



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

AGENDA

Thursday, January 12, 2023 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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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

Jack Garate, representing Regional Rideshare Agency

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 Reduced Scope and Value and 4-Month Term Extension by City of South Pasadena, Contract #ML16025 (\$160,000 – Purchase One Heavy-Duty Natural Gas Vehicle and Expand Existing CNG Station) | Ravenstein |
| | <p>The natural gas vehicles that the City purchased during this period did not meet the Local Match Program's specifications to qualify as heavy-duty. The City requests to eliminate the tasks and \$30,000 associated with the vehicle purchase. The City completed the expansion of the CNG station, but was delayed due to additional time needed by their contractor for delivery of materials and equipment and additional time needed for Southern California Edison to work on the project. After previously having been granted extensions totaling 18 months, the City requests a 4-month term extension in order to fulfill the required five-year operational period. The MSRC Contracts Administrator recommends approval.</p> | |
| 2. | Consider 9-Month Term Extension by Los Angeles Department of Water and Power (LADWP), Contract #ML16022 (\$240,000 – Purchase 8 Heavy-Duty Natural Gas Vehicles) | Ravenstein |
| | <p>LADWP indicates that a supply chain issue with the hydraulic cylinders, which are integral to the entire build of the tree trimming vehicles, has delayed the project. These issues are now being resolved. After previously having been granted extensions totaling 42 months, LADWP requests a 9-month term extension in order to get all vehicles in service and fulfill the required five-year operational period. The MSRC Contracts Administrator recommends approval, contingent on this being the final extension.</p> | |
| 3. | Consider One-Year Term Extension by City of South Gate, Contract #ML18146 (\$127,400 - Procure 5 Light-Duty Zero Emission Vehicles and Install Electric Vehicle Charging Infrastructure) | Ravenstein |
| | <p>The City indicates that they have been actively pursuing construction of the charging station project for several months. However, the lowest bidder in response to their first advertisement was not able to proceed due to a dramatic increase in the purchase price of the units. The City re-advertised the project. Having previously received a two-year term extension, the City requests a one-year term extension in order to complete construction and fulfill the required three-year operational period. The MSRC Contracts Administrator recommends approval, contingent on this being the final extension.</p> | |

4. Consider 38-Month Term Extension by City of Carson, Contract #ML18057 (\$106,250 – Procure 5 Light-Duty Zero Emission Vehicles and Install Electric Vehicle Charging Infrastructure)

Ravenstein

The City requests review of an extension request to August 31, 2026—approximately a 38-month extension—which has been denied by the MSRC Contracts Administrator. The City indicates that the work associated with the installation of the charging stations was delayed due to issues arising from the COVID-19 pandemic, staffing turnover, and changes in management and priorities. This would be the first extension on this contract.

5. Consider Reallocation of Funding Between Projects by Southern California Association of Governments (SCAG), Contract #MS21005 (\$16,751,000 – Implement Last Mile Freight Program)

Ravenstein

In September 2022, SCAG informed MSRC that three of the previously-approved projects had withdrawn. The Contract 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 October 2022, the MSRC considered SCAG's requests and approved the reallocation of a portion of the funding, as well as reserving \$1,115,976 without immediate assignment to a specific project, contingent upon receipt of an additional reallocation request no later than February 17, 2023. SCAG has subsequently informed MSRC that an additional project with a funding allocation of \$70,000 has withdrawn, and now requests reallocation of a total of \$1,185,976 to current Project Participant Zeem Solutions. The increase in funding would augment Zeem Solutions' scope by increasing vehicle and infrastructure deliverables as described in the staff report.

OTHER BUSINESS

6. **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, February 2, 2023, 12:45 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 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 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:

- If you would like to make a public comment, please click on the “**Raise Hand**” button on the bottom of the 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 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: January 12, 2022

FROM: Cynthia Ravenstein, MSRC Contracts Administrator

SUBJECT: Reduced Scope and Value and 4-Month Term Extension by City of South Pasadena, Contract #ML16025

SYNOPSIS: The natural gas vehicles that the City purchased during this period did not meet the Local Match Program's specifications to qualify as heavy-duty. The City requests to eliminate the tasks and \$30,000 associated with the vehicle purchase. The City completed the expansion of the CNG station, but was delayed due to additional time needed by their contractor for delivery of materials and equipment and additional time needed for Southern California Edison to work on the project. After previously having been granted extensions totaling 18 months, the City requests a 4-month term extension in order to fulfill the required five-year operational period. This project is part of the FYs 2014-16 Local Government Match Program.

FINANCIAL IMPACT: If the MSRC approves the City's request, \$30,000 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 South Pasadena

Project Title: Expand CNG Station and Purchase One Heavy-Duty CNG Vehicle

MSRC Funding: \$160,000

Project Term: June 22, 2016 to October 21, 2024

Current Request: Reduced scope and value and 4-month term extension

Previous Requests: 6-month term extension; modified scope, reduced value and one-year term extension

Project Description: The MSRC originally awarded the City \$180,535 to purchase one heavy-duty CNG vehicle and expand their existing CNG station; the specifications of the station

expansion were subsequently modified and the contract value reduced to \$160,000. The station expansion has been completed and nothing has been paid to date on this contract.

Previous Requests: With respect to the CNG station expansion, the City received recommendations from their selected vendor that, rather than adding a compressor and storage vessels, they could achieve equal or better performance as well as a better use of the available space by installing an all-in-one unit with additional buffer storage. This change also reduced the estimated project cost resulting in a \$20,535 decrease in the MSRC's cost share. The City requested approval of these changes as well as a one-year contract term extension to allow time for design modifications. At their April 2018 meeting, the MSRC approved the City's request.

Subsequently, the City indicated that design changes associated with the previously approved modifications to the project took longer than expected. To allow time to fulfill the MSRC's five-year operational requirement, the City requested a six-month contract term extension. At their March 2019 meeting, the MSRC approved the request.

Contract Request: The natural gas vehicles that the City purchased during this period did not meet the Local Match Program's specifications to qualify as heavy-duty. The City now requests to eliminate the tasks and \$30,000 associated with the vehicle purchase. The City has completed the expansion of the CNG station, but was delayed due to additional time needed by their contractor for delivery of materials and equipment and additional time needed for Southern California Edison to work on the project. After previously having been granted extensions totaling 18 months, the City requests a 4-month term extension in order to fulfill the required five-year operational period.

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.



CITY OF SOUTH PASADENA

PUBLIC WORKS DEPARTMENT
1414 MISSION STREET, SOUTH PASADENA, CA 91030
TEL: (626) 403-7240
WWW.SOUTHPASADENACA.GOV

December 27, 2022

Cynthia Ravenstein
MSRC Contracts Administrator
Submitted via email: CRavenstein@aqmd.gov

Re: MSRC Contract No. ML16025 A & B – Contract Modification & Extension Request

The City of South Pasadena (City) appreciates the South Coast Air Quality Management District (SCAQMD) Mobile Source Review Committee (MSRC)'s commitment to assisting the City in projects that achieve regional greenhouse gas emissions reductions. This letter includes a project update related to the above-referenced Contract, and a request to modify the Contract given the project's status. The Amendments "A" and "B" to Contract ML16025 are attached as a reference, including Attachments 1A Statement of Work, 2A Payment Schedule, and 1B Statement of Work.

Project Element Status

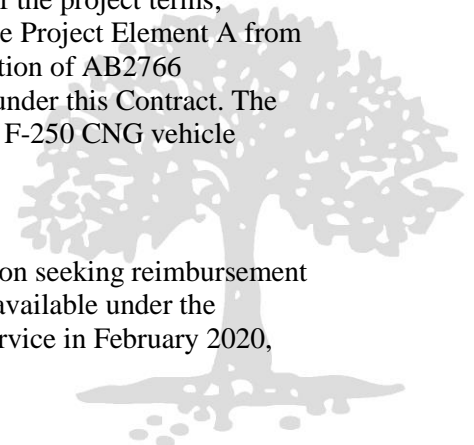
- Part A (1 of 2) Vehicle Purchase: The City purchased two F-250 Compressed Natural Gas (CNG) vehicles in 2016 and 2017 that are currently in use by the Public Works Division. However, these two vehicles do not meet the requirements of the Contract, which specified a gross vehicle weight rating greater than 14,000 pounds. Therefore, this requirement is presently incomplete.
- Part B (2 of 2) CNG Fueling Station Expansion: Per the amended agreement, the City successfully completed the expansion of the Compressed Natural Gas (CNG) Fill Station located at 660 South Stoney Drive. The City awarded the upgrade project to Clean Fuel Connection Inc. for a Galileo NanoBox System that included additional CNG capacity, as well as the widening of the station gates to allow access to larger vehicles. Please see the overview documents included in Attachment 2, comprised of CNG station photos and a drawing excerpt. The system was placed into service in February 2020, which was 'Month 44' after the June 216 execution of the ML16025 A & B Contract. As a note, the completion date / final report was scheduled for 'Month 40' in the latest version of the Contract schedule (Attachment 1B).

Contract Modification Request

- The City purchased CNG vehicles that do not meet the specifications of the project terms; therefore, the City is requesting that the Contract be modified to remove Project Element A from the agreement. This includes the proposed removal of a \$30,000 allocation of AB2766 Discretionary Funds that were previously listed as payable to the City under this Contract. The City will not seek reimbursement of these funds for its aforementioned F-250 CNG vehicle purchases in 2016 and 2017.

Contract Extension Request

- Having completed the CNG Fueling Station Expansion, the City plans on seeking reimbursement of the remaining \$130,000 allocation of AB2766 Discretionary Funds available under the Contract. However, as mentioned above, the system was placed into service in February 2020,



which was 'Month 44' after the June 216 execution of the Contract, though the completion date / final report was scheduled for 'Month 40.'

- The schedule delay was due to additional time needed by the Contractor for the delivery of materials and equipment, and additional time required for the Southern California Edison work on the project. The delay required the project schedule to be extended until February 2020 (see Attachment 3 Change Order).
- Therefore, the City is requesting a 4-month extension to the Contract, to align the CNG Station Expansion Part B project element completion with its in-service date of February 2020 (see below proposed modifications to Attachment 1B schedule).

Task	Completion (from June 2016 Execution)
Submit Public Outreach Plan	Month 34 (April 2019)
Select vendor for station expansion	Month 24 (June 2018)
Order vehicle	Month 34 (April 2019)
Complete station expansion	Month 37 (July 2019)
Place vehicle into service	Month 37 (July 2019)
Implement Public Outreach Plan	Month 39 (September 2019)
Quarterly reports	Months 4, 7, 10, 13, 16, 19, 22, 25, 28, 31, and 34 (October 2016 – April 2018)
Final Report	Month 40 44 (October 2019) (February 2020)

The station expansion has been completed, and this proposed contract extension is being requested to bring the contract terms up to date with the completed work. As per the Contract, the City commits to ensuring the CNG Fueling Station Expansion remains operational for a period of no less than five (5) years from the date the station begins operations in either its initial or expanded capacity (February 2025).

The CNG station provides critical support to fuel the CNG fleet utilized by the City's Community Services Transit Division for a senior bus program, and CNG utility vehicles utilized by the Public Works Street, Sewer, Parks, and Water Divisions. The City will provide additional documentation to support reimbursement requests with our final project report.

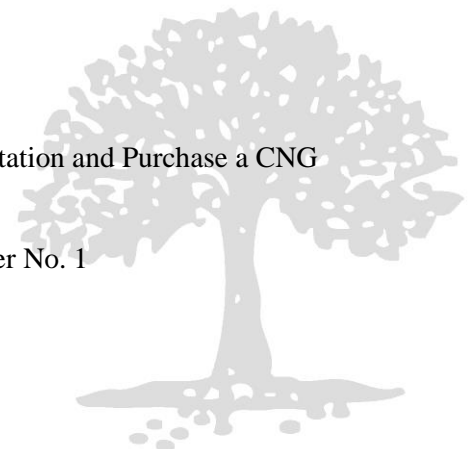
Thank you,



H. Ted Gerber
Director of Public Works
City of South Pasadena
Phone: 626.460.6392
tgerber@southpasadenaca.gov

Attachments:

1. MSRC Contract #ML16025 Agreement – Expand Existing CNG Station and Purchase a CNG Vehicle
2. Overview documents related to the CNG Station Upgrade
3. City of South Pasadena Project No. 2017-04 Contract Change Order No. 1



MSRC-TAC Scope Changes Agenda Item No. 2

DATE: January 12, 2022

FROM: Cynthia Ravenstein, MSRC Contracts Administrator

SUBJECT: 9-Month Term Extension by Los Angeles Department of Water and Power (LADWP), Contract #ML16022

SYNOPSIS: LADWP indicates that a supply chain issue with the hydraulic cylinders, which are integral to the entire build of the tree trimming vehicles, has delayed the project. These issues are now being resolved. After previously having been granted extensions totaling 42 months, LADWP requests a 9-month term extension in order to get all vehicles in service and fulfill the required five-year operational period. 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 request letter

DISCUSSION:

Contractor: **Los Angeles Department of Water and Power**

Project Title: Purchase 8 Heavy-Duty Natural Gas Vehicles

MSRC Funding: \$240,000

Project Term: May 5, 2017 to September 4, 2027

Current Request: 9-month term extension

Previous Requests: Reduced scope and value and two-year term extension; 18-month term extension

Project Description: The MSRC originally awarded LADWP \$360,000 to purchase 12 heavy-duty CNG vehicles; this was subsequently reduced to \$240,000 for 8 vehicles. One vehicle has been placed into service and nothing has been paid to date on this contract.

Previous Requests: LADWP indicated that their attempts to procure the subject vehicles had been delayed multiple times due to vendor protests. LADWP requested an eighteen-month extension. At their January 2019 meeting, the MSRC considered and approved the request.

Subsequently, LADWP indicated that they had reassessed the number of units needed and decided to reduce the number of CNG tree trimming vehicles and purchase more bucket trucks for power restoration. LADWP requested to decrease the number of vehicles from 12 to 8. They further related that the procurement process took longer than expected due to limited staff, modifications to the specification template, and changes in available technology. Furthermore, the bidding process was impacted by the COVID-19 pandemic and civil unrest. LADWP requested, and in November 2020 the MSRC approved, a 24-month term extension.

Contract Request: LADWP indicates that a supply chain issue with the hydraulic cylinders, which are integral to the entire build of the tree trimming vehicles, has delayed the project. These issues are now being resolved, and one vehicle has been placed into service. Having previously received extensions totaling 42 months, LADWP requests a 9-month term extension to allow them to receive and place all the vehicles into service and fulfill the Local Match Program's five-year operational requirement.

Should the MSRC not grant the extension, LADWP could be held legally liable for cancelling the purchase contract. These specialty vehicles are custom-made based on LADWP specifications and would be difficult for the vendor to sell to other customers.

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

December 22, 2022

Ms. Cynthia Ravenstein
Mobile Source Review Committee Administrator
South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, CA 91765

Dear Ms. Ravenstein:

Subject: Mobile Source Review Committee Contract Number ML16022 Request for Extension

The Los Angeles Department of Water and Power (LADWP) is requesting to extend contract number ML16022 to receive eight heavy-duty compressed natural gas (CNG) tree trimmers and fulfill the Mobile Source Air Pollution Reduction Review Committee (MSRC) contract's five-year operational requirement.

Length of Extension Requested

LADWP requests a nine-month extension from the existing period ending on September 4, 2027, to a new completion date of June 4, 2028.

New Project Schedule

- November 2022 – December 2022:
 - Receive the first three vehicles.
 - Place MSRC decals on the vehicles and implement the Public Outreach Plan
 - Enter the vehicles into service.
- January 2023 – May 2023
 - Receive one additional vehicle per month for the remaining five vehicles

Project Completion Status

The purchase order for the vehicles was awarded on September 4, 2020, and the eight vehicles were originally scheduled to be delivered and placed in service by September 2022. To date, three of the vehicles completed pre-delivery inspections in Fontana, CA. However, some minor adjustments need to be made before the vehicles can be approved and the vehicle builds accepted. The first three vehicles are expected to be delivered by the end of December 2022. The remaining five vehicles are being built in Phoenix, AZ, and are expected to be completed quicker since they will be using the first two builds as their guide and template.

Reason for Delay

The biggest contributing factor to the delay was a supply chain issue with the hydraulic cylinder that is needed to move the main aerial bucket device on the truck. The vendor was not able to source the hydraulic cylinder due to delays caused by the COVID-19 pandemic. The cylinder is an integral component of the entire build; and as a result, its unavailability prevents subsequent portions of the vehicle from being built. Due to the supply chain disruption caused by the pandemic, LADWP has seen several delays in overall vehicle production in the last two years. One other instance is a separate contract for 12 diesel-electric hybrid tree trimmers which was awarded around the same time as ML16022 and is now subject to a similar build and delivery schedule. The delivery of the vehicles now depends on how quickly the contractor can make the necessary changes identified during the pre-delivery inspection.

Consequences for Denial

The vehicles have already been ordered, but LADWP would not be able to complete the contract's entire five-year operational requirement. These vehicles will replace long overdue diesel tree trimmers with new, reliable, and cleaner equipment. Not only are these used by Power System crews to trim trees surrounding powerlines to prevent outages and fire hazards, but they are also dispatched to respond to emergencies. Additionally, if LADWP cancels the order anytime during the production of the vehicles, LADWP could be held legally liable for cancelling the contract and could incur associated legal costs in addition to the cost of vehicles received prior to the cancellation (approximately \$378,000 each). To date, LADWP has received one heavy-duty CNG tree trimmer, which was placed in service on November 29, 2022. LADWP is expecting to receive two more units by the end of December 2022 and the rest of the units between January 2023 and May 2023. Since these specialty vehicles are custom-made based on LADWP specifications, it would be difficult for the vendor to sell these to other customers whose requirements or specifications may vary from LADWP's.

LADWP appreciates the previous extension requests granted by the MSRC. The first extension request was an 18-month extension due to changes in the vehicle specifications and vendor protests, which delayed the purchase order. The bidding process was also impacted by the COVID-19 pandemic and civil unrest in 2020. The second 24-month extension request and grant modification were prompted by necessary updates to the grant to reflect the amount corresponding to a reduction in the number of vehicles being purchased (from 12 to eight), and to allow for the five-year operational requirement after the vehicles have been placed in service. LADWP tried as much as possible to avoid requesting a lengthy extension but the supply chain uncertainties have made it difficult to gauge how much additional time would be needed.

LADWP has conveyed the urgency to the contractor so that they can expedite what they can on their end. LADWP anticipates that an additional nine-month extension will allow for the delivery of the vehicles. LADWP will continue to provide quarterly status reports throughout the contract.

Ms. Cynthia Ravenstein
Page 3
December 22, 2022

If you have any questions or require additional information please contact me at (213) 367-0409 or via email at Andrea.Villarin@ladwp.com or Mr. James Talavera, at (213) 367-2987 or via email at James.Talavera@ladwp.com.

Sincerely,

A handwritten signature in black ink, appearing to read 'A. Villarin', with a stylized flourish at the end.

Andrea Villarin
Manager of Air Quality

JT:
c: Mr. Ellis Chiu

MSRC-TAC Scope Changes Agenda Item No. 3

DATE: January 12, 2022

FROM: Cynthia Ravenstein, MSRC Contracts Administrator

SUBJECT: One-Year Term Extension by City of South Gate, Contract #ML18146

SYNOPSIS: The City indicates that they have been actively pursuing construction of the charging station project for several months. However, the lowest bidder in response to their first advertisement was not able to proceed due to a dramatic increase in the purchase price of the units. The City re-advertised the project. Having previously received a two-year term extension, the City requests a one-year term extension in order to complete construction and fulfill the required three-year operational period. 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 request letter

DISCUSSION:

Contractor: City of South Gate

Project Title: Install EV Charging Stations

MSRC Funding: \$127,400

Project Term: March 1, 2019 to November 30, 2025

Current Request: One-year term extension

Previous Requests: Increase from three to six Level II stations and two-year term extension; substitute Level III for Level II station at corporate yard and one-year term extension

Project Description: The MSRC originally awarded the City \$127,400 to procure five light-duty zero emission vehicles and to install EV charging stations. Of this amount, \$50,000 was for the procurement of the vehicles, \$47,400 was for the installation of two limited access Level II charging stations, and \$30,000 was for the installation of one publicly accessible Level II

charging station. This was subsequently modified to the installation of five limited access and one publicly accessible Level II stations. All vehicles have been placed into service and \$50,000 has been paid to date on this contract.

Previous Requests: The City requested to substitute the installation of a Level III charging station for the installation of a Level II charging station at their corporate yard, with no additional funding from the MSRC. The City further requested a one-year term extension. The MSRC's FYs 2016-18 Local Government Partnership Program requires that Level III charging stations remain operational for five years. The one-year extension requested by the City would not suffice to fulfill this requirement. Therefore, MSRC staff recommended approval of a three-year term extension if the MSRC approved the City's request. The MSRC approved the request at their November 2020 meeting.

Prior to executing any contract modification for the above change, the City re-evaluated its needs and determined that they would be better served by Level II charging stations. The City requested to modify the original contract and increase the number of Level II charging stations from three to six. All three additional stations would be limited access. These installations would be accomplished without any additional MSRC funding. The City further requested a two-year term extension, inclusive of the one-year extension previously granted by the MSRC. In June 2021, the MSRC approved the City's request.

Contract Request: The City indicates that they have been actively pursuing construction of the charging station project for several months. However, the lowest bidder in response to their first advertisement was not able to proceed due to a dramatic increase in the purchase price of the units. The City re-advertised the project and plans to award the project soon. Having previously received a two-year term extension, the City requests a one-year term extension in order to complete construction and fulfill the required three-year operational period.

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.



Public Works Department

Arturo Cervantes, P.E., Assistant City Manager/Director of Public Works

8650 California Avenue, South Gate, CA 90280-3004

P: (323) 357-9657 F: (323) 563-9572

www.cityofsouthgate.org

December 5, 2022

Cynthia Ravenstein
MSRC Contracts Administration
21865 Copley Drive
Diamond Bar, CA 91765

Re: Request for an Extension to MSRC Grant Agreement ML18146A

Dear Ms. Ravenstein:

The City of South Gate ("City") has an agreement with the South Coast Air Quality Management District ("SCAQMD") for Mobile Source Emission Reduction Credits ("MSERCs") through AB 2766 Discretionary Funds in the amount of \$127,400. The contract (ML18146A) was executed on March 1, 2019, for an original scope of acquiring five (5) on-road light-duty zero emission vehicles and installation of two (2) limited Level II type EV charging stations within the City and one (1) public access Level II type EV charging station.

On January 20, 2022, the City and SCAQMD entered into a modification to the contract further amending the Contract changing the scope of work to include an additional three (3) limited access Level II type EV charging stations. The modification also extended the term an additional period commencing December 1, 2023, and terminating November 30, 2025.

The City has completed acquisition of the vehicles and the remaining balance of MSERC funds is \$77,400 for installation of the EV charging stations. The City is currently in process of awarding a construction contract on January 10, 2023, for the procurement and installation of the EV charging stations. However, the City was notified by SCAQMD that a final report was due on November 30, 2022.

The City is requesting an extension of twelve (12) months to allow for installation of the EV charging stations and submittal of the Final Report for the following reasons:

1. On June 30, 2022, the City advertised for the construction of the EV charging stations where it received Three bids with the lowest bid at \$131,490. On October 11, 2022, the City was ready to award the contract to the lowest bidder, however, the bidder was not able to fulfill his contractual obligation due to a dramatic increase in price of purchasing the EV charging units and it would take approximately upwards of 20 weeks (6 months) to receive the units. And as such, on October 11, 2022, the City rejected all construction bids.
2. On October 27, 2022, the City re-advertised the project and held the bid opening on November 28, 2022. The City received one bid in the amount of \$195,609.00 for the base bid. The City plans to award the project soon.
3. Contract Amendment ML18146A identifies the termination date of November 30, 2025, which the City has been tracking as the expiration date for funding not knowing that the actual termination date, as stated earlier during our phone conversation, as November 30, 2022.
4. For several months, the City has been actively pursuing to construct the project, from the design inception to contractors to bid on the project, with the understanding that it has until November 30, 2025, as the contract completion date.

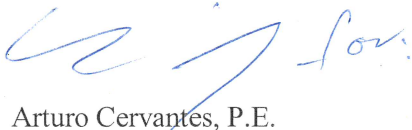
The City is fully committed to complete this project and will ensure that Level II charging stations will remain operational for a period no less than 3 years.

With all of the issues mentioned above, the City is urging the South Coast Air Quality Management District to reconsider the extension until December 30, 2023.

Should the extension not be granted, the City will be unable to continue with the construction and installation of the project.

If you have any additional questions regarding the extension requested, please contact Mr. Elias Saikaly at (323) 563-9581 or esaikaly@sogate.org

Sincerely,

A handwritten signature in blue ink, appearing to read 'Arturo Cervantes', is written over a faint, larger blue ink signature that is partially obscured.

Arturo Cervantes, P.E.
Assistant City Manager/Director of Public Works

MSRC-TAC Scope Changes Agenda Item No. 4

DATE: January 12, 2023

FROM: Cynthia Ravenstein, MSRC Contracts Administrator

SUBJECT: 38-Month Term Extension by City of Carson, Contract #ML18057

SYNOPSIS: The City of Carson requests MSRC review of a 38-month term extension request which has been denied by the MSRC Contracts Administrator. The City indicates that the work associated with the installation of the charging stations was delayed due to issues arising from the COVID-19 pandemic, staffing turnover, and changes in management and priorities. 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. This request was previously denied by the MSRC Contracts Administrator.

ATTACHMENTS: Contractor's letter requesting review of denial; Contracts Administrator's letter notifying Contractor of denial; original 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: 38-month term extension

Previous Requests: None

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.

Contract Request: The City indicates 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. At this point, however, the design and construction of the EV charging stations are doable because the city has secured an on-call consultant that will assist

with the design of the new EV charging stations.. The City requests a 38-month term extension to allow time to complete the installations and fulfill the three-year operational requirement.

MSRC Contracts Administrator Review & Contractor Request for MSRC Review of Denial: In accordance with the MSRC's recently adopted Policy on Contract Modifications, the request was reviewed by the MSRC's Contracts Administrator. The first review is for completeness. Having satisfied those requirements, the request is then checked against a set list of pre-established criteria for denial. The Contracts Administrator denied the City's request because it fell into the following category: the request is for three years or more.

Also as established by the Policy on Contract Modifications, the Contractor has the right to request MSRC review if their extension request is denied by the Contracts Administrator. The City has exercised this option.

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



CITY OF CARSON

November 8, 2022

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

Re: MSRC Contract No. ML 18057
Request for Time Extension

Dear Ms. Ravenstein:

The City received your Notice of Breach dated October 5, 2022, for Contract No. ML 18057 and we shared our intention to cure this breach during our video conference meeting on October 13, 2022.

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, was not completed and the city is seeking additional time to complete this portion of the work. A contract amendment was requested and approved in 2021, however, the amendment documents were not signed by the City due to a technology issue.

Contract extensions requests requirements:

1. The City is requesting an extension to August 31, 2026. The installation of the three, level II, EV charging stations would be complete by August 2023, however, the three-year operation and reporting requirement would be complete by August 2026.
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	January - February 2023
Hire a contractor	March – April 2023
Installation of EV charging stations	May – August 2023
Submit reimbursement request	September – December 2023
3-year Operation Requirement Period and Close-out	August 2023 – August 2026

3. 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	In progress

4. 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. At this point, however, the design and construction of the EV charging stations are doable because the city has secured an on-call consultant that will assist with the design of the new EV charging stations. The city also went through a robust process to determine the ideal make and model of the charging equipment that will work best in the city.
5. If the extension is not approved, the \$50,000 reimbursement that the city received for the purchase of the vehicles would not be cancellable.

The City of Carson expects to complete the design and installation of three, level II, chargers on or before December 15, 2023. 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 me via email at gmarquez@carsonca.gov or by phone at 310.952.1700 ext. 1813

Sincerely,



Gilbert Marquez
City Engineer

November 29, 2022

Gilbert Marquez
City Engineer
City of Carson
701 E Carson St
Carson, CA 90745

RE: MSRC Contract #ML18057 Extension Request

Dear Gilbert Marquez:

MSRC staff have received the City's request for a 37-month extension of the above-referenced contract for the purchase of five light-duty zero emission vehicles and installation of electric vehicle charging infrastructure.

Pursuant to the MSRC's Policy on Contract Modifications as last modified in February 2022 (attached), as Contracts Administrator I have the responsibility to assess the request and determine if there is an adequate case for approval (Section B.7). Upon review of the City's request and the previous history of Contract #ML18057, I hereby deny the City's request for a 37-month term extension because it falls into the following category: the current request is for three years or more.

The City has the option to appeal this denial to the MSRC. If the City desires to pursue this course, please submit a letter to my attention requesting MSRC review of the denial. We need to receive such letter no later than December 23, 2022 for the item to be placed on the January 12, 2023 MSRC-TAC agenda. You may still submit a letter through January 4, 2023, however, and the item will be placed on a later agenda.

Should you have any questions, please don't hesitate to contact me at 909-396-3269 or the email below.

Sincerely,



Cynthia Ravenstein
MSRC Contracts Administrator
Cynthia@CleanTransportationFunding.org

cc: Reata Kulcsar



CITY OF CARSON

December 6, 2022

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

Re: MSRC Contract No. ML 18057 – Option to Appeal Extension Request Denial

Dear Ms. Ravenstein:

The City received your extension denial letter dated November 29, 2022, for Contract No. ML 18057 and would like to exercise its option to appeal the denial to the MSRC.

As required in the “contract extension request requirements”, the following information was 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, was not completed and the city is seeking additional time to complete this portion of the work. A contract amendment was requested and approved in 2021, however, the amendment documents were not signed by the City due to a technology issue.

Contract extensions requests requirements:

1. The City is requesting an extension to August 31, 2026. The installation of the three, level II, EV charging stations would be complete by August 2023, however, the three-year operation and reporting requirement would be complete by August 2026.
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	January - February 2023
Hire a contractor	March – April 2023
Installation of EV charging stations	May – August 2023
Submit reimbursement request	September – December 2023
3-year Operation Requirement Period and Close-out	August 2023 – August 2026

3. 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.

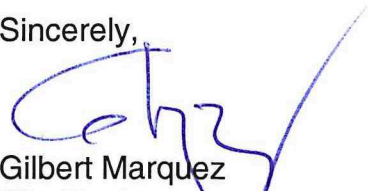
Procurement Categories	Discretionary funds payable under this contract	Discretionary funds received by the City	Status
On-road light-duty zero-emission vehicles	\$50,000	\$50,000	Complete
EV charging stations	\$56,250	\$0	In progress

4. 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. At this point, however, the design and construction of the EV charging stations are doable because the city has secured an on-call consultant that will assist with the design of the new EV charging stations. The city also went through a robust process to determine the ideal make and model of the charging equipment that will work best in the city.
5. If the extension is not approved, the \$50,000 reimbursement that the city received for the purchase of the vehicles would not be cancellable.

The City of Carson expects to complete the design and installation of three, level II, chargers on or before December 15, 2023. 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,


 Gilbert Marquez
 City Engineer

MSRC-TAC Scope Changes Agenda Item No.5

DATE: January 12, 2023

FROM: Cynthia Ravenstein, MSRC Contracts Administrator

SUBJECT: Modified Project List and Payment Schedule by Southern California Association of Governments (SCAG), Contract #MS21005

SYNOPSIS: In September 2022, SCAG informed MSRC that three of the previously-approved projects had withdrawn. The Contract 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 October 2022, the MSRC considered SCAG's requests and approved the reallocation of a portion of the funding, as well as reserving \$1,115,976 without immediate assignment to a specific project, contingent upon receipt of an additional reallocation request no later than February 17, 2023. SCAG has subsequently informed MSRC that an additional project with a funding allocation of \$70,000 has withdrawn, and now requests reallocation of a total of \$1,185,976 to current Project Participant Zeem Solutions. The increase in funding would augment Zeem Solutions' scope by increasing vehicle and 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, \$1,185,976 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; modified project list and reallocate funding between projects; combine consideration of \$70,000 with \$1,115,976 for reallocation

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). Four projects have now withdrawn, resulting in a total project count of 27. 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.

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. These projects were 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. Following a thorough analysis, 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.

Current Request: SCAG indicates that they performed further analysis of options for reallocating funds, including evaluation of those previously awarded funds and those on the Contingency list. **After thorough review, SCAG is proposing that the \$1,185,976 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 has confirmed that their feasibility assessments show that this same site location can still be considered through a phased approach. If the \$1,185,976 reallocation were approved, 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, increasing the geographic scope of their project into Orange County. Zeem would also increase their project match commitment by \$7,184,752 to a total match of \$14,785,752.

In SCAG's assessment, maintaining a location in Orange County was a top priority to be consistent with the program's goal to prioritize geographic equity. To date, all counties except Orange County have been awarded an appropriate minimum funding amount. This reallocation would ensure that Orange County also met that goal.

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



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

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January 4, 2023

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

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 \$1,185,976 to Zeem Solutions. This will increase the company's project deliverables as shown below in Table 3, while also increasing the LMFP's overall zero-emission vehicles and supporting infrastructure benefits and augmenting the portion of match for the LMFP. This recommendation will achieve the following:

- Zeem Solutions would increase its project deliverables from 42 medium- and heavy-duty zero-emission vehicles and one (1) mobile power station to include 30 additional medium duty-zero emission vehicles, 10 L2 chargers and 12 L3 chargers. Zeem will deploy these new chargers and vehicles at their Santa Ana location, expanding the project's scope to include infrastructure and vehicles domiciled in Orange County.
- With an increase in project deliverables, Zeem has committed to increasing the project's match commitment by \$7,184,752 to a match total of \$14,785,752, that would concurrently increase the overall LMFP match total to \$83,862,949 compared to a match total of \$79,280,149.
- Factoring in the change in assets from the withdrawn projects (Table 1), approval of this funding reallocation (including the approved Sysco Corporation reallocation at the October 2022 MSRC meeting) would result in a net increase of 35 zero-emission vehicles, and 25 units of supporting charging infrastructure delivered across the entire program and region.
- Lastly, by moving forward with both Zeem Solutions and Sysco Corporation, the LMFP will achieve its core goal of meeting the program's geographic funding minimum.

Discussion

Previously, 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, 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.

SCAG staff held discussions with Sysco Corporation, Zeem Solutions, and PepsiCo / New Bern, who all had requested higher amounts than what was awarded. PepsiCo / New Bern 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 remained below their initial application award requests (\$3,557,500) and (\$5,000,000) respectively and remained well above the 1:1 matching requirement (71%) and (77%) respectively.

At the MSRC October 20, 2022 meeting, SCAG staff presented an initial reallocation proposal where Sysco Corporation and Zeem Solutions would each have received an additional \$1,115,976 bringing each projects' award total to \$2,231,952. Sysco Corporation was approved by the MSRC for the \$1,115,976 funding increase and scope change at the October 20th meeting, but Zeem Solutions was not due to complications with their proposed scope. Zeem Solutions notified SCAG days before the October 20th meeting that their Santa Ana infrastructure capacity study revealed the proposed site for domiciling infrastructure did not have the power capacity necessary to house the initial proposed 66 chargers associated with their funding increase at that time.

As a result, the MSRC granted SCAG additional time (deadline of February 17, 2023) to propose an alternative reallocation plan for the remaining \$1,115,976. Concurrently, SCAG was notified by small-business owner-operator, Inn Mok Jung that they were withdrawing from the program. Consequently, an additional \$70,000 in LMFP funding became available for reallocation and there are now 27 projects receiving funding through the LMFP.

Table 1 – Withdrawn Projects and Associated Funding for Reallocation

Project Title	Agency Name	Business Replacement Size	Technology	Domicile Location (City, County)	Grant Funds Available for Reallocation	Amount of Match Provided	Vehicle Quantity	Quantity of Infra. Units
Replace Class 8a Diesel Truck VIN 497552 with a NZE Truck	Inn Mok Jung	Small	CNG	Compton, Los Angeles	\$70,000	\$170,000	1 (CNG)	-
NA	Heritage Environmental Services LLC, Kyungsoo Chung, Gantumur Bayaraa	Small, Large	CNG, BEV	Compton, Los Angeles Gardena, Los Angeles Signal Hill, Los Angeles	\$1,115,976	\$2,601,952	5 (3 BEV, 2 CNG)	5
Total	NA	NA	NA	NA	\$1,185,976	\$2,601,952	6 (3 BEV, 3 CNG)	5

As shown in Table 1, Inn Mok Jung's withdrawn project accounts for an award of \$70,000 and \$170,000 of match funding. This project was expected to deliver 1 natural gas truck to be domiciled in Los Angeles County. Combining this \$70,000 award amount with the remaining \$1,115,976 amounts to a total of \$1,185,976 for reallocation.

SCAG performed further diligence on the remaining companies that had been awarded funds including assessing others that were scored by the review panel, but not awarded. As a reminder, all projects from the Contingency List were deemed meritorious and are eligible for an award should additional funds be made available. Upon completion, three viable options for reallocating the remaining funds were identified: 1) To continue working with Zeem Solutions on a further scope revision for the same Orange County-domiciled project location as previously proposed; 2) Reconsider MHX who had previously been recommended for a partial award, but declined an offer in January 2022; and 3) As a final resort, consider Sysco Corporation to absorb the remaining funds and increase their overall project award and associated assets.

SCAG staff held numerous meetings with Zeem Solutions to confirm whether there was any opportunity to locate a viable facility within Orange County. Zeem Solutions notified SCAG before the October 20th MSRC meeting that their Santa Ana depot could not house the 66 proposed chargers offered as part of their original proposal. This was based on the conclusion of their independent feasibility study, in addition to the capacity study of the site location provided by Southern California Edison. Zeem Solutions confirmed that because of their feasibility assessments, the same site location at the Santa Ana depot could still be considered through a phased approach, by down scoping the property infrastructure to an initial 10 Level 2 (L2) chargers, and 12 Level 3 (L3) chargers, while also increasing 30 medium duty-zero emission vehicles to be domiciled at the Santa Ana depot. This would result in a total project award increase to \$2,378,019, including 72 medium- and heavy-duty zero-emission vehicles and 23 charging units to be domiciled in Los Angeles and Orange counties. Zeem has also committed to increasing the project's match commitment by \$7,184,752 to a match total of \$14,785,752, that would concurrently increase the LMFP match total to \$83,862,949

MHX's application ranked as the third highest score of all contingency list projects, but they were not interested in moving forward in January 2022 based the partial award offer at that time. As such, SCAG staff held a discussion with MHX to gauge their interest and capacity in leveraging \$1,185,976 in funding toward an eligible project in-line with their original application. MHX stated that at this time they could commit to deploying 6 Class 8 battery electric trucks and 2 chargers at their facility in Los Angeles County. MHX also offered \$1,310,212 in match funding as part of their revised proposal.

Based on considering these options for redistributing the funds, maintaining a location in Orange County was viewed as a top priority to be consistent with the LMFP's goal to prioritize geographic equity. At the start of the program, a geographic funding minimum goal of \$1,250,000 was established for each county in the South Coast Air Basin (Los Angeles, Orange, Riverside, and San Bernardino counties). This funding minimum amount originally corresponded to a program award amount of \$10,000,000. A proportional adjustment for the revised program award amount of \$16,751,000 would equate to a geographic funding minimum goal of \$2,093,875 per county. While there are different methods for estimating the LMFP's geographic investment, SCAG staff continues to utilize the project domicile location as the main metric for where project funding is being invested across the region, to be consistent with the MSRC's request.

Table 2 – LMFP Funding by County Domicile Location

Los Angeles County			Orange County		
Agency Name	Domicile Location (City, County)	Amount of Grant Funds Awarded	Agency Name	Domicile Location (City, County)	Amount of Grant Funds Awarded
WattEV (1 of 2)	El Segundo, Los Angeles	\$ 1,479,495	PepsiCo / New Bern	Buena Park, Orange County	\$ 1,192,043
Quality Custom Distribution	La Puente, Los Angeles	\$ 4,184,000	Total Project Funding for Orange County Domicile Locations: \$ 1,192,043		
Gonzalez Logistics, Inc.	Los Angeles, Los Angeles	\$ 1,192,043			
Zeem Solutions	Inglewood, Los Angeles	\$ 1,192,043	Riverside County		
Yeong Lak Yun	Gardena, Los Angeles	\$ 70,000	Agency Name	Domicile Location (City, County)	Amount of Grant Funds Awarded
Jongho Lee	Torrance, Los Angeles	\$ 77,500	Syso Corporation	Riverside, Riverside	\$ 2,308,019
Jason Kwon	Carson, Los Angeles	\$ 77,500	Total Project Funding for Riverside County Domicile Locations: \$ 2,308,019		
INTERMODAL EQUIPMENT LEASING INC	Compton, Los Angeles	\$ 387,500			
Bookmark Logistics, Inc.	Compton, Los Angeles	\$ 77,500	San Bernardino County		
Allen Chul Hyon	Carson, Los Angeles	\$ 77,500	Agency Name	Domicile Location (City, County)	Amount of Grant Funds Awarded
Yanxiu Li	Compton, Los Angeles	\$ 70,000	WattEV (2 of 2)	San Bernardino San Bernardino	\$ 1,479,495
Hyeong Cheol Jeon	Compton, Los Angeles	\$ 77,500	Penske Logistics, LLC	Riverside, Riverside	\$ 790,786
John Sung Kim	Compton, Los Angeles	\$ 70,000	Total Project Funding for SB County Domicile Locations: \$ 2,270,281		
Adrian David Lee	Compton, Los Angeles	\$ 70,000			
Victor Ki Choi	Rancho Dominguez, Los Angeles	\$ 62,100			
Jin Re Kim	Wilmington, Los Angeles	\$ 70,000			
Joo Sik Kim	Gardena, Los Angeles	\$ 70,000			
Yong Un Sok	Gardena, Los Angeles	\$ 70,000			
Sang Cheal Park	Gardena, Los Angeles	\$ 70,000			
Quan Ren	Compton, Los Angeles	\$ 70,000			
Sung Bin Park	Gardena, Los Angeles	\$ 70,000			
Kun Sung Noh	Gardena, Los Angeles	\$ 70,000			
JeongHun Lee	Gardena, Los Angeles	\$ 70,000			
In Heyoung Hwang	Gardena, Los Angeles	\$ 70,000			
Total Project Funding for LA County Domicile Locations:		\$ 9,794,681			

Table 2 shows the Program's total funding amounts per county based on each active project's domicile location. Using an adjusted geographic funding goal of \$2,093,875 per county, Table 2 shows that, to date, all counties have been awarded an appropriate minimum funding amount except for Orange County. While multiple LMFP projects provide service to Orange County, only one project, operated by PepsiCo/New Bern, has an Orange County Domicile location – PepsiCo / New Bern has been awarded \$1,192,043 for their efforts.

Table 3 – Revised Project Deliverables for Zeem Solutions Associated with Funding Increase

Project Title	Agency Name	Business Size	Replacement Technology	Domicile Location (City, County)	Amount of Grant Funds Awarded	Amount of Match Provided	Vehicle Quantity	Quantity of Infra. Units
Expanding Access and Scaling Electrification (EASE) for Small Fleets	Zeem Solutions	Small	BEV	Inglewood, Los Angeles Santa Ana, Orange	\$1,192,042 \$2,378,019	\$7,601,000 \$14,785,752	42 72	4 23

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

As shown in Table 3, by reallocating this \$1,185,976 to Zeem Solutions, the project will deliver an additional 30 electric vehicles, and 22 charging infrastructure units with Zeem Solutions domiciling these assets in Orange County at the Santa Ana depot. Notably, Zeem has also committed to increasing the project's match commitment to nearly double their original match (\$14,785,752), augmenting the overall LMFP's match to \$83,862,949. Reallocating this \$1,185,976 to Zeem Solutions will result in a more balanced distribution of funding across the South Coast Air Basin. If this reallocation is approved, Orange County would receive a total of \$2,378,019, surpassing the program's adjusted geographic funding minimum goal of \$2,093,875 per county, with all counties meeting the original geographic equity minimum goal.

Zeem Solutions has adjusted their project scope to fit the Santa Ana site's near-term power constraints. Zeem is scheduled to sign a lease agreement for the Santa Ana property in February 2023 and begin construction in May 2023, providing a scheduled path forward incorporating their adjustments to meet the timeline and goals of the LMFP.

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 funds in the amount of \$1,185,976 to Zeem Solutions and move this request forward to the MSRC-TAC for recommendation at the January 12, 2023 meeting.

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: 2023.01.04 10:24:06 -08'00'

Scott Strelecki
 Program Manager – Goods Movement



LMFP Funding Reallocation Proposal

January 12, 2023

WWW.SCAG.CA.GOV

Summary

- Prior to October 20, 2022, there was 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
- On October 20, 2022, SCAG presented a reallocation proposal to the MSRC:
 - The MSRC approved **\$1,115,976** in reallocation to Sysco Corporation; and
 - Granted SCAG additional time to propose an alternative reallocation plan for the remaining **\$1,115,976**

Summary Continued

- Since the October 20, 2022, MSRC meeting , SCAG staff were notified of another project resignation:
 - **\$70,000** from one owner-operator
- SCAG proposes reallocating the remaining combined amounts of \$1,115,976 and the additional \$70,000 to **Zeem Solutions**
 - Zeem: **\$1,185,976**

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 **\$1,185,976** in funding to procure an increase in zero emission vehicles and supporting charging stations for their Santa Ana depot
 - 30 Medium Duty-Zero Emission Vehicles
 - 12 DC Fast Chargers (DCFC)
 - 10 Level 2 (L2) chargers

Zeem Funding and Deliverables

Original Award and Deliverables	New Award and Deliverables
<p>Award Amount: \$1,192,043 Match Funding: \$7,785,752 (cash only)</p> <p>Number of Vehicles: 42 Number of Chargers: 1 1 Mobile Power Station</p>	<p>Award Amount: \$2,378,019 Match Funding: \$14,785,752 (cash only)</p> <p>Number of Vehicles: 72 Number of Chargers: 23 1 Mobile Power Station 12 DC Fast Chargers (DCFC) 10 Level 2 (L2) chargers</p>

* Bold text denotes that a change was made

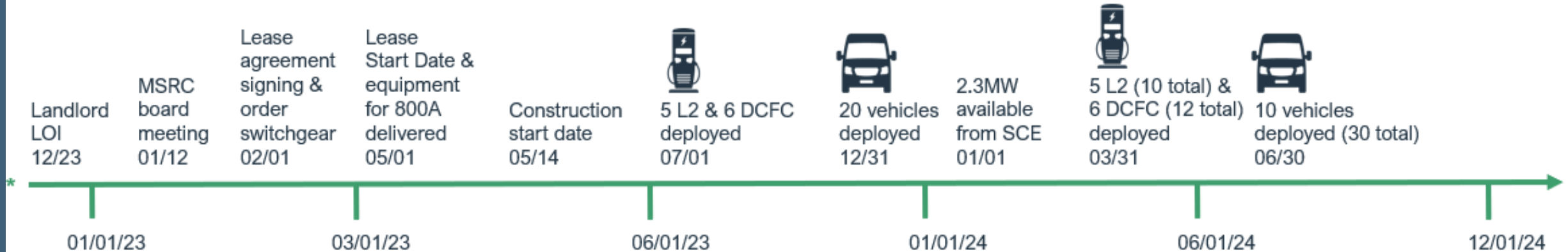
LMFP Timeline – Santa Ana Depot

10 L2, 12 DCFC chargers, and 30 electric last-mile delivery vehicles by June 2024 in Santa Ana

[Q1 2023 Apply for EnergIIZE FastTrack]

[Q3 2023 Apply for EnergIIZE JumpStart]

Contingency in case of FastTrack oversubscription



- * Steps already taken
- Investor LOI
 - Utility Engagement
 - Capacity Study
 - Charge Ready Transport Application
 - Ordered chargers
 - Ordered equipment to access 800A onsite power

Background

- SCE's capacity study results show that 2.3MW of power is locally available for 2023-2024
 - Constraint on utilizing this 2.3MW is the 60–70-week lead time for 2.3MW switchgear
 - Based on 2.3MW, there is enough power to support the proposed 10 L2 & 12 DCFC chargers
- There is an unused 800A distribution panel on site, 800A allows for 5-7 DCFC, so we expect the load study to show there is at least 800A available for Zeem's chargers

Geographic Equity With and Without Reallocation

County	Current Funding Amounts	Funding Amounts After Reallocation to Zeem
Los Angeles	\$9,794,681	\$9,794,681
Orange	\$1,192,043*	\$2,378,019
Riverside	\$2,308,019	\$2,308,019
San Bernardino	\$2,270,281	\$2,270,281
Total	\$15,565,024	\$16,751,000

* Denotes that county funding total falls short of the adjusted \$2,093,875 funding goal.

List of Withdrawn Projects

PROJECT TITLE AND AGENCY NAME:	Domicile Location (City, County)	Award Amount
Franklin_HES / Heritage Environmental Services LLC	Signal Hill, Los Angeles	\$2,091,952
Independent Owner Operator / Inn Mok Jung	Compton, Los Angeles	\$70,000
Independent Owner Operator / Kyungsoo Chung	Gardena, Los Angeles	\$70,000
Independent Owner Operator / Gantumur Bayaraa	Compton, Los Angeles	\$70,000

Project-Specific Breakdown

Project Participant Name	Maximum AB 2766 Discretionary Funds Payable	Project Participant Co- Funding	Total Project Cost
Adrian David Lee	\$70,000	\$170,000	\$240,000
Hyeong Cheol Jeon	\$77,500	\$162,500	\$240,000
Allen Chul Hyon	\$77,500	\$162,500	\$240,000
Jason Kwon	\$77,500	\$162,500	\$240,000
Jin Re Kim	\$70,000	\$170,000	\$240,000
Yanxiu Li	\$70,000	\$170,000	\$240,000
Sung Bin Park	\$70,000	\$170,000	\$240,000
Victor Ki Choi	\$62,100	\$162,100	\$224,200
In Heyoung Hwang	\$70,000	\$170,000	\$240,000
Joo Sik Kim	\$70,000	\$170,000	\$240,000
JeongHun Lee	\$70,000	\$170,000	\$240,000
Sang Cheal Park	\$70,000	\$170,000	\$240,000
Kun Sung Noh	\$70,000	\$170,000	\$240,000
Yong Un Sok	\$70,000	\$170,000	\$240,000
Bookmark Logistics, Inc.	\$77,500	\$162,500	\$240,000
John Sung Kim	\$70,000	\$170,000	\$240,000
Jongho Lee	\$77,500	\$162,500	\$240,000
Quan Ren	\$70,000	\$170,000	\$240,000
Yeong Lak Yun	\$70,000	\$170,000	\$240,000
INTERMODAL EQUIPMENT LEASING INC	\$387,500	\$812,500	\$1,200,000
Quality Custom Distribution	\$4,184,000	\$16,400,000	\$20,584,000
PepsiCo	\$1,192,043	\$2,460,000	\$3,652,043
Sysco Corporation	\$2,308,019	\$5,697,156	\$8,005,175
Zeem Solutions	\$2,378,019	\$14,785,752	\$17,163,771
WattEV	\$2,958,990	\$12,612,948	\$15,571,938
Penske Logistics, LLC	\$790,786	\$790,786	\$1,581,572
Gonzalez Logistics, Inc.	\$1,192,043	\$27,119,207	\$28,311,250
	\$16,751,000	\$83,862,949	\$100,613,949



THANK YOU!
