

BOARD MEETING DATE: September 6, 2019

AGENDA NO. 2

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

**SYNOPSIS:** U.S. EPA is executing a Supplemental Environmental Project (SEP) and has asked South Coast AQMD to act as the SEP administrator to install and maintain air filtration systems at schools in environmental justice communities. This action is to recognize up to \$167,967 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 \$159,569, 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 \$8,398 for SEP administration.

**COMMITTEE:** Technology, July 26, 2019; Recommended for Approval

**RECOMMENDED ACTIONS:**

1. Recognize up to \$167,967 for a SEP being administered on behalf of U.S. EPA into the Air Filtration Fund (75);
2. Authorize the Executive Officer to execute an agreement with World Oil Corporation for South Coast AQMD to implement a SEP for installation and maintenance of air filtration systems and to execute or amend agreements with local school districts for the purpose of implementing a SEP;
3. Authorize the Chairman to execute a contract with IQAir North America for installation and maintenance of air filtration systems at schools in an amount not to exceed \$159,569 from the Air Filtration Fund (75);
4. Authorize the Chairman to amend, as needed, the contract with IQAir North America to purchase additional filters using unspent administrative funds; and

5. Reimburse the General Fund from the Air Filtration Fund (75) for administrative costs up to \$8,398, as needed, to implement the SEP.

Wayne Natri  
Executive Officer

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**Background**

U.S. EPA executed a consent decree with World Oil Corporation that includes a Supplemental Environmental Project (SEP) 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. To date, South Coast AQMD has installed air filtration systems at 86 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 and in a 2010 national testing opportunity by the University of California Riverside’s 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 PM2.5 and a noise level below 45 decibels for stand-alone units.

**Proposal**

Staff is working with U.S. EPA, World Oil Corporation and Compton Unified School District to identify schools to receive air filtration systems for this SEP, which will be in EJ communities in close proximity to the World Oil Corporation facility in Compton. U.S. EPA allows five percent of the SEP to be designated towards reimbursement of administrative costs. Project completion will occur no later than October 2020. Staff anticipates the project will be completed within 12 months of contract execution.

The proposed schedule for this project is as follows:

<b>Date</b>	<b>Event</b>
September 2019	Board Approval
October 2019	Anticipated Execution of Contracts
October 2019	School Selection, Site Assessments
October 2020	Installation
October 2020–October 2025	Maintenance (varies by school)
October 2020	Final Report (annual updates thereafter for five years)

These actions are to: 1) recognize up to \$167,967 from the SEP agreement into the Air Filtration Fund (75); 2) authorize the Executive Officer to execute an agreement with World Oil Corporation and execute or amend agreements with schools to implement the SEP for installation and maintenance of air filtration systems; 3) execute an agreement with IQAir North America for installation and maintenance of air filtration systems at schools in an amount not to exceed \$159,569; 4) amend, as needed, the contract with IQAir North America to purchase additional filters using unspent administrative funds; and 5) reimburse the General Fund from the Air Filtration Fund (75) for administrative costs up to \$8,398.

**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 agreement.

**Resource Impacts**

The new contract with IQAir will not exceed \$159,569, 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 \$8,398.