

BOARD MEETING DATE: March 6, 2026

AGENDA NO. 3

TITLE: Amend Contracts and Add Funds to Contractor Contracts for Enhanced Fleet Modernization Program Implementation

SYNOPSIS: Since 2015, South Coast AQMD has been implementing the Enhanced Fleet Modernization Program, branded as Replace Your Ride. The program utilizes consultant support for participant application evaluation, outreach, and education. Consultants were selected through a competitive process by a panel of subject matter experts. Additional funding is needed for case management consultants as a result of a surge of applications received in late summer 2025 and while new case management consultant contracts are put into place through RFP 2026-05, which closed in December 2025. This action is to amend contracts with the Foundation for California Community Colleges, Center for Sustainable Energy, and Green Paradigm Consulting, Inc. to add a total of up to \$1,000,000 from HEROS II Special Revenue Fund to continue support of Replace Your Ride implementation.

COMMITTEE: Technology, February 20, 2026; Recommended for Approval

RECOMMENDED ACTION:

1. Amend contracts with Foundation for California Community Colleges, Green Paradigm Consulting, Inc., and Center for Sustainable Energy to continue support for Replace Your Ride (RZR) program implementation in a total amount up to \$1,000,000 from HEROS II Special Revenue Fund (56). Funds will be distributed proportionally to the number of successfully processed vouchers as stipulated in the consultants' contracts.

Wayne Natri
Executive Officer

Background

Since 2015, South Coast AQMD has been implementing the RYR, which provides incentives to lower-income motorists to scrap and replace their older, high-emitting vehicles with newer, cleaner hybrid or zero-emission models. The replacement vehicles include conventional hybrid, plug-in hybrid, and zero-emission vehicles. In lieu of a replacement vehicle, participants can select an e-Bike or an alternative mobility voucher which can be used for public transportation or car sharing.

Since its inception, RYR has provided over \$120,000,000 in funding and replaced over 14,000 older passenger vehicles with newer fuel-efficient or zero emission vehicles, providing 41 tons of NO_x and 2.2 tons of PM reductions annually. The scrapped vehicles have an average mileage of 180,113 and are approximately 23 years old. Approximately 88 percent of the vouchers were issued to participants who are in the lowest poverty level of 225% Federal Poverty Level (FPL). The remaining 12 percent met 300% and 400% FPL income tiers.

Implementation of the RYR requires substantial resources and is currently administered using staff and contractor assistance. In 2022, through a competitive bidding process the Board approved three contractor firms that provide case management and outreach support. The firms are paid a fixed dollar amount per successfully processed voucher. There was a significant surge in applications submitted in 2025 due to the sunsetting of the Federal Vehicle Tax Credit. Due to the high influx of RYR applications from people who sought to catch the federal tax credit, there are still hundreds of applications that remain to be processed by the contractors.

RYR program funds are disbursed incrementally after specific project milestones are met. This sporadic and restricted method of funds disbursement creates a challenge to adequately fund consultant contracts. The funds in the existing contracts are nearly depleted, and additional funding is needed for all three contractors to continue to support RYR implementation until new contractors from RFP# P2026-05, which closed on December 5, 2025, are selected and contracted. An amount of \$400,000 was approved by the Board in October 2025 to add to the existing contracts, but the amount was insufficient due to the surge in voucher volume. Further, though the selections from RFP # P2026-05 are expected to be contracted by February 2026, this funding request will cover the existing contractors' support until the end of the first quarter of 2026, as the invoices are paid quarterly.

Proposal

Staff recommends authorizing the Executive Officer to amend and add funds of up to \$1,000,000 total to the existing contracts with Foundation for California Community Colleges, Green Paradigm Consulting, Inc., and Center for Sustainable Energy while RFP# P2026-05 selection and contracting process is completed. Funds will be added proportionally to the number of successfully processed vouchers as stipulated in the

consultants' contracts. The payment amount will be dependent on the number of processed vouchers for the invoiced quarter.

Benefits to South Coast AQMD

RYR will continue to administer clean vehicle incentives to qualifying lower-income vehicle owners, including those residing in disadvantaged communities, with no interruption, thereby providing emissions reduction benefits to these communities and throughout the region.

Resource Impacts

CARB grants# G22-CC4A-01, G23-CC4A-01, and G23-EFMP's administrative fund in HEROS II Special Revenue Fund (56) will be used to cover program implementation. The execution and amendment of contractor support contracts will not exceed \$1,000,000.