

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

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Council District: 1,9,10,14

To: The Mayor
The Council

From: Miguel A. Santana, City Administrative Officer *MSH*
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Reference: Transmittal from the Mayor dated October 14, 2015; Additional information provided through October 21, 2015

Subject: **APPLICATION SUBMISSION AND ACCEPTANCE OF THE FISCAL YEAR 2014-15 TARGETED CARSHARING AND MOBILITY OPTIONS IN DISADVANTAGED COMMUNITIES PILOT PROJECT GRANT AWARD IN THE AMOUNT OF \$1,669,343 FROM THE CALIFORNIA AIR RESOURCES BOARD (CARB)**

SUMMARY

The Mayor's Office of Budget and Innovation, Sustainability Team (MOBI) is requesting authority to accept the Fiscal Year 2014-15 Car Sharing and Mobility Options in Disadvantaged Communities Pilot Project (FY14-15 Car Sharing Pilot Project) Grant in the amount of \$1,669,343 from the California Air Resources Board (CARB) and approval of related actions to implement the LA City EV Carsharing Pilot Project (City EV Carsharing Project). Related actions include approval to execute a contract with sub-recipient partner Shared Use Mobility Center (SUMC) for project management, technical assistance and data analysis services and the issuance of a Request for Qualifications to identify and select an electric vehicle (EV) car share operator. MOBI will serve as a liaison on this grant but program implementation and grants management will be coordinated by the Transportation Department.

The FY14-15 Car Sharing Pilot Project Grant performance period is effective for up to a three year term effective from the date of the executed grant agreement through October 31, 2018. Although no minimum match is required, the City leveraged over \$1 million in matching and in-kind resources derived from four City departments: Transportation (LADOT), Water and Power (DWP), Housing and Community Investment (HCID) and Public Works-Bureau of Street Lighting (BSL). As a result, the City received the larger of the two grants awarded by the State. This Office recommends acceptance of the FY14-15 Car Sharing Pilot Project Grant and related actions to implement the project.

Background

The purpose of the FY14-15 Car Sharing Pilot Project Grant program is to reduce Greenhouse Gas (GHG) emissions through the introduction of advanced clean vehicle technologies (car sharing fleets, vanpooling or shuttles) into the State's most disadvantaged communities. The California

Environmental Protection Agency (Cal EPA) utilizes a CalEnviroScreen tool to assess and identify which State census tract areas are most at risk for exposure to multiple pollutants. This program is funded by the Greenhouse Gas Reduction Fund with proceeds from the State's Cap-and-Trade Program. Eligible uses of the grant funds include community outreach and education, vehicle lease or purchase, electric vehicle supply equipment installation, maintenance, insurance costs, car sharing reservation systems, participant subsidies, data collection and reporting, staffing or administration expenses. The grantee has the option to either administer the project or select a subcontractor to do so. The latter option requires the disclosure of the grantee and subcontractor relationship in both the application and grant agreement. After an initial advancement of grant funds, subsequent disbursements are contingent upon meeting programmatic and financial expenditure milestones.

LA City EV Carsharing Pilot Project

The CARB issued a Grant Solicitation for the FY14-15 Car Sharing Pilot Project on February 15, 2015, the City submitted its proposal by the application deadline of April 8, 2015. On June 9, 2015, the City received notification of the FY14-15 Car Sharing Pilot Project Grant award in the amount of \$1,669,343. City match and in-kind resources of \$1,018,870 plus an estimated shared use vehicle operator investment of \$5.3 million brings the total project budget to nearly \$8 million. Grant funds will be used to implement a car sharing pilot project in the following disadvantaged communities of Central, South and East Los Angeles that fall within the top 10 percent of the CalEnviroScreen index: Westlake, Pico-Union, several areas north of the University of Southern California and portions of Downtown, Hollywood and Koreatown not served by the City's Integrated Mobility Hubs Project.

The City partnered with SUMC to design and assist with project implementation to add 100 car share vehicles in disadvantaged Los Angeles communities. The composition of the vehicles will be 50 percent Battery Electric (BEV), 30 percent Plug-in Hybrids (PHEV), and the remaining 20 percent will be hybrid gas-electric. Pursuant to an RFQ process, the selected car share operator(s) will be tasked with quickly launching a 100 vehicle car share fleet to serve the targeted communities. An advisory steering committee of eight community-based organizations (CBOs), which are representative of the targeted neighborhoods, will provide guidance on accessibility issues, marketing/outreach, impacts of the project and participation in educational outreach efforts. Projected outcomes of the City EV Carsharing Project include the increased presence of car sharing within the City, recruitment of 7,250 new users of car sharing, reduction of 1,000 private vehicles on the road through sale or purchase avoidance, and the reduction of 2,150 tons of CO₂ emissions annually.

Partnership with Shared Use Mobility Center (SUMC)

The City selected to partner with SUMC on the FY14-15 Car Sharing Pilot Project grant application and project implementation because of their unparalleled industry-leading experience. SUMC is a public interest partnership that works to foster collaboration in shared mobility and helps to connect the growing industry with transit agencies, cities and communities across the nation. The principal staff has over 25 years of demonstrated experience in all aspects of shared mobility including piloting programs, original research and technical assistance. SUMC has assisted the cities of Chicago, IL; Buffalo, NY and Albany, NY in launching successful carsharing projects and recently helped to implement a peer-to-peer (P2P) carsharing demonstration project in the low-income neighborhoods of the Chicago metropolitan area. Their experience on the P2P project will inform the activities of the City EV Carsharing Project in disadvantaged communities.

Due to SUMC's subject matter expertise and successful track record of working with municipalities to launch carsharing pilots, LADOT requests authority to negotiate and execute a personal services agreement with SUMC to provide expert and technical assistance in transportation issues and solutions, particularly in regards to achieving overall success with the City EV Carsharing Project, in an amount not to exceed \$218,960, for a performance period of 35 months effective November 1, 2015 through October 31, 2018. Additionally, MOBI requests that the Charter 1022 Determination process be waived due to the specialized expertise of the subcontractor and allowance by the grantor to utilize subcontractors to administer the project when the grantee-subcontractor relationship is disclosed in the grant application and award agreement process.

Request for Qualifications - Electric Vehicle (EV) Car Share Operator

A key component of the EV Carsharing Project is to incentivize private operators to invest in Los Angeles' disadvantaged communities with good potential for shared mobility (high density, low rates of car ownership and access to transit) but suffer from years of disinvestment. Project design objectives include the quick scaling of a 100 vehicle pilot carshare fleet in partnership with existing carshare operators, installation of 110 charging units at public parking locations where EV carshare vehicles will be parked, and recruitment of 7,250 new users. To attract the participation of multiple qualified operators, the project design includes program start-up assistance in the amount of \$600,000 to defray infrastructure costs. Upon acceptance of the grant and execution of the grant agreement, the LADOT plans to issue a Request for Qualifications (RFQ) to identify qualified shared-use mobility companies to operate a pilot carshare fleet for the City EV Carsharing Project.

The LADOT requests authority to prepare and issue an RFQ to identify and select qualified EV carshare vendors to operate a 100 vehicle carshare fleet in targeted disadvantaged communities in Los Angeles. LADOT will report back on the results of the RFQ process and recommendation of a vendor to provide share use mobility vehicle services.

Car Sharing Pilot Project Grant Budget and Matching/In-kind Resources

The majority of grant funds will be utilized for carshare operator start-up assistance (\$600,000), contractual services (\$538,743), parking subsidies (\$358,600) and CBO steering committee expenses (\$172,000). Upon execution of the grant agreement, the City will receive an initial advance disbursement of \$667,737; all subsequent disbursements are subject to the City's satisfactory performance of programmatic and financial milestones. The City anticipates reimbursement totals over the three-year performance period as follows: Year One - \$798,709, Year Two - \$592,546, Year Three - \$278,088. The City demonstrated its commitment to implement the EV Carsharing Project by securing over \$1 million in matching and in-kind resources as follows: \$400,000 – DWP installation of 80 pedestal/wall charging stations, \$300,000 – BSL procurement and installation of 30 street light chargers, and \$318,870 – LADOT, MOBI and HCID staff commitments to project implementation. Further information on these commitments are outlined in the grant application.

RECOMMENDATIONS

That the Council:

1. Authorize the Mayor, or designee, to:
 - a) Accept on behalf of the City, the Fiscal Year 2014-15 Targeted Car Sharing and Mobility Options in Disadvantaged Communities Pilot Project (FY14-15 Car Sharing Pilot Project) Grant award in the amount of \$1,669,343 from the California Air Resources Board (CARB), for a performance period of up to three years, effective from the date of execution of the CARB grant agreement through October 31, 2018;
 - b) Negotiate and execute the Grant Award Agreement on behalf of the City and submit any other necessary agreements and documentation relative to the grant award, subject to the review and approval of the City Attorney as to form and legality;
 - c) Request a waiver from the Charter Section 1022 Determination process for the Shared Use Mobility Center (SUMC) for the following reasons: SUMC was identified and selected for their expert and technical services to partner with the City in the CARB Car Sharing Pilot Project grant application and agreement process as specified and allowable by the CARB;
2. Approve the request for a waiver from the Charter Section 1022 Determination process for the stated reasons listed in Recommendation item 1c above;
3. Authorize the General Manager of the Transportation Department (LADOT), or designee, to negotiate and execute a personal services agreement with Shared Use Mobility Center (SUMC) to provide technical assistance and expertise on transportation issues and solutions for the LA City EV Carsharing Pilot Project in conformance to the proposed agreement attached to the Mayor's Transmittal, in an amount not to exceed \$218,960, for a performance period of 35 months effective from November 1, 2015 through October 31, 2018, subject to the availability of funds, compliance with City contracting requirements and the review and approval of the City Attorney as to form and legality;
4. Authorize the General Manager of LADOT, or designee, to prepare and release a Request for Qualifications (RFQ) to identify and select a carshare operator(s) to implement the LA City EV Carsharing Pilot Project, in an amount not to exceed \$600,000, derived from CARB Car Sharing Pilot Project Grant funds and designate a performance period of 34 months effective from December 1, 2015 through October 31, 2018;
5. Request that the LADOT report back on the results of the RFQ process and recommendation of a contractor to provide shared use mobility vehicle services;
6. Authorize the Controller to create new appropriation accounts and appropriate \$1,669,343 for the CARB FY14-15 Car Sharing Pilot Project Grant within the Transportation Grant Fund 655, Department 94 as follows:

Account No.	Account Name	Amount
94XXX	CARB Grant Car Sharing Pilot-Contractual Services	\$ 538,743
94XXX	CARB Grant Car Sharing Pilot-Committee Expenses	172,000
94XXX	CARB Grant Car Sharing Pilot-Parking Subsidies	358,600
94XXX	CARB Grant Car Sharing Pilot-Operator Assistance	600,000
	Total:	\$1,669,343

7. Direct the Departments of LADOT, Water and Power, and Public Works-Bureau of Street Lighting to track and report back on a quarterly basis the status of their matching in-kind contributions;
8. Direct the LADOT to report back on a plan to fulfill the grantor requirement on the retention and storage of CARB FY14-15 Car Sharing Pilot Project Grant records for the duration of the three-year performance period and subsequent seven years after close-out for eventual relinquishment and turnover to the grantor; and
9. Authorize the General Manager of LADOT, or designee, to prepare Controller instructions and/or make any technical adjustments that may be required to implement the actions approved by the Mayor and Council on this matter, subject to the approval of the City Administrative Officer, and authorize the Controller to implement these instructions.

FISCAL IMPACT STATEMENT

Acceptance of the \$1,669,343 Fiscal Year 2014-15 Car Sharing and Mobility Options in Disadvantaged Communities Pilot Project Grant award from the California Air Resources Board will provide funds to support the City's efforts to become the number one city per capita for electric vehicles and EV charging infrastructure. Of this total amount, \$538,743 is for contractual services, \$172,000 for CBO advisory support, \$358,600 for parking subsidies and \$600,000 for car share operator start-up assistance. Additionally, matching and in-kind resources of more than \$1 million are available to implement the LA City EV Carsharing Project. These recommendations are in compliance with City Financial Policies in that grant revenues plus budgeted City funds and matching in-kind resources are available to support this project.

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