

BOARD MEETING DATE: October 6, 2017

AGENDA NO. 6

PROPOSAL: Recognize and Transfer Funds, Execute and Amend Agreements for Installation and Maintenance of Air Filtration Systems, and Reimburse General Fund for Administrative Costs

SYNOPSIS: U.S. EPA Region 9 and Wal-Mart Transportation, LLC, as well as CARB and Murillo's Trucking are executing Supplemental Environmental Project (SEP) agreements to install and maintain air filtration systems in the South Coast region with SCAQMD to act as the SEP implementer. There are also unspent TraPac project funds that can be utilized towards replacement filters for schools. These actions are to recognize up to \$300,000 from Wal-Mart and \$27,000 from Murillo's Trucking into the Air Filtration Fund (75), transfer the same amount as a temporary loan from the Clean Fuels Fund (31) to the Air Filtration Fund (75), and execute agreements with Wal-Mart and Murillo Trucking. These actions are to also execute contracts with IQAir North America for installation of air filtration systems in amounts not to exceed \$285,000 and \$25,650 respectively, and reimburse the General Fund for administrative costs up to \$16,350 from the Air Filtration Fund (75), as well as to amend a contract with IQAir North America to add \$468,838 from the TraPac Air Filtration Fund (52).

COMMITTEE: Technology, September 15, 2017; Recommended for Approval

RECOMMENDED ACTIONS:

1. Recognize, upon receipt, up to \$300,000 from Wal-Mart Transportation, LLC, into the Air Filtration Fund (75).
2. Recognize, upon receipt, up to \$27,000 from Murillo's Trucking into the Air Filtration Fund (75).
3. Transfer up to \$327,000 as a temporary loan from the Clean Fuels Fund (31) into the Air Filtration Fund (75).
4. Authorize the Executive Officer to execute agreements with the following:
 - a. Wal-Mart Transportation, LLC, for SCAQMD to act as the SEP Implementer for installation and maintenance of air filtration systems; and

- b. Murillo's Trucking for SCAQMD to act as the SEP Implementer for installation and maintenance of air filtration systems.
5. Authorize the Chairman to execute contracts with IQAir North America for installation and maintenance of air filtration systems at one or more schools in an amount not to exceed \$285,000 and \$25,650, respectively, from the Air Filtration Fund (75).
6. Authorize the Chairman to amend a contract with IQAir North America for installation and maintenance of air filtration systems to add \$468,838 for a total contract award of \$5,868,838 from the TraPac Air Filtration Fund (52).
7. Reimburse the General Fund from the Air Filtration Fund (75) for administrative costs up to \$16,350, as needed, to implement the air filtration project.

Wayne Natri
Executive Officer

MMM:FM:NB:PSK

Background

Wal-Mart and Murillo's Trucking Supplemental Environmental Projects

U.S. EPA Region 9 and Wal-Mart Transportation, LLC, as well as CARB and Murillo's Trucking are executing Supplemental Environmental Project (SEP) agreements to install and maintain air filtration systems at one or more schools in Environmental Justice communities. All parties have requested SCAQMD act as the SEP Implementer for these projects, which must be completed by September 2019.

IQAir North America was previously selected through two separate competitive bid processes in 2011 and 2013 for air filtration projects, and last year staff performed a technology status check to ensure no new technologies had come on the market. Furthermore, IQAir was 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 CE-CERT 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 average removal efficiency of at least 85 percent for ultrafine PM and black carbon, no pressure drop for panel filters, no ozone generation and a noise level below 45 decibels for stand-alone units.

TraPac Air Filtration Program

As part of a settlement to mitigate impacts from the TraPac Container Terminal Project, the Port of Los Angeles (City of Los Angeles) set aside \$6 million towards the installation and maintenance of air filtration systems in Wilmington and San Pedro area

schools. Based on SCAQMD's prior experience in conducting a pilot study and implementation program for air filtration systems in schools, the City of Los Angeles and the TraPac Appellants asked SCAQMD to administer an air filtration program. Thirty nine schools in Wilmington and San Pedro have received air filtration systems and replacement filters under this program.

Proposal

Wal-Mart and Murillo's Trucking SEPs

Staff from the U.S. EPA Region 9 and CARB have requested that selected schools receiving air filtration systems be in Environmental Justice communities or other areas disproportionately impacted by diesel PM and project completion must occur by September 2019. Staff will execute new Memorandum of Agreements (MOAs) with the identified school districts and utilize an existing MOA with the Los Angeles Unified School District, providing access to any schools in these communities.

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

Date	Event
October 2017	Board Approval
October 2017	Anticipated Contract Award
October - November 2017	Selection of School(s), Site Assessments
November 2017 – February 2018	Installation
February 2018	Final Report

These actions are to recognize up to \$300,000 from Wal-Mart and \$27,000 from Murillo's Trucking into the Air Filtration Fund (75), transfer the same amount as a temporary loan from the Clean Fuels Fund (31) to the Air Filtration Fund (75), and execute agreements with Wal-Mart and Murrillo's Trucking for SCAQMD to act as the SEP Implementer for installation and maintenance of air filtration systems.

Finally, these actions are to also execute contracts with IQAir North America for installation and maintenance of air filtration systems in an amount not to exceed \$285,000 and \$25,650, respectively, and reimburse the General Fund for administrative costs up to \$16,350 from the Air Filtration Fund (75).

TraPac Air Filtration Program

Staff recommends utilizing \$468,838 of available TraPac administrative funds for additional filter replacement and maintenance beyond May 2020. This includes approximately \$468,838 in unspent administrative fees allocated towards staff time to administer the TraPac air filtration program. An additional recommended action is to amend the contract with IQAir North America for air filtration systems in schools to add \$468,838 for a total contract amount not to exceed \$5,868,838 from the TraPac Air Filtration Fund (52).

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 \$327,000 from SEP revenue will be recognized into the Air Filtration Fund (75). Until receipt, up to \$327,000 from the Clean Fuels Fund (31) will be used as a temporary loan. Of the \$327,000 SEP revenue, the contracts with IQAir North America to install and maintain air filtration systems will not exceed \$285,000 and \$25,650, respectively, and reimbursement of administrative costs will not exceed \$16,350 for the Wal-Mart and Murillo's Trucking SEPs.

Six million dollars in revenue from the City of Los Angeles was previously recognized into the TraPac Air Filtration Fund (52) through a December 2009 Board action. The contract amendment with IQAir North America to install and maintain air filtration systems will not exceed \$5,868,838 million.