

BOARD MEETING DATE: November 1, 2024

AGENDA NO. 5

PROPOSAL: Expand the Purpose of LADWP Settlement Projects Fund, Recognize Funds, Execute Contracts for Electrification Projects at Los Angeles Zoo, and Reimburse General Fund for Project Administrative Costs

SYNOPSIS: On October 19, 2023, a Settlement Agreement was entered between the City of Los Angeles, the Los Angeles Department of Water and Power (LADWP), and South Coast AQMD. As a result of the settlement, LADWP paid \$450,000 plus a 6.25 percent administrative fee of \$28,125, for a total of \$478,125, to South Coast AQMD to be used for supplemental environmental project(s) that reduce emissions. These actions are to: 1) Expand the purpose of the LADWP Settlement Projects Fund (38); 2) Recognize \$478,125 into the LADWP Settlement Projects Fund (38); 3) Execute agreements not to exceed a combined total of \$450,000 from LADWP Settlement Projects Fund (38) with SSA Group, LLC to purchase four electric passenger trams with a five-year maintenance contract, and with American Green Zone Alliance to purchase electric lawn and garden equipment and two electric utility maintenance vehicles; and 4) Reimburse the General Fund up to \$28,125 for project administrative costs.

COMMITTEE: Technology, October 18, 2024; Recommended for Approval

RECOMMENDED ACTIONS:

1. Expand the purpose of LADWP Settlement Projects Fund (38) to include electrification projects; and
2. Recognize \$478,125 into the LADWP Settlement Projects Fund (38);
3. Authorize the Executive Officer to execute agreements not to exceed a combined total of \$450,000 from LADWP Settlement Projects Fund (38) with:
 - a. SSA Group, LLC (SSA) to purchase four electric passenger trams with a maintenance contract for a total of \$342,910, and
 - b. American Green Zone Alliance (AGZA) to administer and purchase two electric utility maintenance vehicles and electric lawn and garden equipment for a total of \$107,090; and

4. Reimburse the General Fund up to \$28,125 for project administrative costs.

Wayne Natri
Executive Officer

AK:MW:VP:FX:NS:MG

Background

On October 19, 2023, a Settlement Agreement was entered between Los Angeles Department of Water and Power (LADWP) and South Coast AQMD. As a result of the settlement, LADWP paid \$450,000 plus a 6.25 percent administrative fee of \$28,125, for a total of \$478,125, to be used for supplemental environmental projects(s) for alleged violations of failing to properly maintain compressors for natural gas fueled turbines, among other allegations. The funds will be recognized in LADWP Settlement Projects Fund (38). South Coast AQMD determined that the settlement funds would pay for electrification projects at Los Angeles Zoo, owned by the City of Los Angeles.

In June 2001, the Board approved the establishment of the LADWP Settlement Project Fund (38) to fund microturbine supplemental environmental projects. The purpose of the Fund will need to be expanded to include the proposed electrification projects so that greater emission reductions can be achieved through zero-emission battery electric technology.

Los Angeles Zoo currently has contracts with SSA for its operation of their diesel-powered passenger trams. Los Angeles Zoo and SSA will replace their diesel-powered passenger trams with new electric passenger trams and will purchase electric utility maintenance vehicles and electric lawn and garden equipment through AGZA. The replacement of diesel passenger trams with electric trams and the use of new electric utility maintenance vehicles and electric lawn and garden equipment will improve air quality and benefit the zoo staff, visitors, and inhabitants, and the surrounding recreational and residential communities.

Proposal

Staff proposes to expand the purpose of LADWP Settlement Projects Fund (38) to include electrification projects; and recognize \$478,125 into the LADWP Settlement Projects Fund (38). The funds will purchase up to four electric passenger trams with a maintenance contract, up to two electric utility maintenance vehicles, and electric lawn and garden equipment. Staff proposes a contract with SSA to purchase four electric passenger trams with a supporting five-year maintenance and repair plan. Staff also proposes a contract with AGZA to purchase two electric utility

maintenance vehicles and administer and purchase electric lawn and garden equipment to be used at the Los Angeles Zoo.

Projects	Costs
Four electric trams	\$282,910
Five-year maintenance and repair plan	\$60,000
Two battery electric utility vehicles and electric lawn and garden equipment	\$92,090
Administration for lawn and garden equipment	\$15,000
Total:	\$450,000

Sole Source Justification

Section VIII.B.2 of the Procurement Policy and Procedure identifies four major provisions under which a sole-source award may be justified. This request for a sole source award to SSA and AGZA is made under the following justifications: B.2.c. (1) the unique experience and capabilities of the proposed contractor or contractor team and B.2.d. (1) projects involving cost sharing by multiple sponsors.

SSA has unique experience as the existing company that is contracted with Los Angeles Zoo for its operation of their diesel-powered passenger trams. SSA will purchase new electric passenger trams that meet the needs of the zoo’s daily operations to replace their diesel-powered passenger trams. Los Angeles Zoo will continue to cover the cost of daily tram operation after the diesel-powered passenger trams are replaced.

Also, AGZA has unique experience and capabilities to educate, train, and certify operators in the deployment of zero-emission lawn and garden equipment as an existing contractor for South Coast AQMD through its Commercial Electric Lawn and Garden Equipment Incentive Program. AGZA will help identify the equipment that best fits Los Angeles Zoo’s operational needs, purchase the equipment Los Angeles Zoo selects, and train the staff to use the utility maintenance vehicles and the lawn and garden equipment. AGZA will also monitor the Los Angeles Zoo’s maintenance and use of the equipment for two years, providing periodic reporting to South Coast AQMD on the project’s progress.

Benefits to South Coast AQMD

The project supports the Technology Advancement Office Clean Fuel Program 2024 Plan Update under the category of “Electric/Hybrid Technologies.” The Los Angeles Zoo is a public zoo owned and operated by the City of Los Angeles with nearly 1.5 million visitors each year and hosts several special events, including events for youth and students. The Los Angeles Zoo is located near other public spaces including a museum and a large outdoor recreational area. The electrification project will benefit the millions of visitors by improving the air quality, reducing noise and reducing

exposure to exhaust emissions in and around the zoo. Additionally, the implementation of off-road zero-emission technologies in public areas will showcase these new zero-emission technologies. This project will implement zero-emission technology and reduce emissions from four diesel-powered passenger trams. The project will reduce NO_x, VOC, PM_{2.5}, and DPM emissions by approximately 0.16, 0.15, 0.005, and 0.005 tons per year, respectively and reduce exposure to toxic diesel exhaust.

Resource Impacts

The contracts with SSA for the purchase of electric passenger trams and with AGZA for the purchase of electric utility maintenance vehicles and electric lawn and garden equipment under the recommended actions will not exceed \$450,000. A total 6.25 percent administrative fee of \$28,125 will be used to reimburse the General Fund for project administrative costs. Sufficient funds will be available in the LADWP Settlement Projects Fund (38).