



BOARD MEETING DATE: September 4, 2015

AGENDA NO. 16

PROPOSAL: Approve Contract Awards and Allocation Approved by MSRC

SYNOPSIS: As part of their FYs 2014-16 AB 2766 Discretionary Fund Work Program, the MSRC approved 25 new contracts under the Local Government Program, a contract for programmatic outreach services for the MSRC, a sole-source contract under the Transportation Control Measure Partnership Program. The MSRC also approved a funding allocation towards the Residential Electric Vehicle Charging Incentive Pilot Program. As part of their FY 2011-12 Work Program, the MSRC approved a replacement contract with the City of Palm Springs to complete work initiated under an earlier contract. At this time the MSRC seeks Board approval of the contract awards and allocation.

COMMITTEE: Mobile Source Air Pollution Reduction Review, August 20, 2015, Recommended for Approval

**RECOMMENDED ACTIONS:**

1. Approve the award of 25 contracts totaling \$5,114,228 under the Local Government Match Program, as part of approval of the FYs 2014-16 AB 2766 Discretionary Fund Work Program, as described in this letter and as follows:
  - a. A contract with the City of Palm Springs in an amount not to exceed \$160,000 to purchase up to 4 heavy-duty natural gas vehicles, install bicycle racks, and conduct bicycle-related outreach;
  - b. A contract with the City of Cathedral City in an amount not to exceed \$80,000 to purchase one heavy-duty natural gas vehicle, conduct bicycle-related outreach, and street sweeping operations in the Coachella Valley;
  - c. A contract with the City of Culver City in an amount not to exceed \$246,000 for the purchase of up to 7 heavy-duty natural gas vehicles and the installation of electric vehicle (EV) charging infrastructure;
  - d. A contract with the City of Pomona in an amount not to exceed \$310,000 for the purchase of up to 4 medium-duty and up to 9 heavy-duty natural gas vehicles;
  - e. A contract with the City of Fountain Valley in an amount not to exceed \$46,100 to install EV charging infrastructure;

- f. A contract with the City of Fullerton in an amount not to exceed \$340,500 to expand their existing CNG fueling station and install EV charging infrastructure;
- g. A contract with the City of Claremont in an amount not to exceed \$90,000 to purchase up to 3 heavy-duty natural gas vehicles;
- h. A contract with the City of Carson in an amount not to exceed \$60,000 to purchase up to 2 heavy-duty natural gas vehicles;
- i. A contract with the City of Monterey Park in an amount not to exceed \$90,000 to purchase up to 3 heavy-duty natural gas vehicles;
- j. A contract with the City of Dana Point in an amount not to exceed \$153,818 to extend an existing Class 1 Bikeway;
- k. A contract with the City of Yorba Linda in an amount not to exceed \$85,000 to install bicycle lanes;
- l. A contract with the City of Los Angeles in an amount not to exceed \$630,000 to purchase up to 21 heavy-duty natural gas vehicles;
- m. A contract with the City of Long Beach in an amount not to exceed \$1,445,400 to purchase up to 48 medium-duty and up to 16 heavy-duty natural gas vehicles, and to install a new CNG fueling station;
- n. A contract with the City of Hermosa Beach in an amount not to exceed \$29,520 to purchase up to 2 medium-duty natural gas vehicles and conduct bicycle-related outreach;
- o. A contract with the City of Los Angeles in an amount not to exceed \$102,955 to install EV charging infrastructure;
- p. A contract with the City of Pomona in an amount not to exceed \$440,000 to install road surface bicycle detection systems;
- q. A contract with the City of Santa Clarita in an amount not to exceed \$49,400 to install EV charging infrastructure;
- r. A contract with the Los Angeles Department of Water and Power in an amount not to exceed \$390,000 to purchase up to 13 heavy-duty natural gas vehicles;
- s. A contract with the City of Banning in an amount not to exceed \$30,000 to purchase one heavy-duty natural gas vehicle;
- t. A contract with the City of Azusa in an amount not to exceed \$30,000 to purchase one heavy-duty natural gas vehicle;
- u. A contract with the City of South Pasadena in an amount not to exceed \$180,535 to purchase one heavy-duty natural gas vehicle and to expand their existing CNG fueling station;
- v. A contract with the City of Downey in an amount not to exceed \$40,000 to install EV charging infrastructure;
- w. A contract with the City of Whittier in an amount not to exceed \$30,000 to purchase one heavy-duty natural gas vehicle;
- x. A contract with the City of Fullerton in an amount not to exceed \$30,000 to install EV charging infrastructure; and
- y. A contract with the City of Azusa in an amount not to exceed \$25,000 to enhance an existing Class 1 Bikeway;

2. Approve a contract with The Better World Group in an amount not to exceed \$118,065 for programmatic outreach services to the MSRC for a two-year period as part of approval of the FYs 2014-16 AB 2766 Discretionary Fund Work Program (with an option clause for an additional two-year period, subject to approval in future by the MSRC and SCAQMD Board), as described in this letter;
3. Approve a sole-source contract award under the Transportation Control Measure Partnership Program to the Orange County Transportation Authority in an amount not to exceed \$943,643 for five bicycle-related projects, as part of approval of the FYs 2014-16 AB 2766 Discretionary Fund Work Program, as described in this letter;
4. Approve \$500,000 MSRC allocation for partnership with SCAQMD on implementation of a Residential EV Charging Incentive Pilot Program, with funding to support the cost of hardware for Level 2 residential chargers, as part of approval of the FYs 2014-16 AB 2766 Discretionary Fund Work Program, as described in this letter;
5. Approve a new/replacement contract with the City of Palm Springs, in an amount not to exceed \$21,163, for the installation of EV charging infrastructure , as part of approval of the FY 2011-12 AB 2766 Discretionary Fund Work Program;
6. Authorize MSRC the authority to adjust contract awards up to five percent, as necessary and previously granted in prior work programs; and
7. Authorize the Chairman of the Board to execute new and modified contracts under FY 2011-12 and FYs 2014-16 Work Programs, as described above and in this letter.

Larry McCallon,  
Vice Chair, MSRC

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### **Background**

In September 1990 Assembly Bill 2766 was signed into law (Health & Safety Code Sections 44220-44247) authorizing the imposition of an annual \$4 motor vehicle registration fee to fund the implementation of programs exclusively to reduce air pollution from motor vehicles. AB 2766 provides that 30 percent of the annual \$4 vehicle registration fee subvended to the SCAQMD be placed into an account to be allocated pursuant to a work program developed and adopted by the MSRC and approved by the Board.

In November 2014, the MSRC selected initial categories for the FYs 2014-16 Work Program, with the understanding that additional project categories would continue to be developed and brought forward for consideration at a later date. At its August 20, 2015 meeting, the MSRC considered a recommended replacement contract and recommended awards under the Local Government Match and Transportation Control Measure CTC Partnership Programs, as well as a recommended award for programmatic outreach

services for the MSRC. In response to a partnership opportunity for the Residential EV Charging Incentive Pilot Program, the MSRC also considered a recommendation to make a new allocation under the FYs 2014-16 Work Program. Details are provided below in the Proposals section.

### **Outreach**

In accordance with SCAQMD's Procurement Policy and Procedure, public notices advertising the Local Government Match Program Announcement and Programmatic Outreach Services RFP were published in the Los Angeles Times, the Orange County Register, the San Bernardino Sun, and Riverside County Press Enterprise newspapers to leverage the most cost-effective method of outreach to the South Coast Basin. In addition, the Program Announcement and RFP were advertised in the Desert Sun newspaper for expanded outreach in the Coachella Valley.

Additionally, potential bidders may have been notified utilizing SCAQMD's own electronic listing of certified minority vendors. Notice of the solicitation was e-mailed 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>). Further, the solicitation was posted on the MSRC's website at <http://www.cleantransportationfunding.org> and electronic notifications were sent to those subscribing to this website's notification service.

### **Proposals**

At its August 20, 2015 meeting, the MSRC considered recommendations from its MSRC-TAC and approved the following:

#### **Local Government Match Program**

As an element of the FYs 2014-16 Work Program, the MSRC allocated \$13.0 million for the Local Government Match Program. A Program Announcement was developed and released on May 1, 2015. As in the previous Work Program, the Local Government Match Program offers to co-fund qualifying medium- and heavy-duty alternative fuel vehicles, alternative fuel infrastructure projects, electric vehicle charging infrastructure, and regional street sweeping in the Coachella Valley. The bicycle projects category was expanded to "active transportation", and commercial zero emission riding lawnmowers were added as a new category. In all categories funding is provided on a dollar-for-dollar match basis, and funding for all eligible entities shall be distributed on a first-come, first-served basis with a geographic minimum per county of \$1.625 million. The Program Announcement includes an open application period commencing June 2, 2015 and closing September 4, 2015. Twenty-six applications requesting a total of \$5,216,378 were received prior to the July 29, 2015 MSRC-TAC Local Match Subcommittee meeting. For one application, the Subcommittee, and subsequently the MSRC-TAC, recommended that the MSRC defer action while additional information is sought. The MSRC approved 25 applications totaling \$5,114,228 as part of the FYs 2014-16 AB 2766 Discretionary Fund Work Program, as follows:

- a. A contract with the City of Palm Springs in an amount not to exceed \$160,000 to purchase up to 4 heavy-duty natural gas vehicles, install bicycle racks, and conduct bicycle-related outreach;
- b. A contract with the City of Cathedral City in an amount not to exceed \$80,000 to purchase one heavy-duty natural gas vehicle, conduct bicycle-related outreach, and street sweeping operations in the Coachella Valley;
- c. A contract with the City of Culver City in an amount not to exceed \$246,000 for the purchase of up to 7 heavy-duty natural gas vehicles and the installation of electric vehicle (EV) charging infrastructure;
- d. A contract with the City of Pomona in an amount not to exceed \$310,000 for the purchase of up to 4 medium-duty and up to 9 heavy-duty natural gas vehicles;
- e. A contract with the City of Fountain Valley in an amount not to exceed \$46,100 to install EV charging infrastructure;
- f. A contract with the City of Fullerton in an amount not to exceed \$340,500 to expand their existing CNG fueling station and install EV charging infrastructure;
- g. A contract with the City of Claremont in an amount not to exceed \$90,000 to purchase up to 3 heavy-duty natural gas vehicles;
- h. A contract with the City of Carson in an amount not to exceed \$60,000 to purchase up to 2 heavy-duty natural gas vehicles;
- i. A contract with the City of Monterey Park in an amount not to exceed \$90,000 to purchase up to 3 heavy-duty natural gas vehicles;
- j. A contract with the City of Dana Point in an amount not to exceed \$153,818 to extend an existing Class 1 Bikeway;
- k. A contract with the City of Yorba Linda in an amount not to exceed \$85,000 to install bicycle lanes;
- l. A contract with the City of Los Angeles in an amount not to exceed \$630,000 to purchase up to 21 heavy-duty natural gas vehicles;
- m. A contract with the City of Long Beach in an amount not to exceed \$1,445,400 to purchase up to 48 medium-duty and up to 16 heavy-duty natural gas vehicles, and to install a new CNG fueling station;
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- q. A contract with the City of Santa Clarita in an amount not to exceed \$49,400 to install EV charging infrastructure;
- r. A contract with the Los Angeles Department of Water and Power in an amount not to exceed \$390,000 to purchase up to 13 heavy-duty natural gas vehicles;
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- t. A contract with the City of Azusa in an amount not to exceed \$30,000 to purchase one heavy-duty natural gas vehicle;
- u. A contract with the City of South Pasadena in an amount not to exceed \$180,535 to purchase one heavy-duty natural gas vehicle and to expand their existing CNG fueling station;
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- w. A contract with the City of Whittier in an amount not to exceed \$30,000 to purchase one heavy-duty natural gas vehicle;
- x. A contract with the City of Fullerton in an amount not to exceed \$30,000 to install EV charging infrastructure; and
- y. A contract with the City of Azusa in an amount not to exceed \$25,000 to enhance an existing Class 1 Bikeway;

#### Programmatic Outreach Services

As part of the FYs 2014-16 Work Program, the MSRC released a Request for Proposals for the solicitation of Programmatic Outreach Services. The RFP established a funding target level not to exceed \$120,000 for an initial two-year period, with an option clause for another two-year period. The selected contractor would assist in promoting the MSRC's **Clean Transportation Funding**<sup>TM</sup> programs as well as providing outreach assistance to current and prospective MSRC project implementers. The RFP was released on May 1, 2015. A total of five applications were received by the closing date on June 17, 2015. The top three ranked proposals were interviewed by a panel comprised of members of the MSRC's Technical Advisory Committee. The MSRC approved a contract award to the Better World Group in an amount not to exceed \$118,065 for the base two-year period as part of the FYs 2014-16 AB 2766 Discretionary Fund Work Program, with an option clause for an additional two-year period subject to approval by the MSRC and SCAQMD Board at a later date.

#### Transportation Control Measure Partnership Program

As part of the FYs 2014-16 Work Program, the MSRC allocated \$10.0 million for a program to partner with cities, County Transportation Commissions (CTCs) and others to demonstrate transportation control measure (TCM) projects. Innovative TCM projects have potential to reduce significant numbers of automobile trips or remove impediments to efficient traffic flow. The program is intended to provide a portion of the funding for projects, which when combined with other funding sources would accelerate the projects' implementation. Because CTCs typically solicit and co-fund the majority of TCM projects within their respective jurisdictions, the MSRC determined that CTCs would have the best overall perspective regarding the need for TCMs within their respective regions as well as knowledge of where funding can most effectively be applied. Therefore, the MSRC asked CTCs to bring forward work plans proposing projects for funding. Other interested entities would then participate in the projects via separate agreements with the CTCs.

One work plan has been received to date, from Orange County Transportation Authority (OCTA). As part of the FYs 2014-16 AB 2766 Discretionary Fund Work Program, the MSRC approved the award of a contract not to exceed \$943,643 to OCTA to co-fund five active transportation projects: City of Irvine Freeway Trail Lighting Improvements; City of Cypress Cerritos Avenue Bike Corridor Improvements; City of La Habra Union Pacific Rail Line Bikeway; City of San Juan Capistrano Bikeway Gap Closure; and County of Orange Lambert Road Bikeway Project.

#### Residential EV Charging Incentive Pilot Program

In a separate item at its September 4, 2015 meeting, the SCAQMD Board will be considering the implementation of a Residential EV Charging Incentive Pilot Program. This Program is intended to offset electric vehicle charging hardware costs by issuing rebates to program participants installing Level 2 chargers at residences. The Program will be implemented on a first-come, first-served basis and will cover up to \$250 for the cost of hardware for all eligible applicants residing within the geographical boundaries of SCAQMD, with an additional incentive of up to \$250 available for lower income residents. The Program is designed not to be duplicative with other incentive programs offered by electric utilities, and SCAQMD will ensure that participants do not receive an incentive, or combination of incentives, that exceed the actual hardware cost.

SCAQMD staff initiated discussions with MSRC staff regarding potential partnership in the Program. As the Program will assist in accelerating deployment of EVs, it is consistent with the MSRC's goals and objectives to reduce motor vehicle emissions. SCAQMD staff would provide the majority of Program administration. The MSRC considered this partnership opportunity and approved an allocation totaling \$500,000 towards the Residential EV Charging Incentive Pilot Program as an element of the FYs 2014-16 AB 2766 Discretionary Fund Work Program.

#### Replacement Contract for City of Palm Springs

As part of the FY 2011-12 Work Program, the MSRC awarded the City of Palm Springs \$38,000 towards the installation of six EV charging stations. The City was subsequently able to obtain additional support from the California Energy Commission, and the MSRC approved a modification allowing the City to use the balance of MSRC funds to install additional stations, requiring the installation of at least 35 stations altogether. By June 2015, 34 stations had been installed and placed into service. Concerns were raised about the contract's lack of specificity in the number of stations. Before those concerns could be resolved, the original contract terminated. The City has since finalized their plans and proposes to install one additional station, of the "DC Fast Charge" variety. The MSRC considered and approved a 72-month replacement contract in the amount of \$21,163 as part of the FY 2011-12 AB 2766 Discretionary Fund Work Program.

At this time, the MSRC requests the SCAQMD Board to approve the contract awards as part of approval of the FY 2011-12 and FYs 2014-16 AB 2766 Discretionary Fund Work Program as outlined above. The MSRC also requests the Board to authorize the SCAQMD Chairman of the Board the authority to execute all agreements described in

this letter. The MSRC further requests authority to adjust the funds allocated to each project specified in this Board letter by up to five percent of the project's recommended funding. The Board has granted this authority to the MSRC for all past Work Programs.

### **Sole-Source Justification**

As an element of its FYs 2014-16 Work Program, the MSRC allocated \$10 million for a program to partner on TCM projects. As discussed in Proposals above, this project will be implemented by initiating sole-source contracts with CTCs. While the MSRC and SCAQMD strive to retain technical services on a competitive basis, the SCAQMD's Procurement Policy and Procedure recognizes that, at times, the required services are available from only one source, making the pursuit of a competitive procurement futile. OCTA solicits and co-funds TCM projects within its subregion of the SCAQMD jurisdiction. Thus, OCTA has a unique perspective regarding the state of TCMs within its region as well as knowledge of where funding can most effectively be applied.

This request for a sole source award to OCTA is made under provision VIII.B.2.c.(1): The desired services are available from only the sole source due to the unique experience and capabilities of the proposed contractor or contractor team.

### **Resource Impacts**

The SCAQMD acts as fiscal administrator for the AB 2766 Discretionary Fund Program (Health & Safety Code Section 44243). Money received for this program is recorded in a special revenue fund (Fund 23) and the contracts specified herein, as well as any contracts awarded in response to the solicitation, will be drawn from this fund.