


BOARD MEETING DATE: July 10, 2015

AGENDA NO. 9

**PROPOSAL:** Recognize Revenue and Appropriate Funds from Clean Fuels, Carl Moyer AB 923 and Proposition 1B-Goods Movement Programs for Administrative Support, Outreach and Education, Capital Outlays, and Related Activities 

**SYNOPSIS:** The Technology Advancement Office executes hundreds of contracts annually to implement incentive, demonstration and technology transfer projects, involving ongoing administrative support, outreach and education, capital outlays, and related activities. This action is to recognize up to \$1,585,000 in revenue into the General Fund and appropriate \$1,585,000 to the Science & Technology Advancement FY 2015-16 Budget from the following special revenue funds: \$1,185,000 from the Clean Fuels Program Fund (31); \$100,000 from the Carl Moyer Program AB 923 Fund (80); and \$300,000 from the Proposition 1B-Goods Movement Program Fund (81). These appropriations will ensure flexibility and expediency in administering and implementing these programs and in procuring and maintaining equipment required by the programs. Publication requirements will be waived for advanced technology vehicle acquisitions as they are available from limited dealerships.

**COMMITTEE:** Technology, June 19, 2015; Recommended for Approval

**RECOMMENDED ACTIONS:**

1. Recognize up to \$1,400,000 into the General Fund and appropriate \$1,400,000 to the Science & Technology Advancement FY 2015-16 Budget (Org. 49), Services and Supplies Major Object, Professional and Special Services Account, from the following special revenue funds:
  - a. \$1,000,000 from the Clean Fuels Program Fund (31);
  - b. \$100,000 from the administrative portion of the Carl Moyer Program AB 923 Fund (80); and
  - c. \$300,000 from the administrative portion of the Proposition 1B-Goods Movement Program Fund (81).

2. Recognize \$185,000 from the Clean Fuels Fund (31) into the General Fund and appropriate \$185,000 to the Science & Technology Advancement FY 2015-16 Budget (Org. 49), Capital Outlays Major Object, Capital Outlays Account.
3. Authorize the Procurement Manager to waive publication requirements for advertised procurements of up to nine advanced technology vehicles at a cost not to exceed \$150,000.

Barry R. Wallerstein, D.Env.  
Executive Officer

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### **Background**

The Technology Advancement Office (TAO) conducts the agency's research, development, demonstration and deployment activities, implements several on- and off-road incentive programs, and performs various technology outreach and education activities, including event co-sponsorships. The funding authorizations associated with these activities are the Clean Fuels Program Fund (31), the Carl Moyer Program AB 923 Fund (80), and the Proposition 1B-Goods Movement Program Fund (81). Overall, TAO administers and monitors thousands of contracts annually.

The SCAQMD recognizes and appropriates the revenues from these special programs to special revenue funds, separate from the SCAQMD's General Fund, to clearly delineate the program operation revenues, which have statutory constraints imposed on their use. Additionally, the Clean Fuels, Carl Moyer and Proposition 1B Programs allow up to five percent for administrative costs.

TAO also implements the Alternative Fuel Vehicle Demonstration Program, which demonstrates advanced vehicle technologies to test new technologies and educate consumers. While there are currently a variety of plug-in hybrid electric, electric and fuel cell vehicles in the Program, the periodic lease or purchase of additional vehicles is necessary to showcase new light-duty vehicle technologies.

Additionally, SCAQMD's building is a showcase for advanced stationary technology, including three solar PV systems totaling 160 kW on the rooftop and a 75kW solar PV carport above the parking garage. It is also a showcase for alternative fuel infrastructure, including a hydrogen fueling station and EV supply equipment.

### **Proposal**

This action is to recognize a small portion of funds from the Clean Fuels Fund (31) and a portion of the administrative funds from the Carl Moyer Program AB 923 Fund (80)

and Proposition 1B-Goods Movement Program Fund (81) into the SCAQMD's General Fund and to appropriate those funds into the Science & Technology Advancement (STA) FY 2015-16 Budget. This will allow management flexibility and expediency in addressing program implementation issues and will support administrative, outreach and education, capital outlays, and related activities to successfully implement and oversee these programs.

### Clean Fuels Program

The appropriation of funds would enable a range of activities involved in implementing the Clean Fuels Program. These activities are expected to include but not be limited to the following areas:

#### *Technical Assistance*

Technical assistance is needed in the areas of battery electric and hybrid vehicles, low-emission engine development, emissions testing and analysis, hydrogen and natural gas fueling infrastructure development, alternative fuel vehicles and health impacts studies.

#### *Expert Consultation*

Consultants provide expertise on new and emerging technologies, development of emission control technologies and analyses of demonstration projects including alternative fuels, fuel cells, natural gas and hydrogen fueling infrastructure, battery and hybrid electric vehicles, renewable energy and particulate matter control technologies. Assignments for these consultants are expected to be short term and time sensitive.

#### *Outreach & Education and Conference Sponsorships*

SCAQMD is often asked to provide support for technical conferences and other outreach and education activities related to implementation of the Clean Fuels Program and the Technology Advancement Office. These conferences provide opportunities for the SCAQMD to inform the public, communicate its programs to broad audiences, and receive input from public and private organizations. Public outreach and education is important for commercialization and to foster acceptance of new technologies.

#### *Advanced Technology Vehicle Leases and/or Purchases*

In order to showcase and demonstrate a variety of advanced, low-emission technologies, the SCAQMD often leases or purchases clean vehicles to educate public and private organizations on the benefits of advanced technologies, as well as provide valuable in-use test data to the manufacturers.

#### *Equipment for Advanced Stationary/Infrastructure Technology*

SCAQMD's rooftop solar PV system includes both Building Integrated Photovoltaic (BIVP) systems and more conventional crystalline silicon panels to demonstrate and monitor performance of the different systems side by side. SCAQMD's Headquarters also showcases a solar PV carport and advanced infrastructure technology including the

hydrogen fueling station and EV supply equipment. Funds are required to periodically upgrade and repair this equipment.

#### *Administrative & Other Costs*

Funds are also required to support the administrative operation of the Clean Fuels Program. These costs include but are not limited to postage and public notice advertisements for solicitations and other project-related mailings, travel and conference-related expenses for participation at program planning and implementation events and meetings, and costs necessary to enhance or expand existing program-related activities.

#### Carl Moyer and Prop 1B Programs

The appropriation of funds would facilitate support for various activities related to the implementation of these incentive programs. These activities are expected to include but not be limited to the following areas:

#### *Technical Assistance*

Technical assistance is needed for evaluation of different types of vehicles and equipment to determine their eligibility and the amount of incentive funding that can be provided in compliance with the requirements of the Carl Moyer and Proposition 1B Program guidelines and applicable rules and regulations.

#### *Expert Consultation*

Consultants provide expertise on availability of new and emerging technologies and commercialization potential of lower-emitting vehicles and related infrastructure. Assignments for these consultants are expected to be short term and time sensitive.

#### *Outreach & Education and Conference Sponsorships*

During each funding cycle, the SCAQMD conducts several equipment-specific and general workshops. SCAQMD staff participates in conferences and performs extensive outreach activities to enhance public awareness for the Carl Moyer and Proposition 1B Programs. Staff also helps potential applicants to take advantage of funding opportunities in all eligible equipment categories. In addition, SCAQMD participates in conferences to communicate its incentive-funding programs to broad audiences and to inform the public about these opportunities. Public outreach plays an important role in commercialization of new technologies.

#### *Administrative & Other Costs*

Funds are also required to support the operation of the Carl Moyer and Proposition 1B Programs. These costs can include but are not limited to postage and public notice advertisements for solicitations and other project-related mailings as well as costs associated with performing or meeting program objectives.

### **Benefits to SCAQMD**

The appropriation of funds from these three special revenue funds to STA's FY 2015-16 Budget will ensure successful implementation and oversight of TAO's demonstration, technology transfer and incentive programs as well as outreach and education efforts, ultimately achieving emissions reductions and moving the region closer to attainment of air quality standards. These activities are included in the *Technology Advancement Office Clean Fuels Program 2015 Plan Update* under "Assessment and Technical Support of Advanced Technologies and Information Dissemination" and "Support for Implementation of Various Clean Fuels Vehicle Incentive Programs."

### **Procurement Process**

For specialized, new advanced technology vehicles, staff is requesting to waive publication requirements, in accordance with Section VII.A of the Procurement Policy and Procedure, because these vehicles are only available from limited regional dealerships. Furthermore, in those instances where limited regional dealerships are offering the advanced technology vehicles, an informal bid process using selection criteria in the 2013 California Advanced Technology Partial Zero Emission Vehicle emissions certification, as well as timely response and favorable purchase or lease prices, will be used to solicit quotes.

For specialized, new advanced technology vehicles available from only one dealer, the lease or purchase will be made on a sole source basis. Section VIII.B(2) of the Procurement Policy and Procedure identifies six provisions under which detailed specifications or obtaining of bids may be waived by the Executive Officer or his designee. This request is made under provision B.2.c.(1): "The desired services are available from only the sole source based upon one or more of the following reasons: The unique experience and capabilities of the proposed contractor or contractor team."

### **Resource Impacts**

There are sufficient funds to appropriate up to \$1,585,000 from the following special revenue funds: \$1,185,000 from the Clean Fuels Program Fund (31); \$100,000 from the administrative portion of the Carl Moyer Program AB 923 Fund (80); and \$300,000 from the administrative portion of the Proposition 1B-Goods Movement Program Fund (81). The \$1,585,000 will be recognized into the General Fund and will be appropriated into STA's FY 2015-16 Budget (Org 49), as follows: \$1,400,000 into Services and Supplies Major Object, Professional and Special Services Account, and \$185,000 into Capital Outlays Major Object, Capital Outlays Account. Any unspent funds will be transferred back to the appropriate special revenue fund after FY 2015-16 year end.

The Clean Fuels Program Fund (31) was established as a special revenue fund resulting from the state-mandated Clean Fuels Program. The Clean Fuels Program, under Health and Safety Code Sections 40448.5 and 40512 and Vehicle Code Section 9250.11, establishes mechanisms to collect revenues from mobile sources to support projects to

increase the utilization of clean fuels, including the development of the necessary advanced enabling technologies. Funds collected from motor vehicles are restricted, by statute, to be used for projects and program activities related to mobile sources that support the objectives of the Clean Fuels Program.