

BOARD MEETING DATE: November 2, 2018

AGENDA NO. 12

PROPOSAL: Approve Contract Awards and Modifications as Approved by MSRC

SYNOPSIS: As part of their FYs 2016-18 Work Program, the MSRC approved new contracts under the Local Government Partnership Program. The MSRC also approved modifications to contracts under the Near-Zero Engine Incentive Program and for programmatic outreach services as part of their FYs 2014-16 Work Program, and a modified award under the Natural Gas Infrastructure Program as part of their FYs 2016-18 Work Program. At this time the MSRC seeks Board approval of the contract awards and modifications as part of the FYs 2014-16 and 2016-18 Work Programs.

COMMITTEE: Mobile Source Air Pollution Reduction Review, October 23, 2018;
Recommended for Approval

RECOMMENDED ACTIONS:

1. Approve two contract awards totaling \$337,108 under the Local Government Partnership Program, as part of approval of the FYs 2016-18 Work Program, as described in this letter and as follows:
 - a. A contract with the City of Coachella in an amount not to exceed \$58,020 to install at least two electric vehicle charging stations; and
 - b. A contract with the City of San Bernardino in an amount not to exceed \$279,088 to procure up to two medium-duty and up to three heavy-duty zero-emission vehicles and install at least three electric vehicle charging stations;
2. Approve modified contract with Long Beach Transit under the Near-Zero Engine Incentive Program, substituting the re-power of 39 buses and purchase of one bus with near-zero engines for the purchase of 40 buses equipped with near-zero engines, as part of approval of the FYs 2014-16 Work Program, as described in this letter;
3. Approve modified/novated contract for programmatic outreach services, allowing Better World Group Advisors, Inc. to assume the duties formerly undertaken by the Better World Group, Inc., as part of approval of the FYs 2014-16 Work Program, as described in this letter;

4. Approve modified contract award to Capistrano Unified School District under the Natural Gas Infrastructure Program, changing the description to the expansion of an existing limited access station and training technicians instead of the original description of simply expanding an existing limited access station, with no change to the award amount, as part of approval of the FYs 2016-18 Work Program, as described in this letter;
5. Authorize MSRC the authority to adjust contract awards up to five percent, as necessary and previously granted in prior work programs; and
6. Authorize the Chairman of the Board to execute the new and modified contracts under the FYs 2014-16 and 2016-18 Work Programs, as described above and in this letter.

Larry McCallon
Chair, MSRC

MMM:NB:CR

Background

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

At its October 23, 2018 meeting, the MSRC considered recommended awards under the Local Government Partnership Program. The MSRC also considered a modified contract under the Near-Zero Engine Program, a modified award under the Natural Gas Infrastructure Program, and a modified contract for programmatic outreach services. Details are provided below in the Proposals section.

Outreach

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

Additionally, potential bidders may have been notified utilizing SCAQMD's own electronic listing of certified minority vendors. Notice of the solicitation was e-mailed 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>). Further, the solicitation was 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.

Proposals

At its October 23, 2018 meeting, the MSRC considered recommendations from its MSRC-TAC and approved the following:

FYs 2016-18 Local Government Partnership Program

The MSRC approved the release of Local Government Partnership PON2018-01 under the FYs 2016-18 Work Program. The Invitation to Negotiate (ITN), with a targeted funding level of \$21,180,650, focuses on providing funds for projects to support SCAQMD's 2016 AQMP. Cities and counties which have opted into the AB 2766 motor vehicle registration surcharge fee program are eligible to participate. The majority of participants would be allocated maximum funding equivalent to their annual AB 2766 Subvention Fund allocation; however, those whose annual Subvention Fund allocation is less than \$50,000 would be eligible to receive a maximum of \$50,000, and the maximum allocation for any single city or county would be \$3,000,000. MSRC funding could be used for light-duty zero emission vehicle purchases and leases, medium- and heavy-duty zero emission vehicle purchases, near-zero emission heavy-duty alternative fuel vehicle purchases and repower, electric vehicle charging station installation, and construction or expansion of alternative fuel refueling infrastructure, subject to match funding requirements as outlined in the ITN. Additionally, those jurisdictions eligible for a maximum contribution of \$50,000 would have the option to pursue traffic signal synchronization, bicycle active transportation, and first mile/last mile strategies. The ITN includes an open application period commencing with its release on September 1, 2017, and closing August 2, 2018. The MSRC previously approved awards totaling \$15,997,747 in response to this solicitation. The MSRC approved two additional awards totaling \$337,108 as part of the FYs 2016-18 Work Program, as follows:

- a. A contract with the City of Coachella in an amount not to exceed \$58,020 to install at least two electric vehicle charging stations; and
- b. A contract with the City of San Bernardino in an amount not to exceed \$279,088 to procure up to two medium-duty and up to three heavy-duty zero-emission vehicles and install at least three electric vehicle charging stations.

FYs 2014-16 Near-Zero Engine Incentive Program

In February 2017, the MSRC approved an award to Long Beach Transit in an amount not to exceed \$600,000 for the purchase of 40 new buses with engines meeting the California Air Resources Board's 0.02 g/bhp-hr Optional Standard for NOx. Long Beach Transit was subsequently able to secure funding from federal sources for 39 of the 40 bus purchases. However, they have many existing buses suitable for re-power with the lower emission engines. Long Beach Transit therefore requests to substitute the re-power of 39 buses and purchase of one bus for the purchase of 40 buses. For transit buses, the MSRC's "Near-Zero" Engine Incentive Program provides \$15,000 per engine regardless

of whether the new engine is equipped in a new bus, or is installed in an existing bus. There would be no change in the emissions reductions associated with the project, or its air quality cost-effectiveness. The MSRC considered and approved Long Beach Transit's requested contract modification.

FYs 2014-16 Programmatic Outreach Services

The Better World Group (BWG) currently provides the MSRC with programmatic outreach assistance under Contract #MS16030, which will expire on December 31, 2019. BWG recently informed MSRC staff that their owner and CEO will be retiring at the end of 2018. On or before January 1, 2019, BWG will become a new legal entity named Better World Group Advisors, Inc. (BWGA) and have new co-owners. With the exception of the current owner, the same BWG staff would continue to provide service to the MSRC. Given the current contract termination date, it is anticipated that the regular process of re-competing MSRC's programmatic outreach function will be initiated around the second quarter of 2019. In order to minimize any interruption in programmatic outreach, MSRC and SCAQMD Legal staff recommend execution of a novation agreement. There would be no change to the contract value, tasks or term. The MSRC considered and approved a modification to novate the contract to Better World Group Advisors, Inc.

FYs 2016-18 Natural Gas Infrastructure Program

As an element of their FYs 2016-18 Work Program, the MSRC previously awarded \$116,000 to Capistrano Unified School District as part of the Natural Gas Infrastructure Program. The project was described as the expansion of an existing limited access station, when the description should include both expansion of the station and training technicians. MSRC staff recommended modifying the description to include training technicians, with no change to the award amount. The MSRC considered and approved a modification to include training technicians in the project description.

At this time, the MSRC requests the SCAQMD Board to approve the contract awards and modifications as part of approval of the FYs 2014-16 and 2016-18 AB 2766 Discretionary Fund Work Programs as outlined above. The MSRC also requests the Board to authorize the SCAQMD Chairman of the Board the authority 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 SCAQMD 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.