

BOARD MEETING DATE: March 3, 2017

AGENDA NO. 8

PROPOSAL: Create Special Revenue Fund, Recognize and Transfer Funds, Execute Agreement for SCAQMD to Act as Supplemental Environmental Project Implementer for Installation of Air Filtration Systems, Execute Contract and Reimburse General Fund for Administrative Costs

SYNOPSIS: CARB and the Burlington Northern Santa Fe Railway Company (BNSF) are executing a Supplemental Environmental Project (SEP) agreement to install air filtration systems at school(s) in a local Environmental Justice community. Both parties have requested SCAQMD act as the SEP Implementer. These actions are to: 1) create the Air Filtration Fund (75); 2) recognize up to \$625,000 from BNSF into the Air Filtration Fund (75); and 3) transfer up to \$625,000 as a temporary loan from the Clean Fuels Fund (31) to the Air Filtration Fund (75). Furthermore, these actions are to execute an agreement with BNSF for SCAQMD to act as the SEP Implementer for this project, execute a contract with IQAir North America for installation of air filtration systems in an amount not to exceed \$593,750 and reimburse the General Fund for administrative costs up to \$31,250 from the Air Filtration Fund (75).

COMMITTEE: Technology, February 17, 2017; Recommended for Approval

RECOMMENDED ACTIONS:

1. Create the Air Filtration Fund (75);
2. Recognize, upon receipt, up to \$625,000 from BNSF into the Air Filtration Fund (75);
3. Transfer up to \$625,000 as a temporary loan from the Clean Fuels Fund (31) into the Air Filtration Fund (75);
4. Authorize the Executive Officer to execute an agreement with BNSF for SCAQMD to act as the SEP Implementer for installation of air filtration systems;
5. Authorize the Chairman to execute a contract with IQAir North America for installation of air filtration systems at one or more schools in an amount not to exceed \$593,750 from the Air Filtration Fund (75); and

6. Reimburse the General Fund from the Air Filtration Fund (75) for administrative costs up to \$31,250 as needed to implement the air filtration project.

Wayne Natri
Executive Officer

MMM:FM:NB:PSK

Background

CARB and the Burlington Northern Santa Fe Railway Company (BNSF) are executing a Supplemental Environmental Project (SEP) agreement to install air filtration systems at one or more schools in an Environmental Justice community in the South Coast region. Both parties have requested SCAQMD act as the SEP Implementer for this project, which must be completed by January 2019.

IQAir North America was previously selected through two separate competitive bid processes in 2011 and 2013 for the TraPac and AB 1318 air filtration projects, respectively. They were also the only qualified manufacturer of high performance filters and stand-alone units to meet the performance standards in SCAQMD's 2009 air filtration pilot study as well as through a national testing opportunity conducted by the University of California Riverside/College of Engineering-Center for Environmental Research & Technology at Sunnyslope Elementary School in 2010. To date, through its contractor IQAir, SCAQMD has installed air filtration systems at 71 schools and community centers. Performance standards from SCAQMD's air filtration pilot study include an overall removal efficiency of at least 85 percent for ultrafine PM and black carbon, low pressure drop for panel filters, no ozone generation and a noise level below 45 decibels for stand-alone units.

Proposal

CARB staff have requested that selected schools receiving air filtration systems be in Environmental Justice communities close to intermodal rail facilities or other sources of diesel PM as well as project completion by January 2019. Staff will also utilize an existing Memorandum of Agreement (MOA) with the Los Angeles Unified School District, providing access to any schools in that district, as well as execute any necessary MOAs with other school districts to provide site access to schools.

The proposed schedule for installation of air filtration systems in one or more schools in Environmental Justice communities is as follows:

Date	Event
March 2017	Board Approval
March 2017	Anticipated Contract Award
March-April 2017	Selection of School(s), Site Assessments
April-September 2017	Installation
September 2017	Final Report

These actions are to create the Air Filtration Fund (75); recognize up to \$625,000 from BNSF into the Air Filtration Fund (75); and transfer up to \$625,000 as a temporary loan from the Clean Fuels Fund (31) to the Air Filtration Fund (75).

Finally, these actions are to also execute an agreement with BNSF for SCAQMD to act as the SEP Implementer for this project and execute a contract with IQAir North America for installation of air filtration systems as well as reimburse administrative costs.

Sole Source Justification

Section VIII. B. 2 of the Procurement Policy and Procedure identifies four major provisions under which a sole source award may be justified. This request for a sole source award is made under provision B.2.c(1): The desired services are available from only the sole-source based upon the unique experience and capabilities of the proposed contractor or contractor team. IQAir is the only manufacturer of high performance panel filters and stand-alone units identified by SCAQMD and CARB Research Division staff that meet the performance standards in SCAQMD's 2009 air filtration pilot study. Staff has also consulted with CARB Research Division staff to confirm that no new manufacturers of air filtration technologies that meet or exceed the performance standards in the pilot study have been identified since the last RFP process in 2013.

Benefits to SCAQMD

This project will reduce children's exposure to criteria and toxic pollutants and ultrafine PM. Health studies have determined that fine and ultrafine PM, including diesel PM, present the greatest air pollution health risk to sensitive receptors in Environmental Justice communities in Southern California.

Resource Impacts

Upon receipt, up to \$625,000 from the SEP revenue will be recognized into the Air Filtration Fund (75). Until receipt, up to \$625,000 from the Clean Fuels Fund (31) will be used as a temporary loan. Of the \$625,000 SEP revenue, the contract with IQAir North America to install air filtration systems will not exceed \$593,750 and reimbursement of administrative costs will not exceed \$31,250.