



BOARD MEETING DATE: November 4, 2022

AGENDA NO. 9

PROPOSAL: Approve Contract Modification as Approved by MSRC

SYNOPSIS: As part of their FYs 2018-21 Work Program, the MSRC approved a modification to the Southern California Association of Governments' (SCAG) contract to implement the Last Mile Freight Program. Due to the withdrawal of projects, the scope and funding allocation for the Sysco Corporation project would be increased. Additionally, SCAG would bring back an additional reallocation request in the near future. At this time, the MSRC seeks Board approval of the contract modification as part of the FYs 2018-21 Work Program.

COMMITTEE: Mobile Source Air Pollution Reduction Review, October 20, 2022;  
Recommended for Approval

**RECOMMENDED ACTIONS:**

1. Approve reallocation of a total of \$2,231,952 from three withdrawn projects under contract #MS21005 with SCAG under the Last Mile component of the MSRC's Regional Goods Movement Program, as part of approval of the FYs 2018-21 Work Program, as described in this letter and as follows:
  - a. \$1,115,976 reallocated to augment funding for the Sysco Corporation project, with a corresponding increase in scope from nine to 17 zero emission vehicles and nine to 17 electric vehicle chargers; and
  - b. \$1,115,976 reserved without assignment to a specific project, contingent upon receipt of an additional reallocation request no later than February 17, 2023, subject to approval by the MSRC and South Coast AQMD Board at a later date; and

2. Authorize the Board Chair (or by the Board Chair's designation, the Executive Officer) to execute the modified contract under the 2018-21 Work Program, as described above and in this letter.

Larry McCallon,  
Chair, MSRC

AK:CR

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### **Background**

In September 1990, Assembly Bill (AB) 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.

### **Proposal**

At its October 20, 2022 meeting, the MSRC considered recommendations from the MSRC-Technical Advisory Committee (TAC) as well as recommendations from MSRC staff and approved the following:

#### **FYs 2018-21 Last Mile Freight Program**

The Last Mile component of the MSRC's Regional Goods Movement Program focuses on reducing emissions from transportation of goods following departure from distribution centers. In August 2020, the MSRC approved a sole-source contract award to SCAG in an amount not to exceed \$10,000,000 to implement the Last Mile Freight Program (LMFP) on behalf of the MSRC. Contract #MS21005 was executed to effectuate the award, and in November 2021, the MSRC approved SCAG's proposed project list awarding the original \$10,000,000 to 26 projects across the region. Subsequently, the MSRC approved the allocation of additional funding and the addition of six more projects from SCAG's contingency list.

Contract #MS21005 provides that if a Project Participant withdraws, SCAG may request the MSRC to approve a reallocation of the funds assigned to that project to increase the scope of another project on the approved list or to fund another project on SCAG's contingency list. Recently SCAG indicated that three of the previously approved projects, which had a total incentive funding allocation of \$2,231,952, have been withdrawn. SCAG requested the MSRC to reallocate half of the funding, or \$1,115,976, to augment the Sysco Corporation project, with a corresponding increase in scope from nine to 17 zero emission vehicles and nine to 17 electric vehicle chargers.

SCAG further requested that the remaining \$1,115,976 be reserved while they finalized details of their proposal relative to that increment of funding. The MSRC also approved reserving the remaining \$1,115,976 without immediate assignment to a specific project within the contract, contingent upon the receipt of an additional reallocation request no later than February 17, 2023. Should such request not be received, the \$1,115,976 would revert to the AB 2766 Discretionary Fund.

At this time, the MSRC requests the South Coast AQMD Board to approve the contract modification as part of approval of the FYs 2018-21 AB 2766 Discretionary Fund Work Program as outlined above.

**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 paid from this fund.