



**SCOPE CHANGES SUBCOMMITTEE OF THE
TECHNICAL ADVISORY COMMITTEE OF THE MOBILE SOURCE
AIR POLLUTION REDUCTION REVIEW COMMITTEE**

AGENDA

Thursday, March 7, 2024 at 12:45 p.m.

A meeting of the MSRC-TAC Scope Changes Subcommittee will be held at 12:45 p.m. on Thursday, March 7, 2024 through a hybrid format of in-person attendance in Conference Room CC3-5 at the South Coast AQMD Headquarters, 21865 Copley Drive, Diamond Bar, California, and remote attendance via videoconferencing and by telephone. Please follow instructions below to attend the meeting remotely.

TELECONFERENCE LOCATION

Los Angeles County ISD
1100 N. Eastern Avenue
3rd Floor Conference Room
Los Angeles, CA 90063

Please refer to the MSRC's website, www.cleantransportationfunding.org, for information regarding the format of the meeting, updates if the meeting format is changed to full remote via webcast format, and details on how to participate.

ELECTRONIC PARTICIPATION INFORMATION AT BOTTOM OF AGENDA

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Audience will be allowed to provide public comment through telephone or Zoom connection during public comment periods

PUBLIC COMMENT WILL STILL BE TAKEN

*Members of the public may address this body concerning any agenda item before or during consideration of that item (Gov't Code Section 54954.3(a)). If you wish to comment on an agenda item or during the public comment period, please "raise your hand" on Zoom or dial *9 on your phone. All agendas for regular meetings are posted at District Headquarters, 21865 Copley Drive, Diamond Bar, California, at least 72 hours in advance of the regular meeting. Speakers may be limited to three (3) minutes each.*

Subcommittee Members

Joseph Alcock, representing Cities of Orange County
Jason Farin, representing Riverside County Board of Supervisors
Minh Le, representing County of Los Angeles
Kelly Lynn, representing San Bernardino County Transportation Authority
Jack Garate, representing Regional Rideshare Agency

CALL TO ORDER

- Roll Call

ACTION CALENDAR

1. Consider Modified Lighting and One-Year Term Extension by City of Fontana, Contract #ML16047 (\$500,000 – Enhance Existing Class I Bikeway) **Ravenstein**

This project would enhance the existing San Sevaine Class I Bikeway through the installation of lighting and chain link fencing and paving an access segment. The City indicates that with final design approval for the project, the estimated cost had increased dramatically, requiring the City to secure additional funding to meet the shortfall. They have done so, but the project has in consequence been further delayed. The City requests a one-year term extension. Additionally, a change in the lighting type is proposed to reduce the risk of vandalism. This contract was previously extended a total of five years. The MSRC Contracts Administrator recommends approval with the condition that this be the final extension.
2. Consider Nine-Month Term Extension by City of Carson, Contract #ML18057 (\$106,250 – Purchase 5 Light-Duty ZEVs and Install Charging Infrastructure) **Ravenstein**

The City requests an extension to August 31, 2027, approximately a nine-month term extension, due to longer than expected time for design and for selection of a construction contractor for the stations. This contract was previously extended a total of 41 months. The MSRC Contracts Administrator recommends approval with the condition that this be the final extension.
3. Consider 18-Month Term Extension by Southern California Association of Governments (SCAG), Contract #MS21005 (\$16,751,000 – Last Mile Freight Program) **Ravenstein**

SCAG requests an 18-month term extension due to various issues encountered by project participants including delay in delivery of vehicles from the manufacturers, longer than anticipated memorandum of understanding negotiation processes, and issues with product safety. This contract was previously extended a total of 18 months. The MSRC Contracts Administrator recommends approval.
4. Consider Reduced Scope and Value by City of Gardena (GTrans), Proposed Agreement #MS24007 (Awarded \$475,312 – Implement GTrans Microtransit Service) **Ravenstein**

The proposed agreement to effectuate the MSRC's award for Gtrans' microtransit service in the City of Gardena was under development, but not yet executed, when Gtrans notified MSRC staff of changes in the anticipated project scope. Customer feedback resulted in the paratransit fare being held consistent with their on-demand fare at \$0.75. Gtrans also encountered some difficulties in hiring drivers for the project. Therefore, Gtrans requests to reduce the proposed hours of operation on the weekends, eliminating Sunday service and moving back the Saturday start time from 8:00 a.m. to 10:00 a.m. Weekday hours would not change. In consideration of the reduced service hours, Gtrans proposes that the award amount for the operational costs be reduced proportionally, for a total reduction of \$51,178 and proposed agreement value of \$424,134. The MSRC Contracts Administrator recommends approval.

OTHER BUSINESS

**Any member of the Subcommittee, on his or her own initiative or in response to questions posed by the public, may ask a question for clarification, may make a brief announcement or report on his or her own activities, provide a reference to staff regarding factual information, request staff to report back at a subsequent meeting concerning any matter, or may take action to direct staff to place a matter of business on a future agenda. (Gov't Code Section 54954.2)*

PUBLIC COMMENT PERIOD - (Public Comment on Non-Agenda Items, Pursuant to Government Code Section 54954.3)

At the end of the regular meeting agenda, an opportunity is provided for the public to speak on any subject within the Subcommittee's authority that is not on the agenda. Speakers may be limited to three (3) minutes each.

ADJOURNMENT

Next Meeting: Date: Thursday, April 4, 2024, 12:45 p.m., location: South Coast AQMD Headquarters, Conference Room CC3-5

Americans with Disabilities Act and Language Accessibility

Disability and language-related accommodations can be requested to allow participation in the MSRC-TAC meeting. The agenda will be made available, upon request, in appropriate alternative formats to assist persons with a disability (Gov't Code Section 54954.2(a)). In addition, other documents may be requested in alternative formats and languages. Any disability or language-related accommodation must be requested as soon as practicable. Requests will be accommodated unless providing the accommodation would result in a fundamental alteration or undue burden to the District. Please contact Marjorie Eaton at (909) 396-3036 from 7:00 a.m. to 5:30 p.m., Tuesday through Friday, or send the request to meaton@aqmd.gov

Pursuant to SB 343

All documents (i) constituting non-exempt public records, (ii) relating to an item on an agenda for a regular meeting, and (iii) having been distributed to at least a majority of the Committee after the Agenda is posted, are available by contacting Marjorie Eaton at (909) 396-3036 or send the request to meaton@aqmd.gov

Contacts: Cynthia Ravenstein, MSRC Contracts Administrator – (909) 396-3269
Ray Gorski, MSRC Technical Advisor – (909) 396-2479
Marjorie Eaton, MSRC Administrative Liaison – (909) 396-3036

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INSTRUCTIONS FOR ELECTRONIC PARTICIPATION

Instructions for Participating in a Virtual Meeting as an Attendee

As an attendee, you will have the opportunity to virtually raise your hand and provide public comment.

Before joining the call, please silence your other communication devices such as your cell or desk phone. This will prevent any feedback or interruptions during the meeting.

Please note: During the meeting, all participants will be placed on mute by the host. You will not be able to mute or unmute your lines manually.

After each agenda item, the Chair will announce public comment.

A countdown timer may be displayed on the screen for each public comment.

If interpretation is needed, more time will be allotted.

Once you raise your hand to provide public comment, your name will be added to the speaker list. Your name will be called when it is your turn to comment. The host will then unmute your line.

Directions for Video ZOOM on a DESKTOP/LAPTOP:

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- This will signal to the host that you would like to provide a public comment and you will be added to the list.

Directions for Video Zoom on a SMARTPHONE:

- If you would like to make a public comment, please click on the “**Raise Hand**” button on the bottom of your screen.
- This will signal to the host that you would like to provide a public comment and you will be added to the list.

Directions for TELEPHONE line only:

- If you would like to make public comment, please **dial *9** on your keypad to signal that you would like to comment.

MSRC-TAC Scope Changes Subcommittee Agenda Item No. 1

DATE: March 7, 2024

FROM: Cynthia Ravenstein, MSRC Contracts Administrator

SUBJECT: Modified Lighting and One-Year Term Extension by City of Fontana, Contract #ML16047

SYNOPSIS: This project would enhance the existing San Sevaive Class I Bikeway through the installation of lighting and chain link fencing and paving an access segment. The City indicates that with final design approval for the project, the estimated cost had increased dramatically, requiring the City to secure additional funding to meet the shortfall. They have done so, but the project has in consequence been further delayed. The City requests a one-year term extension. Additionally, a change in the lighting type is proposed to reduce the risk of vandalism. This contract was previously extended a total of five years. This project is part of the FYs 2014-16 Local Government Match Program.

FINANCIAL IMPACT: None

RECOMMENDATIONS: The MSRC-TAC Scope Changes Subcommittee will review the request and their recommendations will be brought forward at the MSRC-TAC meeting. The MSRC Contracts Administrator recommends approval contingent on this being the final extension

ATTACHMENTS: Contractor's letter requesting extension

DISCUSSION:

Contractor: City of Fontana

Project Title: Enhance Existing Class 1 Bikeway

MSRC Funding: \$500,000

Project Term: January 6, 2017 to August 5, 2024

Current Request: Modified lighting and one-year term extension

Previous Requests: Two-year term extension; two-year term extension; one-year term extension

Project Description: The City was awarded \$500,000 under the MSRC's FYs 2014-16 Local Government Match Program to help enhance the existing San Sevaive Class I Bikeway by paving an access segment, installing lights and installing fencing. A construction contract has been executed; nothing has been paid to date on this contract.

Previous Requests: The project was originally expected to proceed through Caltrans' conventional encroachment permit process. It transpired that the project cost within the Caltrans right of way exceeded the encroachment permit threshold and the project needed to go through a Caltrans oversight process, adding at least one year to the project schedule. Additionally, two of the primary staff for the project left City employ, requiring new staff to be assigned and come up to speed. Finally, during the geotechnical boring work, the crew accidentally hit a private water line. This had to be repaired, and the liability resolved, resulting in additional months of delay. The City requested, and the MSRC approved, a two-year contract term extension.

Later, the City reported that they were able to reach a critical milestone with a conditional approval of the Wall Type Selection Report with Caltrans. However, the City also was informed of the need to perform additional borings along Interstate 15. They needed to establish acceptable locations to perform the borings and an encroachment permit from Caltrans. Given this additional work and delay, the City requested, and the MSRC approved, a one-year term extension.

Subsequently, the City indicated that the project has been further delayed due to the need for extensive coordination with other agencies having jurisdiction, including Caltrans, San Bernardino County Flood Control District, and the City of Rancho Cucamonga. Additionally, the City had needed to go through the courts to acquire the necessary right of way from a property owner. In order to allow sufficient time for completion of construction, they requested a two-year term extension. The MSRC Contracts Administrator denied the City's request. The City requested MSRC review of this denial, and the MSRC granted the City's request.

Contract Request: The City indicates that with final design approval for the project, the estimated cost had increased dramatically. Since the application for the MSRC's Local Government Match Program was submitted in 2015, the total project cost has increased from \$1,000,000 to over \$13,000,000, requiring the City to secure additional funding to meet the shortfall. They have done so, but the project has in consequence been further delayed. The City requests a one-year term extension. Since construction is expected to complete in December 2024, this schedule has some flex for unforeseen delays.

Additionally, a change in the lighting type is proposed to reduce the risk of vandalism. Contract #ML16047 specifies the installation of at least 330 solar-powered bollard-style lights along the trail. The City instead proposes to install 78 solar-powered lights mounted on 16-foot poles. Since these lights would be installed higher up, a smaller number would suffice to illuminate the trail, and they are less prone to vandalism.

Recommendations: The MSRC-TAC Scope Changes Subcommittee will review the request and their recommendations will be brought forward at the MSRC-TAC meeting. The MSRC Contracts Administrator recommends approval, contingent on this being the final extension.



City Council

Acquanetta Warren
Mayor

Peter A. Garcia
Mayor Pro Tem

John B. Roberts
Council Member

Jesus "Jesse" Sandoval
Council Member

Phillip W. Cothran
Council Member

February 13, 2024

Matt Mackenzie
MSRC Contracts Administrator
21865 Copley Drive
Diamond Bar, CA 91765

**SUBJECT: MSRC Contract No. ML16047 San Sevaine Trail, Segment 2
Request for Time Extension**

Dear Mr. Mackenzie,

The City of Fontana is requesting an 12-month time extension for the San Sevaine Trail, Segment 2 Project (Contract Number ML16047). The term date for the contract is August 5, 2024. In order to meet this deadline, construction will need to be completed by June 30, 2024 to file all required closure paperwork.

After extensive design coordination with Caltrans, San Bernardino County Flood Control District (SBCFCD) and the City of Rancho Cucamonga and with additional grant funding secured from the Department of Parks and Recreation and San Bernardino County Transportation Authority, the project was advertised for bids in October 2023, awarded in December 2023 and will be ready to begin construction in April or May of this Year.

With the final design approval of the project from all stakeholder agencies this past summer, the engineer's estimate increased significantly necessitating additional funding for the project. Additional funds from the Carbon Reduction Program (CRP) were secured in Fall prior to going out to Bid. Unfortunately, even with the additional funds, the lowest bid received was nearly \$ 4 Million over the engineer's estimate. Additional Recreational Trails Program (RTP) Grant funds and CRP Funds have been secured to close the funding shortfall. Since the application for the MSRC Grant was submitted in 2015, the total project cost has increased from \$1,000,000 to over \$13,000,000.

Now that full project funding has been secured and a construction contract has been executed, we are optimistic that our efforts over the last several years will deliver the project to the community by the end of calendar year 2024 barring any unforeseen circumstances during construction. An 12-month extension is being requested to account for any unforeseen delays that may occur during construction

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given the complexity of the project and the various agencies that must sign off on the final construction acceptance.

The following schedule is the latest with the recent delay factored in:

- Bid Opening – October 2023
- Agency Award of Construction Contract – December 2023
- Contract Execution – January 2024
- Begin Construction Phase – March/April 2024
- Complete Construction – December 2024 (Barring unforeseen delays)
- Construction Acceptance by all agencies – March 2025

With construction acceptance projected for early 2025, this will allow for the necessary time to file all required completion forms by August 5, 2025.

While the complexities of the project have resulted in a longer delivery time, it is an important project that will greatly enhance non-motorized access to the regional trail network, schools, and other points of interest. Many within the community are anxiously awaiting the delivery of the project. After considerable effort, and an investment to date over \$1,307,000, the project finish line is in view. Denial of this request will create a funding shortfall, jeopardizing project delivery at this critical phase of the project.

Lastly, in addition to the request for a time extension, a change in scope is included in this request with respect to the type of lighting that will be used in the project. The original application submitted proposed solar bollard type lighting not more than 36" tall. This lighting was not endorsed by maintenance staff that would be responsible for the ongoing maintenance of the trail as the lighting would be subject to vandalism. As a result, the lighting was changed to a pole mounted light more than 10' tall to reduce the risk of vandalism. The lights remain solar powered. Your consideration and approval of this change in lighting type is requested along with the time extension request.

The City appreciates your consideration and partnership on this regionally significant project.

ML16047 Request for Time Extension
February 13, 2024
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If you have any questions, please contact Kimberly M. Young, Senior Civil Engineer at 909-350-7632 or via email at kyoung@fontanaca.gov.

Sincerely,
DEPARTMENT OF ENGINEERING



Gia Lam Kim
Director of Engineering/City Engineer

CC: Jeff Kim, Engineering Manager
Kimberly Young, Senior Civil Engineer
Tatyana Clark, Senior Accountant



MSRC-TAC Scope Changes Subcommittee Agenda Item No. 2

DATE: March 7, 2024

FROM: Cynthia Ravenstein, MSRC Contracts Administrator

SUBJECT: Nine-Month Term Extension by City of Carson, Contract #ML18057

SYNOPSIS: The City of Carson requests a nine-month term extension due to longer than expected time for design and for selection of a construction contractor for the stations. This contract was previously extended a total of 41 months. This project is part of the FYs 2016-18 Local Government Partnership Program.

FINANCIAL IMPACT: None

RECOMMENDATIONS: The MSRC-TAC Scope Changes Subcommittee will review the request and their recommendations will be brought forward at the MSRC-TAC meeting. The MSRC Contracts Administrator recommends approval contingent on this being the final extension

ATTACHMENTS: Contractor's letter requesting extension

DISCUSSION:

Contractor: City of Carson

Project Title: Install EV Charging Infrastructure

MSRC Funding: \$106,250

Project Term: October 5, 2018 to July 4, 2023

Current Request: 9-month term extension

Previous Requests: 38-month term extension

Project Description: The MSRC awarded the City \$106,250 to procure five light-duty zero emission vehicles and to install EV charging stations. All vehicles have been placed into service and \$50,000 has been paid to date on this contract.

Previous Request: The City indicated that the work associated with the EV charging stations was delayed due to issues arising from the COVID-19 pandemic, staffing turnover, and changes in management and priorities. The City requested a 38-month term extension to allow time to complete the installations and fulfill the three-year operational requirement. The request was reviewed by the MSRC's Contracts Administrator, and the Contracts Administrator denied the City's request because it fell into the following category: the request is for three years or more. The City requested MSRC review of this denial. When the MSRC considered the City's request, the MSRC noted that the City's letter included conflicting information as to when the stations'

installation would be complete. In an effort to accommodate the lengthier scenario, but not to make the contract term longer than necessary, the MSRC approved a modification in which the contract will terminate three years from the commencement of operation of the charging stations, but in no event later than December 15, 2026.

Contract Request: The City now indicates that the time required to procure a design consultant, the plan check approval process, and the time required to advertise and award a construction contract took longer than anticipated. The City awarded a construction contract in January and estimates that construction will begin in March, completing by August 2024. They request a nine-month term extension.

Recommendations: The MSRC-TAC Scope Changes Subcommittee will review the request and their recommendations will be brought forward at the MSRC-TAC meeting. The MSRC Contracts Administrator recommends approval, contingent on this being the final extension.



CITY OF CARSON

January 18, 2024

Cynthia Ravenstein
Contracts Administrator
MSRC
21865 Copley Drive
Diamond Bar, CA 91765-4178

Re: MSRC Contract No. ML 18057 – Extension Request

Dear Ms. Ravenstein:

As required in the “contract extension request requirements”, the following information is provided 1. Length of extension requested 2. New project schedule 3. Project completion status 4. Reasons for delay and 5. Consequences of denial.

The contract had two major components, one was to procure five on-road, light-duty zero emission vehicles and the second was to install three, level II, electric vehicle (EV) charging stations. The city met its obligation for the purchase of five zero-emission vehicles and submitted the reimbursement requests accordingly. The level II charging installation, however, has not been completed and the city is seeking additional time to complete this portion of the work. A contract amendment was executed on April 5, 2023 where the term of the contract was extended to December 16, 2026.

Contract extensions requests requirements:

1. The City is requesting an extension to August 31, 2027. The installation of the three, level II, EV charging stations would be complete by August 2024, however, the three-year operation and reporting requirement would be complete by August 2027.
2. The new project schedule will be as follows:

Task	Due Date
Research and select a make/model of EV charging station	Complete
Hire a consultant to prepare the plans	Complete
Complete engineering and electrical plans	Complete (July 2023)
Hire a contractor / Award a Construction Contract	Complete (January 2024)

Installation of EV charging stations	March – August 2024
Submit reimbursement request	August 2024
3-year Operation Requirement Period and Close-out	August 2024 – August 2027

- The city completed the work associated with the purchase of five zero-emission vehicles, received reimbursement, and promoted the MSRC’s co-funding. The level II charging installations are still in progress and the city has not requested reimbursement for this portion of the work.

Procurement Categories	Discretionary funds payable under this contract	Discretionary funds received by the City	Status
On-road light-duty zero-emission vehicles	\$50,000	\$50,000	Complete
EV charging stations	\$56,250	\$0	Awarded Construction Contract

- Reasons for delay include procuring a design consultant, the plan check approval process, and the time required to advertise and award a construction contract. The City of Carson secured an on-call consultant on April 25,2023 for the design of the new EV charging stations. The design plans for the EV charging stations were approved by the City’s building and safety plan check department on July 28,2023. The City advertised the EV charging station project from October 12,2023 to November 13,2023. The City of Carson awarded a construction contract during the January 9,2024 City Council Meeting. The City estimates to start construction of the EV charging stations in March 2024 and complete construction by August 2024.
- Denial of extension request may lead the City to put a hold or terminate the project.

The City of Carson expects to complete the installation of three, level II, chargers on or before August 2024. The City appreciates your consideration of this contract extension request, and we look forward to implementing the balance of the work.

If you have any questions or comments, please contact Victor Lopez via email at vlopez@carsonca.gov or by phone at 310.952.1700 ext. 1811

Sincerely,

Victor Lopez
Associate Civil Engineer

MSRC-TAC Scope Changes Subcommittee Agenda Item No. 3

DATE: March 7, 2024

FROM: Cynthia Ravenstein, MSRC Contracts Administrator

SUBJECT: 18-Month Term Extension by Southern California Association of Governments (SCAG), Contract #MS21005

SYNOPSIS: SCAG requests an 18-month term extension due to various issues encountered by project participants including delay in delivery of vehicles from the manufacturers, longer than anticipated memorandum of understanding (MOU) negotiation processes, and issues with product safety. This contract was previously extended a total of 18 months. This contract is part of the FYs 2018-21 Regional Goods Movement Program.

FINANCIAL IMPACT: None

RECOMMENDATIONS: The MSRC Contracts Administrator recommends approval

ATTACHMENTS: Contractor's letter requesting modifications

DISCUSSION:

Contractor: Southern California Association of Governments

Project Title: Last Mile Freight Program

MSRC Funding: \$16,751,000

Project Term: May 5, 2021 to July 31, 2025

Current Request: 18-month term extension

Previous Requests: Allow modification of MOUs with project participants to allow reimbursement for payments made prior to MOU execution; modified project list, reallocate funding between projects and modify scope; contract value increase and 18-month term extension; modified project list and reallocate funding between projects; combine consideration of \$70,000 with \$1,115,976 for reallocation; modified project list and reallocate funding between projects

Project Description: The Last Mile component of the MSRC's Regional Goods Movement Program focuses on reducing emissions from transportation of goods following departure from distribution centers. In August 2020, the MSRC approved a sole-source contract award to SCAG in an amount not to exceed \$10,000,000 to implement the Last Mile Freight Program (LMFP) on behalf of the MSRC. Contract #MS21005 was executed to effectuate the award, and in November 2021, the MSRC approved SCAG's proposed project list awarding the original \$10,000,000 to 26 projects across the region. Subsequently, the MSRC approved the allocation

of additional funding and the addition of six projects from SCAG's contingency list (one of which provided additional funding to bring one of the original projects to its full requested amount). Eight projects have now withdrawn, resulting in a total project count of 23. \$62,085.88 has been paid to date on this contract.

Previous Requests: In November 2021, the MSRC provided guidance to SCAG staff to work with MSRC staff and the TAC Last Mile Subcommittee to revisit the contingency list projects. The TAC Last Mile Subcommittee and the TAC reviewed SCAG's proposed funding strategy and recommended approval of a \$6,751,000 contract value increase to Contract #MS21005 to support six additional zero emission LMFP projects which would also meet the Program's geographic and small-sized business guidelines. Additionally, SCAG indicated that supply chain constraints were impacting vehicle and equipment procurement schedules. SCAG requested an 18-month contract term extension to allow Project Participants adequate procurement time. The MSRC approved the additional project funding and extension at their January 2022 meeting.

Contract #MS21005 provides that if a Project Participant withdraws, SCAG may request the MSRC to approve a reallocation of the funds assigned to that project to increase the scope of another project on the approved list or to fund another project on SCAG's contingency list. In September 2022, SCAG indicated that three of the previously approved projects, which had a total incentive funding allocation of \$2,231,952, had withdrawn. SCAG determined that Project Participants Sysco Corporation and Zeem Solutions would be willing to accept additional funds and increase the scope of their projects accordingly. SCAG requested the MSRC to divide the \$2,431,952 equally between Sysco and Zeem. If the reallocation were approved, Sysco would increase the scope of their project from 9 vehicles and 9 chargers to 17 vehicles and 17 chargers. Zeem Solutions would increase their project scope from 42 vehicles and 1 mobile power station through the addition of 66 chargers. These would be deployed at Zeem's Santa Ana depot, increasing the geographic scope of the project into Orange County.

At their October 2022 meeting, the MSRC-TAC considered SCAG's request and recommended approval. A few days prior to the October 2022 MSRC meeting, Zeem Solutions notified SCAG that their Santa Ana infrastructure capacity study revealed the proposed site for domiciling infrastructure did not at that time have the power capacity necessary to house the 66 proposed chargers. In light of this new information, the MSRC approved the reallocation of \$1,115,976 to Sysco as well as reserving \$1,115,976 without immediate assignment to a specific project, contingent upon receipt of an additional reallocation request from SCAG no later than February 17, 2023.

SCAG notified MSRC that around the time of the MSRC's determination in October 2022, they were notified by an additional Project Participant that they were withdrawing from the program. This project, with a small business owner-operator, had been awarded \$70,000 and was expected to deliver one natural gas truck to be domiciled in Los Angeles County. In early December 2022, SCAG formally requested that this \$70,000 be combined with the \$1,115,976 previously reserved by the MSRC, allowing them to bring forward a request for a full reallocation of \$1,185,976. This request was processed administratively.

In January 2023, after thorough review, SCAG proposed that the \$1,185,976 then available be reallocated to Zeem Solutions. As noted at the October 2022 MSRC meeting, Zeem's targeted Santa Ana site was determined not currently to possess sufficient power capacity for 66 chargers. However, Zeem had confirmed that their feasibility assessments showed that this same site location could still be considered through a phased approach. Zeem would initially install 10 Level II chargers and 12 Level III chargers, as well as adding 30 medium-duty zero emission vehicles to be domiciled at this Santa Ana location. The MSRC approved SCAG's request.

In April 2023, SCAG notified MSRC staff that another independent owner-operator, with \$70,000 awarded, had withdrawn. SCAG staff determined that Sysco offered the greatest reallocation benefits. If awarded the additional \$70,000, Sysco would install an additional electric vehicle charger under the program, increasing their total from 17 to 18. SCAG also requested for WattEV to substitute Nikola TRE BEV trucks for some of the Volvo trucks they had originally specified. By so doing, they believe they can meet their existing time commitments under the Last Mile Freight Program. The MSRC approved SCAG's request.

In August 2023, SCAG requested the MSRC to approve modification of the MOU with project participants to allow reimbursement for expenditures made prior to execution of the MOU. The MSRC approved SCAG's request.

Current Request: SCAG indicates that they have experienced delays associated with multiple projects under LMFP. The most pressing issue relates to Project Participant PepsiCo/New Bern Corporation. New Bern has encountered significant delays in the procurement of their Tesla tractors. They now expect these vehicles to be delivered mid-year 2025. Other projects are now technically still able to meet timelines, but any further holdups will cause them to be unable to meet the contract schedule. This includes Quality Custom Distribution, which has a complex arrangement for the ownership of the project's microgrid and chargers which extended their MOU negotiation process, and WattEV, which encountered a manufacturer recall with the first trucks delivered to them.

Additionally, both the Zeem Solutions and Gonzalez Logistics Incorporated (GLI) projects have encountered challenges for which SCAG anticipates bringing forward modification requests in the near future, but which will also be challenged by the current contract schedule. Lastly, three owner-operator projects have withdrawn. It is anticipated that SCAG will soon be submitting a request to reallocate funds from these projects.

At this time, SCAG's request is solely for an 18-month term extension. They have indicated that their rationale for bringing this request forward now, rather than waiting to bring all the anticipated requests at one time, is to be sensitive to the MSRC's preference to receive information regarding contract extensions as soon as possible. Furthermore, if an approval is granted, it will help them to continue managing implementation and working with the Project Participants.

Recommendations: The MSRC-TAC Scope Changes Subcommittee will consider the request, and their recommendations will be brought forward at the MSRC-TAC meeting. The MSRC Contracts Administrator recommends approval.



SOUTHERN CALIFORNIA
ASSOCIATION OF GOVERNMENTS
900 Wilshire Blvd., Ste. 1700
Los Angeles, CA 90017
T: (213) 236-1800
www.scag.ca.gov

February 14, 2024

Cynthia Ravenstein
Mobile Source Air Pollution Reduction Review Committee
21865 Copley Dr.
Diamond Bar, CA 91765

Subject: MSRC Scope Change Subcommittee Contract Extension Request:
SCAG Last Mile Freight Program (LMFP)

Dear Ms. Ravenstein:

This letter is being submitted as part of SCAG's request to extend the Last Mile Freight Program contract (MS21005) by an additional 18 months, moving the termination date from July 31, 2025 to January 31, 2027.

This request is being made due to delays experienced by multiple projects within the LMFP. In the most extreme cases, these delays have pushed completion timelines beyond the December 2024 project implementation deadline and July 2025 contract end date. In less extreme cases, projects comply with the current program schedule but are at greater risk of failure should they experience further disruption. The reasons for delay are outside the control of SCAG and even somewhat outside of the control of the project companies. Denial of this extension would negatively impact years of work between SCAG and the MSRC and public-private partnership project relationships. By approving the contract extension request, the MSRC will allow SCAG/awardees to proceed through the implementation and reporting processes for all project component needs while increasing the program's resilience to future disruptions.

Table 1 shows a revised program schedule with updated increments of progress that reflect the requested 18-month extension:

Table 1 – Revised Program Schedule

Task and MSRC Action	Completion
Task I – Development of Program Guidelines and Issuance of Call-for-Projects	May 2021
Task II – Screening and Selection of Projects including MSRC Approval of Final Project Selection	January 2022
Task III – Project Implementation	December 2024 June 2026
Task IV – Evaluation and Interim/Final Report	Regular Updates; Interim Report – September 2024 March 2026 Final Report March 2025 September 2026

Discussion

The program has awarded \$16,751,000 to projects focused on the commercial deployment of zero-emission or near-zero emission (ZE/NZE) heavy and/or medium duty on road trucks (including ZE/NZE equipment and supporting infrastructure). SCAG has completed both Task 1 and Task 2 as outlined in the LMFP contract and is actively engaged in implementation (Task 3) and evaluation/reporting (Task 4). To date, 21 of 23 awardees have entered MOUs with SCAG and are in various stages of implementation. Two (2) of those awardees have completed their full operational and reporting requirements and are in process for reimbursement of their awards, with one already having received partial reimbursement.

SCAG has developed vested relationships through partnering with companies and the agency has spent three years of resources across Planning, Finance, and Legal departments to develop the program and to manage the implementation of these projects. As of February 2024, SCAG has spent over \$200 thousand in salary, fringe, and indirect costs for employees working on the Last Mile Freight Program Overall Work Program (OWP) task number. This figure does not include the additional time and resources spent by supporting departments including Legal and Finance due to separate OWP task numbers. It is estimated that these departments have spent roughly one-quarter of the hours equating to the over \$200 thousand in salary, fringe, and indirect costs for planning staff.

Projects have experienced delays in their project timelines due to a myriad of issues, including interruptions to site acquisition, permitting, and construction, vehicle and infrastructure delivery postponement, and equipment recalls by manufacturers. Extending the contract would allow these projects more time for completion and lower the risk of failure to comply with the existing period of completion. Projects that would benefit from an extended program timeline include:

PepsiCo/New Bern Corporation | \$1.19M Award / \$2.46M Match | 10 Vehicles

New Bern Corporation has experienced significant delays in the procurement of their Tesla tractors. They have assured SCAG that they are being given priority by Tesla to receive these vehicles before other customers, but even with priority they will not be able to start operating these vehicles in time to meet current program deadlines. SCAG was first notified of Tesla's delivery delays in July 2023 and the New Bern team has been updating SCAG on this issue on a quarterly cycle. Per their latest report, the New Bern team expects these vehicles to be delivered mid-year 2025. An extension of the implementation deadline by 18 months, from December 2025 to June 2026, will provide adequate time to bring all vehicles into service, complete the 6-month operations and data reporting requirement, and complete the Final report before closing out the project. This also provides some additional time should the project timeline be impacted by other disruptions in the future.

Quality Custom Distribution | \$4.18M Award / \$16.4M Match | 30 Vehicles, 18 Chargers

QCD's MOU negotiation process took longer than originally anticipated due to discussions related to third-party equipment being acquired for this project. Specifically, the project's microgrid and chargers are owned and operated by vendors, InCharge Solutions and Scale Microgrids. During the MOU negotiation process, construction and commissioning timelines were pushed back to account for complexity in this arrangement, with project implementation now projected to be completed near the deadline of December 2024. While timeline still fits the current contract schedule, an extension would provide the project with flexibility in case of additional delays.

WattEV | \$2.96M Award / \$12.61M Match | 20 Vehicles, 18 Chargers

WattEV has experienced delays in the completion of their Gardena and San Bernardino depot sites as well as their vehicle delivery timeline. For their infrastructure locations, complications have come up with the utility being unable to supply the site with power within WattEV's original schedule. For the vehicles, complications are linked to OEM delivery delays and issues with product safety. Specifically, SCAG was notified in October 2023 that WattEV had to send their Nikola trucks back to the manufacturer following a recall by Nikola. While WattEV continues to work with both Nikola and Volvo to ensure their 20 order vehicles is fulfilled in time to comply with LMFP's operational and reporting requirements, there is no denying that these developments put pressure on those timelines.

Other Projects | \$3.57M Award / \$41.9M Match | 122 Vehicles, 73 Chargers

Both Zeem Solutions and Gonzalez Logistics Incorporated (GLI) have encountered challenges impacting their project completion timelines. In the case of Zeem Solutions, lease negotiations between Zeem Solutions and the landlord at their Santa Ana project halted as the parties couldn't negotiate a financially and operationally viable lease agreement. Unfortunately, this setback was compounded by problems finding a suitable replacement property in Orange County. After months spent searching for a new Orange County location, in December 2024, Zeem indicated they would request an amendment to their project scope by replacing the proposed Orange County depot concept with a project site in Long Beach. SCAG is working with Zeem now to structure a proposal and recommendation for this scope change.

Similarly, GLI was forced by their landlord to find a new location to house their vehicles and chargers shortly after being awarded by the LMFP. After nearly two years of searching for another project site, funds awarded to GLI from CARB and CEC's Zero-Emission Drayage Truck & Infrastructure Pilot Project were canceled by CEC and CARB. SCAG was notified by CARB in October 2023 that they would be canceling this award due to shortfalls with GLI's project. With these withdrawn funds totaling over \$12.5 million, GLI's 50 vehicle and 50 charger procurement has been put on hold until the company can secure replacement funds from other funding sources. SCAG is working with GLI to determine the most optimal accelerated path forward and will develop the appropriate proposal and recommendation.

Based on these issues, each company's ability to finish their projects within the current period of completion is at risk and both have been precluded from completing their MOUs.

Recommendation

SCAG recommends extending the contract by 18 months to allow these projects more time for completion and increasing the program's resilience to future disruptions. Should this extension be denied, it may result in projects reaching the end of the eligible window with components of their project still incomplete. In-turn, these projects would be ineligible to receive their full LMFP award, and in most cases no award at all. This may further require delays and the need for projects to seek different funds or in a worst case, be incapable of completing all elements of the project towards commercial deployment.

Sincerely,

Scott Strelecki

Digitally signed by Scott Strelecki
DN: cn=Scott Strelecki, o=SCAG,
ou=Goods Movement Business Unit,
email=strelecki@scag.ca.gov, c=US
Date: 2024.02.14 12:52:30 -0800

Scott Strelecki
Program Manager – Goods Movement

MSRC-TAC Scope Changes Subcommittee Agenda Item No. 4

DATE: March 7, 2024

FROM: Cynthia Ravenstein, MSRC Contracts Administrator

SUBJECT: Reduced Scope and Value by City of Gardena (GTrans), Proposed Agreement #MS24007

SYNOPSIS: The proposed agreement to effectuate the MSRC’s award for Gtrans’ microtransit service in the City of Gardena was under development when Gtrans notified MSRC staff of changes in the anticipated project scope. Customer feedback regarding their proposed paratransit fare has resulted in the fare being held consistent with their on-demand fare at \$0.75. Gtrans also encountered some difficulties in hiring drivers for the project. Therefore, Gtrans requests to reduce the proposed hours of operation on the weekends, eliminating Sunday service and moving back the Saturday start time from 8:00 a.m. to 10:00 a.m. Weekday hours would not change. In consideration of the reduced service hours, Gtrans proposes that the award amount for the operational costs be reduced proportionally, for a total reduction of \$51,178 and revised proposed agreement value of \$424,134. This project is part of the FYs 2021-24 Microtransit Program.

FINANCIAL IMPACT: \$51,178 would revert to the AB 2766 Discretionary Fund

RECOMMENDATIONS: The MSRC-TAC Scope Changes Subcommittee will review the request and their recommendations will be brought forward at the MSRC-TAC meeting. The MSRC Contracts Administrator recommends approval.

ATTACHMENTS: Contractor’s request letter

DISCUSSION:

Contractor: City of Gardena

Project Title: Implement GTrans Microtransit Service

MSRC Funding: \$475,312

Project Term: Execution to August 2025 (proposed)

Current Request: Reduced operating hours and \$51,178 value reduction

Previous Requests: None

Project Description: The MSRC awarded GTrans \$475,312 to provide micro-transit services within an approximately 20 square mile area of Gardena, California. A proposed agreement to effectuate the award was under development, but not yet executed. Nothing has been paid to date.

Contract Request: Gtrans notified MSRC staff of changes in the anticipated project scope. Gtrans had originally anticipated setting their fares for the paratransit service at \$1.50, compared to a \$0.75 fare for their on-demand service. Customer feedback resulted in the paratransit fare being held at \$0.75. Gtrans has committed to providing the same level of match funding as proposed in their original application, despite the lower paratransit fare they will recoup.

Gtrans also encountered some difficulties in hiring drivers for the project. Therefore, Gtrans requests to reduce the proposed hours of operation on the weekends, eliminating Sunday service and moving back the Saturday start time from 8:00 a.m. to 10:00 a.m. Weekday hours would not change. In consideration of the reduced service hours, from 88 to 77 per week, Gtrans proposes that the award amount for the operational costs be reduced proportionally, for a total reduction of \$51,178 and proposed agreement value of \$424,134. The \$65,886 awarded towards outreach and marketing would not be changed as the reduction in service hours does not impact the outreach to be performed.

Recommendations: The MSRC-TAC Scope Changes Subcommittee will review the request and their recommendations will be brought forward at the MSRC-TAC meeting. The MSRC Contracts Administrator recommends approval.



February 14, 2024

Ms. Cynthia Ravenstein
MSRC Contracts Administrator
Mobile Source Air Pollution Reduction Committee
21865 Copley Drive
Diamond Bar, CA 91765

RE: Modification to Funding Award for Microtransit Service

Dear Ms. Ravenstein,

We appreciate the Committee's award of funds to our Microtransit project. We are excited to launch the service and want to ensure we have the most accurate information for the contract with MSRC so that we can obtain our City Council approval at our earliest opportunity. To further that effort, we wanted to provide an update as to two items that have been modified from the original application. There are two modifications, one of which may require a reduction in the total project cost, and thus our requested grant amount.

When we submitted the initial proposal in March 2023, we were in the beginning stages of development for our Microtransit program. At that time, we provided our initial design of the service based on the information we had at the time. As we are nearing the launch of the service, we have had to make some adjustments to our original plan and thus presented these to our Council for approval in December 2023. The adjustments were made based on GTrans' difficulty hiring drivers for the program, and feedback from customers on the proposed fares.

Fares

We initially proposed in the grant application that our fares for the paratransit portion of our customers would be \$1.50, which is higher than the current fare of \$0.75. The feedback from our customers was that the cost increase was too great. As a result, we opted to keep the fare at \$0.75. Fare revenue was used in the application as part of GTrans' local match to the overall project. The impact is calculated at a loss of \$5,250 in projected fare revenue. GTrans commits to providing the same level of match funding as proposed in the original grant application, despite the lower paratransit fare we will recoup.

Service Hours

As we have been working to hire drivers for this service, we have not had the turnout and follow-through we anticipated. Because of that, we do not have enough drivers to operate the service as originally planned and noted in the grant application.



As approved by our City Council in December 2023, we will reduce the original scope to provide service during the weekdays, and only on Saturdays, instead of both Saturday and Sunday as we proposed. Also, we will reduce the hours of operation by one hour during the week, also based on manpower. The changes are noted below.

Original Grant Proposal

Service Type	Mon-Fri	Sat/Sun
Paratransit	7 AM – 9 PM	8 AM – 5 PM
On-Demand	6 AM – 9 PM	8 AM – 9 PM

Revised Planned Deployment

Service Type	Mon-Fri	Sat Only
Paratransit	7 AM – 9 PM	10 AM – 5 PM
On-Demand	7 AM – 9 PM	10 AM – 5 PM

As a result of these changes and based on our recalculation of the new weekly service days and hours, we believe there should be a reduction of 11 hours per week or 12.5 percent, in Task III Operate Service line item. The 12.5 percent amounts to an overall reduction of \$154,847 in the total Task III cost, with a corresponding reduction in the grant funding (\$51,178) and GTrans co-funding (\$103,669). Please see the table below:

Task III – Operate Service	Original	Revised	Difference
AB 2766 Discretionary Funds	\$409,426	\$358,248	(\$51,178)
GTrans-Co Funding	\$829,352	\$725,683	(\$103,669)
Total Task III:	\$1,238,778	\$1,083,931	(\$154,847)

On the following page, we have provided a revised cost breakdown for inclusion in the agreement, which reflects the revised totals for all tasks.

MSRC Micro Grant - GTrans			
10/1/2023: NEW (Removal of Sunday Service)			
GTrans Microtransit Cost Element	Maximum AB 2766 Discretionary Funds payable under this Agreement	RECIPIENT and partners' Co-Funding	Total Project Cost
Vehicle procurement & capital improvements	\$0	\$323,002	\$323,002
Task I: GTrans Microtransit Service Planning	\$0	\$107,532	\$107,532
Task II: Conduct Outreach and Marketing	\$65,886	\$131,771	\$197,657
Task III: Operate Service - Note GTrans' portion includes fares	\$358,248	\$725,683	\$1,083,931
Task IV: Develop and Initiate Plan for Future Operation	\$0	\$11,948	\$11,948
Task V: Monitoring, Documentation and Reporting	\$0	\$16,056	\$16,056
Original Grant Award Totals: Vehicle/Capital, and Tasks II and III	\$424,134	\$1,180,456	\$1,604,590
Total Project Costs	\$454,134	\$1,315,992	\$1,740,126
RECIPIENT and partners' co-funding contributions for vehicles, capital improvements, and Tasks I, IV and V are not required to be documented provided that other co-funding sources are equal to or greater than \$857,454 (Tasks II and III)			

We appreciate your consideration of this revision and look forward to working together with MSRC to bring this project to fruition. Please don't hesitate to contact me at (310) 965-8811 or dpynn@gardenabus.com with any questions you may have.

Sincerely,



Dana E. Pynn

Assistant Director of Transportation