



South Coast Air Quality Management District

21865 Copley Drive, Diamond Bar, CA 91765-4178
(909) 396-2000 • www.aqmd.gov

TO: SCAQMD Administrative Committee
Dr. William Burke, Chair
Ben Benoit, Vice Chair
Dr. Clark E. Parker, Sr.
Councilmember Judith Mitchell

FROM: Wayne Nastri, Executive Officer

SPECIAL ADMINISTRATIVE COMMITTEE MEETING
Torrance Marriott
3635 Fashion Way, Torrance, CA 90503
June 8, 2017 ♦ 6:00 p.m. ♦ Grand Ball Room, Salons A – D

A webcast is available for viewing and listening at:
<http://www.aqmd.gov/home/library/webcasts>

AGENDA

ACTION/DISCUSSION ITEMS:

1. Review and Approve Proposals for the ExxonMobil Supplemental Environmental Program
In September of 2016, the Board approved the release of RFP #2017-06 to solicit proposals for projects to benefit the community of Torrance which are to be funded under the Supplemental Environmental Project funds of \$2,771,250 received pursuant to a settlement agreement with ExxonMobil. By the close of the submittal date, November 2, 2016, staff received 15 proposals for projects in the community. The Administrative Committee will be presented with a summary of proposals received, scored, and preliminary recommendations for discussion. Staff will seek the Committee's input and direction as to the recommendations for the full Board's consideration and expect extensive public comments at the meeting.
Wayne Nastri pgs. 1-16
Executive Officer
2. Public Comment
Any person may comment on any item on the agenda and may be limited to three minutes to address the Committee. At a special meeting, no other business may be considered. (Gov't Code Section 54956)

Americans with Disabilities Act

The agenda and documents in the agenda packet will be made available, upon request, in appropriate alternative formats to assist persons with a disability (Govt. Code Section 54954.2(a)). Disability-related accommodations will also be made available to allow participation in the Administrative Committee meeting. Any accommodations must be requested as soon as practicable. Requests will be accommodated to the extent feasible. Please contact Nancy Velasquez at 909-396-2557 from 7 a.m. to 5:30 p.m. Tuesday through Friday, or send the request to nvelasquez@aqmd.gov.

NOTE: The regular Administrative Committee meeting scheduled for Friday, June 9, will still be held in room CC-8, SCAQMD Diamond Bar Headquarters.



**South Coast
Air Quality Management District**
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ITEM 1

BOARD MEETING DATE: July 7, 2017

AGENDA NO.

PROPOSAL: Execute Contracts for Supplemental Environmental Projects in the City of Torrance from the ExxonMobil Settlement Agreement Fund

SYNOPSIS: On June 3, 2016, the SCAQMD Governing Board approved the establishment of a Special Revenue Fund to receive and account for Supplemental Environmental Project (SEP) monies received pursuant to a settlement agreement with ExxonMobil. The settlement agreement required ExxonMobil to pay \$2,771,250 into a SEP fund in consideration of violations related to the February 18, 2015 Torrance Refinery explosion and the start-up activities of the Torrance Refinery after repairs were made. On September 2, 2016, the Board released RFP #P2017-06 to announce the availability of funds and solicit proposals for projects to benefit the residents in the City of Torrance. Fifteen proposals were received totaling approximately \$15 million in requested funding. This action is to execute contracts in total amount not to exceed the SEP fund account.

COMMITTEE: Administrative, June 8, 2017

RECOMMENDED ACTIONS:

1. Authorize the Executive Officer to execute contracts with the City of Torrance and Sonoma Technology, Inc. for projects in the City of Torrance from the ExxonMobil SEP Fund (Fund 68) in total amount not to exceed the funds received from ExxonMobil, Inc., as discussed herein;
2. Authorize the Executive Officer to negotiate contract awards for the selected project elements, while ensuring the overall funding requirements of the ExxonMobil settlement agreement are met; and
3. Authorize the Executive Officer to utilize the interest earned from the SEP fund to offset administrative costs associated with program implementation.

Wayne Nastri
Executive Officer

PF:TAG;jm

Background

On June 3, 2016, the SCAQMD Governing Board approved the establishment of a Special Revenue Fund to receive and account for Supplemental Environmental Project (SEP) monies received pursuant to a settlement agreement with ExxonMobil. The settlement agreement required ExxonMobil to pay \$2,356,250 into a SEP fund in consideration of violations related to the February 18, 2015 Torrance Refinery explosion. The settlement agreement further required ExxonMobil to make an additional \$415,000 SEP fund payment related to the start-up activities of the Torrance Refinery. The total amount paid into the ExxonMobil revenue fund was \$2,771,250.

The use of the ExxonMobil revenue funds as stated in the settlement agreement is, “SEP Fund payments... shall be managed and used by the District to benefit the residents of the District.” Therefore, use of the funds may have broad application and do not necessarily have to result in emission reductions, but with the stated intent of using the funds to benefit the residents of the District, projects that provide public health and quality of life improvements can be considered. In conjunction with the RFP discussed below, the Board directed that funds be used in or to benefit the residents of the City of Torrance.

Request for Proposals (RFP)

Staff held a community meeting to solicit input on the development of the RFP on August 24, 2016 in the Toyota Meeting Hall of the Torrance Cultural Arts Center.

The intent of the community meeting in the City of Torrance was to solicit input and ideas regarding the use of SEP funds including the types of projects, scoring criteria and other considerations. While at the meeting, a number of project ideas were suggested by community members including infrastructure improvements and community safety, education and emergency preparedness, and addressing toxics health concerns; however, the majority of the suggestions focused on two types of projects: monitoring and integrated alarm/notification systems. The community also widely expressed that projects be effective in the long-term and consideration also be given to funding ongoing maintenance to ensure lasting public health protection. Consideration of all comments helped staff craft an RFP scope and evaluation process to implement projects that will benefit the community.

In addition to the August 24, 2016 community meeting, staff received additional input on project ideas. Staff met with Families Lobbying Against Refinery Exposures (FLARE), and had two meetings with the City of Torrance and Torrance Fire Department. The RFP reflected input on the major topics of interest to the community.

Based on community feedback, the type of projects referenced in the RFP included, but were not limited to the following:

- Air quality monitoring;
- Air quality emergency preparedness/community outreach and education;
- Improvement in siren/alarm and multi-media public notification systems; and
- Infrastructure improvements.

The RFP was released on September 2, 2016 and, given the scope of the RFP and wide range of potential project proponents, the Board approved an extended submittal period of 60 days, which closed on November 2, 2016.

Outreach

Due to the scope of the RFP and the wide range of potential applicants, an enhanced effort was made to conduct outreach to potential applicants in and around the City of Torrance, with the goal of providing information and assistance to potential applicants, including those who may not have previous proposal development experience.

In accordance with AQMD's Procurement Policy and Procedure, a public notice advertising the RFP/RFQ and inviting bids was published in newspapers specific to the area, including the Los Angeles Times, Orange County Register, San Bernardino Sun, and Riverside Press Enterprise. Staff held a Bidder's Conference and "office hours" at the Ken Miller Recreation Center and the Torrance Cultural Arts Center on September 21, 2016. The "office hours", where AQMD technical staff covered a variety of potential project topic areas, held during typical work and non-work hours to help members of the public, community groups, organizations, local governments and industry in the development of proposals. Up to seven technical staff were made available for 4 hours of one-on-one consultations with prospective applicants. Staff also fielded numerous telephone calls and emails to respond to questions regarding the development of proposals. None of the AQMD staff that participated in these "office hours" were involved in the evaluation and technical scoring of proposals.

Additionally, potential bidders were notified utilizing SCAQMD's own electronic listing of certified minority vendors. Notice of the RFP/RFQ was emailed to the Black and Latino Legislative Caucuses and various minority chambers of commerce and business associations, and placed on the Internet at SCAQMD's website (<http://www.aqmd.gov>).

Proposals Received

By the 1:00PM PST submittal deadline on November 2, 2016, 15 proposals were received in response to the RFP. A list of proposals received by the filing deadline are provided in Attachment 1. A total of more than \$15 million in funding was requested. The topic areas included: monitoring, alert, and outreach proposals; Hydrogen Fluoride dispersion modeling; education; and emergency preparedness.

Evaluation of Proposals

The RFP contained a point scoring system with the following maximum points available:

Project Evaluation Criteria	
Experience and expertise of Proposer	30
Public health improvements	30
Measureable air quality benefits (emissions reductions, reduced risk exposure, or emissions prevention)	20
Effective use of funds	10
Secondary benefits (number of people benefited, quality of life improvements, other than jobs)	5
Community/government support letters	5
Total	100
Additional Points (15 pts. maximum)	
Small Business or Small Business joint venture	10 additional points possible
DVBE or DVBE joint venture	10 additional points possible
Use of DVBE or Small Business subcontractors	7 additional points possible
Low-emission vehicle business	5 additional points possible
Local business (including local governments and school districts)	5 additional points possible
Off-peak hours delivery business	2 additional points possible
Most favored customer	2 additional points possible

A minimum technical score of 70 points is required for funding consideration.

Due to the nature of the proposals received, two panels were established to review proposals. The first panel reviewed proposals that contained monitoring, modeling, or alert systems as key components. 12 of the 15 proposals were evaluated by a five-member panel (Panel #1) in accordance with established SCAQMD guidelines, using criteria outlined in the RFP. The five-member evaluation panel consisted of: one SCAQMD Manager; one Professor of Clinical Preventative Medicine from University of Southern California; one Branch Chief from CARB; one Director from the Bay Area AQMD, and a Physical Scientist from USEPA. The panel members were all male and were all Caucasians. Panel #2 was comprised of three members that reviewed the remaining three proposals that were of an educational preparedness nature and were

likewise evaluated in accordance with established AQMD guidelines, using criteria outlined in the RFP. The three-member evaluation panel consisted of: one SCAQMD Manager; one SCAQMD Air Quality Specialist; and one Senior Branch Science Advisor from the California Department of Public Health with expertise in environmental public education. The panel was comprised of one female and two males, and included one Japanese-American and two Caucasians.

Due to the RFP being open to any project that benefited the Torrance community, it was anticipated that proposals would come from a wide range of applicants. Therefore, applicants needed to either show they had the experience to execute the project or had the capacity to complete the project (i.e., managed through sub-contractors, even if not yet identified). Proposals received points based on the scoring criteria where the most complete proposals with proven technology received the most points. Some proposals may not have scored as high, but that does not diminish their potential benefits, particularly as it relates to the advancement of monitoring technology development and deployment. Therefore, some projects may be recommended for funding from other funds, such the Rule 1118 mitigation fee fund.

A maximum of 15 additional points were available for certain business categories through self certification. For example, extra points were given to proposals that demonstrated that the primary or sub-contractor was a disabled veteran business enterprise, or a small or local businesses joint venture. Additional points were also given to project proponents who certified their local business status as defined in the RFP. In the interest of fairness and public benefit, and given the large number of proposals received from local government agencies, the scoring included five additional “local business” points applied to cities, counties, public schools, transit agencies, and regional governments doing at least 90% of their business in the AQMD jurisdiction.

As stated in the RFP, the Governing Board may award contracts to projects not receiving the highest rating in the event the Governing Board determines that another proposal from among those technically qualified would provide the best value considering cost and technical factors.

Proposed Awards and Recommendations

As a result of the Panels’ technical scoring, seven of the fifteen proposals met the minimum technical scoring criteria as outlined in the RFP. The scoring, including additional points, are included in Attachment 2.

Based on the scoring and input from the panels, the two highest scoring proposals (City of Torrance and Sonoma Technology, Inc.) represented the most complete projects that, if implemented, would benefit the community most. However, staff believes that having multiple and overlapping monitoring and alert systems may result in conflicting information and confusion for the public. It is recommended that the best elements from

the two top scoring proposals be combined through a collaborative effort. In staff's view, this represents the best use of funds.

Therefore, staff makes the following recommendations for funding:

1. Fund the monitoring element from Sonoma Technology for up to 3 years at a total estimated funding level of \$2,171,250; and
2. Fund integration of the monitoring with the City of Torrance community warning system for up to 3 years at a total estimated funding level of \$600,000.

The funding amounts may vary and are subject to change due to negotiation with the project proponents to combine the respective project elements in the collaborative effort.

Benefits to AQMD

The SEP Fund was established by a settlement agreement with ExxonMobil. These funds will be used to implement programs to help inform and protect the community during potential future incidents. The proposed project funding supports AQMD's ongoing efforts to protect and reduce the risk from air pollution.

Resource Impacts

Funding for projects under this RFP will be funded by monies received from the ExxonMobil settlement in consideration of violations related to the February 18, 2015 Torrance Refinery explosion and violations related to the start-up activities, as required by the settlement agreement. Total funding for these projects shall not exceed \$2,771,250. Interest earned from the SEP fund will be used to offset administrative costs associated with program implementation (currently ~\$11,000). After the completion of the contract period, staff will need to assess and potentially consider support for continued monitoring through other funding mechanisms, including the consideration of any regulatory requirements that may have been promulgated during this period.

Attachment

- Attachment 1: List of Proposals Received
- Attachment 2: Ranking of Proposals

Attachment 1

List of Proposals Received

**RFP: 2017-06 - SEP Fund Air Quality Improvement Projects
ExxonMobil - \$2.77M Funding**

NO.	NAME	Proposal Topic ⁽¹⁾	Funding Request
1	QSENSE, INC.	Monitoring and Alert system	\$954,986
2	UNIVERSITY OF CALIFORNIA LOS ANGELES - DEPT. OF ATMOSPHERIC AND OCEANIC SCIENCES	Monitoring and Alert system	\$1,674,747
3	DR. GENGHMUN ENG	HF release model to improve emergency planning and response	\$26,000
4	PROVIDENCE LITTLE COMPANY OF MARY FOUNDATION	Public Education - Emergency Preparedness	\$732,426
5	SONOMA TECHNOLOGY, INC.	Monitoring and Alert system	\$1,905,479
6	SULLIVAN ENVIRONMENTAL CONSULTING, INC.	Modeling and exposure assessment to site monitors and establish a monitoring program (no alert component)	\$398,352
7	AIROSENSE INC.	Monitoring and Alert system	\$1,787,500
8	BOARD OF REGENTS OF THE NEVADA SYSTEM OF HIGHER EDUCATION ON BEHALF OF THE DESERT RESEARCH INSTITUTE (DRI)	Citizen led monitoring program to develop air quality impacts related to local source emissions	\$969,868
9	CITY OF TORRANCE	Monitoring and Alert system	\$2,739,839
10	TETRA TECH, INC.	Mobile & stationary monitoring to conduct exposure assessment to inform the community to identify potential solutions moving forward	\$1,289,085

NO.	NAME	Proposal Topic ⁽¹⁾	Funding Request
11	THINK EARTH ENVIRONMENTAL EDUCATION FOUNDATION	Environmental education program for K-12 & adults	\$209,092
12	FLUXSENSE, INC.	Mobile monitoring to conduct emissions characterization to identify hot spot emissions and abatement opportunities	\$884,700
13	LOCAL ACTION APPS, LLC (MELINDA PILLSBURY- FOSTER)	Mobile monitoring combined with live IR thermal video camera with optical gas imaging and website link, including an "EcoEmergency Alert App"	\$796,800
14	AMERICAN ECOTECH L.C.	Monitoring and Alert system, community outreach and education	\$1,092,275
15	RESIDENT OF THE CITY OF TORRANCE ⁽²⁾	Torrance community pool upgrades	unknown
Total Bids Received			\$15,461,149

Foot Notes:

- (1) The "Proposal Topic" description is meant to be a broad summary of the proposed project focus.
- (2) One proposal was received from a community member that, although lacking detail, was given consideration.

Attachment 2

**Ranking of Proposals
RFP 2017-06**

Scoring of Proposals with Monitoring or Modeling as a Key Element

NO.	NAME	Avg. Technical Score (Max. 100 pts.)*	Additional Points (Max. 15 pts.)	Total Score	Rank
9	CITY OF TORRANCE	81.20	15.00	96.20	1
5	SONOMA TECHNOLOGY, INC.	83.60	10.00	93.60	2
1	QSENSE, INC.	72.35	14.00	86.35	3
14	AMERICAN ECOTECH L.C.	73.80	10.00	83.80	4
2	UNIVERSITY OF CALIFORNIA LOS ANGELES - DEPT. OF ATMOSPHERIC AND OCEANIC SCIENCES	82.80	0.00	82.80	5
12	FLUXSENSE, INC.	78.00	2.00	80.00	6
10	TETRA TECH, INC.	67.60	7.00	74.60	
3	DR. GENGHMUN ENG	56.70	15.00	71.70	
6	SULLIVAN ENVIRONMENTAL CONSULTING, INC.	56.40	15.00	71.40	
8	BOARD OF REGENTS OF THE NEVADA SYSTEM OF HIGHER EDUCATION ON BEHALF OF THE DESERT RESEARCH INSTITUTE (DRI)	68.10	0.00	68.10	
7	AIROSENSE INC.	48.80	0.00	48.80	
13	LOCAL ACTION APPS, LLC (MELINDA PILLSBURY-FOSTER)	41.40	0.00	41.40	

* A minimum technical score of 70 points is required for funding Consideration

Scoring of Proposals without Monitoring as a Key Element

NO.	NAME	Avg. Technical Score (Max. 100 pts.) *	Add'l Points (Max. 15 pts.)	Total Score	Rank
4	PROVIDENCE LITTLE COMPANY OF MARY FOUNDATION	87.33	5.00	92.33	1
11	THINK EARTH ENVIRONMENTAL EDUCATION FOUNDATION	59.33	0.00	59.33	
15	RESIDENT OF THE CITY OF TORRANCE	29.67	0.00	29.67	

* A minimum technical score of 70 points is required for funding Consideration

Environmental Improvement Projects to be Implemented Under the Supplemental Environmental Projects Fund

Administrative Committee
June 8, 2017



Background

- Torrance refinery explosion
February 2015
- Refinery restart in May 2016
- Settlement agreement
 - Funds associated with violation related to event = \$2,356,250
 - Funds associated with facility restart = \$415,000
- In June 2016, SCAQMD Governing Board approved establishment of a Supplemental Environmental Project (SEP) fund (\$2,771,250)



Use of Funds



- Settlement agreement calls for the funds to be used to
 “...benefit the residents of the District.”
- Therefore, allows for projects that provide public health and quality of life improvements, does not necessarily have to reduce emissions
- Funds to be used within or to benefit the City of Torrance

RFP Process

RFP



- Community meeting to solicit ideas and input for use of funds
- RFP issued on September 2, 2016 for project proposals
- Bidder's conference & “office hours” held in Torrance
- Proposal submittal date extended to 60-days (November 2, 2016)

Examples of Projects Suggested at Community Meeting (August 2016)

- Air quality monitoring;
- Air quality emergency preparedness/community outreach and education;
- Improvement in siren/alarm and multi-media public notification systems; and
- Infrastructure improvements



Summary of Projects Submitted

- 15 proposals submitted
- Totaling ~\$15,500,000
- Submittals generally fell into the following categories:
 - Monitoring, alert, & public notification systems
 - Modelling
 - Emergency preparedness
 - Public education
 - Other

Project Evaluation

Project Evaluation Criteria	Points
Experience and expertise of Proposer	30
Public health improvements	30
Measureable air quality benefits (emissions reductions, reduced risk exposure, or emissions prevention)	20
Effective use of funds	10
Secondary benefits (number of people benefited, quality of life improvements, other than jobs)	5
Community/government support letters	5
Total Technical Score (minimum 70 points needed for consideration)	100
Additional points for local, small business, etc.	15 Points Maximum

Two Evaluation Panels

- **Monitoring, modeling, or alert systems**
 - SCAQMD Manager
 - Professor of Clinical Preventative Medicine from USC
 - Branch Chief from CARB
 - Director from Bay Area AQMD
 - Physical Scientist from USEPA
- **Education or emergency preparedness**
 - SCAQMD Manager
 - Senior Branch Science Advisor from the California Department of Public Health
 - SCAQMD Air Quality Specialist

Proposal Scoring (minimum 70 Point technical score)

NAME	Proposal Topic	Funding Request	Technical Score	Add'l Points	Total Score
CITY OF TORRANCE	Monitoring and Alert system	\$2,739,839	81.20	15.00	96.20
SONOMA TECHNOLOGY, INC.	Monitoring and Alert system	\$1,905,479	83.60	10.00	93.60
PROVIDENCE LITTLE COMPANY OF MARY FOUNDATION	Public Education - Emergency Preparedness	\$732,426	87.33	5.00	92.33
QSENSE, INC.	Monitoring and Alert system	\$954,986	72.35	14.00	86.35
AMERICAN ECOTECH L.C.	Monitoring and Alert system, community outreach and education	\$1,092,275	73.80	10.00	83.80
UNIVERSITY OF CALIFORNIA LOS ANGELES - DEPT. OF ATMOSPHERIC AND OCEANIC SCIENCES	Monitoring and Alert system	\$1,674,747	82.80	0.00	82.80
FLUXSENSE, INC.	Mobile monitoring to conduct emissions characterization to identify hot spot emissions and abatement opportunities	\$884,700	78.00	2.00	80.00

Other Proposals (did not meet minimum technical score)

NAME	Proposal Topic	Funding Request
TETRA TECH, INC.	Mobile & stationary monitoring to conduct exposure assessment to inform the community to identify potential solutions moving forward	\$1,289,085
DR. GENGHMUN ENG	HF release model to improve emergency planning and response	\$26,000
SULLIVAN ENVIRONMENTAL CONSULTING, INC.	Modeling and exposure assessment to site monitors and establish a monitoring program (no alert component)	\$398,352
BOARD OF REGENTS OF THE NEVADA SYSTEM OF HIGHER EDUCATION ON BEHALF OF THE DESERT RESEARCH INSTITUTE (DRI)	Citizen led monitoring program to develop air quality impacts related to local source emissions	\$969,868
THINK EARTH ENVIRONMENTAL EDUCATION FOUNDATION	Environmental education program for K-12 & adults	\$209,092
AIROSENSE INC.	Monitoring and Alert system	\$1,787,500
LOCAL ACTION APPS, LLC (MELINDA PILLSBURY-FOSTER)	Mobile monitoring combined with live IR thermal video camera with optical gas imaging and website link, including an "EcoEmergency Alert App"	\$796,800
RESIDENT OF THE CITY OF TORRANCE (2)	Torrance community pool upgrades	unknown

Staff Recommendations

- Two highest scoring proposals (City of Torrance and Sonoma Technology) represent the most complete projects with greatest benefit to the community
- Both contain monitoring/alert system
 - A community priority expressed at public meeting
- Having multiple/overlapping monitoring & alert systems may be confusing

Recommendations (cont.)

- Best elements from these two proposals be combined, in collaboration
 - Sonoma Technology – monitoring
 - City of Torrance – integrated alert and notification
 - Both have public input elements
- Both project proponents have been contacted to discuss a willingness to develop a project through the contracting process

Recommendations (cont.)

- Fund Sonoma Technology, Inc. for up to 3 years at a total estimated funding level of \$2,171,250; and
- Fund the City of Torrance community warning system for up to 3 years at a total estimated funding level of \$600,000.

Changes to funding amounts may occur due to negotiations to combine the respective project elements in the collaborative effort

Recommended Board Actions

1. Authorize the Executive Officer to execute contracts with the City of Torrance and Sonoma Technology, Inc. in total amount not to exceed the funds received from ExxonMobil
2. Authorize the Executive Officer to negotiate contract awards, while ensuring the overall funding requirements of the ExxonMobil settlement agreement are met
3. Authorize the Executive Officer to utilize the interest earned from the SEP fund to offset administrative costs (~\$11,000 to date)