

BOARD MEETING DATE: April 3, 2020

AGENDA NO. 8

PROPOSAL: Recognize Revenue, Amend Contract and Reimburse General Fund for Administrative Costs for Enhanced Fleet Modernization Program

SYNOPSIS: Since 2015, the South Coast AQMD has been implementing an Enhanced Fleet Modernization Program (EFMP), branded as Replace Your Ride. The program is administered with assistance from contractors providing case management and remote sensing technical support. For FY 2018-19, CARB has allocated \$1.4 million in AB 118 funds to the South Coast AQMD for the continued implementation of the EFMP. These actions are to: 1) recognize up to \$1.4 million from CARB; 2) approve vouchers and other alternative mobility options until all available funds are exhausted; 3) amend a contract with a consultant adding \$400,000 for continued program support; and 4) reimburse the General Fund for administrative costs necessary to implement the EFMP.

COMMITTEE: No Committee Review

RECOMMENDED ACTIONS:

1. Recognize, upon receipt, up to \$1.4 million from CARB (Grant #G18-EFMP-01) into the HEROS II Special Revenue Fund (56) for the EFMP Base Program;
2. Authorize the Executive Officer to approve vouchers and other alternative mobility options for the continued implementation of the EFMP base incentives until all funds are exhausted;
3. Authorize the Chairman to amend a contract with Opus Inspection Inc. in an amount not to exceed \$400,000 for continued support of the EFMP from the administrative portion of the HEROS II Special Revenue Fund (56); and
4. Reimburse the General Fund up to \$140,000 from the HEROS II Special Revenue Fund (56) as authorized by the grant agreement for administrative costs necessary to implement the EFMP. This item and item 3 above cumulatively do not exceed 10% of the grand award.

Wayne Nastri
Executive Officer

Background

In 2015, the South Coast AQMD implemented the Enhanced Fleet Modernization Program (EFMP), branded as Replace Your Ride, which is authorized by the AB 118 California Alternative and Renewable Fuel, Vehicle Technology, Clean Air, and Carbon Reduction Act of 2007 (Health and Safety Code Sections 44124-44127). The South Coast AQMD's Replace Your Ride Program is a vehicle retire and replacement program, which provides incentives to lower income motorists to scrap and replace their older, high-emitting vehicles with newer, cleaner models or utilize other clean transportation options.

Since its inception, the South Coast AQMD has provided \$48 million in EFMP funding for the replacement of over 6,200 older passenger vehicles with newer fuel-efficient conventional vehicles, hybrid electric vehicles, plug-in hybrid electric vehicles and zero emission vehicles. Approximately 93 percent of the vouchers have been issued to participants residing in disadvantaged communities, and 88 percent of the participants have been in the lowest poverty level. The EFMP is achieving the goal to replace the oldest and dirtiest light-duty passenger vehicles on the road. Replace Your Ride is administered with assistance from three contractors providing case management support and remote sensing technical support. The South Coast AQMD also maintains a website and has added additional case managers to address the growing number of participants with completing and submitting applications.

For FY 2018-19, CARB has allocated an additional \$1.4 million in AB 118 funds to South Coast AQMD for the continued implementation of the EFMP Base Program. This grant includes administrative funds up to 10% of the total grant award to implement the program.

Proposal

These actions are to recognize up to \$1.4 million from CARB for the EFMP Base Program into the HEROS II Special Revenue Fund (56) and authorize the Executive Officer to approve vouchers and other alternative mobility options for this program until all available funds are exhausted. The additional funding will enable the continuation of the EFMP Base Program while offering eligible participants alternatives in replacement vehicle technologies.

Funding for one of the three contractors assisting with implementation of Replace Your Ride is nearly fully expended. This action is to amend the contract with Opus Inspection adding up to \$400,000 from the administrative portion of the HEROS II Special Revenue Fund (56).

This action is to also reimburse the General Fund up to \$140,000 (up to 10% of the grant award) from the HEROS II Special Revenue Fund (56) as authorized by the grant agreement for administrative and outreach costs necessary to implement the program.

Benefits to South Coast AQMD

Replace Your Ride will continue to provide incentives to qualifying lower income vehicle owners including those residing in disadvantaged communities, thereby providing emissions reduction benefits to these communities and throughout the region.

Resource Impacts

CARB funding (Grant #G18-EFMP-01) up to \$1.4 million, upon receipt, for the FY 2018-19 EFMP Base Program will be recognized into the HEROS II Special Revenue Fund (56). Funding for the contract amendment with Opus Inspection will not exceed \$400,000, and there are sufficient funds available in the administrative portion of the FY 2018-19 EFMP Base and Plus-Up grants. The transfer of funds from the HEROS II Special Revenue Fund (56) to reimburse the General Fund for administrative costs will not exceed \$140,000.