



BOARD MEETING DATE: August 6, 2021

AGENDA NO. 9

PROPOSAL: Approve Contract Award and Modification and Approve Fund Transfer for Miscellaneous and Direct Expenditures Costs in FY 2021-22 as Approved by MSRC

SYNOPSIS: As part of their FYs 2016-18 Work Program, the MSRC approved an award to assist in the installation of a hydrogen refueling station to support the deployment of a Zero Emission Multiple Unit train. The MSRC also approved a modification to a contract under the Local Government Partnership Program. Additionally, every year the MSRC adopts an Administrative Budget which includes transfer of funds to the South Coast AQMD Budget to cover administrative expenses. At this time, the MSRC seeks Board approval of the fund transfer as part of the FYs 2021-22 Work Program.

COMMITTEE: Mobile Source Air Pollution Reduction Review, June 17, 2021, Recommended for Approval

RECOMMENDED ACTIONS:

1. Approve contract award to San Bernardino County Transportation Authority in a total amount not to exceed \$1,662,000 to install a hydrogen station at the Arrow Maintenance Facility in San Bernardino under the Hydrogen Infrastructure Partnership Program, as part of approval of the FYs 2016-18 Work Program, as described in this letter;
2. Approve modified contract with the City of South Gate, substituting the installation of six Level II charging stations instead of two Level II and one Level III charging station as previously approved, as part of approval of the FYs 2016-18 Work Program, as described in this letter; and

3. Recognize \$56,000 in revenue in the General Fund from the AB 2766 Discretionary Fund, Special Fund 23, and appropriate \$56,000 to the FY 2020-21 Science and Technology Advancement Budget, Services and Supplies Major Object, to facilitate the payment of MSRC Miscellaneous Direct and Travel Costs, as provided in Table 1 of this letter.

Larry McCallon,
Chair, MSRC

MMM:AK:CR

Background

In September 1990, Assembly Bill 2766 was signed into law (Health & Safety Code Sections 44220-44247) authorizing an annual \$4 motor vehicle registration fee to fund the implementation of programs exclusively to reduce air pollution from motor vehicles. AB 2766 provides that 30 percent of the annual \$4 vehicle registration fee subvented to South Coast AQMD be placed into an account to be allocated pursuant to a work program developed and adopted by the MSRC and approved by the Board.

Outreach

In accordance with South Coast AQMD's Procurement Policy and Procedure, public notices advertising the Hydrogen Infrastructure Partnership Program Opportunity Notice were published in the Los Angeles Times, the Orange County Register, the San Bernardino Sun, and Riverside County's Press Enterprise to leverage the most cost-effective method of outreach to the South Coast Basin. In addition, the solicitation was advertised in the Desert Sun newspaper for expanded outreach in the Coachella Valley.

Additionally, potential bidders may have been notified utilizing South Coast AQMD's own electronic listing of certified minority vendors. Notice of the solicitation was e-mailed to the Black and Latino Legislative Caucuses and various minority chambers of commerce and business associations, and placed on South Coast AQMD's website (<http://www.aqmd.gov>). Further, the solicitation was posted on the MSRC's website at <http://www.cleantransportationfunding.org> and electronic notifications were sent to those subscribing to this website's notification service.

Proposals

At its June 17, 2021 meeting, the MSRC considered recommendations from its MSRC-TAC and approved the following:

FYs 2016-18 Hydrogen Infrastructure Partnership Program

In March 2018, the MSRC approved release of a Program Opportunity Notice (PON)

for the Hydrogen Infrastructure Partnership Program under the FYs 2016-18 Work Program. The PON, with an initial targeted funding level of \$3,000,000, seeks to expand the availability of hydrogen refueling as a means to accelerate the deployment of large numbers of zero emission hydrogen vehicles. In order to allow adequate time for technologically sophisticated refueling station designs and potentially complex station implementation partnerships to be formed, the PON included an open solicitation period which commenced with its release on April 6, 2018 and which was subsequently extended to April 9, 2021. The MSRC has previously approved one award in the amount of \$1,000,000 in response to this solicitation.

The MSRC considered recommendations regarding a proposal submitted by San Bernardino County Transportation Authority (SBCTA). The project would install a hydrogen refueling station at the Arrow Maintenance Facility in San Bernardino to support the deployment of a Zero Emission Multiple Unit hydrogen passenger train (ZEMU). SBCTA requested \$1,662,000 in funding from the MSRC, to be matched with \$638,000 in co-funding from SBCTA. MSRC fueling infrastructure projects generally require a five-year operation period. While the anticipated lifespan of the ZEMU is 25 years, because the initial demonstration period is only two years, the MSRC-TAC recommended that any funding award should be contingent upon SBCTA agreeing to make the station available to other users, at no cost to the MSRC, in the event that the ZEMU does not operate for a minimum of five years. The MSRC approved a contract award to SBCTA in an amount not to exceed \$1,662,000 as part of the Hydrogen Infrastructure Partnership Program under the FYs 2016-18 Work Program, with the contingency that the station be made available to other users if the ZEMU does not operate a minimum of five years. The MSRC has requested full proposals from other respondents to the PON and additional awards may be brought forward for consideration in the coming months.

FYs 2016-18 Local Government Partnership Program

As part of the FYs 2016-18 Local Government Partnership Program, the MSRC originally approved an award of \$127,400 to the City of South Gate for procurement of five light-duty zero emission vehicles and the installation of three (3) Level II charging stations. Subsequently, in December 2020 and January 2021, the MSRC and South Coast AQMD Board respectively approved the City's request to substitute the installation of a Level III charging station for the originally planned Level II charging station at the City's corporate yard. Later, prior to executing a contract modification, the City reassessed their needs and determined that they would be better served by the installation of a total of six Level II charging stations. The City then requested to modify the original contract and increase the number of Level II charging stations from three to six, at no additional cost to the MSRC. The MSRC considered and approved the City's requested contract modifications.

At this time, the MSRC requests the South Coast AQMD Board approve the contract award and modification as part of approval of the FYs 2016-18 AB 2766 Discretionary Fund Work Program as outlined above. The MSRC also requests the Board authorize the South Coast AQMD Board Chair to execute all agreements described in this letter.

FY 2021-22 Administrative Budget

Every year the MSRC adopts an Administrative Budget for the upcoming fiscal year to ensure costs remain within the limitation, currently 6.25 percent. For FY 2021-22, the MSRC adopted an Administrative Budget in the amount of \$829,544, which is \$189,206 below the 6.25 percent cap. Administrative expenditures are not directly drawn, from the MSRC fund account, but instead from South Coast AQMD’s budget. To cover these expenses, the MSRC approved a fund transfer (see Table 1 for further details).

Table 1. Estimated FY 2021-22 MSRC Miscellaneous and Direct Expenditures Proposed to be Allocated to South Coast AQMD Science and Technology Advancement
FY 2021-22 Budget

	Work Program Code	Account	Amount
Professional & Special Services	44003	67450	\$9,000
Public Notice	44003	67500	\$8,000
Communications	44003	67900	\$5,000
Postage	44003	68060	\$7,500
Office Expense/Supplies	44003	68100	\$12,000
Miscellaneous Expense	44003	69700	\$7,000
Conference- Related Expense	44003	69700	\$5,000
Travel Costs	44003	67800	\$2,500
Total			\$56,000

Resource Impacts

South Coast AQMD acts as fiscal administrator for the AB 2766 Discretionary Fund Program (Health & Safety Code Section 44243). Money received for this program is recorded in a special revenue fund (Fund 23) and any contracts awarded in response to the solicitation will be drawn from this fund.