



GREAT BASIN UNIFIED AIR POLLUTION CONTROL DISTRICT

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July 8, 2011

To: Interested parties

Subject: Request for Proposals – Administrator for Clean Air Projects Program

The Great Basin Unified Air Pollution Control District (District) is soliciting proposals from qualified individuals and organizations to act as the Program Administrator for a temporary grant program known as the “Clean Air Projects Program” (CAPP). Funding for the CAPP totals \$6.5 million, of which 85 percent (\$5,525,000) must be spent on clean air projects. “Clean air projects” are defined as improvements, replacements, or programs that directly or indirectly result in a reduction in air pollution emissions. The remaining 15 percent (\$975,000) is to be used by the District for other purposes, including CAPP administration.

Enclosed with this letter are additional background information on the CAPP program, details on the use of CAPP funds, a description of the Administrator’s expected duties, Administrator fee requirements and other information to be included in all proposals.

Proposals are due to the District by August 5, 2011. Proposals should be submitted in hard-copy format in sealed envelopes marked “CAPP Administrator Proposal.” The District will not review any proposals until after August 5, 2011. The District may require additional information and may hold interviews prior to selecting a recommended Administrator. It is expected that the Great Basin Governing Board will award a contract for the CAPP Administrator at their meeting in mid-September.

This request and additional background information is available on the District’s website at: www.gbuapcd.org/CAPP. Please contact me if you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "T.D. Schade".

Theodore D. Schade
Air Pollution Control Officer

Enc.

**Great Basin Air Pollution Control District
Clean Air Projects Program (CAPP)
Program Administrator Request for Proposals**

Background

In January 2008, the Great Basin Unified Air Pollution Control District (District) issued an order to the Los Angeles Department of Water and Power (LADWP) that required about 13 square miles of dust controls to be implemented on the dried bed of Owens Lake October 2010. Included in this area was 3.1 square miles (known as the Phase 7a areas) on which the LADWP could, at their own risk, deploy an experimental dust control measure known as “Moat and Row.” For a number of reasons, the LADWP was unable to implement the Moat and Row controls and missed the October 2010 deadline. The District’s Air Pollution Control Officer (APCO) issued a Notice of Violation and, after six months of settlement negotiations, on March 17, 2011, the District Board issued an order for abatement that requires approved dust controls on the Phase 7a areas by the end of 2013.

In addition to the requirement to implement dust controls, the order for abatement requires the LADWP to pay the District \$6.5 million. This payment is intended to “offset and mitigate such excess [air pollution] emissions that may occur between October 1, 2010 and December 31, 2013” (all quotes are from the March 17, 2011 Order for Abatement). The order requires 85 percent of the payment (\$5,525,000) to be used “for Clean Air Projects within the District (Inyo, Mono and Alpine Counties) with preference given to projects in the Owens Valley PM₁₀ Planning Area” (OVPA or, generally, the southern Owens Valley). The order defines Clean Air Projects “as improvements, replacements, or programs that directly or indirectly result in a reduction in air pollution emissions.” Other than the requirement that the monies not be used to fund projects the LADWP is required to implement, the “District Governing Board shall have the sole authority and discretion regarding project selection and approval, but will consider any project recommendations made by [the LADWP].” Fifteen percent of the payment (\$975,000) is to be deposited into the regular District budget and has no use restrictions, other than all program administrative costs are to be paid from this amount.

The order for abatement is attached to Request for Proposals (RFP). The CAPP is addressed in paragraph 13 of the order.

Project Administration

The District is not currently set up to administer a large grant program like the proposed CAPP and, because of the temporary nature of the program, it would not be prudent to hire District staff solely for this purpose. The District Governing Board approved that the administration of the program be put out to RFPs. The CAPP Administrator would be paid out of the 15 percent of the offset payment (\$975,000) that did not go into the special Clean Air Projects account. However, it must be made clear that the District expects to use significantly less than the full 15 percent for the CAPP Administrator. The work would be awarded to the individual or organization that makes the best proposal, not necessarily the lowest bidder. The successful CAPP Administrator should have a local presence and commit to hiring residents of the District to the maximum extent possible.

Examples of Possible Projects

CAPP funds must be used for projects that reduce air pollution. The reduction can be local and direct, such as woodstove upgrade/replacements, which immediately reduces the amount of air pollution directly discharged into our communities. The reduction can also be regional and indirect, such as weatherization of commercial/government buildings, which reduces electrical demand and, presumably, reduce the amount of coal or fossil fuel electrical generation outside the District. Air quality improvements from the first example are much easier to quantify than those from the second example. Most of the possible projects will fall somewhere along a gradient between these two examples. In addition, projects that directly reduce local air pollution emissions will rank higher than projects that reduce regional air pollution or projects that may result in future air pollution reductions. All proposed projects should attempt to quantify the cost per ton of air pollution reduced. The District is interested in the maximum possible air pollution reductions from the funding available. It should be noted that all programs must be voluntary. The District will rely on public outreach to generate enthusiasm for program participation.

In its discussion of the CAPP, the District Board emphasized its desire to take full advantage of opportunities to leverage CAPP funds—to look for projects that have or could have other funding in order to make CAPP funds go as far as possible. Leveraged projects would be ranked higher than non-leveraged projects that were otherwise equal.

Owens Valley Planning Area Preference

As mentioned above, the March 17 Order for Abatement requires that projects in the OVPA be given preference. The OVPA is the area most severely impacted by dust emissions from the Owens Lake bed. It is defined as the area in the Owens Valley between Tinemaha and Haiwee Reservoirs; it includes the communities of Independence, Lone Pine, Keeler, Cartago and Olancho. “Preference” can mean that proposed projects in the OVPA get first call for available funding and/or that projects in the OVPA would get additional funding beyond that in the rest of the District. For example, a woodstove replacement program could offer \$2,000 toward the purchase of a new, EPA-compliant heating device in most of the District, but residents of the OVPA might get a voucher worth \$2,500. OVPA preferences will be developed on a project-by-project basis.

Projects on Indian Reservations

Indian Reservations in Alpine, Mono and Inyo Counties are not within the boundaries of the Great Basin Unified Air Pollution Control District and the District has no permitting or enforcement authority on reservation lands. However, because of the proximity of most reservations to communities in the District, air pollution generated on the reservations certainly impacts District communities. The District Board has determined that reservations and reservation residents will be eligible to participate in the CAPP upon the condition that the District receive appropriate enforcement, oversight and audit assurances from the tribes. This would likely be in the form of an agreement between each participating tribe and the District.

CAPP Administrator Duties

The District expects the CAPP Administrator to perform the following duties. All RFP responses must provide details as to how the required services will be provided. This is a list of anticipated duties at this time. Duties will certainly change and evolve as the program gets under way and are subject to approval by the District's Governing Board or Air Pollution Control Officer (APCO). The successful Administrator will have the ability to identify program needs and adapt accordingly.

1. **Work closely with District staff** – The CAPP Administrator function almost like a member of the District staff. Although the Administrator must provide their own office space, regular and efficient communication with the District's APCO, Administrative Projects Manager and Fiscal Service Technician is a necessity. The Administrator will be required to enter into a professional services contract with the District and will be treated and considered an independent contractor, not an employee or contract employee. Regular status reports will be required.
2. **Review projects with the LADWP** – The Order for Abatement requires that all CAPP projects “be publicized as joint projects of the Great Basin Unified Air Pollution Control District and the Los Angeles Department of Water and Power.” In addition it states, “The District Governing Board shall have sole authority and discretion regarding project selection and approval, but will consider any project recommendations made by [the LADWP].” The successful Administrator will communicate regularly with the LADWP and utilize any experience and expertise it has regarding grant programs.
3. **Local presence** – As the CAPP will only be funding projects in Inyo, Mono and Alpine Counties, it is important that the Administrator be locally-based and have good connections with local government agencies, non-profits and the media.
4. **Public outreach** – Outreach is critical to a successful program. All means of outreach should be utilized: print media, radio, Internet and mail. An effective outreach effort would likely also use social networking resources.
5. **Develop agreements with Indian Tribes** – As discussed above, in order for Indian Reservations and their residents to participate in the CAPP, each participating tribe will need to execute an agreement with the District. The Administrator will be responsible for meeting with the tribes and working with District staff and legal counsel to develop and execute enforcement, oversight and audit agreements.
6. **Project solicitations** – The Administrator will be responsible for preparing and distributing “call for projects.” These calls may be general in nature (e.g., any project that reduces air pollution) or they could be very specific (e.g., projects that reduce wood smoke in local communities).
7. **Project proposal review** – The Administrator will be expected to review all proposals received and rank them according to criteria developed in coordination with District staff and the Governing Board.

8. **Coordinate technical analysis** – Proposals will presumably need to be technically analyzed to determine the amount of air pollution reduction they can be expected to generate and their expected cost per ton of pollution reduced. District staff will provide the technical assistance necessary. The Administrator is not expected to be able to perform such technical analyses.
9. **Prepare award recommendations** – The Administrator will be expected to review all proposals, determine feasibility, determine the cost per ton of air pollution reduced (with District staff assistance), rank proposals and make recommendations for award. Final award recommendations should be closely coordinated with the APCO.
10. **Present recommendations to the Board** – The Administrator will be expected to write all Board reports and make presentations to the Board. In addition, the Administrator should provide timely written status reports for every Board meeting (the District Board generally meets every other month).
11. **Develop contracts** – After the Board approved projects, the Administrator will work with the successful applicants to develop contracts. Contracts will specify the work to be conducted, the timing of the project, project milestones, payment schedules and reporting/audit requirements. It is expected that contracts will be developed with the assistance of District legal counsel.
12. **Oversee/inspect project implementation** – The Administrator will be expected to keep in close contact with grantees during the project implementation phase. Grantees should be required to submit regular status and cost reports. The Administrator will be expected to personally inspect all project activities to ensure the projects are actually implemented as proposed.
13. **Recommend payments** – The Administrator will review project completion milestones and, based on performance, recommend payments. The Administrator will coordinate payment activities with District fiscal staff.
14. **Coordinate with third-party auditor** – The District intends to have an outside auditor audit project completions and payments. The Administrator should coordinate and work with the auditor. Auditor costs would be paid by the District through a separate contract.

CAPP Administrator Fees

Although the District is open to discussing all manner of Administrator payment options, it is anticipated that payment would be made on an hourly basis. Proposals should provide the name, position and fully-loaded hourly rate of all personnel that could be expected to work on CAPP administration. The District will pay District per Diem rates for all travel outside the District and for travel more than 60 miles from the Administrator's base of operations. All travel must comply with the District's travel policy. Personnel hired by the Administrator are employees of the Administrator and not of the District. The Administrator will be solely responsible for payment and monitoring of all its personnel salaries, wages, per diem, taxes, benefits, insurance and other payroll related liabilities.

The CAPP administrator will be expected to provide worker's compensation insurance for all employees, if required, general liability insurance in the amount of \$1,000,000 and business automobile insurance in the amount of \$300,000 per occurrence (combined single limit for bodily injury and property damage) for all Administrator-owned vehicles.

The Administrator will be expected to defend, indemnify and hold harmless the District against all claims resulting from the Administrator's performance and personnel.

The District has a standard professional services contract that can be provided upon request.

Contents of Proposals

Although the District will likely elect to interview the top candidates, it will put considerable weight on the proposal package. Proposals should indicate the applicant's abilities to clearly communicate and prepare professional materials. Applicants should assume that the only chance they will get to present their qualifications and abilities is through the proposal.

All proposals should include:

- A cover letter signed by an authorized representative summarizing the proposed approach of the Administrator and highlighting the main elements of the proposal
- A detailed work plan addressing, at a minimum, all the items discussed in this request
- Résumés for all program participants
- Fee proposal
- References

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