

BOARD MEETING DATE: March 2, 2018

AGENDA NO. 6

PROPOSAL: Appropriate Funds and Execute Contract for Strategic Consulting Services

SYNOPSIS: Staff requires professional consulting services related to the implementation of the 2016 AQMP and related issues. This action is to appropriate funds from the General Fund Undesignated (Unassigned) Fund Balance and execute a contract with Double Nickel Advisors, LLC, for strategic communication and messaging to stakeholders, the Legislature and the Governor's Administration in support of the 2016 AQMP, its required elements, and related issues.

COMMITTEE: Administrative, February 9, 2018; Recommended for Approval

RECOMMENDED ACTIONS:

1. Appropriate \$120,000 from the General Fund Undesignated (Unassigned) Fund Balance to the Legislative, Public Affairs and Media Office's FY 2017-18 Budget, Services and Supplies Major Object, Professional and Special Services account; and
2. Authorize the Executive Officer to execute a contract with Double Nickel Advisors, LLC, in an amount not to exceed \$120,000 from the Legislative, Public Affairs and Media Office's FY 2017-18 Budget, Services and Supplies Major Object, Professional and Special Services account for strategic communication and messaging to stakeholders, the Legislature and the Governor's Administration in support of the 2016 AQMP and its required elements.

Wayne Natri
Executive Officer

Background

On March 3, 2017, the SCAQMD Board approved the 2016 AQMP (or Plan), which is a regional blueprint for achieving air quality standards and healthful air. The 2016 AQMP represents a new approach, focusing on feasible and cost effective regulations, while continuing to acknowledge the critical role of incentives to accelerate the pace of clean equipment deployment. The most effective way to reduce air pollution impacts on the health of our more than 16 million residents, including those in disproportionately impacted and environmental justice communities that are concentrated along our transportation corridors and goods movement facilities, is to reduce emissions from mobile sources, the principal contributor to our air quality challenges. For that reason, the SCAQMD has been and will continue to be closely engaged with CARB and U.S. EPA who have primary responsibility for these sources. The Plan recognizes the critical importance of working with other agencies to develop funding and other incentives that encourage the accelerated transition of vehicles and other polluting equipment to cleaner technologies in a manner that benefits more than air quality. The 2016 AQMP puts a priority on maximizing emission reductions utilizing zero emission technologies, wherever cost effective and feasible, and near-zero emission technologies in all other applications. Incentives are still critically important to achieve near-term attainment goals, and serve to accelerate the transition to zero and near-zero technologies.

State and federal agencies have primary authority over mobile sources, which contribute over 80 percent of the emissions in the South Coast basin. Regulations alone, however, even if imposed at all levels of government, will not allow this area to meet health-based air quality standards. Incentives totaling an estimated \$11 billion to \$14 billion, or about \$1 billion per year over the next 15 years, are still needed in order to achieve clean air goals. Potential sources of funding include but are not limited to: seeking potential new sources of funding through federal authorization and appropriations; prioritizing existing funding programs to maximize co-benefits of criteria pollutants and greenhouse gas emission reductions; enhancing existing funding sources, such as the federal Diesel Emission Reduction Act (DERA) program and the state's Carl Moyer program and other fees.

The incentive funding needs are significant, but represent approximately 0.1 percent of the region's annual GDP. Should the region fail to meet federally mandated clean air goals, U.S. EPA could impose sanctions far more onerous and costly to the Basin's residents and businesses than the proposed plan.

Proposal

In order to communicate, promote, and advance the state and regional actions necessary to achieve clean air goals, staff proposes to execute a contract with Double Nickel Advisors, LLC, in an amount not to exceed \$120,000 for strategic communication and messaging to the stakeholders, the Legislature and the Governor's Administration in support of the 2016 AQMP and its required elements.

Sole Source Justification

Section VIII.B.2 of the Procurement Policy and Procedure identifies provisions by which the sole source award may be justified. This request for a sole source award is made under provision B.2.d: Other circumstances exist which in the determination of the Executive Officer requires such waiver in the best interest of the SCAQMD. Due to the firm's Principal being a former Speaker of the California Assembly, it has special and unique capabilities that will ensure the agencies communications and messaging to the California Legislature are the most effective to garner support for our funding needs for the AQMP.

Resource Impacts

Sufficient funding will exist for this contract upon the transfer of \$120,000 from the General Fund Undesignated (Unassigned) Fund Balance to the Legislative, Public Affairs and Media Office's FY 2017-18 Budget.