

BOARD MEETING DATE: December 3, 2021

AGENDA NO. 10

PROPOSAL: Approve Modification of Program and Approve Award as Approved by MSRC

SYNOPSIS: The MSRC previously released an RFP to solicit technical advisor services. The MSRC unanimously awarded the contract to Raymond Gorski as part of their FYs 2021-24 AB 2766 Discretionary Fund Work Program. Additionally, as part of their FYs 2018-21 Work Program, the MSRC approved a modification to their Voucher Incentive Program Plus Up Program partnership with South Coast AQMD for near-zero trucks. At this time, the MSRC seeks Board approval of the contract award and program modification.

COMMITTEE: Mobile Source Air Pollution Reduction Review,
November 18, 2021; Recommended for Approval

RECOMMENDED ACTIONS:

1. Approve contract award totaling \$385,700 to Raymond Gorski for technical advisor services for a 24-month term beginning January 1, 2022 and ending December 31, 2023, as described in this letter and as follows:
 - a. 75 percent of the contract amount, or \$289,275, to be part of the FYs 2021-24 Work Program;
 - b. 25 percent of the contract amount, or \$96,425, divided proportionally between the FYs 2021-22, 2022-23, and 2023-24 Administrative Budgets (\$24,106 from the FY 2021-22 Budget, \$48,213 from the FY 2022-23 Budget, and \$24,106 from the FY 2023-24 Budget); and
 - c. Authorize the MSRC the authority to incorporate and exercise an option clause in the contract with Raymond Gorski for an additional two-year term for services from January 1, 2024 to December 31, 2025, subject to funding approval by the MSRC and South Coast AQMD Board at a later date;
2. Authorize MSRC to adjust the contract award listed above up to five percent, as necessary and previously granted in prior work programs;
3. Authorize the Chair of the Board to execute the new contract under the FYs 2021-24 Work Program, as described above and in this letter; and
4. Approve extending date for application acceptance under Voucher Incentive Program (VIP) Plus Up to August 31, 2022, as well as extending the deadline for

delivery of the replacement vehicle to December 31, 2023, as part of approval of the FYs 2018-21 Work Program, as described in this letter.

Larry McCallon
Chair, MSRC

MMM:CR

Background

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

Proposal

At its November 18, 2021 meeting, the MSRC considered recommendations from its MSRC Technical Advisory Committee (MSRC-TAC) and approved the following:

Voucher Incentive Program (VIP) Plus Up Incentive Program

South Coast AQMD implements the VIP to encourage the replacement of older, higher-polluting vehicles with newer, lower-emission vehicles which meet the 0.20 g/bhp-hr NO_x standard. The program features a rapid response time and is limited to small fleets of 10 or fewer vehicles. In April 2020, the MSRC approved an allocation of \$5,000,000 as part of the FYs 2018-21 Work Program to partner with South Coast AQMD to offer an increased incentive to fleets procuring technologies certified at 0.02 g/bhp-hr NO_x or cleaner. Maximum incentive amounts inclusive of the original vouchers were \$60,000 for Class 5 vehicles, \$80,000 for Class 6 vehicles, and \$100,000 for Class 7 and 8 vehicles. In March 2021, the MSRC approved increasing the maximum incentive amount for Class 8 vehicles to \$125,000 and reallocating \$2,500,000 from the VIP Plus Up to the unallocated AB 2766 Discretionary Fund balance, leaving \$2,500,000 allocated to the Program.

Due to the COVID-19 pandemic, the lead times for manufacture and delivery of the lower-emitting trucks have substantially increased. The MSRC had previously established a sunset date of December 31, 2021 for their participation. Additionally, under the funding source South Coast AQMD had been using since Program inception, fleets were being required to scrap their existing trucks by the end of 2021 and receive their new low NO_x or cleaner truck by June 30, 2022. South Coast AQMD has recently allocated funding from their Clean Fuels Program Fund that is not bound by the same

deadlines. In order to assist small fleets and continue to provide them incentives to achieve additional emission reductions, the MSRC approved extending the date for application acceptance under the VIP Plus Up Program partnership to August 31, 2022, as well as extending the deadline for delivery of the replacement vehicle to December 31, 2023. There would be no change to the MSRC's funding contributions on a per-vehicle level.

Technical Advisor Services

The MSRC retains an independent contractor to provide technical assistance in support of the Work Program. In September 2021, the MSRC released an RFP for technical advisor services. The RFP established the following scoring criteria: Technical Qualifications/Experience; Technical Approach; Proposed Cost; and Past Performance. One proposal was received by the closing date of October 14, 2021. The proposal was evaluated by a panel of members of the MSRC-TAC. The MSRC awarded a contract to Raymond Gorski for a 24-month term beginning January 1, 2022 and ending December 31, 2023. The contract will also include an option clause to be exercised at the MSRC's discretion, for a subsequent two-year term, subject to funding approval by the MSRC and South Coast AQMD Board at a later date. Funding specifics for the first 24-month term are as follows:

- a. 75 percent of the contract amount, or \$289,275, to be part of the FYs 2021-24 Work Program; and
- b. 25 percent of the contract amount, or \$96,425, divided proportionally between the FYs 2021-22, 2022-23, and 2023-24 Administrative Budgets (\$24,106 from the FY 2021-22 Budget, \$48,213 from the FY 2022-23 Budget, and \$24,106 from the FY 2023-24 Budget).

Outreach

South Coast AQMD has been successfully implementing VIP for many years. The modifications to the VIP Plus Up would be promoted in collaboration with existing outreach efforts. Information would be placed on the South Coast AQMD and MSRC websites along with information distributed to the approved VIP Dealers who are the frontline points of contact to interested program participants.

In accordance with South Coast AQMD's Procurement Policy and Procedure, public notices advertising the Technical Advisor Services RFP were published in the Los Angeles Times, the Orange County Register, the San Bernardino Sun, and Riverside County's Press Enterprise to leverage the most cost-effective method of outreach to the South Coast Basin. In addition, the RFP was advertised in the Desert Sun newspaper for expanded outreach in the Coachella Valley.

Additionally, potential bidders may have been notified utilizing South Coast AQMD's own electronic listing of certified minority vendors. Notice of the RFPs was e-mailed to various Legislative Caucuses and minority chambers of commerce and business associations, and placed on South Coast AQMD's website (<http://www.aqmd.gov>).

Further, the RFPs were posted on the MSRC's website at <http://www.cleantransportationfunding.org> and electronic notifications were sent to those subscribing to this website's notification service.

At this time, the MSRC requests the South Coast AQMD Board approve the contract award and program modifications as part of approval of the FYs 2018-21 and 2021-24 AB 2766 Discretionary Fund Work Programs as outlined above. The MSRC also requests the Board authorize the South Coast AQMD Board Chair 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.

Resource Impacts

The South Coast AQMD 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 will be drawn from this fund.