

## AIR QUALITY MITIGATION FUND REQUEST FOR PROPOSALS (RFP)

HCBF requests proposals from eligible entities that successfully submitted their Letters of Interest and passed the initial screening. This solicitation intends to gain further information to help the HCBF board make the funding decision.

### I. FUNDING OPPORTUNITY DESCRIPTION

#### A. Background

As part of a settlement associated with the approval of the China Shipping Container Terminal Project (China Shipping) in 2004, the Port of Los Angeles (POLA) set aside funding for air quality mitigation. In 2015, POLA and the Harbor Community Benefit Foundation (HCBF) signed a Memorandum of Agreement (MOA) establishing an Air Quality Mitigation Fund (AQMF) totaling over \$5 million of the funds for projects to reduce Port-related air emissions in nearby communities. As a result of the MOA, HCBF, a non-profit organization dedicated to mitigating impacts from POLA on the two neighboring communities of San Pedro and Wilmington, California, administers the fund. HCBF received the funding in 2017, and this RFP is the first opportunity to allocate that funding.

As specified in the MOA, the HCBF, with the approval of the POLA Board of Harbor Commissioners, is empowered to award funding to third parties "...exclusively for projects that are reasonably calculated to reduce Port-related air emissions. This includes emissions resulting from the transport and handling of cargo, within, into, out of, to, or from the Port of Los Angeles."

#### B. Project Objectives

To meet the goal of the AQMF program, at the minimum projects must present technology ready for demonstration and directly reduce Port-related air emissions.

Projects shall include demonstration or implementation of the following technologies:

- zero emission technology - preferred
- near-zero emission technology
- emission reduction technology

Projects funded by the AQMF must demonstrate achievable emissions reduction benefits in San Pedro and Wilmington, and within a 25-mile boundary of the San Pedro Bay. However, benefits may also extend beyond the 25-mile limit.

#### C. Availability of Funds

The total estimated funding expected to be available for awards under this competitive opportunity may be up to approximately \$5,000,000.

#### D. Number of Awards

HCBF anticipates awarding one or more cooperative agreements from this announcement, subject to availability of funds, the quality of applications received, and other applicable considerations.

### II. ELIGIBILITY INFORMATION

#### A. Eligible Applicants

Eligible entities that successfully presented their Letters of Interest and passed the initial screening are invited to submit the full proposal.

All applicants must secure the project's demonstration or implementation partner that operates within a 25-mile boundary of the San Pedro Bay with the submittal of the proposal. Examples include terminal operator located at one or both of the Ports of Los Angeles and Long Beach, harbor craft or fleet owner/operator, shipping line, etc.

### **B. Eligible Projects**

The eligible projects using AQMF funds must be responsive to the following priorities outlined in the Memorandum of Agreement:

- 1) Demonstration or implementation of zero or near-zero emission freight movement technologies and other emerging technologies that seek to demonstrate significant emissions reductions from conventional diesel-fueled vehicles and equipment that operate in and around the Port (including ships, harbor craft, trucks, locomotives, and cargo-handling equipment);
- 2) Technologies that, if they were widely deployed, would significantly reduce air emissions and/or air quality related health risks from the largest sources of air pollution from port operations, namely ships, harbor craft, trucks, locomotives, and cargo handling equipment.

All projects must be consistent with the conditions prescribed in the City of Los Angeles Tidelands Trust Grant Act, all Federal, State, and local laws, and the China Shipping Amended Stipulated Judgment (described in the Memorandum of Agreement, and available on HCBF's website or by request).

The project types **not** eligible for AQMF funding are listed below:

- Technologies that are not applicable to port-related freight movement
- Fuel additives
- Technologies in the conceptual or R&D phase

### **C. Eligible Costs and Match Funding**

The costs eligible for AQMF funding include design and engineering, materials, equipment, construction, emissions testing, data tracking and systems integration, and specific demonstration costs.

The costs **not** eligible for AQMF funding include administrative overhead, travel, marketing, and promotional expenses, as well as fuel and other consumables and labor to operate the equipment not directly associated with the project.

All costs will be tracked and documented.

Match funding is not required; however, it would be considered beneficial during evaluation.

## **III. SUBMITTAL PROCESS**

Applicants must submit their Proposals using the form available on the AQMF webpage (<http://hcbf.org/grants/air-quality-mitigation-program/>).

A responsive application to this request will include **all of the following**:

- A detailed description of the technology, including:
  - How does the technology work?
  - What is the stage of development of the technology? Please be specific and note that technologies in the conceptual or R&D phase are not eligible.
  - Is the technology currently in use? Where?
  - What are other applications for the technology?
  - What are the plans for the technology commercialization, if applicable?

- A detailed description of the proposed demonstration project. A marketing pitch of the firms involved in the project is not considered a project nor technology description. The narrative should include:
  - Project goals and objectives
  - Specific project requirements, e.g., size of space needed, other equipment necessary for the technology to work
  - The scope of work including tasks, milestones, and deliverables
  - The duration of the project and detailed schedule from start to completion
  - Project partners
- Available certifications, plans for permits and approvals for verification and certification, as needed
- Description of project benefits demonstrating project emission reductions and other community and economic benefits
  - A detailed explanation as to how the proposed projects will reduce air toxics (e.g., diesel PM, benzene), criteria pollutants (e.g., NOx, CO), and greenhouse gas (i.e., CO<sub>2</sub>-equivalent) emissions
  - A description as to if and how the project will leverage AQMF funding to achieve benefits beyond the scope of the proposed project
  - A calculation of the emission reductions by identified air pollutant, and the timeframe in which those reductions will occur relative to a baseline scenario
- Calculated project cost-effectiveness which is the measure of dollars provided to a project for each ton of covered emissions reduced. The Carl Moyer Program Guidelines, available at the California Air Resources Board (CARB) website, describe the Cost-Effectiveness Calculation Methodology and provide reference materials.
- Budget with detailed total project cost estimate and funding request.
  - Is should also describe project-related costs for equipment, materials, travel, and labor, and any matched funds
  - A detailed budget of operational costs of the project once deployed, and specification as to who will be responsible for operational costs if not covered in the project
- Description of the company and the project team
  - A brief description of the prior relevant experience of the assembled team to accomplish the proposed work effort
  - Past experience with grant and other funding, including how previously received funds were spent
  - Key team members with their qualifications and capabilities

Paper submissions will not be accepted.

Due date: **January 31, 2019 by 4:00PM (PST)**

Deadline to submit questions: **January 17, 2019**

Questions will be accepted until two weeks before the LOI due date, unless there is a problem with the submittal process.

**Contact:**

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**Public Information Notice:**

All documents submitted to HCBF are considered public record.

**IV. EVALUATION PROCESS AND CRITERIA****A. Project Evaluation Process**

HCBF staff is responsible for making a funding recommendation to HCBF's Board of Directors. If the HCBF Board of Directors approves a project (or projects) for funding, the approved projects will be forwarded to the Board of Harbor Commissioners (BOHC) of the Port of Los Angeles for approval. The BOHC will then have sixty days to review HCBF Recommendations and vote on the approval of the decision. The BOHC's review may take into account only the factors outlined in Paragraph V.f.vii of the Memorandum of Agreement.

HCBF's staff, in consultation with experts as necessary, will review all applications, develop initial recommendations, and convene an ad hoc committee of HCBF's Board of Directors which will provide final recommendations. As set forth in Paragraph V.f.v of the Memorandum of Agreement, "HCBF staff will research whether a proposed project, through information provided in the proposals and any other sources of information that it may in its discretion choose to use, meets the project criteria developed by HCBF, and HCBF staff shall make a recommendation of its findings to the Board of Directors of HCBF."

HCBF anticipates that it will establish a special AQMF review panel, consisting of an HCBF ad hoc board committee, selected stakeholders, and to-be-identified external personnel with demonstrated expertise in the evaluation of zero emission, near-zero emission, and emission reduction technologies for freight movement. The panel will review the received applications and provide feedback to HCBF's ad hoc board committee and staff. HCBF staff, with guidance from its ad hoc board committee and technical consultants, as well as the feedback from the review panel members, will make its funding recommendations to the HCBF Board.

**B. Project Evaluation Criteria**

HCBF's evaluation criteria for this program has been developed in consultation with the Settlement Petitioners (Natural Resources Defense Council [NRDC], San Pedro and Peninsula Homeowners' Coalition [SPPHC], San Pedro Peninsula Homeowners' United [SPPHU], and the Coalition for Clean Air [CCA]), the City of Los Angeles (as represented by the Port of Los Angeles), and in agreement with the Tidelands Trust and the 2015 MOU.

Evaluation criteria for submitted project applications are presented in three broad categories below: Organizational Requirements, Project Specifications, and Community Benefits. These categories are not listed in order of preference or priority. Although there is no prioritization implied, **HCBF does emphasize environmental and community benefits within the neighborhoods of Wilmington and San Pedro.**

<p><b>Organizational Requirements</b></p> <p>Applications will be evaluated on the degree to which:</p> <ul style="list-style-type: none"> <li>• The relevant project team’s experience and qualifications.</li> <li>• The Applicant demonstrates the ability to meet project deadlines and milestones for past and current technology demonstration projects.</li> <li>• The Applicant will respond to and mitigate project delays and issues that may arise during the project.</li> <li>• The Applicant demonstrates the corporate sustainability practices.</li> </ul>
<p><b>Project Specifications</b></p> <p><i>Potential to Advance Deployment</i></p> <p>Applications will be evaluated on the degree to which:</p> <ul style="list-style-type: none"> <li>• The targeted vehicle/equipment market and size for the technology are appropriately matched.</li> <li>• The technology is innovative and includes advances of zero emission, near-zero emission, and emission reduction technologies <b>(with special consideration given to zero emission technologies)</b>.</li> <li>• If the project is a demonstration project or small-scale deployment, the scope of the project (including, but not limited to the number of vehicles demonstrated, type(s) of vehicles demonstrated, length of demonstration, and duty cycles) is appropriate to help lead the technology to commercial adoption.</li> <li>• The project demonstrates that the technology has the potential to be a cost-competitive purchase option that will lead to commercial adoption.</li> <li>• The barriers and challenges to market penetration and commercial adoption for the technology are known, identified, and addressed by the project.</li> <li>• The Applicant presents credible, complete and viable strategies that will lead the technology to commercial adoption, including existing relationships with major original equipment manufacturers.</li> </ul>
<p><i>Implementation Feasibility</i></p> <p>Applications will be evaluated on the degree to which:</p> <ul style="list-style-type: none"> <li>• The tasks in the Scope of Work and the proposed project schedule are complete, sequential, and will lead to the successful and timely completion of the project.</li> <li>• The fueling/power infrastructure is available and sufficient to support the proposed project.</li> <li>• The Applicant has secured site access for the proposed project, including site access related to fueling/power infrastructure and the proposed demonstration or implementation.</li> <li>• The Applicant has secured verifications, certifications, and recognition of the proposed technology’s feasibility, reliability, and performance by a known regulatory, academic, or industrial agency or institution.</li> </ul>

<ul style="list-style-type: none"> <li>• The proposed project is comprehensive and addresses topics including, but not limited to: fuel/power supply, fueling/power practice, costs, fuel/energy consumption, and other appropriate elements to be included in data collection.</li> <li>• The proposed customer and vehicle/equipment support service in the field is appropriate and will contribute to the overall success of the project.</li> <li>• The Applicant has secured a demonstration partner.</li> </ul>
<p><i>Budget/Cost Share</i></p>
<p>Applications will be evaluated on the degree to which:</p> <ul style="list-style-type: none"> <li>• The proposed budget addresses the priorities of the AQMF program.</li> <li>• Administration and overhead expenditures are minimized.</li> <li>• The Applicant demonstrates the need for AQMF funds.</li> <li>• The Applicant demonstrates responsible fund spending based on previous grant funding opportunities, if applicable.</li> <li>• The project continues to drive down previous costs of technology integration, build, procurement, and demonstration.</li> <li>• Matched funds are documented, committed, and readily available for the project. *</li> <li>• Additional resources are leveraged beyond the AQMF grant funds awarded to support the project activities. *</li> </ul>
<p><b>Community Benefits</b></p>
<p><i>Geographic Benefit</i></p>
<p>Applications will be evaluated on the degree to which:</p> <ul style="list-style-type: none"> <li>• The project helps to minimize and reduce environmental and health risks from port-related air pollution to communities of Wilmington and San Pedro and more generally communities within 25 miles of the Port of Los Angeles. The projects funded by the AQMF are expected primarily to benefit the communities of San Pedro and Wilmington.</li> </ul>
<p><i>Economic Benefit</i></p>
<p>Applications will be evaluated on the degree to which:</p> <ul style="list-style-type: none"> <li>• The project will create job opportunities, especially for residents living in the communities of Wilmington and San Pedro.</li> <li>• The project will increase economic activity within local, regional, and statewide economies.</li> <li>• Project funding (both reimbursable and match share) benefit and are paid to California-based entities.</li> <li>• The project will provide cost-effective solutions to the community.</li> </ul>
<p><i>Environmental Benefit</i></p>
<p>Applications will be evaluated on the degree to which:</p> <ul style="list-style-type: none"> <li>• The project reduces GHG emissions expressed in metric tons CO<sub>2</sub>e reduced per project demonstration period.</li> <li>• The project results in a high Benefit/Cost score defined as the amount of lifecycle GHG emissions reduced over the project duration per dollar of HCBF funding and expressed in grams CO<sub>2</sub>e reduction.</li> </ul>

<ul style="list-style-type: none"> <li>• The project reduces criteria pollutant emissions.</li> <li>• The project reduces VOC or other air toxics pollutant emissions.</li> <li>• Emission reductions and the basis for the projections shall be calculated, not extrapolated to larger scale implementation.</li> </ul>
<i>Technology Benefit</i>
<p>Applications will be evaluated on the degree to which:</p> <ul style="list-style-type: none"> <li>• The project addresses the development and implementation of zero emission, near-zero emission, and emission reduction technologies.</li> </ul>

\*Matched funds, or the leveraging of AQMF funds, are not requirements, however, either would be considered beneficial during evaluation.

**V. ADMINISTRATION AND NEXT STEPS**

**A. AQMF Oversight and Financial Control**

Upon approval by both the HCBF Board of Directors and the BOHC, a contract will be executed for the proposal(s) selected for funding. Agreements detailing funding and program oversight of approved projects will be between HCBF and its grantees.

**B. Reporting and Invoicing Requirements**

Grantees should anticipate regular written progress reports with HCBF. By the end of each following month, they should submit a brief 1-2-page monthly report throughout the funding period. In addition, an annual Grantee meeting will be held to provide an opportunity for Grantees to give an update on project progress and status to the HCBF Board as well as to the China Shipping Petitioners (NRDC, San Pedro and Peninsula Homeowners’ Coalition, San Pedro Peninsula Homeowners United, and CCA), City of Los Angeles, and BOHC.

HCBF shall disburse funds to the awarded grantees on a schedule established with each grantee, at its sole discretion, and may include performance benchmarks for a given project, at the discretion of HCBF.