

BOARD MEETING DATE: April 7, 2023

AGENDA NO. 6

PROPOSAL: Transfer and Appropriate Funds, Issue Purchase Orders and/or Execute Contracts, Add/Delete Positions to Meet Operational Needs for Rule 1180 Air Monitoring Program

SYNOPSIS: In June 2018, the Board created the Rule 1180 Special Revenue Fund (78) to establish and maintain a community air monitoring network near refineries. The FY 2022-23 budget for this program includes approximately \$4.6 million in annual fees from refineries for community air monitoring. These actions are to transfer and appropriate funds up to \$100,000 from the Rule 1180 Special Revenue Fund (78), appropriate up to \$230,000 from the General Fund Undesignated (Unassigned) Fund Balance to Monitoring and Analysis Division's FY 2022-23 and/or FY 2023-24 Budget, issue purchase orders and/or execute contracts, and add/delete positions to meet operational needs of the Rule 1180 Air Monitoring Program.

COMMITTEE: Administrative, March 10, 2023; Recommended for Approval

RECOMMENDED ACTIONS:

1. Transfer and appropriate funds up to \$100,000 from the Rule 1180 Special Revenue Fund (78) to Monitoring and Analysis's (MAD's) FY 2022-23 and/or 2023-24 Budget (Org 42) Capital Outlays Major Objects as indicated in Table 1;
2. Appropriate up to \$230,000 from the General Fund Undesignated (Unassigned) Fund Balance for Rule 1180 activities to MAD's FY 2022-23 and/or 2023-24 Budget (Org 42) Capital Outlays (up to \$30,000) and Services and Supplies (up to \$200,000) Major Objects, as indicated in Tables 1 and 2;
3. Authorize the Procurement Manager, in accordance with South Coast AQMD's Procurement Policy and Procedure, to issue sole source purchase orders for the following items in support of Rule 1180 community air monitoring as listed in Tables 1 and 2, and described in this letter:
 - a. One automated gas chromatography (Auto-GC) system from Tricorntech Corporation (Tricorntech) in an amount not to exceed \$75,000;
 - b. Software update from Vaisala Inc. (Vaisala) for the WindCube Wind Profiling Light Detection and Ranging (LIDAR) unit in an amount not to exceed \$30,000;

- c. Up to two replacement air conditioning systems including installation from KLM HVAC and Refrigeration (KLM HVAC) in an amount not to exceed \$25,000;
 - d. Annual consumables and supplies from Tricorntech for the operation of Auto-GC systems in an amount not to exceed \$140,000; and
 - e. Annual data quality assurance services from Tricorntech for validating data from Auto-GC systems in an amount not to exceed \$60,000.
4. Authorize the Executive Officer to execute a contract with National Physical Laboratory (NPL) in an amount up to \$1,200,000 to conduct an independent audit of the fenceline air monitoring systems for all refineries that are part of the Rule 1180 fenceline air monitoring network. NPL was selected through a bid evaluation process, and the results of this evaluation are summarized in Table 3; and
 5. Approve the addition of one Manager and one Program Supervisor positions, and the deletion of one Senior Staff Specialist position in MAD as listed in Table 4.

Wayne Nastri
Executive Officer

JCL:AP:OP

Background

Rule 1180 - Refinery Fenceline and Community Air Monitoring, was adopted by the Board in December 2017 and requires all seven major refineries in the South Coast Air Basin (Basin) to measure the ambient levels of various air pollutants at their fenceline and notify the public if the concentration of any pollutant is above pre-determined threshold levels. Rule 1180 also established a fee schedule to fund community air monitoring stations (operated by South Coast AQMD) to provide air quality information and notification to the public on the potential impact of refinery emissions in their communities. In FYs 2017-18 and 2018-19, the Board recognized revenue in two installments of \$2,145,390 and \$5,005,907, respectively, into the Rule 1180 Special Revenue Fund (78) for the installation of community air monitoring stations near refineries. Beginning January 2020, pursuant to Rule 301 - Permitting and Associated Fees, the refineries also started funding annual operating and maintenance costs totaling \$4,586,267 in FY 2022-23 for refinery-related community air monitoring programs near the following facilities:

- Tesoro Refining & Marketing Company, LLC, Carson;
- Tesoro Refining & Marketing Company, LLC, Wilmington;
- PBF Energy, Torrance Refining Company, Torrance;
- Chevron Products Company, Chevron El Segundo Refinery, El Segundo;
- Phillips 66 Company, Carson;

- Phillips 66 Company, Wilmington; and
- Valero Energy Corporation, Valero Wilmington Refinery, Wilmington

The Rule 1180 refinery fenceline and community air monitoring network began operation in January 2020. To satisfy the Rule requirements, novel optical remote sensing (ORS), Auto-GC and traditional analyzers have been installed at fenceline and community air monitoring sites, making this network the first of its kind in terms of complexity and technologies deployed.

The Rule 1180 fenceline air monitoring network consists of ORS and traditional analyzers deployed at the fencelines of seven major refineries in the Basin. South Coast AQMD staff has been working with each facility to assure appropriate instrumentation, standardization of data acquisition and reporting, and appropriate procedure implementation to produce high-quality data. However, there is a pressing need to identify a qualified independent contractor to conduct a systematic review of the entire Rule 1180 fenceline air monitoring network and ensure that the collected refinery data meets the stringent quality assurance criteria of this program. In May 2022, South Coast AQMD issued RFP# P2022-13 to identify one or more contractors capable of designing and conducting an independent audit of the fenceline air monitoring systems of all refineries that are part of South Coast AQMD Rule 1180 program.

Outreach

In accordance with South Coast AQMD Procurement Policy and Procedure, a public notice advertising RFP #P2022-13 was published in the Los Angeles Times, the Orange County Register, the San Bernardino Sun, and Riverside County's Press Enterprise newspapers to leverage the most cost-effective method of outreach to the Basin. Additionally, potential bidders may have been notified utilizing South Coast AQMD's own electronic listing of certified minority vendors. Notice of the RFP was emailed to the Black and Latino Legislative Caucuses and various minority chambers of commerce and business associates and placed on South Coast AQMD's website (<http://www.aqmd.gov>).

Bid Evaluation

Five proposals from Aerodyne Research, Inc. (Aerodyne), Argos Scientific, Inc., (Argos), National Physical Laboratory (NPL), RJ LEE Group, Inc. (RJ Lee), and Terra Applied Systems, LLC (Terra) were submitted and received by the July 5, 2022 closing deadline for RFP #P2022-13. All proposals were evaluated by a panel comprised of the following subject matter experts: three South Coast AQMD staff (one Assistant Deputy Executive Officer, one Senior Air Quality Chemist, and one Air Quality Specialist); one Research Physical Scientist from U.S. EPA Office of Research and Development; and one Senior Research Scientist from Jet Propulsion Laboratory. Of the five panelists, three were Caucasian, one Hispanic, and one Indian; four were male and one was female. Based on scoring and input from the panelists, NPL submitted the most

complete and competitive proposal which, if implemented, would allow the development of a robust Rule 1180 auditing program. The evaluation scores are summarized in Table 3.

Proposal

This action is to transfer and appropriate up to \$100,000 from the Rule 1180 Special Revenue Fund (78) to MAD's FY 2022-23 and/or 2023-24 Budgets (Org 42) Capital Outlays Major Objects, as indicated in Table 1, to support air monitoring activities required under Rule 1180.

This action is to also appropriate up to \$230,000 from the General Fund Undesignated (Unassigned) Fund Balance for Rule 1180 activities to MAD's FY 2022-23 and/or 2023-24 Budget (Org 42) Capital Outlays and Services & Supplies Major Objects, as indicated in Tables 1 and 2.

Automated Gas Chromatography System

Auto-GC systems manufactured by Tricorntech are deployed at all Rule 1180 community air monitoring sites for measuring a comprehensive list of Volatile Organic Compounds (VOCs) and other air toxics. The additional Auto-GC would be utilized for equipment verification and instrument replacement purposes. Tricorntech is the sole-source provider of these Auto-GC systems due to the use of proprietary technology and the vendor's unique expertise. The cost of one Auto-GC from Tricorntech will not exceed \$75,000, as listed in Table 1.

Software Upgrade for the WindCube Wind Profiling LIDAR

This LIDAR system is currently used by South Coast AQMD to measure vertical wind profiles to better understand pollution plumes distribution in communities near refineries. The updated software will allow for better retrieval of the atmospheric boundary layer, and aid in the tracking of any potential refinery emissions. Vaisala is the sole-source provider of this software due to the use of proprietary technology. The cost to upgrade the WindCube LIDAR software license will not exceed \$30,000, as listed in Table 1.

Replacement Air Conditioning Systems

The air conditioning systems used to maintain stable temperature conditions inside Rule 1180 community air monitoring stations need to be replaced every three to five years. The Rule 1180 community air monitoring network has been in operation for more than three years, and up to two spare air conditioning systems are needed in case of failure of one or more of the existing air condition units. KLM HVAC is a local business in Long Beach that has extensive expertise in the installation, service and repair of air conditioning systems in South Coast AQMD air monitoring stations. KLM HVAC has in-depth understanding of controlled environments required to operate air monitoring instrumentation and is uniquely qualified to select and install the appropriate air

conditioning equipment. The cost to purchase and install up to two replacement air conditioning units will not exceed \$25,000, as listed in Table 1.

Annual Consumable Supplies and Annual Data Quality Assurance Services

Auto-GC systems manufactured by Tricorntech are deployed at all Rule 1180 community air monitoring sites for measuring a comprehensive list of Volatile Organic Compounds (VOCs) and other air toxics. The consumables and the routine maintenance components are required to ensure routine uninterrupted performance of all Auto-GCs currently in operation. Additionally, data quality assurance service is required to ensure the validity and accuracy of the data generated by the Auto-GCs. Tricorntech is the sole-source provider of all these items due to the use of proprietary technology and the vendor's unique expertise. The cost of annual consumable supplies and annual data quality assurance services from Tricorntech will not exceed \$140,000, and \$60,000, respectively, as listed in Table 2.

Proposed Contract for the Independent Audit of the Rule 1180 Fenceline Air Monitoring Network

This action is to authorize the Executive Officer to execute a contract with National Physical Laboratory (NPL) in an amount up to \$1,200,000 to conduct an independent audit of the air monitoring systems that are included in the Rule 1180 fenceline air monitoring network.

Proposed Staffing Changes

This action is to approve the addition of one Manager position to the Advanced Monitoring Technologies branch (Rule 1180 Implementation group) and one Program Supervisor position to the Quality Assurance branch, and the deletion of one Senior Staff Specialist position from the Advanced Monitoring Technologies branch (Rule 1180 Implementation group). These staffing changes would ensure appropriate guidance and supervision and would better satisfy the operational needs of the Rule 1180 program, which requires staff to work with representatives of all refineries applicable to Rule 1180, operate and maintain the Rule 1180 community network, develop and implement quality assurance methods and procedures for this program, and oversee the proposed independent audit of fenceline air monitoring systems.

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. The request for sole source purchases from Tricorntech and Vaisala are made under Sections VIII.B.2.c (1): The unique experience and capabilities of the proposed contractor; VIII.B.2.c (2): The project involves the use of proprietary technology; and VIII.B.2.d (6): Projects requiring compatibility with existing specialized equipment. There are no other vendors who can provide this equipment, supplies and software meeting all required specifications and that are compatible with existing specialized equipment already in operation.

The request for sole source purchase from KLM HVAC is made under Section VIII.B.2.d (6): Projects requiring compatibility with existing specialized equipment. KLM HVAC is a local business that is an established vendor with South Coast AQMD, has been providing air conditioning systems compatible with existing air monitoring stations and equipment, and also has provided reliable services to support air monitoring efforts for the last decade.

Benefits to South Coast AQMD

Funding for the implementation of Rule 1180 will allow South Coast AQMD to fulfill the requirements of its Rule 1180 program, which will result in benefits to environmental justice communities and others working and residing in the Basin near refineries.

Resource Impacts

Rule 1180 annual fees will provide resources for ongoing community air monitoring operation and maintenance, and to support the additional staff requested as part of this Board letter. Sufficient funding is available in the Rule 1180 Special Revenue Fund and Undesignated (Unassigned) Fund Balance from Rule 1180 prior year budget savings to support the activities outlined in this Board letter.

Attachments

- Table 1: FY 2022-23 and/or 2023-24 Proposed Capital Outlays Expenditures for Rule 1180
- Table 2: FY 2022-23 and/or 2023-24 Proposed Services and Supplies Expenditures for Rule 1180
- Table 3: Summary of Evaluation Scores for RFP #P2022-13
- Table 4: FY 2022-23 Proposed Staffing Addition/Deletion for Rule 1180

Table 1
FYs 2022-23 and/or 2023-24
Proposed Capital Outlays Expenditures for Rule 1180*

Description	Qty	Appropriation from Prior Year's Budget Savings	Appropriation from Fund 78	Procurement Method
Automated Gas Chromatography System	1	0	\$75,000	Sole Source
LIDAR Software Upgrade	1	\$30,000	0	Sole Source
Air Conditioning Systems	Up to 2	0	\$25,000	Sole Source
Totals		Up to \$30,000	Up to \$100,000	

*Expenditures may be appropriated as Capital Outlays or Services and Supplies Major Object, as warranted.

Table 2
FYs 2022-23 and/or 2023-24
Proposed Services and Supplies Expenditures for Rule 1180*

Description	Appropriation from Prior Year's Budget Savings	Procurement Method
Annual Consumable Supplies for Automated Gas Chromatography Systems	\$140,000	Sole Source
Quality Assurance Services for Gas Chromatography Systems	\$60,000	Sole Source
Total	Up to \$200,000	

*Expenditures may be appropriated as Services and Supplies or Capital Outlays Major Object, as warranted.

Table 3
Summary of Evaluation Scores for RFP #P2022-13

Proposer	Technical Score	Cost Score	Additional Points	Total Score
Aerodyne Research, Inc. (Aerodyne)	68.6	5	2	75.6
Argos Scientific, Inc., (Argos)	74.8	7.1	12	93.9
National Physical Laboratory (NPL)	85.0	10	0	95.0
RJ LEE GROUP, Inc. (RJ Lee)	75.8	7.2	7	90.0
Terra Applied Systems, LLC (Terra)	64.0	7.1	12	83.1

Table 4
FY 2022-23 Proposed Staffing Addition/Deletion for Rule 1180

Position Title	Add/Delete	Estimated Amount
Manager (Level Equivalent to Quality Assurance Manager)	1	\$237,396
Program Supervisor	1	204,937
Senior Staff Specialist	-1	-184,827
Total	1	\$257,506