

BOARD MEETING DATE: June 1, 2018

AGENDA NO. 3

PROPOSAL: Execute Contracts to Implement Recommendations to Enhance Socioeconomic Assessments for AQMP

SYNOPSIS: Two RFPs were released on March 2, 2018 to assist in the implementation of two major recommendations by Abt Associates, Inc. intended to enhance SCAQMD's socioeconomic assessments for future AQMPs. The purpose of the first RFP was to conduct a literature review and provide recommendations on analyzing public welfare benefits of clean air (e.g., agriculture, ecology, recreational visibility, and building materials benefits). The second RFP solicited proposals to conduct a literature review and empirical study of residential visibility benefits, and to provide recommendations on the quantification and valuation of these benefits. Using the prescribed evaluation criteria to consider cost and technical qualifications, Industrial Economics, Inc. (IEc) received the highest overall score for its submitted proposals in response to both RFPs. This action is to execute contracts with IEC in an amount not to exceed \$146,508: 1) for the review of public welfare benefits in the amount of up to \$49,289; and 2) for the review and study of residential visibility benefits in the amount of up to \$97,219. Funding is available in the Planning, Rule Development and Area Sources FY 2017-18 Budget.

COMMITTEE: Administrative, May 11, 2018; Recommended for Approval

RECOMMENDED ACTIONS:

Authorize the Executive Officer to execute two separate contracts with Industrial Economics, Inc., in the amounts of up to \$49,289 and \$97,219, respectively, for a combined total not to exceed \$146,508 from the FY 2017-18 Budget, Professional and Special Services account.

Wayne Nastri
Executive Officer

Background

Following the SCAQMD Board's 2012 Resolution that called for a comprehensive review of SCAQMD's socioeconomic assessments, the independent reviewer Abt Associates made recommendations for potential enhancements in its 2014 report. Staff committed, to the extent feasible, to implementing these recommendations. To date, ten key recommendations have been fully implemented in recent socioeconomic impact assessments of proposed rules and proposed amended rules and in the 2016 AQMP Socioeconomic Report. Staff received Board approval on March 2, 2018 to release two RFPs to solicit qualified firms or sole practitioners to assist staff in implementing additional recommendations to enhance and potentially expand the public welfare benefits analysis for future AQMPs.

The socioeconomic analyses of previous AQMPs quantified several types of public welfare benefits of clean air, including protection against decreased visibility from residential locations and damage to crops, buildings, and other materials. As the analyses relied upon data and methodologies that may not fully reflect more recent developments in the literature, the 2014 Abt Associates report also recommended that staff conduct an updated literature search and review of public welfare benefits, including more recent research on additional benefits of clean air such as recreational visibility and ecological benefits. For residential visibility benefits, Abt Associates further recommended that staff consider potentially sponsoring an updated empirical study.

Proposal

Staff is seeking Board approval to authorize the Executive Officer to execute two separate contracts with Industrial Economics, Inc., (IEc) in the amounts of up to \$49,289 and \$97,219, respectively, for a combined total not to exceed \$146,508 from the FY 2017-18 Budget, Professional and Special Services account.

The purpose of the first contract is to conduct a literature review and empirical study of the clean air benefits related to residential visibility improvement, from which the study results can be applied to quantifying potential visibility benefits of implementing future AQMPs for the South Coast Air Basin (SCAB). The purpose of the second contract is to conduct a literature review of most updated studies on agriculture, ecology, recreational visibility, and material benefits of clean air that are applicable to the SCAB and can potentially inform the welfare benefits analysis for the implementation of future AQMPs.

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 RFPs were 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>). The RFP was also sent to various companies with potential expertise in the subject areas.

Bid Evaluation

A total of three bids were received for each of the RFPs. The same three firms submitted bids for both of the RFPs. One of the firms is certified as a small business and received additional points for each of their bids. Tables 1 and 2 reflect the evaluation of the submitted proposals in response to RFP #P2018-08 and RFP #P2018-09, respectively.

Using the prescribed evaluation criteria to consider technical and cost qualifications, only one of the three proposals for RFP #2018-08 was scored as technically qualified. This bid was from IEc. The review panel noted a good understanding of the scope of work, the proposed technical/management approach, and relevant experience of the project team as important factors that contributed to the high score.

Two of the three submitted proposals for RFP #2018-09, one by ICF Incorporated and the other by IEc, were considered technically qualified. Between the two qualified proposals, IEc had a higher overall score. The review panel noted the strengths of both proposals, including the understanding of the scope of work and project personnel. However, the IEc proposal stood out due to their experience in relevant past projects, which include a U.S. EPA visibility study, and the technical/management approach, which includes the potential to use a more advanced technique involving the use of Light Detection and Ranging (LiDAR) data to measure visibility.

Panel Composition

The submitted proposals were evaluated by two review panels, with three of the four members common to both panels.

For RFP #P2018-08, the panel consisted of the SCAQMD Health Effects Officer, two Program Supervisors, and a Senior Regional Planner at the Southern California Association of Governments. Of the four panelists, three are Asian and one is Caucasian; two male and two female.

For RFP #P2018-09, the panel consisted of the SCAQMD Health Effects Officer, one Program Supervisor, one Air Quality Specialist, and a Senior Regional Planner at the Southern California Association of Governments. Of the four panelists, two are Asian and two are Caucasian; three male and one female.

Resource Impacts

The costs of the contracts proposed by IEC are \$49,289 for literature review of public welfare benefits (RFP #P2018-08) and \$97,219 for literature review and empirical study of residential visibility benefits (RFP #P2018-09). The combined total of both contracts will not exceed \$146,508. Funding is available from the Planning, Rule Development and Area Sources FY 2017-18 Budget.

Attachment

Table 1 – Evaluation of Respondents to RFP #P2018-08 “Literature Review of Public Welfare Benefits of Clean Air”

Table 2 – Evaluation of Respondents to RFP #P2018-09 “Literature Review and Empirical Study of Residential Visibility Benefits”

Table 1

Evaluation of Respondents to RFP 2018-08 “Literature Review of Public Welfare Benefits of Clean Air”

Bidder	Proposed Cost	Cost Points	Technical Expertise Points	Additional Points	Total Score
1. ICF Incorporated, LLC	\$ 49,519.00	29.2	54.4*	0	83.6
2. Industrial Economics, Inc.	\$ 49,289.10	29.4	63.9	0	93.2
3. Infra Associates	\$ 48,250.00	30	24.3*	10	64.3
Maximum Possible Points		30	70	15	115

*These proposals were disqualified because they did not score at least 56 points on technical expertise

Table 2

Evaluation of Respondents to RFP 2018-09 “Literature Review and Empirical Study of Residential Visibility Benefits”

Bidder	Proposed Cost	Cost Points	Technical Expertise Points	Additional Points	Total Score
1. ICF Incorporated, LLC	\$ 99,999.00	28.9	60.8	0	89.6
2. Industrial Economics, Inc.	\$ 97,218.82	29.7	63.6	0	93.4
3. Infra Associates	\$ 96,350.00	30	25.8*	10	65.8
Maximum Possible Points		30	70	15	115

*Infra Associates’ proposal was disqualified because they did not score at least 56 points on technical expertise