

BOARD MEETING DATE: May 3, 2019

AGENDA NO. 4

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

SYNOPSIS: The City and County of Los Angeles and the California Attorney General's Office's civil litigation settlement with SoCalGas resulting from the Aliso Canyon natural gas leak includes a Supplemental Environmental Project (SEP) with the South Coast AQMD as the administrator for the purpose of funding the installation and maintenance of air filtration systems in public schools in environmental justice communities in the City or County of Los Angeles. This action is to recognize up to \$7,100,000 from the Aliso Supplemental Environmental Project Fund, a special revenue fund administered by the City and County of Los Angeles and the California Attorney General's Office, into the Air Filtration Fund (75). These actions are to also execute agreements to install and maintain air filtration systems in an amount not to exceed \$6,745,000; execute or amend access agreements with local school districts; amend contract to purchase additional filters using unspent administrative funds; and reimburse the General Fund for administrative costs up to \$355,000 for SEP administration.

COMMITTEE: Technology, April 19, 2019; Recommended for Approval

RECOMMENDED ACTIONS:

1. Recognize up to \$7,100,000 from the Aliso Supplemental Environmental Project Fund (Aliso Fund) for a SEP being administered on behalf of the City and County of Los Angeles and the California Attorney General's Office into the Air Filtration Fund (75);
2. Authorize the Executive Officer to execute an agreement with the City and County of Los Angeles and the California Attorney General's Office, which comprise the Aliso Fund Committee, for South Coast AQMD to implement a SEP for installation and maintenance of air filtration systems and to execute or amend agreements with local school districts for the purpose of implementing a SEP;

3. Authorize the Chairman to execute a contract with IQAir North America for installation and maintenance of air filtration systems at schools in an amount not to exceed \$6,745,000 from the Air Filtration Fund (75);
4. Authorize the Chairman to amend, as needed, the contract with IQAir North America to purchase additional filters using unspent administrative funds; and
5. Reimburse the General Fund from the Air Filtration Fund (75) for administrative costs up to \$355,000, as needed, to implement the air filtration project.

Wayne Natri
Executive Officer

MMM:NB:JI:PSK

Background

The City and County of Los Angeles and the California Attorney General's Office entered into a settlement agreement to resolve the claims against SoCalGas in connection with the Aliso Canyon natural gas leak. The settlement agreement includes a Supplemental Environmental Project (SEP) with the South Coast AQMD as the administrator for the purpose of funding the installation and maintenance of air filtration systems in public schools in environmental justice (EJ) communities in the City or County of Los Angeles. As part of the settlement agreement, the Aliso Supplemental Environmental Project Fund ('Aliso Fund'), a special revenue fund administered by the City and County of Los Angeles and the California Attorney General's Office, was created to receive settlement revenue and the Aliso Fund Committee was established to serve as the fund administrator. The Aliso Fund Committee is comprised of one representative each from the California Attorney General, Los Angeles City Attorney and County Counsel offices.

IQAir North America (IQAir) was previously selected through two separate competitive bid processes in 2011 and 2013 for air filtration projects, and staff subsequently performed a technology status check to ensure no new technologies had come on the market. IQAir is the only qualified manufacturer of high performance panel filters and stand-alone units which met the performance standards in South Coast AQMD's 2009 air filtration pilot study as well as through a national testing opportunity conducted in 2010 by the University of California Riverside's College of Engineering/Center for Environmental Research and Technology. These performance standards include an average removal efficiency of at least 85 percent for ultrafine PM, black carbon and PM2.5, and noise level below 45 decibels for stand-alone units. To date, South Coast AQMD has installed air filtration systems at 83 schools and community centers throughout the South Coast Basin.

Proposal

The City and County of Los Angeles and California Attorney General’s Office have requested that Los Angeles City and County schools receiving air filtration systems for this SEP be in EJ communities, with project completion to occur no later than May 2024. The funding includes five percent for reimbursement of administrative costs.

Staff anticipates the air filtration installations can be completed within 30 months of contract execution. The proposed schedule for installation and maintenance of air filtration systems of Los Angeles City and County schools in EJ communities is as follows:

Date	Event
May 2019	Board Approval
July 2019	Anticipated Execution of Contracts
May-October 2019	Selection of Schools, Site Assessments
October 2019 – October 2021	Installation
October 2019–October 2031	Maintenance (varies by school)
December 2021	Final Installation Report (thereafter with annual updates through 2031)

These actions are to: 1) recognize up to \$7,100,000 from the Aliso Fund into the Air Filtration Fund (75); 2) authorize the Executive Officer to execute an agreement with the Aliso Fund Committee and execute or amend agreements with local school districts to implement the SEP for installation and maintenance of air filtration systems; 3) execute a contract with IQAir North America for installation and maintenance of air filtration systems at schools in an amount not to exceed \$6,745,000; 4) amend, as needed, the contract with IQAir North America to purchase additional filters using unspent administrative funds; and 5) reimburse the General Fund from the Air Filtration Fund (75) for administrative costs up to \$355,000.

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 remains the only manufacturer of high performance panel filters and stand-alone units identified by South Coast AQMD and CARB staff that meet the performance standards required to complete the work.

Benefits to South Coast AQMD

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 EJ communities identified in the SEP agreement.

Resource Impacts

The new contract with IQAir will not exceed \$6,745,000, and any contract amendment with IQAir to purchase additional filters will not exceed the amount of any unspent administrative dollars. Reimbursement of administrative costs will not exceed \$355,000.