

BOARD MEETING DATE: November 1, 2013

AGENDA NO. 3

**PROPOSAL:** Execute and Amend Contracts under Carl Moyer Program and SOON Provision and Execute Contracts for Technical Assistance

**SYNOPSIS:** On September 4, 2013, project applications were received under the SOON Provision Program Announcement. In addition, other off-road projects were evaluated under the Carl Moyer Program that could not be done earlier due to insufficient information from applicants. These actions are to execute and amend contracts under the Carl Moyer Program and the SOON Provision in an amount not to exceed \$4,966,043 from the Carl Moyer Program Fund. Finally, this action is to execute contracts for technical assistance in the implementation of the Carl Moyer, the Voucher Incentive, and the Proposition 1B-Goods Movement Programs in an amount not to exceed \$330,000 from the administrative portions of the Carl Moyer and the Proposition 1B-Goods Movement Program funds.

**COMMITTEE:** Technology, October 18, 2013, Recommended for Approval

**RECOMMENDED ACTIONS:**

- A. Authorize the Chairman to execute the following SOON Provision contracts with funds from the Carl Moyer Program AB 923 Fund (80) for a total of up to \$1,070,464:
1. Power Move for the repower of 2 off-road vehicles in an amount not to exceed \$215,060;
  2. County of LA, Department of Public Works for the replacement of 3 off-road vehicles in an amount not to exceed \$11,165;
  3. Peed Equipment for the repower and retrofit of 3 off-road vehicles in an amount not to exceed \$475,326;
  4. Penhall Company dba Penhall Rentals for the repower of 4 off-road vehicles in an amount not to exceed \$21,485; and
  5. Rentrac for the repower of 3 off-road vehicles in an amount not to exceed \$347,428.

- B. Authorize the Chairman to execute the following Carl Moyer Program contracts with funds from the Carl Moyer Program SB 1107 Fund (32) for a total of up to \$3,619,387:
1. Salsbury Engineering for the replacement of 2 off-road vehicles in an amount not to exceed \$322,446;
  2. City of Lawndale for the replacement of 1 off-road vehicle in an amount not to exceed \$46,035;
  3. Oasis Date Gardens for the replacement of 12 off-road vehicles in an amount not to exceed \$867,115;
  4. Reliable Wholesale Lumber for the retrofit of 8 off-road vehicles in an amount not to exceed \$173,974; and
  5. Rentrac for the replacement of 14 off-road vehicles in an amount not to exceed \$2,209,817.
- C. Amend the following projects and funding approved under the Carl Moyer Program and the SOON Provision, to repower the marine vessel engines with Tier 3 instead of Tier 2 engines, and to adjust the funding amount of one off-road vehicle project due to calculation error, resulting in a total increase of the funding amount for these projects by \$276,192, from the Carl Moyer Program SB 1107 Fund (32):
1. Shannon Rose Sportfishing for the repower of 2 main and 2 auxiliary engines of a marine vessel, to increase the funding amount by \$57,379 to the new total amount of \$561,776;
  2. Sal Boy for the repower of 1 main engine of a marine vessel, to increase the funding amount by \$21,900 to the new total amount of \$211,260;
  3. Newport Campus Church for the repower of 3 main and 2 auxiliary engines of a marine vessel, to increase the funding amount by \$95,650 to the new total amount of \$779,060;
  4. Katalina Phan for the repower of 1 main and 1 auxiliary engine of a marine vessel, to increase the funding amount by \$23,100 to the new total amount of \$207,860;
  5. Sundiver International for the repower of 2 main and 2 auxiliary engines of two marine vessels, to increase the funding amount by \$42,280 to the new total amount of \$215,545;
  6. Sage Green, LLC for the repower of 7 off-road vehicles, to increase the funding amount by \$35,883 to the new total amount of \$682,329; and
  7. Rentrac for a no cost amendment to replace 8 off-road vehicles from the total of 26 vehicles, instead of repowering them all.
- D. Authorize the Executive Officer to redistribute the source of funds between the Carl Moyer Program AB 923 (80) and SB 1107 (32) Funds for the previous, current, and future Board approved projects with outstanding contract balances under the Carl Moyer Program and the SOON Provision in order to expeditiously meet the program expenditure targets.

- E. Execute sole source contracts for technical assistance in an amount not to exceed \$330,000, from the administrative portions of the Carl Moyer and the Proposition 1B-Goods Movement Program funds as outlined below:
1. Gladstein, Neandross & Associates for the Voucher Incentive Program (VIP) in an amount not to exceed \$150,000 from the Carl Moyer Program SB 1107 Administrative Fund (32);
  2. Clean Fuels Connection for the Carl Moyer Program and the VIP in an amount not to exceed \$80,000 from the Carl Moyer Program SB 1107 Administrative Fund (32);
  3. Tetra Tech for the Proposition 1B-Goods Movement Program in an amount not to exceed \$100,000 from the Proposition 1B-Goods Movement Program Administrative Fund (81).

Barry R. Wallerstein, D.Env.  
Executive Officer

MMM:FM

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## **Background**

On September 4, 2013, a total of eight proposals requesting approximately \$2.6 million in funding were received under the SOON Provision Program Announcement. In addition, there were proposals received earlier under the “Year 15” Carl Moyer Program Announcement whose evaluations could not be completed with other Carl Moyer projects due to insufficient information from applicants. The project evaluations under these programs have been completed and are ready for the Board’s consideration.

## **Proposal**

Staff recommends the Board’s approval to execute and amend projects as outlined in Tables 1 and 2, under the Carl Moyer Program and the SOON Provision in an amount not to exceed \$4,966,043, comprised of \$3,895,579 from the Carl Moyer Program SB 1107 Fund (32), and \$1,070,464 from the Carl Moyer Program AB 923 Fund (80). The cost increase for marine vessel projects are due to the applicants’ willingness to repower the vessels with Tier 3 instead of Tier 2 engines, and for the off-road vehicles project is for adjusting the funding amount due to calculation error.

Total NOx and PM reductions from the recommended Carl Moyer projects are approximately 24.9 tons/year and 1.3 ton/year, respectively, and total NOx reductions from the recommended SOON projects are approximately 11.7 tons/year.

As outlined in Table 3, the total amount of projects funded in disproportionately impacted areas is \$559,406, while the total amount of projects funded solely based on cost-effectiveness is \$4,406,637. In summary, 11% of the projects are in disproportionately impacted areas. The Board at its November 2, 2012 meeting approved a large scale

passenger train project with Metrolink in the amount of over \$34 million. The trains are anticipated to operate mostly in and through disproportionately impacted areas. As such, the percentage of projects in disproportionately impacted areas will greatly exceed the minimum goal of 50%.

Staff also recommends the Board's approval to redistribute the source of funds between the Carl Moyer Program AB 923 (80) and SB 1107 (32) Funds for the previous, current, and future Board-approved projects with outstanding contract balances under the Carl Moyer Program and the SOON Provision in order to expeditiously meet the program expenditure targets.

Due to large number of projects and complicated reporting requirements of the Carl Moyer and the Proposition 1B-Goods Movement Programs, staff also recommends the Board's approval to execute contracts for technical assistance in the amount of \$330,000, from the administrative portions of the Carl Moyer and the Proposition 1B-Goods Movement Program funds. The proposed contracts will be with the following entities:

1. Gladstein, Neandross & Associates to assist in the VIP in an amount not to exceed \$150,000 from the Carl Moyer Program SB 1107 Fund (32);
2. Clean Fuels Connection to assist in the Carl Moyer Program and the VIP in an amount not to exceed \$80,000 from the Carl Moyer Program SB 1107 Fund (32);  
and
3. Tetra Tech to assist in the the Proposition 1B-Goods Movement Program in an amount not to exceed \$100,000 from the Proposition 1B-Goods Movement Program Fund (81).

### **Funding Distribution**

Funding for projects has been recommended based on the priorities of the "Carl Moyer Program Guidelines under SB 1107 & AB 923" adopted by the Board on July 8, 2005. The priorities of the guideline are:

- Goods Movement (no less than 40%)
- Environmental Justice (no less than 50%)
- Cost Effectiveness
- Low Emission Engine/Vehicle Preference
- Early Commercialization of Advanced Technologies/Fuels
- Fleet Rules
- School Buses

The Board's allocation of funds for the implementation of the Proposition 1B-Goods Movement Program by far exceeds the goods movement objective. About 11% of the award dollars are recommended for projects under the Environmental Justice category in disproportionately impacted (DI) areas.

## **Disproportionate Impact (DI) Point Ranking**

The requirements of AB 1390 are implemented according to the following criteria.

- 1) All projects must qualify for the Carl Moyer Program by meeting the cost-effectiveness limits established in the Program Announcement.
- 2) All projects will be evaluated according to the following criteria to qualify for funding as a disproportionately impacted area:
  - a. Poverty Level: All projects in areas where at least 10 percent of the population falls below the Federal poverty level based on the year 2000 census data are eligible to be included in this category, and
  - b. PM2.5 Exposure: All projects in areas with the highest 15 percent of PM2.5 concentration measured within a 2 km grid will be eligible to be ranked in this category. The highest 15 percent of PM2.5 concentration is 19.01 micrograms per cubic meter and above, on an annual average, or
  - c. Air Toxics Exposure: All projects in areas with a cancer risk of 865 in a million and above (based on Mates III estimates) will be eligible to be ranked in this category.

The maximum score is comprised of 40 percent for poverty level and 30 percent each for PM and toxic exposures. Special circumstances exist in some areas, such as the Ports of Long Beach and Los Angeles. Since there are no residents within the ports, poverty ranking could not be established. In this case, the poverty ranking from the adjacent on-shore areas was extended to the port since these populated areas are directly impacted by port activities.

## **Outreach**

Relative to the Carl Moyer Program and SOON Provision projects, a public notice advertising the RFP/RFQ and inviting bids was published in the Los Angeles Times, the Orange County Register, the San Bernardino Sun, and Riverside County Press Enterprise newspapers to leverage the most cost-effective method of outreach to the South Coast Basin, in accordance with SCAQMD's Procurement Policy and Procedure

Additionally, potential bidders may have been notified utilizing SCAQMD's own electronic listing of certified minority vendors. Notice of the RFP/RFQ has been e-mailed to the Black and Latino Legislative Caucuses and various minority chambers of commerce and business associations, and placed on the Internet at SCAQMD's website (<http://www.aqmd.gov>). Information is also available on SCAQMD's bidder's 24-hour telephone message line (909) 396-2724.

Sole source justification is applied relative to the proposed technical assistance awards. A new solicitation will be issued next month for technical assistance services.

### **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. It is requested that sole source awards be made under provision B.2.c.(1): The unique experience and capabilities of the proposed contractor or contractor team. In November 2011, all the three proposed contractors were initially selected from a competitive list of applicants for helping SCAQMD in implementation of the incentive funding programs. These consultants are familiar with the Carl Moyer and the Proposition 1B Programs and SCAQMD's procedures, and have provided valuable assistance in outreach, quality control, and project evaluations for these specific programs.

### **Benefits to AQMD**

The successful implementation of the Carl Moyer Program and the SOON Provision will provide direct emissions reductions for both NOx and PM as required by the programs. Since the vehicles and equipment funded under this program will operate for many years, the emissions reductions will provide long-term benefits.

### **Resource Impacts**

Funding for the Carl Moyer Program and the SOON Provision shall not exceed \$4,966,043 from the Carl Moyer Program Fund, comprised of \$3,895,579 from SB 1107 Fund (32), and \$1,070,464 from AB 923 Fund (80).

Funding for technical assistance shall not exceed \$330,000 comprised of \$230,000 from the Carl Moyer Program SB 1107 Administrative Fund (32), and \$100,000 from the Proposition 1B-Goods Movement Program Administrative Fund (81).

### **Attachments**

1. Table 1 – Recommended SOON Provision Awards and Amendment
2. Table 2 – Recommended Carl Moyer Program Awards and Amendments
3. Table 3 – Funding Distribution of Recommended Awards

**Table 1: Recommended SOON Provision Awards and Amendment**

<b>AB 923 Funds</b>			
Power Move	\$215,060		County of LA, Dept of Public Works \$11,165
Peed Equipment	\$475,326		Penhall Co. dba Penhall Rentals \$21,485
Rentrac	\$347,428		
<b>Total:</b>			<b>\$1,070,464</b>
<b>SB 1107 Funds</b>			
Sage Green, LLC*	\$35,883		
<b>Total:</b>			<b>\$35,883</b>

**Table 2: Recommended Carl Moyer Program Awards and Amendments**

<b>SB 1107 Funds</b>			
Salsbury Engineering	\$322,446		City of Lawndale \$46,035
Oasis Date Gardens	\$867,115		Reliable Wholesale Lumber \$173,974
Rentrac	\$2,209,817		Sundiver International* \$42,280
Shannon Rose Sportfishing*	\$57,379		Sal Boy* \$21,900
Newport Campus Church*	\$95,650		Katalina Phan* \$23,100
<b>Total:</b>			<b>\$3,859,696</b>

\* Additional funds to existing award amount.

**Table 3: Funding Distribution of Recommended Awards**

<b>Awards in Disproportionately Impacted Areas</b>			
Salsbury Engineering	\$322,446		Power Move \$215,060
Sal Boy	\$21,900		
<b>Total:</b>			<b>\$559,406</b>
<b>Awards Solely Based on Cost Effectiveness</b>			
City of Lawndale	\$46,035		Sundiver International \$42,280
Oasis Date Gardens	\$867,115		Reliable Wholesale Lumber \$173,974
Rentrac	\$2,209,817		Katalina Phan \$23,100
Newport Church Campus	\$95,650		Penhall Co. dba Penhall Rentals \$21,485
Peed Equipment	\$475,326		County of LA, Dept of Public Works \$11,165
Rentrac	\$347,428		Sage Green, LLC \$35,883
Shannon Rose Sportfishing	\$57,379		
<b>Total:</b>			<b>\$4,406,637</b>