

BOARD MEETING DATE: June 7, 2024

AGENDA NO. 4

PROPOSAL: Appropriate Funds, Issue Solicitation and Purchase Orders to Meet Operational Needs for Rule 1180 Air Monitoring Program

SYNOPSIS: Rule 1180 established a fee schedule to fund community air monitoring stations to provide air quality information and notification to the public on refinery emissions in neighboring communities. The FY 2023-24 budget for this program includes approximately \$4.6 million in annual fees from refineries for community air monitoring. These actions are to appropriate up to \$199,000 from the General Fund Undesignated (Unassigned) Fund Balance to Monitoring and Analysis' FY 2023-24 and/or FY 2024-25 Budget, issue a solicitation and purchase orders to meet operational needs of the Rule 1180 Air Monitoring Program.

COMMITTEE: Administrative, May 9, 2024; Recommended for Approval

RECOMMENDED ACTIONS:

1. Appropriate up to \$199,000 from the General Fund Undesignated (Unassigned) fund balance for Rule 1180 activities into the Monitoring and Analysis' (MAD) FY 2023-24 and/or 2024-25 Budget (Org 42), Capital Outlays (up to \$119,000), and Services & Supplies (up to \$80,000) Major Object as indicated in Tables 1 and 2;
2. Authorize the Procurement Manager, in accordance with South Coast AQMD Procurement Policy and Procedure, to issue a solicitation, and based on the results of the solicitation, issue a purchase order for installed safety railings and ladders at Rule 1180 community air monitoring shelters, where needed, in an amount not to exceed \$81,000, as listed in Table 1; and
3. Authorize the Procurement Manager, in accordance with South Coast AQMD's Procurement Policy and Procedure, to issue sole source purchase orders for the following items in support of Rule 1180 community air monitoring as listed in Tables 1 and 2:
 - a. One hydrogen sulfide/sulfur dioxide (H₂S/SO₂) analyzer from Teledyne Advanced Pollution Instrumentation (Teledyne) in an amount not to exceed \$25,000;
 - b. One air conditioning system including installation from KLM HVAC and Refrigeration (KLM HVAC) in an amount not to exceed \$13,000;

- c. Up to ten liquid nitrogen microdosing systems from FluxSense, Inc. (FluxSense) in an amount not to exceed \$50,000; and
- d. Up to three specialized optical fibers including installation from FluxSense in an amount not to exceed \$30,000.

Wayne Natri
Executive Officer

JCL:AP:OP:ld:ir:kdl

Background

Rule 1180 - Refinery Fenceline and Community Air Monitoring was adopted by the Board in December 2017 and requires all seven major refineries in the South Coast Air Basin (Basin) to measure the ambient levels of various air pollutants at their fenceline, and notify the public if the concentration of any pollutant is above pre-determined threshold levels. Rule 1180 also established a fee schedule for these refineries to fund the installation, operation, and maintenance of community air monitoring stations (operated by South Coast AQMD) to provide air quality information and notifications to the public.

The requirements of Rule 1180 apply to the following seven facilities:

- Tesoro Refining & Marketing Company, LLC, Carson;
- Tesoro Refining & Marketing Company, LLC, Wilmington;
- Torrance Refining Company, LLC, Torrance;
- Chevron Products Company, El Segundo;
- Phillips 66 Company, Los Angeles Refinery, Carson;
- Phillips 66 Company, Los Angeles Refinery, Wilmington; and
- Valero Wilmington Refinery (permitted as Ultramar, Inc.), Wilmington.

The Rule 1180 refinery fenceline and community air monitoring network has been in operation since January 2020. To satisfy the Rule requirements, novel optical remote sensing (ORS), automated gas chromatography, and traditional analyzers have been installed at fenceline and community air monitoring sites, making this network the first of its kind in terms of complexity and technologies deployed.

Proposal

This action is to appropriate up to \$199,000 from the General Fund Undesignated (Unassigned) Fund Balance for Rule 1180 activities into the MAD FY 2023-24 and/or 2024-25 Budget (Org 42) Capital Outlays and Services & Supplies Major Object, as indicated in Tables 1 and 2. This action is also to issue a solicitation and purchase orders to meet operational needs of the Rule 1180 Air Monitoring Program, as shown in Tables 1 and 2.

Proposed Purchase through Solicitation

Safety Railings and Ladders for Air Monitoring Containers

Rule 1180 community air monitoring stations are housed in office containers or trailers. There is a need to outfit the containers with safety railings and ladders to maintain a safe workspace for staff while conducting maintenance and quality assurance activities. This action is to issue a solicitation, and based on the results of this solicitation, issue a purchase order for installation of safety railings and ladders in an amount not to exceed \$81,000.

Proposed Purchases through Sole Source

H2S/SO2 Analyzer

H2S/SO2 multi-pollutant analyzers are deployed at all Rule 1180 community air monitoring sites. The technical specifications of an H2S/SO2 analyzer manufactured by Teledyne is consistent with the equipment already operating within the South Coast AQMD community network for Rule 1180, and other community and federal air monitoring programs. One additional unit is needed for quality assurance and equipment verification purposes. This sole source purchase of one H2S/SO2 multi-pollutant analyzer from Teledyne will not exceed \$25,000 as listed in Table 1.

Air Conditioning System

Air conditioning systems are used to maintain stable temperature conditions inside the Rule 1180 community air monitoring stations and need to be replaced every three to five years. This community air monitoring network has been in operation for more than four years, and one spare air conditioning system is needed in case one of the existing air conditioning units experiences a failure. KLM HVAC is a local business in Long Beach that has an extensive expertise in the installation, service, and repair of air conditioning systems in South Coast AQMD air monitoring stations. KLM HVAC has an in-depth understanding of controlled-environment requirements to operate air monitoring instrumentation and is uniquely qualified to select and install the appropriate air conditioning equipment. The cost to purchase and install an air conditioning system will not exceed \$13,000 as listed in Table 1.

Liquid Nitrogen Microdosing Systems

Fourier Transform InfraRed (FTIR) optical multi-pollutant analyzers have been in constant operation at ten Rule 1180 community air monitoring stations since January 2020. Liquid nitrogen microdosing systems, that are part of FTIR analyzers, ensure uninterrupted FTIR detector cooling, and need to be replaced approximately every five years. FluxSense is the sole source provider of FTIR optical analyzers, including the liquid nitrogen microdosing systems. The cost to purchase and install up to ten liquid nitrogen microdosing systems from FluxSense will not exceed \$50,000 as listed in Table 2.

Specialized Optical Fibers

Optical multi-pollutant analyzers have been in constant operation at ten Rule 1180 community air monitoring stations since January 2020. Optical fibers are critical components of the optical multi-pollutant analyzers, and three spare fibers are needed in case one of the existing units experiences a failure. FluxSense is the sole source provider of optical multi-pollutant analyzer and specialized optical fibers. The cost to purchase and install up to three specialized optical fibers will not exceed \$30,000 as listed in Table 2.

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. The request for sole source purchases of H2S/SO2 analyzers from Teledyne and liquid nitrogen microdosing systems and specialized optical fibers from FluxSense are made under Sections VIII.B.2.c (1): The unique experience and capabilities of the proposed contractor; VIII.B.2.c (2): The project involves the use of proprietary technology; and VIII.B.2.d (6): Projects requiring compatibility with existing specialized equipment. There are no other vendors who can provide this equipment, supplies, and installation meeting all required specifications and that are compatible with existing specialized equipment already in operation.

The request for sole source purchase of an air conditioning system from KLM HVAC is made under Section VIII.B.2.d (6): Projects requiring compatibility with existing specialized equipment. KLM HVAC is a local business that is an established vendor with South Coast AQMD, has been providing air conditioning systems compatible with existing air monitoring stations and equipment, and has provided reliable services to support air monitoring efforts for the last decade.

Benefits to South Coast AQMD

Funding for the implementation of Rule 1180 will allow South Coast AQMD to fulfill the requirements of this fenceline and community air monitoring program, which will result in benefits to environmental justice communities and others working and residing in the Basin near refineries.

Resource Impacts

Rule 1180 annual fees will provide resources for ongoing community air monitoring operation and maintenance. Sufficient funding is available in the Undesignated (Unassigned) Fund Balance from Rule 1180 prior year budget savings to support the activities outlined in this Board letter.

Table 1
FYs 2023-24 and/or 2024-25
Proposed Capital Outlays Expenditures for Rule 1180

| Description | Qty | Appropriation from Prior Years Budget Savings | Procurement Method |
|--|---------|--|-----------------------|
| Safety Railings and Ladders for Air Monitoring Containers* | Up to 9 | \$81,000 | Solicitation |
| H2S/SO2 Multi-pollutant Analyzer* | 1 | \$25,000 | Sole Source |
| Air Conditioning System* | 1 | \$13,000 | Sole Source |
| Total | | Up to \$119,000 | |

*Expenditures may be appropriated as Capital Outlays or Services & Supplies Major Object, as warranted.

Table 2
FYs 2023-24 and/or 2024-25
Proposed Services and Supplies Expenditures for Rule 1180

| Description | Qty | Appropriation from Prior Years Budget Savings | Procurement Method |
|--------------------------------------|----------|--|-----------------------|
| Liquid Nitrogen Microdosing Systems* | Up to 10 | \$50,000 | Sole Source |
| Specialized Optical Fibers* | Up to 3 | \$30,000 | Sole Source |
| Total | | Up to \$80,000 | |

*Expenditures may be appropriated as Services & Supplies or Capital Outlays Major Object, as warranted.