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

AGENDA
Thursday, October 6, 2022 at 12:45 p.m.

Pursuant to Assembly Bill 361, the Scope Changes Subcommittee meeting will only be conducted via video conferencing and by telephone. Please follow the instructions below to join the meeting remotely.

INSTRUCTIONS FOR ELECTRONIC PARTICIPATION AT BOTTOM OF AGENDA

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Zoom Webinar ID: 955 1467 1868 (applies to all)

Teleconference Dial In
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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

Subcommittee Members
Jason Farin, representing Riverside County Board of Supervisors
Minh Le, representing County of Los Angeles
Kelly Lynn, representing San Bernardino County Transportation Authority
Tim Olson, Air Pollution Control Expert
Derek Winters, representing California Air Resources Board

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.
CALL TO ORDER

• Roll Call

ACTION CALENDAR

1. **Consider 18-Month No-Cost Term Extension by City of Glendale, Contract #ML18059 ($260,500 - Install Electric Vehicle Charging Infrastructure)**

   The City of Glendale requests a six-month term extension due to delays in the delivery of the electrical switchboard for the Level III charging station at 120 S. Artsakh Ave. This would be the first extension on the contract. In reviewing the request, MSRC staff noted that the original term was set too short to allow completion of the five-year operational period which the MSRC’s FYs 2016-18 Local Government Match Program requires for Level III stations. Therefore, the MSRC Contracts Administrator recommends an 18-month extension as would be needed to fulfill this obligation. Actual operation would only be delayed by six months.

2. **Consider 18-Month No-Cost Term Extension by City of Rancho Cucamonga, Contract #ML18051 (Procure 6 Light-duty ZEVs, Install EV Charging Infrastructure)**

   The City indicates that accessibility issues, including the funding to address them, have delayed progress on some of the charging station locations. Budgetary limits have also slowed their procurement of the light-duty ZEVs. The City requests an 18-month term extension to allow them to complete the remaining installations, procure the final vehicle and fulfill the required operational periods. This would be the first extension on the contract.

3. **Consider Reduced Scope of Work by City of Grand Terrace, Contract #ML18030 ($45,000 – Install Electric Vehicle Charging Infrastructure)**

   In accordance with the City of Grand Terrace’s proposal, Contract #ML18030 originally specified the installation of two (2) Level II charging stations. Subsequently the City voluntarily increased the scope of the project to three (3) Level III charging stations, with no increase in MSRC funding. Now one of the targeted installation sites has become unavailable, and the City seeks to reduce the scope to two (2) Level III stations and one (1) Level II station. All three stations are publicly accessible at City Hall. However, given that the Level III stations are significantly more expensive than the Level II stations originally proposed, the City requests to retain the $45,000 funding level.
4. **Consider Reallocation of Funding Between Projects by Southern California Association of Governments (SCAG), Contract #MS21005 ($16,751,000 – Implement Last Mile Freight Program)**

SCAG indicates that three of the previously-approved projects, which had a total funding allocation of $2,231,952, have withdrawn. Contract #MS21005, for implementation of the Last Mile Freight Program, 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. SCAG requests to increase the funding allocations to current Project Participants Sysco Corporation and Zeem Solutions, dividing the available funding equally between the two. Each company’s corresponding increase in funding would augment their respective scope by increasing vehicle and/or supporting infrastructure deliverables as described in the staff report.

**OTHER BUSINESS**

5. *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, November 3, 2022, 12:30 p.m., location TBD

**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 Alejandra Vega at (909) 396-2264 from 7:00 a.m. to 5:30 p.m., Tuesday through Friday, or send the request to avega@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 Alejandra Vega at (909) 396-2264 or send the request to avega@aqmd.gov
Contacts:     Cynthia Ravenstein, MSRC Contracts Administrator – (909) 396-3269  
             Ray Gorski, MSRC Technical Advisor – (909) 396-2479  
             Alejandra Vega, MSRC Administrative Liaison – (909) 396-2264

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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.

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• If you would like to make a public comment, please click on the “Raise Hand” button on the bottom of the 
  screen.
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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 Agenda Item No. 1

DATE: October 6, 2022

FROM: Cynthia Ravenstein, MSRC Contracts Administrator

SUBJECT: 18-Month Term Extension by City of Glendale, Contract #ML18059

SYNOPSIS: The City requests a six-month term extension due to delays in the delivery of the electrical switchboard for the Level III charging station at 120 S. Artsakh Ave. This would be the first extension on this contract. MSRC staff noted that the original term was set too short to allow completion of the five-year operational period which the FYs 2016-18 Local Government Partnership Program (LGPP) requires for Level III stations.

FINANCIAL IMPACT: None

RECOMMENDATIONS: The MSRC Contracts Administrator recommends approval of an 18-month term extension in order to allow the City to meet the required five-year operational period. The MSRC-TAC Scope Changes Subcommittee will review the request and their recommendations will be brought forward at the MSRC-TAC meeting.

ATTACHMENTS: Contractor’s letter requesting modification

DISCUSSION:
Contractor: City of Glendale
Project Title: Install EV Charging Infrastructure
MSRC Funding: $260,500
Project Term: February 1, 2019 to July 31, 2022
Current Request: Six-month term extension
Previous Requests: Substitute dual-port charging stations instead of utility pole mounted stations and change locations; reduce the number of dual-port charging stations from 11 to 6 and add 24 single-port stations and change locations

Project Description: The City was awarded $260,500 under the MSRC’s FYs 2016-18 LGPP to install 6 dual-port and 5 utility pole mounted “Level II” type, and one “Level III/Fast Charge” type, EV charging stations. All stations were to be publicly accessible. The scope was subsequently modified to the installation of 6 dual-port and 24 single-port Level II stations and
one Level III station. To date, 3 dual-port and 6 single-port Level II stations are operational. Nothing has been paid to date on this contract.

Previous Requests: The City re-evaluated its needs and requested to eliminate the utility pole mounted stations, substituting the installation of additional dual-port charging stations. The City also requested to change the location of a number of installations within the service area of Glendale Water and Power, as allowable within LGPP and the contract. These changes were processed administratively.

Subsequently, the City indicated that they had further refined their assessment of charging station needs. They requested to reduce the number of dual-port Level II stations from 11 to 6, and to add 24 single-port Level II stations, at no additional cost to the MSRC. The City also requests to change the Level II charging station locations. This change, which increased the overall number of Level II charging ports, was processed administratively.

Contract Request: The deliverable date for station operation was July 31, 2022. The City indicates that the Level III charging station and some of its supporting electric infrastructure equipment has been installed at 120 S. Artsakh Avenue. However, the main switchboard for the project needs to be delivered, and this has been delayed due to global supply chain issues. The City expects delivery in September 2022 and requests a six-month term extension to complete the work.

In reviewing the City’s request, MSRC staff noted that the original contract term was set too short to allow completion of the five-year operational period which the FYs 2016-18 Local Government Partnership Program (LGPP) requires for Level III stations. The contract only extended four years beyond the operational date for the stations. This needs to be corrected.

Recommendations: The MSRC Contracts Administrator recommends approval of an 18-month term extension in order to allow the City to meet the required five-year operational period. The MSRC-TAC Scope Changes Subcommittee will review the request and their recommendations will be brought forward at the MSRC-TAC meeting.
August 15, 2022

Matt MacKenzie
Mobile Source Air Pollution Reduction Review Committee (MSRC)

On January 17, 2019, the City of Glendale executed Contract No. ML18059 with the South Coast Air Quality Management District for a non-competitive grant through SCAQMD’s Local Government Partnership Program offered by the Mobile Source Air Pollution Reduction Review Committee. The grant awarded Glendale with $260,500.00 to install publicly accessible electric vehicle chargers. The City of Glendale requests to extend the contract through January 30, 2023 in order to complete the installation of the Level III EV charging station at 120 S. Artsakh Ave.

The Level III charging station and some electric infrastructure equipment has been installed at 120 S Artsakh Ave. However, construction cannot be completed and the charger cannot be commissioned until the main switchboard for the project is delivered. Delivery for the main switchboard has been delayed due to global supply-chain issues. The City of Glendale proactively placed the order for the main switchboard in November of 2021 and has had the delivery date postponed many times by the switchboard manufacturer. The switchboard is expected to be delivered by September 2022 and construction will resume within 2 weeks of delivery.

The Level III charging station at 120 S. Artsakh Ave. is expected to be commissioned in September or October 2022. However, the City of Glendale is requesting an extension until January 2023 to ensure there is sufficient time to complete construction should there be any unforeseen circumstances. Without the contract extension, the City of Glendale would incur a cost of approximately $50,000.00 for the purchase and installation of the Level III charger at 120 S. Artsakh Ave. If this extension is granted, the City of Glendale would only incur approximately $1,795.00.

Please do not hesitate to contact me at 818-548-2789 if you have any questions.

Sincerely,

[Signature]
Andres Azarian
Community Outreach Associate
MSRC-TAC Scope Changes Agenda Item No. 2

DATE: October 6, 2022

FROM: Cynthia Ravenstein, MSRC Contracts Administrator

SUBJECT: 18-Month Term Extension by City of Rancho Cucamonga, Contract #ML18051

SYNOPSIS: The City requests an 18-month term extension because accessibility issues, including the funding to address them, have delayed progress on some of the charging station locations. Budgetary limits have also slowed their procurement of the light-duty ZEVs. This would be the first extension on this contract. 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.

ATTACHMENTS: Contractor’s letter requesting modifications

DISCUSSION:
Contractor: City of Rancho Cucamonga
Project Title: Install EV Charging Infrastructure
MSRC Funding: $91,500
Project Term: March 1, 2019 to October 31, 2025
Current Request: 18-month term extension
Previous Requests: Scope and value decrease and modified deliverable dates

Project Description: The City was originally awarded a total of $227,040 towards the procurement of nine light-duty zero emission vehicles (ZEVs) ($90,000), the procurement of two medium-duty ZEVs ($77,290), the installation of four limited access Level II electric vehicle charging stations ($12,000), the installation of seven public access Level II electric vehicle charging stations ($31,500) and the installation of a slow fill compressed natural gas (CNG) fueling station ($16,250). Subsequently the project scope was reduced to eliminate the medium-duty ZEVs and CNG station, as well as to reduce the quantities of light-duty ZEVs from nine to six, limited-access charging stations from four to three, and public access charging stations from seven to five. Currently, five light-duty ZEVs, three limited-access stations, and three public-access stations have been placed into service. $52,000 has been paid to date under this contract.
**Previous Requests:** The City determined that they were unable to move forward with the medium-duty ZEVs or the CNG station. In July 2021, the City requested that all tasks and funding associated with these project elements be removed from the contract. The City further determined that its needs for light-duty ZEVs and charging stations were less than anticipated. The City requested to reduce the number of light-duty ZEVs to be procured from nine to six, with a corresponding reduction in funding for this project element from $90,000 to $60,000. The City requested to reduce the number of limited access charging stations from four to three, with a corresponding reduction in the funding for this project element from $12,000 to $9,000. And the City requested to reduce the number of public access charging stations from seven to five, with a corresponding reduction in the funding for this project element from $31,500 to $22,500. Some station locations also changed. Lastly, the City indicated that the final vehicles would be deployed by March 2022, and all charging stations would be in service no later than October 2022. Because the contract would terminate until October 31, 2025, these projected in-service dates and the associated three-year operational requirements were able to be accommodated by modifying the Project Schedule within the current contract term. These modifications were processed administratively.

**Contract Request:** The City indicates that for the remaining two public access station locations, Beryl Park and the Rancho Cucamonga Sports Center, there are accessibility concerns. With the MSRC providing $4,500 per station, this has made it cost-prohibitive to upgrade these sites as a stand-alone project. MSRC staff have followed up and the City has not yet identified a funding source for the additional costs associated with making the stations fully accessible to all potential users. The City states that they are highly committed to accessible stations in these locations, however. They request an 18-month term extension to allow completion and fulfillment of the required three-year operational period.

The City states that budgetary constraints also delayed the procurement of the remaining light-duty ZEV. They anticipate that this final vehicle will be acquired in FY 22-23 now that COVID-19 pandemic staffing and budgetary concerns have somewhat stabilized. The above extension request will suffice to cover this element as well.

Note that the City’s letter makes reference to a current termination date of April 30, 2027. This is not correct; the current contract termination date is October 31, 2025. If the MSRC grants the City’s request, the term would be extended to April 30, 2027.

**Recommendations:** The MSRC-TAC Scope Changes Subcommittee will review the request and their recommendations will be brought forward at the MSRC-TAC meeting.
Dear Leah,

Please see the supplemental information below for a contract extension for MSRC Contract #ML18051.

1. **Length of Extension Requested** – 18 Months to April 30, 2024. The current contract termination date is October 31, 2025, which includes a three-year operational period.

2. **New Project Schedule** – with intermediate milestones

   Task: EV Charging Station Installation – upgrade accessibility to charging station
   - Topography Survey
   - Grading & Paving Plan
   - Purchase EV Charger
   - Install EV Charger
   - Request MSRC reimbursement

   Task: Purchase light-duty vehicles
   - Prepare an additional bid for Zero Emission Vehicle (ZEV)
   - Select the lowest bidder
   - Request approval for ZEV by City Council
   - Purchase ZEV
   - Request MSRC reimbursement

3. **Project Completion Status** – What portion of the work has been completed, if any?

   Task: EV Charging Station Installation – a quote has been obtained for upgrading the site with accessible stalls, however, funding has not yet been secured for these tasks.

4. **Reason for Delay** – Concise explanation, but with sufficient detail to include when the problem arose, parties involved, and what measures were undertaken, if any, to overcome obstacles. Have issues been resolved?

   Task: EV Charging Station Installation – When the city selected the five locations for new EV Charging Stations, it was determined that two of five of the sites had accessibility concerns. It was cost prohibitive to upgrade these sites as a stand-alone project. Therefore, staff moved forward with the remaining three sites under the MSRC scope and has completed these efforts. At the Beryl Park site, efforts are underway to create a special needs
playground. By coupling the EV Charging Station accessibility upgrade with this improvement project is advantageous since it is part of a larger project. However, funding to create an accessible parking stall for this EV Charging Station upgrade has not yet been secured.

Task: Purchase light-duty vehicles
Budgetary limits came into play with the ZEV purchase. The City completed a bid and purchase of ZEV in FY20/21 and FY21/22 for three vehicles and two vehicles respectively. It is anticipated a subsequent bid for an additional ZEV is anticipated to be completed in FY22/23 now that COVID-19 pandemic staffing and budgetary concerns have stabilized to a reasonable point.

5. Consequences of Denial – If the extension is not approved, what noncancellable expenses would Contractor incur? Any other consequences?

Task: EV Charging Station Installation - The City will likely opt to remove the non-functioning, legacy EV Charger at that site since it does not comply with accessibility requirements and will not pursue installing a new smart EV Charging Station.

Task: Purchase light-duty vehicles - The City will likely delay our ZEV plans until sufficient funding is obtained to continue to expand our fleet.

Thank you in advance for your consideration of this request and please let me know if you have any questions.

Sincerely,

Deborah Allen
Management Analyst I
909-774-4013 | deborah.allen@cityofrc.us
DATE: October 6, 2022
FROM: Cynthia Ravenstein, MSRC Contracts Administrator
SUBJECT: Reduced Scope of Work by City of Grand Terrace, Contract #ML18030

SYNOPSIS: In accordance with the City’s proposal, Contract #ML18030 originally specified the installation of two (2) Level II charging stations. Subsequently the City voluntarily increased the scope of the project to three (3) Level III charging stations, with no increase in MSRC funding. Now one of the targeted installation sites has become unavailable, and the City seeks to reduce the scope to two (2) Level III stations and one (1) Level II station. All three stations are publicly accessible at City Hall. However, given that the Level III stations are significantly more expensive than the Level II stations originally proposed, the City requests to retain the $45,000 funding level. This project is part of the FYs 2016-18 Local Government Partnership Program.

FINANCIAL IMPACT: If the MSRC approves the City’s request, the contract value will not change.

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

ATTACHMENTS: Contractor’s letter requesting modifications

DISCUSSION:
Contractor: City of Grand Terrace
Project Title: Install EV Charging Infrastructure
MSRC Funding: $45,000
Project Term: June 28, 2018 to March 27, 2025
Current Request: Reduced scope
Previous Requests: Increased scope and one-year term extension

Project Description: The City was originally awarded $45,000 towards the installation of two public access Level II electric vehicle charging stations. Subsequently the project scope was increased to three Level III charging stations. Currently, three public-access stations—two Level III, and one Level II, have been placed into service. Nothing has been paid to date under this contract.
**Previous Requests:** The City was able to obtain additional funding from the California Energy Commission’s Southern California Incentive Project (SCIP). The City requested to modify the scope of the contract to install a total of three charging stations, all of the “Level III/Fast Charge” variety. Additionally, subsequent to contract execution, the City identified a willing commercial property partner for the location of one of the stations. This process, in addition to the changes in the scope of work, delayed the completion of the project. Therefore the City also requested a one-year contract term extension. The FYs 2016-18 Local Government Partnership Program requires a five-year operational period for Level III charging stations, so an additional two-year contract term extension was necessary allow for compliance with this requirement.

**Contract Request:** The City now indicates that they were not able to proceed with the commercial property location on Barton Road after all. The City proceeded to install two (2) Level III stations and one (1) Level II station at their City Hall location. The City is requesting to reduce the contract’s scope from three (3) Level III stations to these two Level III stations and one Level II station, all publicly accessible 24 hours per day. The City further requests to retain the $45,000 funding level.

As originally written, the contract provided for only two Level II stations. The total cost was estimated at $60,000, and the MSRC was providing 75% of that or $45,000. The following table shows the actual costs and other anticipated funding for the project as constructed:

<table>
<thead>
<tr>
<th>Project Element</th>
<th>Actual Cost</th>
<th>Other Co-Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level II station</td>
<td>$30,240</td>
<td>n/a</td>
</tr>
<tr>
<td>(2) Level III stations</td>
<td>$177,979</td>
<td>$140,000 from SCIP (maximum)</td>
</tr>
</tbody>
</table>

The difference between the costs and the maximum other co-funding is $68,219. Therefore, if the MSRC chooses to grant the City’s request and keep the MSRC funding level at $45,000, the project would not be overfunded.

**Recommendations:** The MSRC-TAC Scope Changes Subcommittee will review the request and their recommendations will be brought forward at the MSRC-TAC meeting.
September 28, 2022

Mobile Source Air Pollution Reduction Review Committee (MSRC)

SUBJECT: GRANT PROJECT SCOPE CHANGE REQUEST – ML18030A

Dear Mr. MacKenzie,

The City of Grand Terrace was awarded the grant through MSRC for the installation of three fast charging stations unfortunately the City was not able to receive authorization for the third station at the Walgreen Shopping Center at 22456 Barton Road as listed in the agreement. As a result, the City opted to install a Level II charging station to supplement the two-Level III stations on the premises. All stations are accessible to residents 24 hours a day; therefore, the City is requesting a project scope changed to include the Level II charging station as an approved station without an adjustment in the reimbursed amount.

Breakdown of Cost:
City of Grand Terrace was to provide location (each charger 3.5 sqft) but will incur zero capital or operating expenses and maintains all approvals. Carbon Solutions Group (CSG) anticipated investment $173,155 (charging system and installation/electrical infrastructure upgrades) as per the bid from LillyPad and/or National Car Charging, but $177,979.54 was expended. Southern California Incentive Project (SCIP) funds to be allocated to CSG for (2) DC Fast Chargers at $70,000 each ($140,000 max). To date no funds have been reimbursed by SCIP.

The cost of the Level II Charger including conversion from older model, inoperable electric station, material, plans, and installation was $30,239.88. The cost of the multi-year service plans is an additional $11,086.63 for a total cost of $41,326.51.

Should you require any additional information please feel free to contact me at (909) 954-5191.

Sincerely,

Shanita Tillman
Management Analyst
stillman@grandterrace-ca.gov
MSRC-TAC Scope Changes Agenda Item No. 4

DATE: October 6, 2022

FROM: Cynthia Ravenstein, MSRC Contracts Administrator

SUBJECT: Modified Project List and Payment Schedule and One-Year Term Extension by Southern California Association of Governments (SCAG), Contract #MS18015

SYNOPSIS: SCAG indicates that three of the previously approved projects, which had a total funding allocation of $2,231,952, have withdrawn. Contract #MS21005, for implementation of the Last Mile Freight Program, 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. SCAG requests to increase the funding allocations to current Project Participants Sysco Corporation and Zeem Solutions, dividing the available funding equally between the two. Each company’s corresponding increase in funding would augment their respective scope by increasing vehicle and/or supporting infrastructure deliverables as described below, as part of the FYs 2018-21 Regional Goods Movement Program.

FINANCIAL IMPACT: If the MSRC does not grant SCAG’s request, and does not allow for an alternative proposal, $2,231,952 will 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.

ATTACHMENTS: Contractor’s letter requesting modification and presentation format outline of proposal

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: Modified project list and reallocate funding between projects
Previous Requests: Contract value increase and 18-month term extension
**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 more projects from SCAG’s contingency list. Nothing 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.

**Current Request:** 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.

SCAG indicates that three of the previously approved projects, which had a total incentive funding allocation of $2,231,952, have withdrawn. These projects are Heritage Environmental Services ($2,091,952) and independent owner-operators, Kyung soo Chung ($70,000) and Gantumur Bayaraa ($70,000). These projects also accounted for a total of $2,431,952 in co-funding.

SCAG evaluated the remaining current Project Participants to determine whether they merited further funding consideration. The vast majority had received at or near their full original request. Of the remainder, one Project Participant confirmed that they would not be able to consider an increase of scope and funding at this time. The remaining two Project Participants confirmed that they would be willing to accept additional funds and increase the scope of their projects accordingly, as follows:
<table>
<thead>
<tr>
<th>Project Participant</th>
<th>Business Size</th>
<th>Replacement Technology</th>
<th>Domicile Location (City, County)</th>
<th>Amount of Grant Funds Awarded</th>
<th>Amount of Match Provided</th>
<th>Vehicle Quantity</th>
<th>Quantity of Infra. Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sysco Corporation</td>
<td>Large</td>
<td>BEV</td>
<td>Riverside, Riverside</td>
<td>$1,192,043</td>
<td>$2,308,019*</td>
<td>9</td>
<td>17*</td>
</tr>
<tr>
<td>Zeem Solutions</td>
<td>Small</td>
<td>BEV</td>
<td>Inglewood, Los Angeles Santa Ana, Orange*</td>
<td>$1,192,043</td>
<td>$2,308,019*</td>
<td>42</td>
<td>67*</td>
</tr>
</tbody>
</table>

SCAG proposes to divide the $2,231,952 equally between Sysco and Zeem. If the reallocation is approved, Sysco will increase the scope of their project from 9 vehicles and 9 chargers to 17 vehicles and 17 chargers. Zeem Solutions will increase their project scope from 42 vehicles and 1 mobile power station through the addition of 66 chargers. These would be deployed at Zeems’ Santa Ana depot, increasing the geographic scope of the project into Orange County.

Both Project Participants would still remain below their original application award requests. The amount of match provided by Sysco and Zeem would not change. When these Project Participants were previously offered awards less than their requests, they agreed to accept the lower awards without reducing their match funding amounts. Consequently, they are not expected to increase their match funding in consideration of receiving funding awards which are higher, but still short of their original requests.

In SCAG’s assessment, factoring in the loss in assets from the withdrawn projects, approval of the requested funding reallocation would result in a net increase of 5 zero-emission vehicles and 69 units of supporting infrastructure delivered. Geographically, Orange County would now include two domicile locations compared to one, while Riverside County would be expanding the charging infrastructure at its domicile location.

**Recommendations:** The MSRC-TAC Scope Changes Subcommittee will review the request and their recommendations will be brought forward at the MSRC-TAC meeting.
September 26, 2022

Cynthia Ravenstein  
Mobile Source Air Pollution Reduction Review Committee  
21865 Copley Dr.  
Diamond Bar, CA 9175

Subject: MSRC Scope Change Subcommittee Funding Reallocation Request: SCAG Last Mile Freight Program

Dear Ms. Ravenstein:

This letter and attached presentation are being submitted as part of SCAG’s request to reallocate funding for the Last Mile Freight Program (LMFP). In summary, SCAG is proposing to reallocate $2,231,952 evenly between two current projects, Sysco Corporation and Zeem Solutions, with each receiving $1,115,976. This will increase each company’s project deliverables as shown below in Table 2, while also increasing the LMFP’s overall zero-emission vehicles and supporting infrastructure. This recommendation will achieve the following:

- Sysco Corporation would increase its project deliverables from 9 zero-emission vehicles and 9 units of charging infrastructure to 17 zero-emission vehicles and 17 units of charging infrastructure.

- Zeem Solutions would increase its project deliverables from 42 medium- and heavy-duty zero-emission vehicles and one (1) mobile power station to include 34 DCFC and 32 L2 chargers. These 66 additional chargers will benefit 90 to 110 zero-emission commercial vehicles specifically supporting last mile delivery vehicles, including the original 42. Zeem will deploy these new chargers at their Santa Ana location, expanding the project’s scope to include infrastructure and vehicles domiciled in Orange County.

- Factoring in the change in assets from the withdrawn projects, approval of this funding reallocation would result in a net increase of 5 zero-emission vehicles, and 69 units of supporting infrastructure delivered.

Discussion

SCAG staff were notified by three projects that they would not be moving forward with their LMFP awards totaling to $2,231,952. These projects included Heritage Environmental Services for $2,091,952 and independent owner-operators, Kyung soo Chung and Gantumur Bayaraa for $70,000 each totaling $140,000. SCAG performed its diligence on the remaining companies that had been awarded funds to determine whether any merited further funding consideration. Of the 28 companies, 25 companies, independent owner-operators (22), Penske, WattEV, and GLI, received either a full or nearly
full award per their request (22 independent owner-operators, Penske and WattEV) or did not down scope their original project upon receiving a lower award amount (GLI), justifying no consideration for an increase in funding. As a result, SCAG staff held discussions with Sysco Corporation, Zeem Solutions, and PepsiCo, who all had requested higher amounts than what was awarded. PepsiCo confirmed that they were not able to consider any funding increase at this time. Both Sysco Corporation and Zeem Solutions confirmed that they would be willing to accept additional funds and provide an increase in vehicle and/or supporting infrastructure assets. Through this diligence process, both Sysco Corporation and Zeem Solutions remain below their initial application award requests ($3,557,500) and ($5,000,000) respectively and remain well above the 1:1 matching requirement (71%) and (77%) respectively. Per SCAG staff’s reallocation proposal, Sysco Corporation and Zeem Solutions would each receive an additional $1,115,976 bringing each project’s award total to $2,308,019.

Table 1 – LMFP Withdrawn Projects

<table>
<thead>
<tr>
<th>Project Title</th>
<th>Agency Name</th>
<th>Business Size</th>
<th>Replacement Technology</th>
<th>Domicile Location (City, County)</th>
<th>Project Counties</th>
<th>Amount of Grant Funds Awarded</th>
<th>Amount of Match Provided</th>
<th>Vehicle Quantity</th>
<th>Quantity of Infra. Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Replace Heavy Duty Class 8a Diesel Truck with a NZE Truck</td>
<td>Gantumur Bayaraa</td>
<td>Small</td>
<td>CNG</td>
<td>Compton, Los Angeles</td>
<td>Los Angeles, San Bernardino</td>
<td>$70,000</td>
<td>$170,000</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>Replace Heavy Duty Class 8a Diesel VIN292179 with a NZE Truck</td>
<td>Kyungsoo Chung</td>
<td>Small</td>
<td>CNG</td>
<td>Gardena, Los Angeles</td>
<td>Los Angeles, San Bernardino</td>
<td>$70,000</td>
<td>$170,000</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>Franklin_HES</td>
<td>Heritage Environmental Services LLC</td>
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<td>BEV</td>
<td>Signal Hill, Los Angeles</td>
<td>Los Angeles, Orange, Riverside, San Bernardino</td>
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<td>$2,091,952</td>
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<td>5</td>
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Table 2 – Revised Project Deliverables for Sysco Corporation and Zeem Solutions

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<thead>
<tr>
<th>Project Title</th>
<th>Agency Name</th>
<th>Business Size</th>
<th>Replacement Technology</th>
<th>Domicile Location (City, County)</th>
<th>Project Counties</th>
<th>Amount of Grant Funds Awarded</th>
<th>Amount of Match Provided</th>
<th>Vehicle Quantity</th>
<th>Quantity of Infra. Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Good to the Last Dropoff – Sysco’s Zero Emission Last Mile Freight Initiative</td>
<td>Sysco Corporation</td>
<td>Large</td>
<td>BEV</td>
<td>Riverside, Riverside</td>
<td>Los Angeles, Orange, Riverside, San Bernardino</td>
<td>$1,192,043</td>
<td>$2,308,019*</td>
<td>9</td>
<td>17*</td>
</tr>
<tr>
<td>Expanding Access and Scaling Electrification (EASE) for Small Fleets</td>
<td>Zeem Solutions</td>
<td>Small</td>
<td>BEV</td>
<td>Inglewood, Los Angeles Santa Ana, Orange</td>
<td>Los Angeles, Orange, San Bernardino</td>
<td>$1,192,043</td>
<td>$2,308,019*</td>
<td>42</td>
<td>67*</td>
</tr>
</tbody>
</table>

*Denotes the proposed increase in total project deliverables resulting from recommended funding reallocation

As shown in Table 1, the withdrawn projects account for a total award of $2,231,952 and $2,431,952 of co-funding. These three projects were expected to deliver 3 battery electric trucks, 2 natural gas trucks, and 5 charging infrastructure units, and were to be domiciled in Los Angeles County. As a reminder, the 22 independent owner-operators will implement natural gas vehicles with domicile locations being
within Los Angeles County at their residences, while the remaining six zero-emission infrastructure domicile locations are within all South Coast Air Basin counties; Orange (PepsiCo), Los Angeles (WattEV and Zeem Solutions), Riverside (Sysco Corp.) and San Bernardino (Penske and WattEV). As shown in Table 2, by reallocating this $2,231,952 award to Sysco Corporation and Zeem Solutions, their projects will deliver an additional 8 electric vehicles, and 74 charging infrastructure units, with Zeem Solutions domiciling 66 of these new charging infrastructure units in Orange County, expanding geographic coverage further. Orange County will now include two domicile locations compared to one, while Riverside will be expanding its charging infrastructure at its domicile location through this reallocation of funding. Factoring in the change in assets from the withdrawn projects, approval of this funding reallocation would result in a net increase of 5 zero-emission vehicles, and 69 units of supporting infrastructure delivered.

Sysco’s Zero Emission Last Mile Freight Initiative will deploy new zero-emission heavy-duty battery electric tractors with supporting charging infrastructure at Sysco’s Riverside distribution center. With the $1,115,976 in additional funding, Sysco Corporation will increase their deployment of new zero-emission heavy-duty battery electric tractors with supporting charging infrastructure from 9 vehicles and 9 chargers to 17 vehicles and 17 chargers.

Zeem Solutions provides turn-key services to accelerate the deployment of zero-emission vehicles for commercial fleets throughout California. Zeem Solutions’ business model exchanges the high upfront capital expense of vehicle and infrastructure acquisition by offering zero-emission truck leasing and opportunity charging contracts to local fleets. On top of acquiring 42 medium- and heavy-duty zero-emission vehicles and one (1) mobile power station (MPS) to be deployed at two depot locations in Inglewood, Zeem Solutions proposes allocating the additional $1,115,976 to provide access to high-powered charging and zero emission vehicles in Orange County. Zeem Solutions’ Santa Ana depot will host up to 34 DC Fast Chargers (DCFC) and 32 Level 2 (L2) chargers, benefiting an estimated 90 to 110 zero-emission commercial vehicles specifically supporting last mile delivery vehicles, including the original 42.

**Recommendation**
Based on the diligence and assessment performed by SCAG, it is recommended that MSRC Scope Change Subcommittee approve the funding reallocation request for the LMFP to reallocate $2,231,952 in the amounts of $1,115,976 to Sysco Corporation, and $1,115,976 to Zeem Solutions, and move this request forward to the MSRC-TAC for recommendation at the October 6, 2022 meeting.

Sincerely,

Scott Strelecki
Program Manager – Goods Movement

**Attachment**
LMFP_Funding_Reallocation_Proposal_V2.pdf
LMFP Funding Reallocation Proposal

September 2022
Summary

• There is a total of $2,231,952 available due to three project resignations:
  • $2,091,952 from Heritage Environmental Services +
  • $140,000 from two owner-operators

• We propose reallocating this amount evenly between current subrecipients, **Sysco and Zeem Solutions** – each would receive additional funds on top of their original award
  • Sysco: $1,115,976
  • Zeem: $1,115,976
Sysco

• Sysco is the largest food-service marketing and distribution organization in North America, serving approximately 350,000 restaurants, hotels, schools, hospitals, retirement homes and other locations.

• With the additional $1,115,976, Sysco proposes to procure 8 additional zero emission heavy-duty BEV tractors and 8 corresponding chargers.
# Sysco Funding and Deliverables

<table>
<thead>
<tr>
<th>Original Award and Deliverables</th>
<th>New Award and Deliverables</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Award Amount:</strong> $1,192,043</td>
<td><strong>Award Amount:</strong> $2,308,019</td>
</tr>
<tr>
<td><strong>Match Funding:</strong> $5,697,156</td>
<td><strong>Match Funding:</strong> $5,697,156</td>
</tr>
<tr>
<td>• ($2,117,156 cash, $3,580,000 grant)</td>
<td>• ($2,117,156 cash, $3,580,000 grant)</td>
</tr>
<tr>
<td><strong>Number of Vehicles:</strong> 9</td>
<td><strong>Number of Vehicles:</strong> 17</td>
</tr>
<tr>
<td><strong>Number of Chargers:</strong> 9</td>
<td><strong>Number of Chargers:</strong> 17</td>
</tr>
</tbody>
</table>

* Bold text reflects a change was made
Zeem Solutions

• Zeem Solutions is an electric fleet-as-a-service company that provides turnkey, zero emission vehicles to small, local last-mile delivery companies.

• Zeem Solutions proposes to allocate the additional funding to procure additional charging stations for their Santa Ana depot
  • 34 DC Fast Chargers (DCFC)
  • 32 Level 2 (L2) chargers

• Funding would cover around 50% of the cost of each charger:
  • Roughly $32,000 per DCFC & $2,000 per L2 charger

• Additional 66 chargers will benefit 90 to 110 zero-emission commercial vehicles specifically supporting last mile delivery vehicles, including the original 42.
# Zeem Funding and Deliverables

<table>
<thead>
<tr>
<th>Original Award and Deliverables</th>
<th>New Award and Deliverables</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Award Amount:</strong> $1,192,043</td>
<td><strong>Award Amount:</strong> $2,308,019</td>
</tr>
<tr>
<td><strong>Match Funding:</strong> $7,785,752</td>
<td><strong>Match Funding:</strong> $7,785,752</td>
</tr>
<tr>
<td>(cash only)</td>
<td>(cash only)</td>
</tr>
<tr>
<td><strong>Number of Vehicles:</strong> 42</td>
<td><strong>Number of Vehicles:</strong> 42</td>
</tr>
<tr>
<td><strong>Number of Chargers:</strong> 1</td>
<td><strong>Number of Chargers:</strong> 67</td>
</tr>
<tr>
<td>1 Mobile Power Station</td>
<td>1 Mobile Power Station</td>
</tr>
<tr>
<td></td>
<td>34 DC Fast Chargers (DCFC)</td>
</tr>
<tr>
<td></td>
<td>32 Level 2 (L2) chargers</td>
</tr>
</tbody>
</table>

*Bold text reflects a change was made*
By The Numbers

• In total, $2,231,952 being evenly distributed to Sysco & Zeem Solutions would fund the following:
  • 8 additional zero emission heavy-duty BEV tractors and 8 chargers to be added to Sysco’s project scope
  • 66 additional chargers for Zeem’s Santa Ana Depot
    • 34 DC Fast Chargers
    • 32 Level 2 (L2) Chargers
  • 90-110 ZEVs would benefit from the additional 66 chargers
• Factoring in the loss in assets from the withdrawn projects, this reallocation would result in a net increase of 5 additional zero-emission vehicles, and 69 additional units of supporting infrastructure delivered
## Withdrawn Projects

<table>
<thead>
<tr>
<th>Project Title</th>
<th>Agency Name</th>
<th>Business Size</th>
<th>Replacement Technology</th>
<th>Domicile Location (City, County)</th>
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<td>$170,000</td>
<td>1</td>
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<tr>
<td>Franklin HES LLC</td>
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<td>Large</td>
<td>BEV</td>
<td>Los Angeles, Orange, Riverside, San Bernardino</td>
<td>Los Angele, San Bernardino</td>
<td>$2,091,952</td>
<td>$2,091,952</td>
<td>3</td>
<td>5</td>
</tr>
</tbody>
</table>
# Summary of Changes for Sysco and Zeem

<table>
<thead>
<tr>
<th>Project Title</th>
<th>Agency Name</th>
<th>Business Size</th>
<th>Replacement Technology</th>
<th>Domicile Location (City, County)</th>
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<tbody>
<tr>
<td>Good to the Last Dropoff – Sysco’s Zero Emission Last Mile Freight Initiative</td>
<td>Sysco Corporation</td>
<td>Large</td>
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<td>Riverside, Riverside</td>
<td>Los Angeles, Orange, Riverside, San Bernardino</td>
<td>$1,192,043</td>
<td>$2,308,019*</td>
<td>$5,697,156</td>
<td>9</td>
</tr>
<tr>
<td>Expanding Access and Scaling Electrification (EASE) for Small Fleets</td>
<td>Zeem Solutions</td>
<td>Small</td>
<td>BEV</td>
<td>Inglewood, Los Angeles Santa Ana, Orange*</td>
<td>Los Angeles, Orange, San Bernardino</td>
<td>$1,192,043</td>
<td>$2,308,019*</td>
<td>$7,785,752</td>
<td>42</td>
</tr>
</tbody>
</table>

*Denotes a change in project deliverables resulting from funding reallocation
# Updated Program Totals & Project Specific Breakdown

## Summary

<table>
<thead>
<tr>
<th>Task</th>
<th>Maximum AB 2766 Discretionary Funds payable under this Contract</th>
<th>CONTRACTOR Co-Funding</th>
<th>Project Participant Co-Funding</th>
<th>Total Project Cost</th>
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<tbody>
<tr>
<td>I - Development of Program Guidelines/Issuance of Call-for-Projects</td>
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<td>$141,958</td>
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<tr>
<td>II - Screening and Selection of Projects</td>
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<tr>
<td>III Implementation</td>
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<td>$268,577</td>
<td>$10,000,000 $79,280,149 $76,848,197</td>
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<tr>
<td>IV - Reporting</td>
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<tr>
<td>Totals</td>
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<td>$10,000,000 $79,280,149 $76,848,197</td>
<td>$20,654,650 $96,685,799 $93,599,197</td>
</tr>
</tbody>
</table>

*Specific per-project amounts are further detailed Project Specific Breakdown.

## Project Specific Breakdown

<table>
<thead>
<tr>
<th>Project Participant Name</th>
<th>Maximum AB 2766 Discretionary Funds payable</th>
<th>Project Participant Co-Funding</th>
<th>Total Project Cost</th>
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</thead>
<tbody>
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<td>Inn Mok Jung</td>
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<td>Hyeong Cheol Jeon</td>
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<td>Jason Kwon</td>
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<td>Jin Re Kim</td>
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<td>Yanxi Li</td>
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<td>Sung Bin Park</td>
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<td>$240,000</td>
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<tr>
<td>Victor Ki Choi</td>
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<td>$224,200</td>
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<td>In Heyoung Hwang</td>
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<td>Je Sung Kim</td>
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<td>JeongHwan Lee</td>
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<td>Sang Cheol Park</td>
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<td>Yong Un Sook</td>
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<td>John Suk Kim</td>
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<td>$16,751,000</td>
<td>$76,488,197</td>
<td>$93,599,197</td>
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</table>
THANK YOU!