



BOARD MEETING DATE: April 6, 2018

AGENDA NO. 8

PROPOSAL: Approve Contract Awards and Amendments and Issue Solicitation
Approved by MSRC

SYNOPSIS: As part of their FYs 2016-18 Work Program, the MSRC approved new contracts under the Natural Gas Infrastructure and Local Government Partnership Programs. The MSRC also approved the release of a Program Opportunity Notice for a Hydrogen Infrastructure Partnership Program as part of their FYs 2016-18 Work Program. The Board is also requested to amend two previous awards to the Riverside County Transportation Commission, to reflect the sole source nature of the awards. At this time the MSRC seeks Board approval of the contract awards and amendments and to release the solicitation.

COMMITTEE: Mobile Source Air Pollution Reduction Review, January 18 and March 15, 2018; Recommended for Approval

RECOMMENDED ACTIONS:

1. Approve contract award to Irvine Ranch Water District in an amount not to exceed \$190,000 for installation of a new limited access CNG station and technician training under the Natural Gas Infrastructure Program, as part of approval of the FYs 2016-18 Work Program, as described in this letter;
2. Approve contract awards totaling \$514,480 under the Local Government Partnership Program, as part of approval of the FYs 2016-18 Work Program, as described in this letter and as follows:
 - a. A contract with the City of Grand Terrace in an amount not to exceed \$45,000 to install electric vehicle charging infrastructure;
 - b. A contract with the City of Diamond Bar in an amount not to exceed \$73,930 to install electric vehicle charging infrastructure, procure up to two light-duty electric vehicles, and purchase one heavy-duty near-zero-emission vehicle;
 - c. A contract with the City of Arcadia in an amount not to exceed \$74,650 to procure one heavy-duty zero-emission vehicle and procure one heavy-duty near-zero-emission vehicle;
 - d. A contract with the City of Duarte in an amount not to exceed \$50,000 to procure one heavy-duty zero-emission vehicle;

- e. A contract with the City of Calabasas in an amount not to exceed \$50,000 to install electric vehicle charging infrastructure;
- f. A contract with the City of Westlake Village in an amount not to exceed \$50,000 to install electric vehicle charging infrastructure;
- g. A contract with the city of Indian Wells in an amount not to exceed \$50,000 to install electric vehicle charging infrastructure; and
- h. A contract with the City of Westminster in an amount not to exceed \$120,900 to install electric vehicle charging infrastructure, procure up to three light-duty zero-emission vehicles, and procure one medium/heavy-duty zero-emission vehicle;
3. Rescind previous \$3,000,000 award to the California Energy Commission and issue Program Opportunity Notice for the Hydrogen Infrastructure Partnership Program, as part of approval of the FYs 2016-18 Work Program, with a targeted funding level of \$3,000,000, as described in this letter and in the attached;
4. Amend awards to Riverside County Transportation Commission (RCTC) under the County Transportation Commission Partnership Program as part of approval of the FYs 2016-18 Work Program to reflect the sole source nature of the awards, as described below and as follows:
 - a. A sole source contract not to exceed \$500,000 for weekend freeway service patrols; and
 - b. A sole source contract not exceed \$1,500,000 for a vanpool incentive program;
5. Authorize MSRC the authority to adjust contract awards up to five percent, as necessary and previously granted in prior work programs; and
6. Authorize the Chairman of the Board to execute new contracts under FYs 2016-18 Work Program, as described above and in this letter.

Larry McCallon,
Vice Chair, MSRC

MMM:FM:CR

Background

In September 1990 Assembly Bill 2766 was signed into law (Health & Safety Code Sections 44220-44247) authorizing the imposition of 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 the SCAQMD be placed into an account to be allocated pursuant to a work program developed and adopted by the MSRC and approved by the Board.

At its March 15, 2018 meeting, the MSRC considered recommended awards under the Natural Gas Infrastructure and Local Government Partnership Programs. The MSRC also considered rescinding a previous award and issuing a new solicitation for hydrogen fueling infrastructure. Details are provided below in the Proposals section.

Outreach

In accordance with SCAQMD's Procurement Policy and Procedure, public notices advertising the Hydrogen Infrastructure Partnership Program Opportunity Notice (PON) will be 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 addition, the solicitation will be advertised in the Desert Sun newspaper for expanded outreach in the Coachella Valley. Public notices advertising the Natural Gas Infrastructure and Local Government Partnership Programs were likewise published in the Los Angeles Times, the Orange County Register, the San Bernardino Sun, Riverside County Press Enterprise, and Desert Sun newspapers.

Additionally, potential bidders may be and past bidders may have been notified utilizing SCAQMD's own electronic listing of certified minority vendors. Notice of the solicitation will be and notice of past solicitations was 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>). Further, the solicitation will be and past solicitations were posted on the MSRC's website at <http://www.cleantransportationfunding.org> and electronic notifications will be and past electronic notifications were sent to those subscribing to this website's notification service.

Proposals

At its January 18 and March 15, 2018 meetings, the MSRC considered recommendations from its MSRC-TAC and approved the following:

FYs 2016-18 Natural Gas Infrastructure Program

The MSRC approved release of Program Announcement #PA2017-07 under the FYs 2016-18 Work Program. The Program Announcement, with a targeted funding level of \$4.0 million, provides funds for new and expanded natural gas stations, as well as for the upgrade of existing vehicle maintenance facilities and technician training. Stations will be eligible for up to 50 percent of station capital equipment, site construction, signage, and reasonable project management costs, not to exceed the specified maximum award amounts. The maximum MSRC funding per project varies from \$100,000 to \$275,000 depending upon whether the applicant is a public or private entity, accessibility level of the proposed project, and the number of fuels offered. Additionally, projects may be eligible for a \$100,000 bonus if they commit to use at least 50% renewable natural gas for a minimum of five years. The RFP includes an open application period commencing with its release on June 2, 2017, and closing June 30, 2018. The MSRC has previously approved awards totaling \$866,500 under this Program. The MSRC has received an additional application in response to this solicitation. The MSRC approved a contract award to Irvine Ranch Water District in an amount not to exceed \$190,000 for installation of a new limited access CNG station and technician training as part of the FYs 2016-18 Work Program.

FYs 2016-18 Local Government Partnership Program

The MSRC approved the release of Local Government Partnership PON2018-01 under the FYs 2016-18 Work Program. The Invitation to Negotiate (ITN), with a targeted funding level of \$21,180,650, focuses on providing funds for projects to support SCAQMD's 2016 AQMP. Cities and counties which have opted into the AB 2766 motor vehicle registration surcharge fee program are eligible to participate. The majority of participants would be allocated maximum funding equivalent to their annual AB 2766 Subvention Fund allocation; however, those whose annual Subvention Fund allocation is less than \$50,000 would be eligible to receive a maximum of \$50,000, and the maximum allocation for any single city or county would be \$3,000,000. MSRC funding could be used for light-duty zero emission vehicle purchases and leases; medium- and heavy-duty zero emission vehicle purchases, near-zero emission heavy-duty alternative fuel vehicle purchases and repower, electric vehicle charging station installation, and construction or expansion of alternative fuel refueling infrastructure, subject to match funding requirements as outlined in the ITN. Additionally, those jurisdictions eligible for a maximum contribution of \$50,000 would have the option to pursue traffic signal synchronization, bicycle active transportation, and first mile/last mile strategies. The ITN includes an open application period commencing with its release on September 1, 2017, and closing August 2, 2018. The MSRC previously approved awards totaling \$267,541 in response to this solicitation. The MSRC approved eight additional awards as part of the FYs 2016-18 Work Program, as follows:

- a. A contract with the City of Grand Terrace in an amount not to exceed \$45,000 to install electric vehicle charging infrastructure;
- b. A contract with the City of Diamond Bar in an amount not to exceed \$73,930 to install electric vehicle charging infrastructure, procure up to two light-duty electric vehicles, and purchase one heavy-duty near-zero-emission vehicle;
- c. A contract with the City of Arcadia in an amount not to exceed \$74,650 to procure one heavy-duty zero-emission vehicle and procure one heavy-duty near-zero-emission vehicle;
- d. A contract with the City of Duarte in an amount not to exceed \$50,000 to procure one heavy-duty zero-emission vehicle;
- e. A contract with the City of Calabasas in an amount not to exceed \$50,000 to install electric vehicle charging infrastructure;
- f. A contract with the City of Westlake Village in an amount not to exceed \$50,000 to install electric vehicle charging infrastructure;
- g. A contract with the city of Indian Wells in an amount not to exceed \$50,000 to install electric vehicle charging infrastructure; and
- h. A contract with the City of Westminster in an amount not to exceed \$120,900 to install electric vehicle charging infrastructure, procure up to three light-duty zero-emission vehicles, and procure one medium/heavy-duty zero-emission vehicle.

FYs 2016-18 Hydrogen Infrastructure Partnership Program

Previously, the MSRC approved a sole-source contract award to the California Energy Commission (CEC) in an amount not to exceed \$3,000,000 to fund hydrogen

infrastructure projects. CEC had offered to provide assistance in the selection and administration of MSRC-funded hydrogen projects. However, during discussions with CEC during the contract negotiation process, it was determined that in some cases the CEC procurement processes might not dovetail well with MSRC needs. A modified approach was developed by which the MSRC would retain more direct control over program implementation and administration through the issuance of a Program Opportunity Notice (PON). The PON process would not only retain partnership with CEC, but also encourage partnership with other regulatory agencies such as SCAQMD and CARB as well as participation by other public and private stakeholders. The PON, with an initial targeted funding level of \$3,000,000, would provide flexibility to the MSRC while reducing the upfront proposal preparation burden on prospective project partners. The PON includes an open application period commencing with its release on April 6, 2018, and closing April 10, 2020. Upon receipt of a hydrogen station concept, the MSRC could a) request a more detailed proposal for possible sole-source award; b) notify entities that an RFP will be issued at a later date; or c) decline the funding request. The MSRC approved the rescission of the previous award to CEC and release of PON2018-02 under the FYs 2016-18 Work Program.

FYs 2016-18 County Transportation Commission Partnership Program

As part of its FYs 2016-18 Work Program, the MSRC allocated \$8,000,000 for the County Transportation Commission (CTC) Partnership Program and released an Invitation to Negotiate (ITN). This program will be implemented by initiating sole-source contracts with the CTCs. As part of this program, in January 2018 the MSRC approved awards of \$500,000 and \$1,500,000 to the Riverside County Transportation Commission (RCTC), for a weekend freeway service patrol program and a regional vanpool incentive program, respectively. The SCAQMD Board approved these awards at their February 2, 2018 meeting. The sole source justification for these awards was inadvertently omitted from the original action; it is included below.

At this time, the MSRC requests the SCAQMD Board to approve the contract awards and modifications and to approve release of the PON as part of approval of the FYs 2016-18 AB 2766 Discretionary Fund Work Program as outlined above. The MSRC also requests the Board to authorize the SCAQMD Chairman of the Board the authority to execute all agreements described in this letter. The MSRC further requests authority to adjust the funds allocated to each project specified in this Board letter by up to five percent of the project's recommended funding. The Board has granted this authority to the MSRC for all past Work Programs.

Sole Source Justifications

As an element of its FYs 2016-18 Work Program, the MSRC allocated \$8 million for a program to stimulate the development of innovative projects, as well as expand "tried and true" air quality improvement strategies. As discussed in Proposals above, this program will be implemented by initiating sole-source contracts with CTCs. While the MSRC and SCAQMD strive to retain technical services on a competitive basis, the SCAQMD's Procurement Policy and Procedure recognizes that, at times, the required services are

available from only one source, making the pursuit of a competitive procurement futile. RCTC is the Service Authority for Freeway Emergencies (RC-SAFE) for the County of Riverside and in accordance with state law the only entity authorized to implement freeway service patrols within Riverside County. Further, RCTC is the Riverside County member of CalVans, a joint powers authority public entity created to provide vanpools in areas underserved by public transit. As a CalVans JPA member, RCTC/CalVans is responsible for vanpools formed in the RCTC service area. This request for sole source awards is made under provision VIII.B.2.c.(1): The desired services are available from only the sole source due to the unique experience and capabilities of the proposed contractor or contractor team.

Resource Impacts

The SCAQMD 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 the contracts specified herein, as well as any contracts awarded in response to the solicitation, will be drawn from this fund.

Attachment

Program Opportunity Notice PON2018-02 – Local Government Partnership Program



**Program Opportunity Notice for the
Implementation of Hydrogen Refueling Stations
In the South Coast Air District**

Hydrogen Infrastructure Partnership Program

PON2018-02

April 6, 2018

Section I: Introduction

For the past 27 years, the Mobile Source Air Pollution Reduction Review Committee (MSRC) has been a recognized leader in the implementation of alternative fuel infrastructure in the South Coast AQMD region. Infrastructure is the essential, enabling component of any alternative fuel vehicle strategy, and the MSRC has historically assumed the role of providing infrastructure funding to support low emission vehicle deployment programs, including but not limited to the Carl Moyer Program and the South Coast AQMD's Fleet Rules. Without the availability of incentives to offset the cost of alternative fuel infrastructure, it is less likely that programs such as Moyer and the AQMD Fleet Rules would have been able to achieve the significant reductions in air pollution and quality of life improvements that have taken place over the past two decades. The MSRC takes pride in its role as a strategic partner in these important air quality improvement programs.

With the State and SCAQMD emphasis on transitioning vehicles to zero and near-zero emissions, the MSRC's role in providing funding for enabling infrastructure has expanded to include fuels such as renewable natural gas and electric vehicle support equipment (EVSE). With the introduction of consumer-oriented zero emission fuel cell passenger vehicles, and the development and demonstration of fuel cell drayage trucks to support zero emission goods movement, the MSRC is further expanding its available funding to support implementation of hydrogen vehicle refueling infrastructure in the South Coast AQMD region.

The MSRC recognizes that the lead agencies for the implementation of hydrogen refueling stations are, at the state level, the California Energy Commission, and locally the South Coast AQMD. Through its *Alternative and Renewable Fuel and Vehicle Technology Program*, the California Energy Commission (Energy Commission) have developed unique expertise pertaining to the selection, management, and oversight of hydrogen refueling station implementation. The South Coast AQMD also has extensive hydrogen infrastructure experience as well as local insight into hydrogen refueling station needs and opportunities. As such, the MSRC seeks to partner with the Energy Commission, the South Coast AQMD, and other public and private stakeholders, to expand the availability of hydrogen refueling as a means to accelerate the deployment of large numbers of zero emission hydrogen vehicles.

Section II: Program Opportunity Notice Overview

This Program Opportunity Notice (PON) seeks to expand the availability of hydrogen refueling infrastructure in the South Coast AQMD region by making available a source of co-funding that can be accessed by the MSRC's strategic partners. The intent is to provide funding that can be used to improve the financial viability of a candidate hydrogen refueling station that has already undergone vetting by the Energy Commission or South Coast AQMD, or is being proposed by a public agency or industry stakeholder that will undergo evaluation by the MSRC, Energy Commission, or South Coast AQMD. The goal is to have this funding source readily available so it can be tapped by our strategic partners during and within the course of their regular procurement processes.

To this end, the MSRC has allocated Three Million Dollars¹ (\$3,000,000) in **Clean Transportation Funding™** from its FY 2016-'18 Work Program for the MSRC's *Hydrogen Infrastructure Partnership Program*. This is an initial funding allocation; the MSRC reserves the right to increase the funding available under this PON by allocating additional funds from either the FY 2016-'18 Discretionary Fund or a future Work Program².

The MSRC has established additional, specific objectives for the Hydrogen Infrastructure Partnership Program:

- Ensure the Program is geographically broad based, with the goal of having at least one (1) hydrogen station emplaced within each county that comprises the South Coast AQMD. To ensure broad geographic participation, the MSRC is establishing a geographic funding minimum in an amount of \$500,000 per county;
- Provide adequate time for technologically sophisticated refueling station designs and potentially complex station implementation partnerships to be forged. The MSRC recognizes that hydrogen refueling infrastructure is relatively expensive, poses unique technical challenges, and often involves the participation of multiple stakeholders. These stakeholders may include hydrogen fuel providers, automobile manufacturers, property owners, as well as the state and local funding agencies. To ensure sufficient time is available to allow all necessary project elements to be fully developed, the MSRC is establishing an approximately 24-month period for the submittal of hydrogen station concepts and funding requests under this PON. This submittal period can be extended at the discretion of the MSRC.

Section III: Hydrogen Infrastructure Partnership Program – How to Participate

Participation in the MSRC Hydrogen Infrastructure Partnership Program is designed to minimize upfront paperwork so as to not to unduly burden participating agencies or entities.

MSRC Public Agency Infrastructure Partners

Public agencies, specifically the Energy Commission, South Coast AQMD, and California Air Resources Board, which are established MSRC infrastructure partners, are asked to submit a concise Hydrogen Refueling Station Concept Description to initiate the PON process. The Concept Description should include:

- The hydrogen refueling station's proposed location;
- Anticipated user base and/or fuel throughput (i.e., anchor tenants);
- Project participants, including refueling station sponsor;

¹ In keeping with adopted policy and past practice, the MSRC reserves the right to reduce the total funding available and reallocate funds to other Work Program categories in the event hydrogen infrastructure funding requests total less than the amount allocated, or if projects are deemed non-meritorious. The MSRC also reserves the right to not fund any of the projects received, irrespective of the merits of the projects submitted for funding consideration.

² The source of MSRC **Clean Transportation Funding™** is motor vehicle registration fees collected by the California Department of Motor Vehicles (DMV) in accordance with the California Health and Safety Code. Thus, the availability of MSRC **Clean Transportation Funding™** is contingent upon the timely receipt of funds from the DMV. Neither the MSRC nor South Coast AQMD can guarantee the collection of remittance of registration fees by the DMV.

- Implementation schedule;
- Station cost, including the existing funding shortfall;
- Requested MSRC funding amount.

If available, it is requested that the Concept Description include as an attachment a copy of the original station proposal submitted to the Energy Commission, South Coast AQMD, and/or Air Resources Board, as well as a summary of the proposal's evaluation or scoring based on agency review.

Other Project Proponents

In addition, all public and private entities seeking to establish new or expanded hydrogen refueling infrastructure are eligible and encouraged to participate under this PON. Non-regulatory agency participants are asked to submit their Hydrogen Refueling Station Concept Descriptions in accordance with the following guidelines:

1. Cover Letter that identifies the name of the individual or organization submitting the hydrogen station Concept Description, including but not limited to telephone and e-mail address of the contact person(s) for technical and contractual matters.
2. A concisely written hydrogen refueling station technical description, including: a) technical specification; b) project location; c) station development participants, and d) anticipated user base and/or hydrogen fuel throughput.
3. Project Schedule, including the timeframe for project implementation and any anticipated barriers to project completion.
4. Estimated Project Cost, including total project cost, sources of match funding and other direct cost-sharing, and whether co-funding is secured or anticipated.

Section IV: Project Review & Funding Process

All hydrogen refueling station concepts will be reviewed by the MSRC's Technical Advisory Committee/Infrastructure Subcommittee. Submittal of a Hydrogen Refueling Station Concept Description will result in one of the following three outcomes:

- A request by the MSRC for the submittal of a full proposal for possible sole-source funding consideration;
- Notification that a detailed Request for Proposals (RFP) will be issued at a later date;
- Notification that a Hydrogen Refueling Station Concept Description has been declined from further consideration.

Hydrogen refueling station proponents selected for MSRC funding will be required to enter into a contract with the South Coast AQMD on behalf of the MSRC. This contract will be the result of a negotiation between the MSRC, SCAQMD, and the hydrogen refueling station project lead entity. In cases where the South Coast AQMD is the project sponsor, the MSRC may elect to transfer funding using established interagency accounting practices. In all cases, projects must be approved by the MSRC and South Coast AQMD Governing Board prior to the execution of a contract or disbursement of MSRC funds.

The period of submittal under this PON closes on April 10, 2020, unless extended by the MSRC. Hydrogen Refueling Station Concept Descriptions should be sent via e-mail to:

Cynthia Ravenstein
MSRC Contracts Administrator
Cynthia@CleanTransportationFunding.org

If you have any questions regarding this Program Opportunity Notice, please direct inquiries to one of the following MSRC staff contacts:

- For **General and Administrative Assistance**, please contact:
Cynthia Ravenstein
MSRC Contracts Administrator
Phone: 909-396-3269
E-mail: Cynthia@CleanTransportationFunding.org
- For **Technical Assistance**, please contact:
Ray Gorski
MSRC Technical Advisor
Phone: 909-396-2479
E-mail: Ray@CleanTransportationFunding.org