

BOARD MEETING DATE: April 3, 2020

AGENDA NO. 5

PROPOSAL: Recognize and Transfer Funds, Execute and Amend Agreements for Installation and Maintenance of Air Filtration Systems, and Reimburse General Fund for Administrative Costs

SYNOPSIS: U.S. EPA is executing two Supplemental Environmental Projects (SEPs) for school air filtration and CARB is executing three SEPs, one for schools and two for residential air filtration pilot studies. Both agencies have asked South Coast AQMD to act as the SEP administrator to install and maintain air filtration systems at schools and residences in environmental justice communities. This action is to recognize up to \$146,250 from U.S. EPA and \$1,205,300 from CARB into the Air Filtration Fund (75) for these SEPs. These actions are to also execute agreements to install and maintain air filtration systems and to provide residential stipends in an amount not to exceed \$1,283,973, execute or amend access agreements with local school districts, amend contracts to purchase additional filters using unspent administrative funds, and reimburse the General Fund for administrative costs up to \$67,577 for SEP administration.

COMMITTEE: No Committee Review

RECOMMENDED ACTIONS:

1. Recognize funds into the Air Filtration Fund (75) as follows:
 - a. Up to \$146,250 for two school air filtration SEPs being administered on behalf of U.S. EPA as described in the table on page 3; and
 - b. Up to \$1,013,400 and \$191,900, respectively, for one school air filtration SEP and two residential air filtration SEPs being administered on behalf of CARB as described in the table on page 3.
2. Authorize the Executive Officer to execute agreements with FL Transportation, Inc., and New Bern Transport Corporation (on behalf of U.S. EPA) and CARB for South Coast AQMD to implement SEPs for installation and maintenance of air filtration systems in schools and to execute or amend agreements with local school districts for the purpose of implementing SEPs.

3. Authorize the Chairman to execute contracts with IQAir North America for installation and maintenance of air filtration systems in schools and for IQAir to execute agreements with residents to install air filtration systems and provide stipends to residents for electricity and ancillary costs for participating in the residential air filtration pilot study in an amount not to exceed \$1,283,973 from the Air Filtration Fund (75).
4. Authorize the Chairman to amend, as needed, contracts with IQAir North America to purchase additional filters using unspent administrative funds.
5. Reimburse the General Fund from the Air Filtration Fund (75) for administrative costs up to \$67,577 to implement SEPs, from the money recognized from the EPA and CARB SEPs.

Wayne Nastri
Executive Officer

MMM:NB:JI:PSK

Background

U.S. EPA has executed consent decrees with FL Transportation, Inc., and New Bern Transport Corporation that include a Supplemental Environmental Project (SEP) for \$73,125 each. U.S. EPA has asked South Coast AQMD to act as the SEP administrator to install and maintain air filtration systems at schools in environmental justice (EJ) communities.

CARB has executed consent decrees with CNS Motors, Inc., J&P Cycles, LLC, and Navistar, Inc., and has asked South Coast AQMD to act as the SEP administrator to install and maintain air filtration systems in schools and residences in EJ communities for a residential air filtration pilot study. To date, South Coast AQMD has funded installation of air filtration systems at 90 schools and community centers in the South Coast Air Basin.

IQAir North America (IQAir) was selected through two competitive bid processes in 2011 and 2013 for air filtration projects, and staff performed a technology status check to ensure no new technologies had come on the market. IQAir is the only qualified manufacturer of high-performance panel filters and stand-alone units meeting the performance standards in South Coast AQMD's 2009 air filtration pilot study. Also, through a 2010 national testing conducted by the University of California Riverside College of Engineering/Center for Environmental Research and Technology the filters met the performance standards that include an average removal efficiency of greater than 85 percent for ultrafine PM, black carbon and PM 2.5 and a noise level below 45 decibels for stand-alone units.

CARB's Research Division on Indoor Air Quality Research has funded several research studies on indoor air quality and effectiveness of high-performance air filtration systems (filters and stand-alone units) in residences. These studies have shown a reduction of up to 90-97 percent of PM 2.5 with the use of MERV 13 filters and up to 97-98 percent with the use of MERV 16 filters, for indoor air inside residences in newer homes. Removal efficiencies may vary and will be lower for older, less energy efficient homes.

Proposal

The five SEPs to be implemented by South Coast AQMD are as follows:

Agency	Violator	SEP Type	Amount
U.S. EPA	FL Transportation, Inc.	School	\$73,125
U.S. EPA	New Bern Transport Corporation	School	\$73,125
CARB	Navistar	School	\$1,013,400
CARB	CNS Motors, Inc.	Residential	\$77,150
CARB	J&P Cycles, LLC	Residential	\$114,750

The U.S. EPA, along with FL Transportation, Inc., New Bern Transport Corporation, Los Angeles Unified School District (LAUSD) and other local school districts, will identify schools to receive air filtration systems for these two SEPs. The schools will be in close proximity to these facilities in Carson and/or Torrance.

CARB, along with Navistar, LAUSD and other local school districts, will identify schools to receive air filtration systems for these three SEPs, which will be in EJ communities between the Ports and downtown Los Angeles.

CARB has accepted a proposal from South Coast AQMD to conduct a residential air filtration pilot study in San Bernardino County in close proximity to railyards for the two SEPs with CNS Motors, Inc. and J&P Cycles, LLC.

The residential air filtration pilot study will establish a blueprint for future residential air filtration deployment projects by establishing protocols for ultrafine PM and PM2.5 monitoring and optimal configuration of air filtration systems in older, less energy efficient homes. The residential air filtration pilot study will be conducted in two phases. Phase 1 will establish monitoring and air filtration protocols in older homes; Phase 2 will deploy air filtration systems and conduct monitoring in a small number of homes in San Bernardino neighborhoods near railyards. A stipend to subsidize electricity and ancillary costs to deploy stand-alone filtration units in homes will be provided to residents. The project will coordinate and supplement AB 617 implementation and planning efforts in the San Bernardino-Muscoy community. Staff will seek Board approval of additional funding to increase the number of homes as opportunities arise from appropriate funding sources.

Completion of the school air filtration SEPs will occur by June 2021 or within 12 months of execution of the last applicable contracts. Completion of the residential air filtration SEPs will occur by December 2021 or within 18 months of execution of the last applicable contracts to allow time to identify and recruit participation of residents in disadvantaged communities.

The proposed schedules for the SEPs are as follows:

DATE	EVENT
<u>School Air Filtration</u>	
April 2020	Board Approval
June 2020	Anticipated Execution of Contracts
September 2020	School Selection, Site Assessments
June 2021	Installation at Schools
June 2021–June 2026	Maintenance (varies by school)
June 2021–2026	Post Installation, Annual and Final Reports
<u>Residential Air Filtration</u>	
April 2020	Board Approval
October 2020	Anticipated Execution of Contracts
April 2020–June 2021	Community Selection/Study Design/Site Assessments/Execute Resident Contracts
December 2021	Installation at Residences
December 2021–December 2026	Maintenance (varies by residence)
December 2021–2026	Post Installation, Annual and Final Reports

These actions are to: 1) recognize up to \$1,351,550 from the five SEP agreements into the Air Filtration Fund (75); 2) authorize the Executive Officer to execute agreements with FL Transportation, Inc., and New Bern Transport Corporation (on behalf of U.S. EPA) and CARB, execute or amend agreements with local school districts to implement SEPs for installation and maintenance of air filtration systems in schools and residences; 3) execute contracts with IQAir North America for installation and maintenance of air filtration systems at schools and residences and for IQAir to execute agreements with residents to install air filtration systems and provide stipends to residents for electricity and ancillary costs for participating in the residential air filtration pilot study in an amount not to exceed \$1,283,973; 4) amend, as needed, contracts with IQAir North America to purchase additional filters using unspent administrative funds; and 5) reimburse the General Fund from the Air Filtration Fund (75) for administrative costs up to \$67,577.

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. This request for a sole source award is made under provision B.2.c (1): The desired services are available from only the sole source based upon the unique experience and capabilities of the proposed contractor or contractor team. IQAir remains the only manufacturer of high-performance panel filters and stand-alone units identified by South Coast AQMD and CARB staff that meet the performance standards required to complete the work.

Benefits to South Coast AQMD

This project will reduce children's exposure to criteria and toxic pollutants and ultrafine PM. Health studies have determined that fine and ultrafine PM, including diesel PM, present the greatest air pollution health risk to sensitive receptors in EJ communities identified in the SEP agreements. Some of the schools in which air filtration systems will be installed are located in Boyle Heights or Carson, which are within the boundaries of the East Los Angeles, Boyle Heights and West Commerce and the Wilmington, Carson, West Long Beach AB 617 Year 1 communities. For the residential air filtration pilot study, residences in San Bernardino County are located within the boundaries of the San Bernardino-Muscoy AB 617 Year 1 community.

Resource Impacts

The new contracts with IQAir will not exceed \$1,283,973, and any contract amendments with IQAir to purchase additional filters will not exceed the amount of any unspent administrative funds. Project funds will also be utilized for stipends to subsidize electricity and ancillary costs for residents participating in the residential air filtration pilot study.