

BOARD MEETING DATE: August 2, 2024

AGENDA NO. 9

PROPOSAL: Approve Contract Modification as Approved by MSRC

SYNOPSIS: As part of their FYs 2018-21 Work Program, the MSRC approved a contract modification with SCAG. The MSRC seeks Board approval of the contract modification as part of the FYs 2018-21 Work Program.

COMMITTEE: Mobile Source Air Pollution Reduction Review Committee, April 18 and June 20, 2024; Recommended for Approval

RECOMMENDED ACTIONS:

1. Approve reallocation of \$1,417,043 to augment funding for the New Bern Transport Corporation project, as well as modification of scope of the Zeem Solutions project to specify the procurement of 42 zero-emission electric vehicles and installation of 42 dual-port fast chargers instead of the procurement of 72 zero-emission vehicles, one mobile charger, 13 fast chargers, and 12 Level II chargers, under contract #MS21005 with SCAG, under the Last Mile component of the MSRC's Regional Goods Movement Program, as part of approval of the FYs 2018-21 Work Program, as described in this letter; and
2. Authorize the Chair (or by the Chair's designation, the Executive Officer) to execute the contract under the FYs 2018-21 Work Program, as described above and 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 subvended 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.

Proposals

At its April 28, 2024 and June 20, 2024 meetings, the MSRC considered recommendations from its MSRC Technical Advisory Committee (MSRC-TAC) and approved the following:

FYs 2018-21 Last Mile Freight Program

The Last Mile component of the MSRC's Regional Goods Movement Program focuses on reducing emissions from transportation of goods following departure from distribution centers. In August 2020, the MSRC approved a sole-source contract award to SCAG in an amount not to exceed \$10,000,000 to implement the Last Mile Freight Program on behalf of the MSRC. Contract #MS21005 was executed to effectuate the award, and in November 2021, the MSRC approved SCAG's proposed project list awarding the original \$10,000,000 to 26 projects across the region. Subsequently, the MSRC approved the allocation of additional funding, the addition of six more projects from SCAG's contingency list, the reallocation of funding from withdrawn projects to increase the scope of existing projects on the list, and modifications to the scope of specific projects.

In late 2023 SCAG indicated that three approved projects, which had a total incentive funding allocation of \$225,000, had withdrawn. Additionally, SCAG indicated they were recommending that \$1,192,043 originally awarded to Gonzalez Logistics, Inc. (GLI) be reallocated, due to GLI's loss of most of their co-funding. SCAG requested the MSRC reserve the combined total \$1,417,043 for a reallocation request to be brought forward by SCAG for consideration at a future meeting. The MSRC considered and approved this request at their April 18, 2024 meeting.

SCAG subsequently requested the MSRC to reallocate the \$1,417,043 to augment the New Bern Transport Corporation project, with a corresponding increase in the scope of the project from 10 to 20 Class 8 zero-emission tractors. Additionally, SCAG requested a modified scope for the Zeem Solutions project. Zeem had been awarded funding towards the procurement of 72 zero-emission vehicles and one mobile charger to be deployed in Inglewood, as well as 13 fast chargers and 12 Level II chargers to be installed in Santa Ana. Zeem has not been able to secure the specified Santa Ana site. SCAG requested to modify the Zeem project to the procurement of 42 zero-emission electric vehicles operating among the Inglewood and Long Beach locations and installation of 42 dual-port fast chargers at the Long Beach location. At their June 20, 2024 meeting, the MSRC considered and approved SCAG's requested contract modifications.

At this time, the MSRC requests the South Coast AQMD Board approve the contract modification as part of approval of the FYs 2018-21 AB 2766 Discretionary Fund Work Program as outlined above.

Resource Impacts

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.