

BOARD MEETING DATE: September 1, 2017

AGENDA NO. 6

**PROPOSAL:** Amend Contracts to Continue Implementation of Enhanced Fleet Modernization Program and Transfer Funds

**SYNOPSIS:** In February 2017, the Board recognized an additional \$5 million from CARB to continue implementation of the Enhanced Fleet Modernization Program (EFMP). The Board also approved contracts with consulting firms to provide assistance with implementation of the EFMP including case management, outreach and vehicle emissions testing. The Program has been highly successful. Consequently, this action is to amend contracts with consulting firms in an amount not to exceed \$500,000 from the HEROS II Special Revenue Fund (56) to continue program implementation, including the addition of a new outreach strategy involving vehicle emissions monitoring in disadvantaged communities to identify high-emitting vehicles for potential voluntary replacement with cleaner, more fuel-efficient vehicles. These actions are to also transfer up to \$850,000 (comprising the above amendments and a prior \$350,000 amendment for Opus Inspection approved in February 2017) as a temporary loan from the Clean Fuels Program Fund (31) into the HEROS II Special Revenue Fund (56), until receipt of the CARB revenue.

**COMMITTEE:** Technology, July 21, 2017; Recommended for Approval

**RECOMMENDED ACTIONS:**

1. Authorize the Chairman to amend contracts from the HEROS II Special Revenue Fund (56) with the following entities:
  - A. Opus Inspection: adding up to \$300,000 to conduct outreach activities, assist program participants in processing vehicle retirements and identifying replacement vehicles, transit pass or car-sharing programs, and implement a new outreach strategy for vehicle emissions monitoring in disadvantaged communities; and
  - B. Foundation for California Community Colleges: adding up to \$200,000 to conduct outreach activities and assist program participants in processing vehicle retirements and identifying replacement vehicles or transit pass or car-sharing programs; and

2. Transfer up to \$850,000 (comprising the above amendments and a prior \$350,000 amendment for Opus Inspection approved in February 2017) as a temporary loan from the Clean Fuels Program Fund (31) into the HEROS II Special Revenue Fund (56), as administration funds until receipt of the CARB revenue.

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Executive Officer

MMM:FM:VAW

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### **Background**

Since early 2015, the SCAQMD has been implementing a successful vehicle retirement and replacement program, branded by the SCAQMD as the Replace Your Ride Program. The Program was initially funded through CARB's AB 118 Air Quality Improvement Program (AQIP), then augmented using CARB's Low Carbon Transportation Greenhouse Gas Emission Reduction Fund (GGRF) to add an EFMP "Plus-Up" Program for participants living in or near disadvantaged communities.

In September 2016 and February 2017, the Board recognized a total of \$15 million from CARB's GGRF for the EFMP Plus-Up Program. The Plus-Up Program funds will be used in combination with the base EFMP incentive amount to provide up to \$9,500 to those program participants living in or near disadvantaged communities. The Board's actions in February also included executing or amending contracts with consulting firms based on a formal bid process to provide assistance with implementation of the EFMP including case management, outreach and vehicle emissions testing. The Program has been highly successful. Given the popularity of the Program coupled with the increased funding, staff anticipates the need for additional case management support, enhanced outreach in disadvantaged communities, and other program implementation activities, including adding vehicle emissions monitoring in disadvantaged communities to identify high-emitting vehicles for potential voluntary replacement with cleaner, more fuel-efficient vehicles.

### **Proposal**

Opus Inspection has been providing case management support, including bilingual assistance, to process applications and assist consumers with each step of the voucher process, including vehicle retirements and identifying replacement vehicles or other clean mobility options. Opus Inspection will also assist with outreach efforts in addition to weekend vehicle emissions testing events. Case managers will be hired from the communities that they serve. Opus Inspection will assist SCAQMD with a new outreach strategy involving vehicle emissions monitoring in disadvantaged communities to identify high-emitting vehicles for potential participation in the EFMP Plus-Up Program. Owners of high-emitting vehicles identified through the emissions monitoring

will be sent a notice informing them about the Replace Your Ride Program. SCAQMD will evaluate this new strategy over a period of six-months or more to see if it is successful in attracting new consumers to the Program.

This action is to amend a contract with Opus Inspection adding up to \$300,000 to provide extra staffing for case management support as well as to implement a new program element involving vehicle emissions monitoring in disadvantaged communities to identify high-emitting vehicles for potential participation in the EFMP Plus-Up Program. Staff anticipates that about one-third of the funding will be dedicated to the new outreach strategy.

The Foundation for California Community Colleges (FCCC) has also been providing case management support, including bilingual assistance, to process applications and assist consumers with each step of the voucher process including vehicle retirements and identifying replacement vehicles or other clean mobility options, such as transit passes or car sharing programs. FCCC will continue to provide case management support, maintain an updated list of frequently asked questions encountered during current program implementation by call center staff and case managers, provide program informational materials for the website and events, assist with developing training materials, and deliver training courses to dealerships, dismantlers and other strategic partners. FCCC will also continue to hold sign-up and emissions testing events at community colleges and other venues, as needed, to complement the vehicle emissions testing to be performed by Opus Inspection.

This action is to amend a contract with FCCC adding up to \$200,000 for continued support with implementation of the EFMP and EFMP Plus-Up.

This action is to also transfer up to \$850,000 as a temporary loan from the Clean Fuels Program Fund (31) into the HEROS II Special Revenue Fund (56) until receipt of the CARB revenue. The \$850,000 comprises the above amendments and a prior \$350,000 amendment for Opus Inspection approved in February 2017 using anticipated CARB revenue, which has not yet been received.

### **Benefits to SCAQMD**

The continued successful implementation of the EFMP and EFMP Plus-Up will further reduce emissions by accelerating the turnover of high-emitting vehicles with cleaner, less-polluting vehicles or alternatively provide an incentive for public transportation, car sharing and other mobility options. Incentives for program participation will continue to be provided to low- and middle-income vehicle owners to ensure that their neighborhoods will benefit from the retirement of high-emitting vehicles and the replacement with cleaner replacement vehicles or other modes of clean transportation. The EFMP Plus-Up Program will provide additional incentives for residents living in or

near disadvantaged communities, which is expected to increase program participation and provide additional emission reductions.

**Resource Impacts**

The Board previously recognized, upon receipt, CARB revenue up to \$15 million in the HEROS II Special Revenue Fund (56) for continued implementation of the EFMP Plus-Up Program. Up to 15 percent of these funds may be used for administrative costs (10%) and consumer outreach (5%). These contract amendments will use a portion of the administrative and outreach funds. Once this revenue is received, there will be sufficient funds available in the HEROS II Special Revenue Fund (56). Until then, up to \$850,000 from the Clean Fuels Program Fund (31) will be used as a temporary loan.