

BOARD MEETING DATE: April 7, 2023

AGENDA NO. 4

PROPOSAL: Recognize Revenue, Transfer Funds, and Execute Contracts for Assistance Implementing Enhanced Fleet Modernization Program

SYNOPSIS Since 2015, South Coast AQMD has implemented CARB's Enhanced Fleet Modernization Program (EFMP), branded as Replace Your Ride in the South Coast Air Basin. CARB is awarding an additional \$3 million for FY2021-22 due to high demand, additional funding is needed to help cover the cost of program implementation. These actions are to: 1) recognize, upon receipt, up to \$3 million in supplemental funds from CARB into the High Emitters or SCRAP Program (HEROS II) Special Revenue Fund (56); 2) reimburse the General Fund up to \$450,000 from the HERO II Special Revenue Fund (56) for administrative costs necessary to implement EFMP; 3) transfer funds, not to exceed \$2 million, from the BP ARCO Settlement Projects Fund (46) to the HEROS II Special Revenue Fund (56) for EFMP administrative expenditures; 4) transfer and appropriate up to \$40,000 from the HEROS II Special Revenue Fund (56) to the General Fund (01) Technology Advancement Office's FY 2022-23 and/or FY 2023-24 Budget, Services and Supplies Major Object to provide outreach assistance to EFMP participants; and 5) authorize the Executive Officer to execute or amend contracts for EFMP implementation support with Opus Inspection, Foundation for California Community Colleges and Green Paradigm Consulting, Inc. in an amount not to exceed \$610,000, \$320,000, and \$330,000, respectively, from HEROS II Special Revenue Fund (56).

COMMITTEE: Technology, March 17, 2023; Recommended for Approval

RECOMMENDED ACTIONS:

1. Recognize upon receipt, up to \$3 million from CARB into the High Emitters or SCRAP Program (HEROS II) Special Revenue Fund (56);
2. Reimburse the General Fund up to \$450,000 from the HEROS II Special Revenue Fund (56) for administrative costs necessary to implement EFMP;

3. Transfer funds, not to exceed \$2 million, from the BP ARCO Settlement Projects Fund (46) to the HEROS II Special Revenue Fund (56) for EFMP administrative expenditures;
4. Transfer and appropriate up to \$40,000 from the HEROS II Special Revenue Fund (56) to the General Fund (01) Technology Advancement Office's FY 2022-23 and/or FY 2023-24 Budget, Services and Supplies Major Object to provide outreach assistance to EFMP participants; and
5. Authorize the Executive Officer to execute or amend contracts for EFMP implementation support with Opus Inspection, Foundation for California Community Colleges and Green Paradigm Consulting, Inc. in an amount not to exceed \$610,000, \$320,000, and \$330,000, respectively, from HEROS II Special Revenue Fund (56).

Wayne Nastri
Executive Officer

AK:MW:TL:VJ

Background

Since 2015, South Coast AQMD has been implementing an Enhanced Fleet Modernization Program (EFMP), branded as Replace Your Ride. South Coast AQMD's Replace Your Ride Program is a vehicle retirement and replacement program which provides incentives to lower income households to scrap and replace their older, high emitting vehicles with newer, cleaner models or other transportation options. Since its inception, South Coast AQMD has provided over \$73 million in EFMP funding and replaced over 9,200 older passenger vehicles with newer fuel-efficient vehicles, e-Bikes and transportation vouchers which has resulted in reducing 27 tons of NOx, 1.5 tons PM, and 37,193 tons of GHG emission annually. Approximately 93 percent of the vouchers have been issued to low-income participants residing in disadvantaged communities.

In 2021 and 2022 CARB awarded a total of \$28 million to South Coast AQMD for FY 2021-22 to implement EFMP. To help meet the high demand for the program, CARB is awarding an additional \$3 million for FY2021-22. Implementation of the EFMP is very resource intensive and requires extensive interaction with applicants. In the past two years administrative costs incurred to support the program have increased largely due to the program's popularity and a one-year funding pause during the pandemic. Thus, additional funding from other sources is needed to help cover the cost of program implementation.

Proposal

These actions are to: (1) upon receipt from CARB, recognize up to \$3 million into the HEROS II Special Revenue Fund (56); (2) reimburse the General Fund up to \$450,000 from the HEROS II Special Revenue Fund (56) for administrative costs necessary to implement EFMP; (3) transfer funds not to exceed \$2 million from the BP ARCO Settlement Projects Fund (46) to the HEROS II Special Revenue Fund (56) for administrative expenditures; (4) transfer and appropriate \$40,000 from the HEROS II Special Revenue Fund (56) to the General Fund (01) Technology Advancement Office's FY 2022-23 and/or FY 2023-24 Budget, Services and Supplies Major Object to provide outreach assistance to EFMP participants; and (5) authorize the Executive Officer to execute or amend contracts with Opus Inspection, Foundation for California Community Colleges and Green Paradigm Consulting, Inc. in an amount not to exceed \$610,000, \$320,000, and \$330,000, respectively, from HEROS II Special Revenue Fund (56) for program implementation support.

Sole Source Justification

Section VIII.B.2 of the Procurement Policy and Procedure identifies provisions under which a sole source award may be justified. The request for sole source awards to contractors identified in Recommended Action No. 5 is made under Section VIII.B.2.c.1: the contractors have unique experience and capabilities; and Section VIII.B.2.d.2: other circumstances exist which in the determination of the Executive Officer require such a waiver in the best interest of South Coast AQMD - time extensions of an existing contract. The contractors have been assisting South Coast AQMD on EFMP program implementation and their support continues to be required.

Benefits to South Coast AQMD

EFMP will continue to provide clean vehicle incentives to qualifying lower income households primarily for those residing in disadvantaged communities and provide emission reduction benefits to these communities and throughout the region.

Resource Impacts

CARB funding (Grant G21-CC4A-01) up to \$3 million, upon receipt, for the FY 2021-22 EFMP Programs will be recognized into the HEROS II Special Revenue Fund (56). Sufficient funding is available from BP ARCO Settlement Projects Fund (46) for the transfer to support program implementation.