work to be performed or the staffing level required, it may, from time to time, be necessary to utilize the services of outside contractors/consultants who are not employees of the SCAQMD.

B. Contracting Methods

1. Proposals subject to this Section shall be advertised pursuant to the provisions of Section VII unless the Executive Officer waives the bidding requirements of this Section based upon a written documentation justifying a sole-source award, as described below
2. Except for contracts funded in whole or in part with federal funds, written justification for a sole-source award must be provided documenting that:
 - a. The cost of labor for preparation of the described documents exceeds the possible savings that could be derived from such detailed documents; or
 - b. Public health or property may be endangered by delay; or

- c. The desired services are available from only the sole-source based upon one or more of the following reasons:
 - (1) The unique experience and capabilities of the proposed contractor or contractor team;
 - (2) The project involves the use of proprietary technology;
 - (3) The contractor has ownership of key assets required for project performance; or
 - d. Other circumstances exist which in the determination of the Executive Officer require such waiver in the best interests of the SCAQMD. Such circumstances may include but are not limited to:
 - (1) Projects involving cost sharing by multiple sponsors
 - (2) Time extension of an existing contract;
 - (3) Projects involving a commitment to multiple project phases;
 - (4) Level-of-effort expert consultation services;
 - (5) Performance of SCAQMD work concurrent with local government official duties;
 - (6) Projects requiring compatibility with existing specialized equipment;
 - (7) Cooperative internship programs with accredited colleges and universities;
 - (8) Research and development efforts with educational institutions or nonprofit organizations.
3. For contracts funded in whole or in part with federal funds, written justification for sole-source award must be provided documenting that awarding a contract is infeasible under small purchase procedures, sealed bids or competitive proposals and that one of the following circumstances applies:
- a. The item is available only from a single source;
 - b. The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
 - c. The awarding federal agency authorizes noncompetitive proposals; or
 - d. After solicitation of a number of sources, competition is determined inadequate.

C. Selecting the Appropriate Contracting Method

1. Prior to the letting of a contract for consulting or professional services, SCAQMD staff shall prepare the following, as applicable:
 - a. A written assessment of the objectives of the project or study in which previous work, if any, on the same subject shall be reviewed, including an assessment of current and future SCAQMD needs for the project and an estimate of the project cost;
 - b. A statement of work to be performed in carrying out the project or study;
 - c. A statement of the qualifications of persons necessary to perform the work including a description of experience, education, and training, and related work in general and specific fields; and
 - d. An assessment of the resources needed to carry out the project or study including, facilities, laboratory, equipment, and computer hardware and software.
2. Based upon an evaluation of the documentation prepared pursuant to Paragraph C1 and any other information deemed necessary, the Executive Officer or his or her designee shall:
 - a. Evaluate the ability of SCAQMD staff to perform all or part of the work, taking into consideration SCAQMD staff resources and other work being performed by SCAQMD staff; or
 - b. If it is determined that all or part of the work should be done pursuant to a contract for professional consulting services, the Executive Officer shall determine if the services shall be procured on a sole-source basis in accordance with the criteria set forth in Paragraph B2 above or a competitive basis. On federally funded procurements, the requirements of Paragraph B3 above shall be applicable in accordance with 40 CFR 31.36 or applicable federal regulation. On contracts for budgeted items over \$75,000 or unbudgeted items over \$10,000, the Executive Officer shall recommend to the SCAQMD Board that a sole-source contract be awarded. If a sole-source contract is approved by the SCAQMD Board, it may designate who is authorized to execute the contract.
3. If it is determined that the services should be procured competitively, the SCAQMD staff member responsible for originating the requirement shall prepare an RFP using the most current version of the sample RFP contained on the SCAQMD computer network and prepare a Bidders Mailing List. At a minimum, the RFP should contain the following areas specifically tailored to the requirement:
 - a. Background/Schedule of Events
 - b. Section III of the SCAQMD Procurement Policy
 - c. Work Statement/Schedule of Deliverables
 - d. Required Qualifications
 - e. Proposal Submittal Requirements
 - f. Proposal Evaluation Criteria

g. Draft Contract

h. Certifications and Representations

4. All RFPs must be reviewed by the Manager of the Procurement Section prior to assignment of an RFP number by Procurement staff. RFPs for budgeted items over \$75,000 that deviate from approved SCAQMD RFP evaluation criteria and RFPs for unbudgeted items over \$10,000 must be approved by the SCAQMD Board prior to release. RFPs for budgeted items up to \$75,000 and unbudgeted items under \$10,000 that comply with SCAQMD RFP evaluation criteria shall be approved by the Executive Officer or his or her designee.
5. RFPs estimated to exceed \$25,000 will be advertised in accordance with the procedures set forth in Section VII. The Notice Inviting Proposals shall specify the services sought and the date by which proposals are required, which date shall be at least 30 days from the date and time the RFP is mailed. Waiver of the 30-day period may be approved by the Executive Officer.

D. Proposal Evaluation and Contract Award

1. Sole-source proposals or a competitive proposal which is the sole response to an RFP should be evaluated by the originator of the requirement to ensure that the proposal is technically acceptable and that the proposed amount is reasonable based on previous proposals for similar work, knowledge of the marketplace, and SCAQMD's independent cost estimate. Documentation regarding the reasonableness of the proposed cost must be ~~provided~~included in the project file compiled by the originator, along with the sole-source justification. The Single/Sole-Source Procurement Request form, approved by the Executive Officer, shall be included with the documentation supplied to the Contracts Unit as detailed in Section III.K.i.
2. Competitive proposals will be evaluated by a panel of three-to-five SCAQMD staff familiar with the subject matter of the project. The panel shall be appointed by the Executive Officer or his or her designee to evaluate the submitted proposals. In addition, the evaluation panel may include such outside public sector or academic community expertise as deemed desirable by the Executive Officer. The Executive Officer or his or her designee shall appoint a chairman from this group.

a. Evaluation of Proposals.

Each member of the evaluation panel shall be accorded equal weight in his or her rating of the proposals. The evaluation panel members shall evaluate the proposals according to specified criteria and shall assign a numerical score to each evaluation factor. Suggested guidelines for technical criteria and weightings are set forth below, but may be modified by the RFP originator based upon the specific project requirements and approval by the responsible Deputy Executive Officer.

b. Sample Proposal Evaluation Criteria

(1) Standardized Services

Points

Understanding of Requirement	20
Contractor Qualification	20
Past Experience	10
Cost	<u>50</u>
TOTAL:	100

(2) R&D Projects Requiring -Technical or Scientific Expertise, or Special Projects Requiring Unique Knowledge or Abilities

Understanding the Problem	20
Technical/Management Approach	20
Contractor Qualifications	20
Previous Experience on Similar Projects	10
Cost	<u>30</u>
TOTAL	100

(3) Additional Points

Small Business or Small Business Joint Venture	10
DVBE or DVBE Joint Venture	10
Benefits Incentive Business	10
Use of DVBE or Small Business Subcontractors	7
Low Emission Vehicle Business <u>Near-Zero or Zero-Emission Vehicle Business (for supply contracts)</u>	5
Local Business (Non-Federal Funded Projects)	5
Off-Peak Hours Delivery Business	2
Most Favored Customer	2

To receive additional points in the evaluation process for the categories of Small Business or Small Business Joint Venture, DVBE or DVBE Joint Venture or Local Business (for non-federal funded projects), the proposer must submit a self-certification or certification from the State of California Office of Small Business Certification and Resources at the time of proposal submission certifying that the proposer meets the requirements set forth in Section III. To receive points for the use of DVBE and/or Small Business subcontractors, at least 25 percent of the total contract value must be subcontracted to DVBEs and/or Small Businesses. To receive points as a ~~Low Emission~~ Near-Zero or Zero-Emission Vehicle Business, the proposer must demonstrate to the Executive Officer, or designee, that supplies and materials delivered to the SCAQMD are delivered in vehicles that operate in accordance with the definition provided in Section III.B.7 ~~on either clean fuels or if powered by diesel fuel, that the vehicles have particulate traps installed.~~ To receive points as an Off-Peak Hours Delivery Business, the proposer must submit, at proposal submission, certification of its commitment to delivering supplies and materials to SCAQMD between the hours of 10:00 a.m. and 3:00 p.m. To receive points for Most Favored Customer status, the proposer must submit, at proposal submission, certification of its commitment to provide most favored customer status to the SCAQMD. To receive points as a Benefits Incentive Business, the proposer must provide, at a minimum,

health insurance at one of the levels identified in Paragraph d below. Documentation showing proof of such insurance coverage must be submitted with the proposal. The cumulative points awarded for Small Business, DVBE, use of Small Business or DVBE Subcontractors, Benefits Incentive Business, Local Business, ~~Low-Emission~~Near-Zero or Zero-Emission Vehicle Business and Off-Peak Hour Delivery Business shall not exceed 15 points. An additional 2 points can be awarded to those firms certifying Most Favored Customer pricing, for a total of 17 points possible.

- c. The Procurement Section will be responsible for monitoring compliance of suppliers awarded purchase orders based upon use of ~~low-emission~~near-zero or zero-emission vehicles or off-peak traffic hour delivery commitments through the use of vendor logs which will identify the contractor awarded the incentive. The purchase order shall incorporate terms which obligate the supplier to deliver materials in ~~low-emission~~near-zero or zero-emission vehicles or deliver during off-peak traffic hours. The Receiving department will monitor those qualified supplier deliveries to ensure compliance to the purchase order requirements. Suppliers in non-compliance will be subject to a two percent of total purchase order value penalty. The Procurement Manager will adjudicate any disputes regarding either ~~low-emission~~near-zero or zero-emission vehicle or off-peak hour deliveries.
- d. Benefits Incentive Businesses, in order to receive 10 additional points, must provide affordable health insurance to full-time employees, which are defined as employees who work 30 hours or more per week. Affordable health insurance is defined to mean meeting or exceeding the following minimum levels of coverage:

Employee Deductibles/Fees

PPO Plan Design

In-Network Deductible \$500 single
 In-Network Out-of-Pocket Maximum \$2,500
 Out-of-Network Co-pay 30%
 Office Visit Co-pay \$20 per visit
 Retail Drug Co-pay \$11 (generic)/\$24(premium)/\$44(nonformulary)
 Mail Order Drug Co-pay \$14 (generic) /\$32 (premium)/\$57 (nonformulary)
 Single Contribution 10% or less of premium

HMO Plan Design

Office Visit Co-pay \$20
 Inpatient Hospitalization \$250 deductible
 Emergency Room Co-pay \$50 per visit
 Retail Drug Co-pay \$11 (generic)/\$24(premium)/\$44(nonformulary)
 Mail Order Drug Co-pay \$14 (generic) /\$32 (premium)/\$57 (nonformulary)
 Single Contribution 10% or less of premium

Documentation to prove insurance coverage may include quotes from health insurance providers or a copy of the most recent health insurance invoice, with an attached Plan Summary. Documentation must not include medical information, employee names, or any personal employee information. An officer of the bidding company must certify in writing that the health insurance information provided is true and accurate and that, if

selected, the company will provide health insurance to its full-time employees for the duration of the contract term at the same levels shown above or better. The selected Contractor will be required to update the proof of health insurance on an annual basis and to provide a certified copy of payroll if requested.

- e. For procurement of standardized services, technical factors including past experience shall be weighted at 50 points and cost shall be weighted at 50 points. For procurement of Research and Development (R & D) projects or projects requiring technical or scientific expertise or special projects requiring unique knowledge and abilities, technical factors including past experience shall be weighted at 70 points and cost shall be weighted at 30 points, subject to other provisions of this policy. A proposal must receive at least 56 out of 70 points, or 80 percent of the possible technical points, as applicable, -on R & D projects and projects for unique technical expertise in order to be deemed qualified for award.
- f. The responsible staff person shall prepare a summary of the proposal evaluations and a recommendation for the award to his or her responsible Deputy Executive Officer.
- g. The Executive Officer and/or Governing Board may award the contract to a proposer other than the proposer receiving the highest rating. In the event the Executive Officer and/or Governing Board determine that another proposer from among those technically qualified would provide the best value to the SCAQMD considering cost and technical factors, supporting rationale for such a determination must be provided. The determination shall be based solely on the Evaluation Criteria contained in the RFP, on evidence provided in the proposal and on any other evidence provided during the proposal review process. Evidence provided during the proposal review process is limited to clarification by the proposer of information presented in proposal.
- h. Contracts for budgeted items over \$75,000 and for unbudgeted items over \$10,000 must be approved by the SCAQMD Board. The Executive Officer may approve up to an additional \$75,000 in costs in each subsequent fiscal year. Contracts for budgeted items of \$75,000 or less and contracts for unbudgeted items of \$10,000 or less shall be approved by the Executive Officer and the Executive Officer may approve up to an additional \$75,000 in costs in each subsequent fiscal year. After approval by the Executive Officer or SCAQMD Board, the responsible staff person shall prepare a Contract Request Approval Memorandum, Scope Statement, Work Statement, and Cost or Payment Schedule and forward these documents to the Contracts Unit.
- i. The Contracts Unit will prepare the contract and forward all documents to the responsible staff person for final approvals by the- DEO, or ADEO as applicable, Manager of the Procurement Section, SCAQMD Counsel and the Executive Officer. If the contract is funded in whole or in part with federal funds, the contract shall incorporate the awarding federal agency's applicable contract provisions as specified in the awarding agency's regulations (e.g. 40 CFR Part 31.36(i) for EPA grants, and 10 CFR Part 600.148 for DOE grants).

- j. Once approved, the Executive Officer or his or her designee or the Chair of the SCAQMD Board, and the successful proposer's authorized official will execute the contract.

SECTION IX: BID PROTEST PROCEDURE

- A. It is the policy of the SCAQMD to consider protests from bidders or prospective bidders regarding SCAQMD's procurement actions. SCAQMD will respond to valid and timely protests. If SCAQMD determines that the protest is frivolous, the protester may be deemed ineligible for future contract awards.

B. Procedure

1. General – The procedure set forth in this subsection is mandatory. Failure by a protester to comply with this subsection will constitute a waiver of any right to further pursue the protest, including the filing of a claim under the relevant Government Code section or initiating legal proceedings. In no event will a protest be considered if all proposals are rejected.
2. Submission of Protests – Protests must be submitted in writing to the SCAQMD Procurement Manager, 21865 Copley Drive, Diamond Bar, CA, 91765. A valid protest must include at a minimum:
 - a. Name, address and telephone number of the protester or its representative;
 - b. The procurement action being protested;
 - c. Detailed description of the specific legal and factual grounds of the protest, which include identifying the specific provisions of the solicitation, rules, regulations or laws upon which the protest is based;
 - d. Copies of all (or any) documentation supporting the allegations in the protest; and
 - e. The specific relief requested.
3. Types of Protests and Deadlines to File – SCAQMD will recognize the following types of protests:
 - a. Protest Regarding Solicitation – An interested party that is an actual or prospective bidder with a direct economic interest in the procurement may file a protest based on unduly restrictive or defective specifications or other apparent improprieties in the solicitation process affecting the interested party's ability to submit a proposal and/or qualifications statements. Such protests must be received no later than ten (10) days prior to the deadline to submit proposals.
 - b. Protest Regarding Award of Contract – An actual bidder may file a protest regarding the award of a contract, based on SCAQMD's determination of the responsiveness of

the proposals, errors in calculation, or other apparent improprieties in the evaluation of proposals affecting the ranking/scoring of the proposals. In addition, a protest may be made on the grounds that the party awarded the contract fraudulently represented itself as a responsible bidder or that SCAQMD violated any local, State or federal laws in awarding the contract. Such protests must be received no later than ten (10) days after the contract has been awarded by the Governing Board. If the contract is not required to be awarded by the Governing Board and is awarded by the Executive Officer, or designee, in accordance with the Procurement Policy and Procedures, such protests must be received no later than ten (10) days after the contract is signed and executed by the Executive Officer, or designee.

4. SCAQMD's Response to Protests – Upon receipt of a valid and timely protest, the Executive Officer, or designee, will investigate the protest and will provide a written response to the protester within a reasonable time. If necessary, the Executive Officer, or designee, may extend the deadline to submit proposals to allow for a reasonable time to review the protest. The Executive Officer, or designee, at his or her sole discretion, may elect to withhold the contract award until the protest is resolved or denied or proceed with the award and implementation of the contract.
5. Protest Remedies – If the protest is upheld, the Executive officer, or designee, will consider all circumstances surrounding the procurement in his or her decision for a fair and reasonable remedy, including the degree of prejudice to the protester or to the integrity of the competitive procurement process, the urgency of the procurement, the extent of performance if the contract has already been executed and implemented, the cost to SCAQMD, and the impact of the proposed remedy. The remedy may include, but is not limited to, reissuance of the solicitation, revised evaluation of the proposals, or termination of the contract.

Item 15

DRAFT

BOARD MEETING DATE: May 3, 2019

AGENDA NO.

PROPOSAL: Transfer Funds for Enhanced Particulate Monitoring Program

SYNOPSIS: This action is to transfer up to \$160,000 into Science and Technology Advancement's FY 2018-19 Budget between Major Objects to realign expenditures for the FY 2018-19 Enhanced Particulate Monitoring Program.

COMMITTEE: Administrative, April 12, 2019; Recommended for Approval

RECOMMENDED ACTION:

Transfer up to \$160,000 into Science and Technology Advancement's FY 2018-19 Budget from Salaries and Employee Benefits Major Object (Org 44), Salaries Account, to Services and Supplies Major Object (Org 47), Temporary Agency Account, to realign expenditures for the FY 2018-19 Enhanced Particulate Monitoring Program.

Wayne Nastri
Executive Officer

MMM:JCL:RMB:ld

Background

SCAQMD has been providing enhanced particulate monitoring support including sample collection as part of a national monitoring program since 2003 and will continue for the foreseeable future.

Proposal

The SCAQMD already received and recognized funding from the U.S. Government for the ongoing Enhanced Particulate Monitoring Program for FY 2018-19. Revenue in the amount of \$2,100,000 for this grant was previously included in the FY 2018-19 Budget. This action is to transfer up to \$160,000 into Science and Technology Advancement's FY 2018-19 Budget from Salaries and Employee Benefits Major Object (Org 44), Salaries Account, to Services and Supplies Major Object (Org 47), Temporary Agency Account, to realign expenditures for the FY 2018-19 Enhanced Particulate Monitoring Program with actual staffing needs.

Resource Impacts

U.S. Government funding, previously recognized and appropriated, will fully support the Enhanced Particulate Monitoring Program. The transfer of \$160,000 will realign expenditures for the FY 2018-19 Program.

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
PLANNING, RULE DEVELOPMENT, & AREA SOURCES

Item 16

MEMORANDUM

DATE: April 5, 2019
TO: Administrative Committee
FROM: Philip Fine 
SUBJECT: Home Rule Advisory Group New Member Request

The South Coast Air Quality Management District's (SCAQMD) Home Rule Advisory Group (HRAG) is a coalition of local business leaders, environmental representatives and air quality regulators dedicated to seeking realistic approaches to attaining clean air goals.

HRAG includes representatives from the SCAQMD, EPA, CARB, SCAG, environmental groups, organizations and community representatives.

HRAG Vice Chair, Mayor Ben Benoit recommends your review and approval for Frances Keeler, Vice President of California Council for Environmental and Economic Balance (CCEEB) to replace Bill Quinn as a member of HRAG.

Candidate	Affiliation
Frances Keeler	Vice President of California Council for Environmental and Economic Balance (CCEEB)

PF:ak:ja
Attachment

CCEEB Names Frances Keeler as New Vice President

A message from CCEEB president and chief executive officer, Bill Quinn.

The California Council for Environmental and Economic Balance (CCEEB) is pleased to announce that Frances Keeler will be joining the organization as its new Vice President, effective April 15th. This position was previously held by Bill Quinn, who was recently appointed CCEEB's President and CEO.

Frances brings to CCEEB many years of experience working across California's environmental policy and regulatory issues. Most recently, as Senior Counsel at Clyde & Co US LLP, she represented industrial, energy, and shipping companies before multiple regulatory entities, including air pollution control agencies, the California Air Resources Board, the California State Lands Commission, and the US Environmental Protection Agency. Prior to her private law practice background, Frances held numerous positions at the South Coast Air Quality Management District (SCAQMD), including positions with enforcement and district counsel.

She has held numerous leadership roles in environmental and community capacities, including on the Board of Directors and Governance Committee Chair at the CSU Maritime Foundation, Board of Directors President at FuturePorts, USA Board of Directors for the Women's International Shipping and Trading Association, and the Board of Directors at the International Trade Education Program, among others.

"Frances has both the experience and deep knowledge to find both emerging issues and the balanced solutions for which CCEEB is well respected," said CCEEB President Bill Quinn. "I can think of no one better than Frances to work on behalf our members to advance policies that improve the environment and protect public health, while maintaining a strong and competitive economy."

Long familiar with CCEEB's project work, Frances will take over leadership of the South Coast Air Project as Project Manager, with additional responsibilities in strategic management and across all CCEEB projects.

DRAFT

Item 17

BOARD MEETING DATE: May 3, 2019

AGENDA NO.

PROPOSAL: Execute Contracts for Engineering Consultant to Review the BARCT Assessment for Proposed Rule 1109.1 – NOx Emission Reductions for Refinery Equipment.

SYNOPSIS: On December 7, 2018, the Board approved the release of an RFP for the review of staff's BARCT technology assessment, estimated emission reductions, and cost-effectiveness for NOx emitting equipment at petroleum refineries to support Proposed Rule 1109.1. This action is to award two separate contracts, one to Norton Engineering and one to Fossil Energy Research Corp to review various portions of staff's BARCT assessment for Proposed Rule 1109.1. To fund both contracts, staff is requesting that funding be increased from \$100,000 to \$200,000 from the original RFP request. Each qualified consulting firm will be awarded a fixed price contract of up to \$100,000 and total funding for both contracts combined shall not exceed \$200,000. Funds are available from CARB's Community Air Protection Program under AB 617..

COMMITTEE: Administrative, April 12, 2019; Recommended for Approval

RECOMMENDED ACTIONS:

Authorize the Executive Officer to:

- 1) Increase funding for the review of the Proposed Rule 1109.1 BARCT assessment from \$100,000 to \$200,000,
- 2) Execute a contract in the amount of up to \$100,000 with Norton Engineering and a contract in the amount of up to \$100,000 with Fossil Energy Research Corporation to review various portions of staff's BARCT assessment.

Wayne Natri
Executive Officer

JW:PF:BB:SN:MK:HF:JHL:SK

Background

The 2016 AQMP included a control measure, (CMB-05), to transition NOx RECLAIM to a command-and-control regulatory structure. In addition, AB 617 accelerated SCAQMD efforts by requiring air districts to implement BARCT for facilities in the

state GHG cap and trade program no later than December 31, 2023. Proposed Rule 1109.1 is an industry-specific rule for petroleum refineries that will include proposed NOx and ammonia emission limits based on a BARCT assessment for each equipment category. Proposed Rule 1109.1 is needed for the RECLAIM transition and will implement, in part, CMB-05.

On December 7, 2018 the Board released RFP #P2019-07 to solicit bids for a technically qualified engineering consulting firm with experience in NOx control technologies for refinery equipment. The RFP sought an independent third party to review staff's BARCT assessment for Proposed Rule 1109.1 and address any challenges associated with implementing BARCT at the affected facilities. The third party review includes assessing the feasibility of staff's proposed NOx limits and secondary pollutant emissions, and cost-effective estimates for seven major emitting categories of stationary source equipment located at refineries and associated facilities. As part of this RFP, the consultant(s) would be responsible for providing a summary of findings and to provide additional recommendations, if appropriate.

Outreach

In accordance with SCAQMD's Procurement Policy and Procedure, a public notice advertising the RFPs and inviting bids was 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 have been notified utilizing SCAQMD's own electronic listing of certified minority vendors. Notice of the RFP was emailed to the Black and Latino Legislative Caucuses and various minority chambers of commerce and business associations, and placed on the Internet at SCAQMD's website (<http://www.aqmd.gov>).

Proposals Received

The notice of RFP release was sent to 190 consultants via email. Three consulting firms attended the bidders conference on December 20, 2018, and there were no attendees on the conference call-in. Three proposals were received in response to the RFP by the deadline at 5:00 p.m. on January 16, 2019. The three consulting firms that submitted proposals are:

- Fossil Energy Research Corporation (FERCo)
- MD Environmental
- Norton Engineering

Bid Evaluation

Each proposal was scored based on technical aptitude and experience with engineering design and NOx control specific to the refinery process. The panel thoroughly reviewed all three bids and one consulting firm did not qualify based on technical experience. The

review panel rated both Norton Engineering and FERCo as the most technically qualified consulting firms to perform the statement of work outlined in RFP #P2019-07. Norton Engineering scored slightly higher and has a team of qualified engineers with sound technical experience in NOx control technologies and previous BARCT experience with refinery applications. FERCo has extensive knowledge and understanding of selective catalytic reduction (SCR) NOx control and combustion technology, which is currently the predominate forms of NOx control technology implemented at the local refineries. FERCo has a team of highly qualified engineers that have robust experience in designing, engineering, and optimizing SCR systems in conjunction with vendors that have performed work for the local refineries. FERCO's design and engineering experience will be a benefit in the evaluating of site-specific issues at each facility such as space availability. FERCo's engineering strength is also in SCR system optimization and they can perform an analysis of existing SCR systems to determine if further reductions can be achieved. The analysis will also not be limited to SCR systems and may include new commercially available control technology.

The Attachment reflects the evaluation of the proposals and respective ratings.

Panel Composition

The Administrative Committee approved the evaluation panel at their February 2019 meeting. The evaluation panel consisted of a Planning and Rules Program Supervisor, Engineering and Compliance Manager, and Senior Air Quality Engineer from the Bay Area Air Quality Management District. All three have extensive experience with refinery equipment. Of the three panelists, one is Hispanic, one is Asian, and one is Caucasian; all males.

Proposal

Of the three proposals received, two were deemed technically qualified to complete the statement of work stated in the RFP with similar overall cost. In order to address the large scope of the project and concerns raised in ongoing stakeholder working group meetings pertaining to potential space constraints with the installation of BARCT, staff recommends expanding the original RFP from \$100,000 to \$200,000 and selecting both qualified contractors to complete separate tasks called for in the original RFP. Based on the technical experience of each firm, staff proposes the following:

Norton Engineering:

- **Task 1** – BARCT feasibility assessment which includes commercially viable NOx control technologies and emission reduction levels that each technology can achieve and any caveats associated with achieving the NOx reductions, such as concurrent effects on other air pollutants, including PM, ammonia, and CO.

- **Task 2** - Review and verify cost analysis including, but not limited to, the use of U.S. EPA SCR cost model, model input assumptions, local labor costs, and other factors that affect the cost-effectiveness calculation.

FERCo:

- **Task 3** – May include site visits and engineering evaluation of the affected equipment, including, but not limited to, feasibility of installation of new controls or equipment, and consider any challenges associated with installation of control technologies such as space constraints. FERCo analysis will include challenging installations at multiple facilities and provide engineering design options, when appropriate. In addition, FERCo will also determine if further optimization can be performed on currently installed NOx control systems to help achieve further emission reductions.

Both firms:

- **Task 4** – Submit Progress and Final Report(s)
- **Task 5** – Participation in SCAQMD meeting(s)

Resource Impacts

Funding from CARB's Community Air Protection Program under AB 617 will provide sufficient resources for these contracts..

Attachment

Summary of Evaluation of Proposals for RFP #P2019-07

Attachment Summary of Evaluation of Proposals for RFP #P2019-07

Three proposals were received in response to this RFP: Fossil Energy Research Corporation, MD Environmental, and Norton Engineering.

Evaluation Panel Scoring (100 points maximum)			
	Proposer		
	Fossil Energy Research Corporation	MD Environmental	Norton Engineering
Bid Amount	\$99,741	\$23,200	\$99,758
Average Overall Evaluation Scores			
Quality of Proposal (10 Points)	7	1	8
Technical Qualifications (40 points)	25	0	38
Technical Management/Approach Schedule (20 Points)	15	0	10
Cost Proposal (30 Points)	25	2	20
Technical Score Total	72	3	76
Additional Points (15 points maximum)			
Additional Points *	15	15	15
Total Points	87	18	91

* Additional points awarded to each proposer were Small Business or Small Business Joint Venture (10 points) and Local Business (Non-Federally Funded Projects Only) (5 points).

DRAFT

Item 18

BOARD MEETING DATE: May 3, 2019

AGENDA NO.

PROPOSAL: Appoint Members to SCAQMD Hearing Board

SYNOPSIS: The terms of office for the Hearing Board Medical Member and Alternate and two Public Members and their Alternates expire June 30, 2019. The Administrative Committee will interview candidates at its meeting on April 12, 2019, and make recommendations to the full Board to appoint members to fill the new terms.

COMMITTEE: Administrative, April 12, 2019; Recommended for Approval

RECOMMENDED ACTION:

Appoint/reappoint the following individuals to the SCAQMD Hearing Board, effective July 1, 2019, with terms ending June 30, 2022:

_____	, Public Member	Alternate: _____
_____	, Public Member	Alternate: _____
_____	, Medical Member	Alternate: _____

Wayne Nastri
Executive Officer

DG

Background

Health and Safety Code Section 40501.1(b) requires the SCAQMD to appoint a Hearing Board Advisory Committee (Advisory Committee) composed of one representative appointed by each of the Board members for the Counties of Los Angeles, Orange, Riverside, and San Bernardino, and the City of Los Angeles.

The current Medical Member, Dr. Roger Lerner, and the two current Public Members, Patricia Byrd and Senator Nate Holden, and their current Alternates, Robert D. Copeland and Cynthia Verdugo-Peralta, all requested reappointment.

Based on criteria developed by the Advisory Committee, the Committee members evaluated the resumes of thirty public member candidates and two medical member candidates. The Advisory Committee requested that SCAQMD staff also evaluate the

resumes so they could consider that input. The staff that assisted were the Assistant Deputy Executive Officer (ADEO) of Finance and the ADEO of Information Management. The Committee then narrowed the candidates to a short list of public member candidates. Since only two resumes were submitted for the medical member/alternate positions, the current member and one other individual, the Committee waived the interviews for the two candidates and referred them to the Administrative Committee for interviews. On April 12, 2019 the Administrative Committee conducted interviews.

Proposal

The Administrative Committee recommends that the Board appoint/reappoint _____ as Medical Member, appoint _____ as Alternate Medical Member, appoint/reappoint _____ and _____ as Public Members, and appoint/reappoint _____ and _____ as Alternate Public Members, for terms commencing July 1, 2019 and ending June 30, 2022. The individuals recommended for appointment were subsequently contacted, and each indicated their willingness to serve.



South Coast Air Quality Management District

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Item 19

LOCAL GOVERNMENT & SMALL BUSINESS ASSISTANCE ADVISORY GROUP FRIDAY, FEBRUARY 8, 2019 MEETING MINUTES

MEMBERS PRESENT:

V. Manuel Perez, Supervisor
Janice Rutherford, Supervisor, Second District, San Bernardino County
Felipe Aguirre
Paul Avila, P.B.A. & Associates
Geoffrey Blake, Metal Finishers of Southern California
Todd Campbell, Clean Energy
John DeWitt, JE DeWitt, Inc.
LaVaughn Daniel, DancoEN
Bill LaMarr, California Small Business Alliance
Rita Loof, RadTech International
Eddie Marquez, Roofing Contractors Association
David Rothbart, Los Angeles County Sanitation District

MEMBERS ABSENT:

Ben Benoit, Council Member and LGSBA Chairman
Dr. Clark E. Parker, Sr., Senate Rules Committee Appointee
Rachelle Arizmendi, Mayor Pro Tempore, City of Sierra Madre
Cynthia Moran, Council Member, City of Chino Hills

OTHERS PRESENT:

Mark Abramowitz, Board Member Consultant
Andy Silva, San Bernardino County

SCAQMD STAFF:

Derrick Alatorre, Deputy Executive Officer
Nancy Feldman, Principal Deputy District Counsel
Michael Krause, Planning & Rules Manager
Vicki White, Technology Implementation Manager
De Groeneveld, Sr. Information Technology Specialist
Elaine-Joy Hills, AQ Inspector II
Stacy Garcia, Secretary

Agenda Item #1 - Call to Order/Opening Remarks

Supervisor Janice Rutherford called the meeting to order at 11:31 a.m.

Agenda Item #2 – Approval of December 14, 2018 Meeting Minutes/Review of Follow-Up/Action Items

Supervisor Rutherford called for approval of the December 14, 2018 meeting minutes. The minutes were approved, with Supervisor Perez and Supervisor Rutherford abstaining.

Agenda Item #3 – Review of Follow Up/Action Items

Mr. Derrick Alatorre stated that there were no follow up or action items.

Agenda Item #4 – 2019 Rule Forecast and Implementation of 2016 AQMP

Mr. Michael Krause presented on upcoming work on rules and programs in 2019 to implement the measures in the 2016 Air Quality Management Plan (AQMP) that comprise the strategy to meet the ambient air quality standards.

Mr. Bill LaMarr inquired about areas that are unachievable for air quality. Mr. Krause stated that we are not in compliance with the ozone standard or the PM_{2.5} standard. Mr. LaMarr asked if a list of the 26 projects on slide 4 that were awarded the \$48 million existed. Mr. Krause stated he will send Mr. LaMarr a link to the Board agenda containing the list. Mr. Krause indicated that some of the 26 projects are emission reductions projects and some are technology demonstration projects. Out of the 26 projects, around half of them are technology demonstration projects and those are not counted in the projections. Mr. LaMarr questioned the cost-effectiveness of the projects. Mr. Krause stated that we have to start investing in the businesses somewhere. Mr. LaMarr stated that small businesses are going to have to depend on incentive dollars for new technologies to lower emissions because of their cost.

Mr. David Rothbart asked if there is a running total of rules the SCAQMD is looking to adopt. Mr. Krause directed Mr. Rothbart to the January rule forecast calendar.

Mr. Rothbart asked if the reductions are statewide to which Mr. Krause responded that they are regional. Mr. Rothbart asked what the goal is from the mobile source side to reach attainment. Mr. Krause responded that the goals are in the AQMP. Mr. Rothbart requested a status of attainment at the State and Federal levels. Mr. Krause stated he will get that information to Mr. Rothbart.

Ms. Rita Loof stated that the requirements of Rule 1106 (Marine Coating Operations) act as a disincentive because of the amount of recordkeeping required. Mr. Krause said that recordkeeping will be addressed in the future and suggested Ms. Loof participate in any meetings held.

Mr. Paul Avila asked if SCAQMD knows where stationary pollutants are, and if fence monitors will be installed around these areas. Mr. Krause stated that it is a step by step process beginning with community monitoring, analyzing the community monitoring data, making determinations on the readings, identifying sources, and then placing the monitors.

Mr. LaMarr asked who will be paying for the fence line monitoring. Mr. Krause stated fence line monitoring is paid for by AB 617 funds.

Agenda Item #5 – Update on SCAQMD Incentive Programs

Ms. Vicki White presented on SCAQMD's incentive programs.

Mr. Avila asked if there is demand for heavy diesel engines. Ms. White stated diesel engines would fall under a program called Engine Repower, where diesel engines are replaced with cleaner engines.

Ms. Loof asked where she can find information about the SB 856 process. Ms. White said CARB wants to do a public process to determine how to allocate the funds. CARB knows they need guidelines for stationary sources. Ms. White suggested that Ms. Loof get in touch with CARB, as she is not aware of workshop dates. Ms. Loof asked about the CalCards for Replace Your Ride (RYR), to which Ms. White responded that people can scrap old cars and receive a CalCard to pay for Uber, Lyft, or a transit pass.

Mr. Todd Campbell asked if there is funding left in Proposition 1B. Ms. White stated it is an ongoing program, but the funds have been fully allocated with the exception of some fall through funds due to fleet switches, which a solicitation will be going out for. Mr. Campbell asked how long the applicants get to sit on their funds. Ms. White stated they have 3 years or the funds may be reallocated and that legislation requires the funds be liquidated in 4 years. Mr. Campbell asked about the Hybrid and Zero Emission Truck and Bus Voucher Incentive Project (HVIP) and stacking. Ms. White stated with the Carl Moyer Program through SB 513, there was acknowledgment to open the program up to stacking. There are no restrictions on stacking of funds in the Carl Moyer program, except that it expects the private investment to pay a minimum of 15%. Whereas, HVIP has restrictions. CARB is starting to look at co-funding HVIP with other programs. For HVIP, electric technologies can stack.

Mr. LaMarr asked for clarification of the RYR program and the purchase of less polluting cars. Ms. White stated that the RYR program allows for eligible motorists to scrap their old car and either get the CalCard or receive funds to purchase a vehicle 8 years old or newer.

Mr. Campbell asked about the VW funds. Ms. White stated that, as project administrator for the two categories SCAQMD has been assigned, staff will be preparing an implementation plan, which will specify a criteria, and is subject to CARB's approval.

Ms. Loof asked, besides the SB 856 funding, if the rest of the programs in Ms. White's presentation were restricted to mobile sources. Ms. White responded yes.

Agenda Item #6 –Monthly Report on Small Business Assistance Activities

No comments.

Agenda Item #7 - Other Business

Ms. Loof announced that RadTech is having a conference on March 19-20 in Redondo Beach.

Mr. Avila mentioned a newspaper article about the SCAQMD sales tax and requested a presentation.

Action Item: Provide a presentation on proposed sales tax.

Agenda Item #8- Public Comment

None.

Agenda Item #9 – Next Meeting Date

The next regular Local Government & Small Business Assistance Advisory Group meeting is scheduled for Friday, March 8, 2019 at 11:30 a.m.

Adjournment

The meeting adjourned at 12:41 p.m.