

BOARD MEETING DATE: October 2, 2015

AGENDA NO. 3

PROPOSAL: Execute Contracts to Implement Two Major Recommendations by Abt Associates to Enhance Socioeconomic Assessment

SYNOPSIS: To assist in implementation of two major recommendations by Abt Associates, Inc. to enhance SCAQMD socioeconomic assessments, two RFPs were released on June 5, 2015. The purpose of the first RFP was to review sectoral economic impact analyses for small scale/small business impacts, and a total of four bids were received. The second RFP solicited proposals to review environmental justice methodologies and application tools, and a total of three bids were received. Two separate review panels were formed, each consisting of SCAQMD staff and two external topic experts. Using the prescribed evaluation criteria to consider cost and technical qualifications, Industrial Economics, Inc. (IEc) received the highest overall score for its submitted proposals in response to both RFPs. This action is to award a contract for sectoral economic impact analysis to IEc in the amount of \$49,994. This action is also to award a contract for environmental justice methodologies review to IEc in the amount of \$74,116. The combined total of both contracts will not exceed \$124,110. Funding is available in the General Fund Undesignated Fund Balance.

COMMITTEE: Administrative, September 11, 2015; Recommended for Approval

RECOMMENDED ACTIONS:

Authorize the Executive Officer to execute two separate contracts to Industrial Economics, Inc., in the amounts of \$49,994 and \$74,116, respectively, for a combined total not to exceed \$124,110 and appropriate this amount to the Planning, Rule Development and Area Sources FY 2015-16 Budget, Professional and Special Services account, from the General Fund Undesignated Fund Balance.

Barry R. Wallerstein, D.Env.
Executive Officer

Background

At the October 4, 2013 Board meeting, Abt Associates, Inc. (Abt) was awarded a contract to review SCAQMD socioeconomic assessments and make recommendations for future improvements. Abt completed their review in August 2014 and a link to Abt's report and findings is available on SCAQMD's website at <http://www.aqmd.gov/docs/default-source/Agendas/aqmp/scaqmd-report---review-socioeconomic-assessments.pdf?sfvrsn=4>. Two of Abt's key recommendations were: first, review additional modeling tools and analysis methods to evaluate potential economic impacts on small industry sectors and small businesses, for which the currently used economic model (REMI) provides a somewhat limited picture; and second, systematically review the environmental justice (EJ) literature and expand the EJ analysis.

To support staff's implementation of these two major recommendations, two separate RFPs were released and advertised following the June 5, 2015 Board meeting. To address small industry sector modeling tools and analyses, RFP #P2015-33 "Review of Sectoral Economic Impact Analysis for Small Scale Impacts" targeted a fixed price contract to be awarded in an amount not to exceed \$50,000. RFP #P2015-28R "Review of Environmental Justice Methodologies and Application Tools" had been originally released on April 3, 2015; however, the only submitted proposal was evaluated and determined to be non-responsive. The RFP was re-released on June 5, 2015. RFP #P2015-28R solicited bids for a fixed price contract in an amount not to exceed \$75,000, of which up to \$60,000 would be allocated solely for the review of literature, methodologies and tools, and up to \$15,000 would be allocated solely for the application of recommended methodologies and tools to conduct a sub-county level EJ analysis within the SCAQMD region, if such work is requested by SCAQMD.

Outreach

In accordance with SCAQMD's Procurement Policy and Procedure, a public notice advertising the RFPs and inviting bids were published in the Los Angeles Times, the Orange County Register, the San Bernardino Sun, and Riverside County's Press Enterprise newspapers to leverage the most cost-effective method of outreach to the South Coast Basin.

Potential bidders may have been notified utilizing SCAQMD's own electronic listing of certified minority vendors. Notice of the RFPs were emailed to the Black and Latino Legislative Caucuses and various minority chambers of commerce and business associations, and placed on the Internet at SCAQMD's website (<http://www.aqmd.gov>) where it can be viewed by making the selection "Grants & Bids." Additionally, the RFP was sent to various companies, nonprofits, and research institutions with potential expertise in the subject areas.

Bid Evaluation

A total of four bids for RFP #P2015-33 and a total of three bids for RFP #P2015-28R were received by the deadline on July 7, 2015. One of the bids for RFP #P2015-33 was submitted by a small business and included certification for additional points. Attachments 1 and 2 reflect the evaluation of the submitted proposals in response to RFP #P2015-33 and RFP #P2015-28R, respectively.

Using the prescribed evaluation criteria to consider technical and cost qualifications, three out of four proposals for RFP #2015-33 were considered technically qualified. Among the three proposals, Industrial Economics, Inc. (IEc) received a higher overall score. The review panel noted a good understanding of the scope of work, the proposed technical/management approach, and relevant experience of the project team as important factors that contributed to the higher score. The proposal submitted by RTI International received a similar evaluation with a slightly lower overall score. In addition, the review panel noted that, while the proposal submitted by Resources for the Future would be executed by a renowned researcher with significant expertise in the subject area, the proposal appeared weaker in other evaluation categories.

In response to RFP #P2015-28R, two of the three submitted proposals by UCLA and IEc respectively—were considered technically qualified. Between the two qualified proposals, IEc had a higher overall score and received higher average points in each category. The review panel noted that, while the UCLA project team has considerable expertise and is familiar with EJ issues within the SCAQMD's four-county region, IEc has clearly demonstrated its technical capacity and experience in the most updated EJ analysis as applicable to environmental policy-making at fine spatial resolution. IEc's expertise in BenMAP will also provide SCAQMD staff with helpful guidance related to the application of BenMAP results in EJ analysis. Key project personnel do not overlap between the two IEc proposals.

Panel Composition

The submitted proposals were evaluated by two separate review panels.

For RFP #P2015-33, the panel consisted of one SCAQMD Program Supervisor, a Research Specialist at the California Air Resources Board, and a Manager at the Southern California Association of Governments; one female and two male; two Asian, and one Caucasian.

For RFP #P2015-28R, the panel consisted of one Program Supervisor, one Air Quality Specialist, a Manager at the Southern California Association of Governments, and a Manager at the California Air Resources Board; two female and two male; three Asian and one Hispanic.

Resource Impacts

The costs of the contracts proposed by IEc are \$49,994 for sectoral economic impact analysis (RFP #P2015-33) and \$74,116 for environmental justice methodologies review (RFP #P2015-28R). The combined total of both contracts will not exceed \$124,110. Funding is available from the General Fund Undesignated Fund Balance.

IEc was previously awarded another contract in June 2015 to review health benefits literature with an application to BenMAP (RFP #P2015-27), for the purpose of implementing another key recommendation put forward by Abt. The contract was fixed-priced and awarded in the amount of \$72,373.20, with funds from the Planning, Rule Development and Area Sources FY 2014-15 Budget, Professional and Special Services account. In accordance with the SCAQMD Procurement Policy and Procedure, Section VIII.C.4, the contract award was approved by the Executive Officer as the RFP solicited contracting for consulting and professional services, for budgeted items up to \$75,000. The key IEc personnel assigned to this ongoing contract are similar to those proposed for RFP #P2015-28R.

Attachments

1. Evaluation of Respondents to RFP #P2015-33
2. Evaluation of Respondents to RFP #P2015-28R

Attachment 1

Evaluation of Bids from Respondents to RFP #2015-33 – “Review of Sectoral Economic Impact Analysis for Small Scale Impacts”

Bidder	Proposed Cost	Cost Points	Technical Expertise Points (Average of 3 Reviewers)	Additional Points	Total Score
1. Resources for the Future	\$49,997.60	29.8	58.8	0.0	88.6
2. CFS, LLC	\$49,898.72	29.9	50.2*	10.0	90.0
3. RTI International	\$49,673.00	30.0	61.3	0.0	91.3
4. Industrial Economics, Inc.	\$49,993.60	29.8	63.3	0.0	93.1
Maximum Possible Points		30.0	70.0	15.0	115.0

*CFS proposal is disqualified for failing to score at least 56 points on technical expertise.

Attachment 2

Evaluation of Bids from Respondents to RFP #2015-28R – “Review of EJ Methodologies and Application Tools”

Bidder	Proposed Cost	Cost Points	Technical Expertise Points (Average of 4 Reviewers)	Additional Points	Total Score
1. UCLA	\$75,000.00	29.6	60.9	0.0	90.5
2. RTI International	\$74,501.00	29.8	52.5*	0.0	82.3
3. Industrial Economics, Inc.	\$74,116.40	30.0	63.6	0.0	93.6
Maximum Possible Points		30.0	70.0	15	115.0

*The RTI proposal is disqualified for failing to score at least 56 points on technical expertise.