

## **SACRAMENTO METROPOLITAN AIR QUALITY MANAGEMENT DISTRICT**

For Agenda of **March 23, 2006**

**To:** Board of Directors  
Sacramento Metropolitan Air Quality Management District

**From:** Larry Greene  
Air Pollution Control Officer

**Subject:** Authorization for the Air Pollution Control Officer to Negotiate and Sign a Contract with Eastern Research Group to Provide Technical Support for Rule Development

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### **Recommendation**

Approve the attached resolution authorizing the Air Pollution Control Officer (APCO), in consultation with the District Counsel, to negotiate and sign a two-year contract with Eastern Research Group (ERG) for up to \$300,000 to provide technical support for the rule development program.

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### **Background**

The District faces several state and federal mandates to adopt or amend air quality rules over the next few years. The most recent triennial assessment of District progress toward attaining the state ozone standard, as required by the California Clean Air Act, identified 8 stationary source categories for which rules need to be adopted or amended to comply with the requirement to adopt "all feasible measures." The Senate Bill (SB) 656 Implementation Schedule, approved by the Board in July 2005, contains a list of 10 measures for controlling emissions of particulate matter that must be studied further and, if feasible, adopted as new rules. Another state law, SB 700, requires the District to adopt a rule to implement a permit program for agricultural facilities, as well as to adopt a rule to reduce emissions from large confined animal facilities.

In addition to the state mandates, a significant amount of rule development activity will arise from the federal implementation of the 8-hour ozone and PM<sub>2.5</sub> standards. The District has been designated a "serious" nonattainment area for the 8-hour ozone standard and must submit to U.S. EPA, by June 15, 2007, a plan that demonstrates emission reductions of NO<sub>x</sub> and VOC that are sufficient to achieve the standard by 2013. It is anticipated that more stringent measures will need to be developed and implemented to achieve the necessary emission reductions. In addition, it is anticipated that when U.S. EPA promulgates implementation rules for the PM<sub>2.5</sub> standard, the District will be designated as a nonattainment area and will be required to develop and implement measures to achieve the PM<sub>2.5</sub> standard.

The District's Program Coordination Division will require the services of a qualified contractor to assist with rule development for at least the next two years to fulfill the large number of commitments. The District's rule development staff includes 3.5 full-time equivalents (FTEs). By using the services of a contractor, instead of hiring additional District staff, the rule development program will be able to adjust more readily to the changing workloads during this surge in activity.

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## **Contractor Selection Process**

On January 5, 2006, the District issued a Request for Proposals (RFP) to seek firms qualified to support the rule development program by performing the following types of tasks:

- Gather and analyze emission inventory information for relevant source categories;
- Compile and analyze information on available air pollution control technology;
- Develop control strategies;
- Propose regulatory language;
- Analyze the emission impacts of proposed rules;
- Estimate the costs of compliance with proposed rules;
- Analyze the socioeconomic impact of proposed rules;
- Prepare written documents to support rule adoption; and
- Participate in public workshops and assist in responding to public comments.

The RFP was posted on the District's web site, and an announcement was mailed to 40 firms with environmental engineering or consulting experience. Proposals were received from 8 firms prior to the February 21, 2006 deadline. The proposals were evaluated by staff according to criteria in the following categories:

- Relevant experience and qualifications;
- Reputation for customer satisfaction; and
- Fee or prices.

Following the evaluation of proposals, there was unanimous agreement among the 3 members of the review team to select ERG as the most qualified contractor to perform this work.

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## **Contract Funding**

The contract will cover a two-year period from April 2006 to April 2008, and includes parts of three fiscal years. The District's FY05/06 budget included a total of \$100,000 of EPA 105 funds for these services. Staff will propose to carry over any unused funding from this amount into FY06/07, and will request additional funding of \$100,000 each in the budgets for FY06/07 and FY07/08, for a total of \$300,000 available for this contract. The allowable contract expenditures will be contingent upon approval by the Board of the future District budgets.

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## **Contract Terms**

The proposed contract for technical services is for up to \$300,000 over a two-year period, contingent upon future budget approval. The contract will provide for specific tasks to be assigned to the contractor by an authorized District representative in the form of detailed, written work authorizations. The rates for services will be those proposed by ERG in response to the RFP.

The contract will provide for the possibility of a two-year extension. Board budget approval will be sought before any such extension is executed.

A sample contract is attached. Board approval is requested for the APCO to make changes to the contract terms, in consultation with the District Counsel, as may be necessary during negotiations with ERG.

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Respectfully submitted,

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Larry Greene  
Air Pollution Control Officer  
Sacramento Metropolitan  
Air Quality Management District

Approved as to form:

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Kathy Pittard  
District Counsel  
Sacramento Metropolitan  
Air Quality Management District

Attachments: Resolution  
Sample Contract