

BOARD MEETING DATE: December 6, 2019

AGENDA NO. 5

PROPOSAL: Recognize and Transfer Funds, Execute and Amend Agreements for Installation and Maintenance of Air Filtration Systems, and Reimburse General Fund for Administrative Costs

SYNOPSIS: The U.S. EPA and CARB are executing four Supplemental Environmental Projects (SEPs) and have asked South Coast AQMD to act as the SEP administrator to install and maintain air filtration systems at schools in environmental justice communities. South Coast AQMD will also be carrying out its own SEP. These actions are to recognize up to \$316,000 for SEPs from U.S. EPA and CARB and transfer up to \$45,000 from the General Fund for the South Coast AQMD SEP into the Air Filtration Fund (75). These actions are to also execute agreements to install and maintain air filtration systems in an amount not to exceed \$345,200, execute or amend access agreements with local school districts, amend contracts to purchase additional filters using unspent administrative funds, and reimburse the General Fund for administrative costs up to \$15,800 for SEP administration.

COMMITTEE: Technology, November 15, 2019; Recommended for Approval

RECOMMENDED ACTIONS:

1. Recognize funds into the Air Filtration Fund (75) as follows:
 - a. Up to \$190,000 for two SEPs being administered on behalf of U.S. EPA; and
 - b. Up to \$126,000 for two SEPs being administered on behalf of CARB.
2. Transfer up to \$45,000 from the General Fund (Undesignated/Unassigned Fund Balance) into the Air Filtration Fund (75) as part of a settlement with the State of California Attorney General to implement a South Coast AQMD SEP.
3. Authorize the Executive Officer to execute agreements with Pacific Resource Recovery Services, Dean Foods Company and CARB for South Coast AQMD to implement SEPs for installation and maintenance of air filtration systems and to execute or amend agreements with local school districts for the purpose of implementing SEPs.
4. Authorize the Chairman to execute contracts with IQAir North America for installation and maintenance of air filtration systems at schools in an amount not to exceed \$345,200 from the Air Filtration Fund (75).

5. Authorize the Chairman to amend, as needed, contracts with IQAir North America to purchase additional filters using unspent administrative funds.
6. Reimburse the General Fund from the Air Filtration Fund (75) for administrative costs up to \$15,800, as needed, to implement SEPs.

Wayne Nastri
Executive Officer

MMM:NB:JI:PSK

Background

U.S. EPA executed consent decrees with Pacific Resource Recovery Services and Dean Foods Company that include a Supplemental Environmental Project (SEP) for \$100,000 and \$90,000, respectively, and has asked South Coast AQMD to act as the SEP administrator to install and maintain air filtration systems at schools in environmental justice (EJ) communities.

CARB has executed consent decrees with Tesoro Refining & Marketing Company for two SEPs for \$66,500 and \$59,500 and has asked South Coast AQMD to act as the SEP administrator to install and maintain air filtration systems at schools in EJ communities. CARB has revised their SEP procedure and will execute SEP oversight agreements with South Coast AQMD, rather than have South Coast AQMD execute agreements with the individual companies paying for the SEPs.

South Coast AQMD will implement a SEP for \$45,000 to install and maintain air filtration systems at schools in an EJ community per a consent decree with the California Attorney General for an air quality violation.

To date, South Coast AQMD has installed air filtration systems at 90 schools and community centers in the South Coast Air Basin.

IQAir North America (IQAir) was selected through two competitive bid processes in 2011 and 2013 for air filtration projects, and staff performed a technology status check to ensure no new technologies had come on the market. IQAir is also the only qualified manufacturer of high-performance panel filters and stand-alone units meeting the performance standards in South Coast AQMD's 2009 air filtration pilot study as well as through a 2010 national testing opportunity by the University of California Riverside College of Engineering/Center for Environmental Research and Technology. These performance standards include an average removal efficiency of greater than 85 percent for ultrafine PM, black carbon and PM_{2.5} and a noise level below 45 decibels for stand-alone units.

Proposal

The U.S. EPA, along with Pacific Resources Recovery Services, Dean Foods Company and Los Angeles Unified School District (LAUSD), will identify schools to receive air filtration systems for these two SEPs. The schools will be in EJ communities in close proximity to the Pacific Resource Recovery Services and Dean Foods Company facilities in Boyle Heights and Vernon, respectively.

CARB, along with Tesoro Refining & Marketing Company LLC, LAUSD and other local school districts, will identify schools to receive air filtration systems for these two SEPs, which will be in EJ communities near the Ports.

The EPA and CARB SEPs allow five percent of the SEP amount to be designated towards reimbursement of administrative costs.

South Coast AQMD, along with the California Attorney General's office, will identify a school in an EJ community within 10 miles of South Coast AQMD headquarters to fulfill the requirements of the South Coast AQMD SEP.

Completion of the SEPs will occur no later than December 2020 or within 12 months of contract execution. The proposed schedule for the SEPs is as follows:

Date	Event
December 2019	Board Approval
February 2020	Anticipated Execution of Contracts
June 2020	School Selection, Site Assessments
December 2020	Installation
December 2020–December 2025	Maintenance (varies by school)
February 2021	Final Report (annual updates thereafter for five years)

These actions are to recognize up to \$316,000 from the four SEP agreements and transfer \$45,000 from the General Fund (Undesignated/Unassigned Fund Balance) into the Air Filtration Fund (75); authorize the Executive Officer to execute agreements with Pacific Resource Recovery Services, Dean Foods Company and CARB and execute or amend agreements with local school districts to implement SEPs for installation and maintenance of air filtration systems; execute contracts with IQAir North America for installation and maintenance of air filtration systems at schools in an amount not to exceed \$345,200; amend, as needed, contracts with IQAir North America to purchase additional filters using unspent administrative funds; and reimburse the General Fund from the Air Filtration Fund (75) for administrative costs up to \$15,800.

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. This request for a sole source award is made under provision B.2.c (1): The desired services are available from only the sole-source based upon the unique experience and capabilities of the proposed contractor or contractor team. IQAir remains the only manufacturer of high-performance panel filters and stand-alone units identified by South Coast AQMD and CARB staff that meet the performance standards required to complete the work.

Benefits to South Coast AQMD

This project will reduce children's exposure to criteria and toxic pollutants and ultrafine PM. Health studies have determined that fine and ultrafine PM, including diesel PM, present the greatest air pollution health risk to sensitive receptors in EJ communities identified in the SEP agreements.

Resource Impacts

The new contract with IQAir will not exceed \$345,200, and any contract amendment with IQAir to purchase additional filters will not exceed the amount of any unspent administrative fees. Reimbursement of administrative costs will not exceed \$15,800.