

SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL
DISTRICT

REQUEST FOR PROPOSALS

SOCIOECONOMIC IMPACT ANALYSIS

The San Joaquin Valley Unified Air Pollution Control District (District) is seeking one or more qualified contractors to provide socioeconomic impact analysis services for District regulatory projects.

Submittal: Please email proposals, in Adobe Portable Document Format (PDF), to socioRFP@valleyair.org with your company name in the subject line of the email.

Due Date: Proposals must be received at the address below on or before:

November 27, 2019 – 5:00 PM PST

Late proposals will not be accepted. Any correction or resubmission done by the respondent will not extend beyond the submittal due date.

Issuance Date: October 23, 2019

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1.0 BACKGROUND

The San Joaquin Valley Air Pollution Control District (District) is a public health agency that regulates stationary and area sources of air pollution within the eight counties of the San Joaquin Valley air basin (Valley). The Valley's geography and meteorology exacerbate the formation and retention of high levels of pollution. These and other natural factors add to the degree of difficulty the Valley faces in meeting increasingly stringent ambient air quality standards. The enormity of the challenge the Valley faces is unmatched by any other region in the nation.

Despite the progress made to improve the Valley's air quality through the implementation of numerous air quality attainment plans and clean air investments by Valley businesses and residents, the Valley faces significant challenges attaining federal health-based air quality standards. The District's *2018 Plan for the 1997, 2006, and 2012 PM2.5 Standards (2018 PM2.5 Plan)* was adopted on November 15, 2018 and requires significant emission reductions from a suite of incentive and regulatory measures for a variety of sources to attain the federal PM2.5 standards as expeditiously as practicable.

With emissions from stationary sources having been reduced by over 90 percent, the District is fast approaching the point of diminishing returns with new regulations. While the District always endeavors to find the most cost-effective measures that meet or exceed applicable state and federal mandates, new regulations continue to come at increasing cost to Valley businesses and residents. Most sources in the Valley have already been subject to several generations of rules and regulations and have made great investments in reducing air pollution.

One of the District's core values is "*Active and effective air pollution control efforts while seeking to improve the Valley's economic prosperity and grow opportunities for all Valley residents.*" It will be imperative that economic analyses used in evaluating rule proposals provide complete and accurate assessments of potential costs and economic impacts that are specific to the Valley. Furthermore, before any new or amended District rule that significantly affects air quality or emissions limitations is adopted, California Health and Safety Code (CH&SC) §40728.5 requires that a socioeconomic assessment of the proposed new or amended rule be performed, and that the District makes a good faith effort to identify and minimize any adverse socioeconomic impacts.

The purpose of this Request for Proposal (RFP) is to solicit services from one or more qualified contractors to conduct socioeconomic impact analyses of the potential rule amendments affecting the source categories in Table 1.

2.0 SUMMARY

In this RFP, the words “Contractor” and “Respondent” are used interchangeably, as are the words “Assessment” and “Analysis.”

The District is seeking services to prepare socioeconomic impact assessments of projects listed below in Table 1. The respondent must have expertise specific to the applicable source category in the Valley. The respondent may propose to provide socioeconomic analyses for more than one source category. The District reserves the right to change or substitute source categories.

The District has appropriated \$200,000 in the 2019-20 Budget to support the socioeconomic consulting services under this RFP.

Table 1 - Source Categories

Emissions Source Categories	Completion Required
Flares	2020
Gas-Fired Boilers, Steam Generators, and Process Heaters	2020
Internal Combustion Engines	2020
Commercial Under-fired Charbroiling	2020
Agricultural Burning	2020
Glass Melting Furnaces	2021
Solid Fuel-fired Boilers, Steam Generators and Process Heaters	2021

Flares

Flaring is a high temperature oxidation process used to burn combustible components, primarily hydrocarbons, of waste gases from industrial operations, primarily for the purpose of controlling emissions and as a safety device. Flares in the Valley are employed by a diverse group of industries for a wide variety of applications, including oil and gas production, waste water treatment, landfills, and refineries.

Gas-Fired Boilers, Steam Generators, and Process Heaters

Facilities with units subject to the District’s prohibitory rules in this category represent a wide range of industries, including but not limited to electrical utilities, cogeneration, oil and gas production, petroleum refining, manufacturing and industrial processes, food and agricultural processing, and service and commercial facilities.

Internal Combustion Engines

Internal combustion engines are used by a variety of private businesses and public agencies throughout the Valley for a number of purposes. Primary uses of IC engines in the Valley include powering irrigation pumps, compressors, electrical generators, and emergency standby engines. Examples of businesses and industries that use IC engines include schools and universities, agriculture, oil and gas production and pipelines, petroleum refining, manufacturing facilities, food processing, electrical power generation, landfill and waste water treatment facilities, and water districts.

Commercial Underfired Charbroiling

The charbroiling source category consists of two types of commercial charbroilers: chain-driven and underfired. A chain-driven charbroiler is a semi-enclosed broiler that moves food mechanically through the device on a grated grill to cook the food for a specific amount of time. An underfired charbroiler has a metal "grid," a heavy-duty grill similar to that of a home barbecue, with gas burners, electric heating elements, or solid fuel (wood or charcoal) located under the grill to provide heat to cook the food. The smoke and vapors generated by cooking on either type of charbroiler contain water, volatile organic compounds (VOCs), and particulate matter (PM). Larger particles and grease are typically captured by the grease filter of the ventilation hood over the charbroiler. The remaining VOCs and particulate pollution are exhausted outside the restaurant, unless a secondary control is installed. This source category includes commercial cooking operations in the Valley which utilize underfired charbroilers to cook meat.

Agricultural Burning

Evaluating and reducing the potential air quality impacts from open burning of agricultural materials in the Valley have long been addressed through collaborative efforts with Valley growers. Under Rule 4103, the District prepares an Agricultural Burning Review report every five years that includes a comprehensive analysis of the feasibility of alternatives to open burning for different crop categories, including costs and availability of emerging technologies. The next report will be conducted in 2020.

Glass Melting Furnaces

Industrial glass making is a continuous process with raw materials supplied to the furnace at the front end, and product taken off the line at the back end of the process. The raw materials for making glass are silica sand and soda ash. Melting these basic materials and forming them into the desired product geometry creates the final glass product.

Solid Fuel-fired Boilers, Steam Generators and Process Heaters

Boilers, steam generators, and process heaters are used in a broad range of industrial, commercial, and institutional settings. Permitted sources include biomass and municipal solid waste facilities. The units fire on a variety of solid fuels: coal, petroleum coke, biomass, tire-derived fuel, and municipal solid waste.

3.0 SCOPE OF WORK

3.1 Socioeconomic Impact Analysis

Pursuant to CH&SC §40728.5, “socioeconomic impact” specifically requires the following assessments:

1. The type of industries or businesses, including small businesses, affected by the rule or regulation.
2. The impact of the rule or regulation on employment and the economy of the region affected by the adoption of the rule or regulations.
3. The range of probable costs, including costs to industry or businesses, including small businesses, of the rule or regulation.
4. The availability and cost-effectiveness of alternatives to the rule or regulation being proposed or amended.
5. The emission reduction potential of the rule or regulation.
6. The necessity of adopting, amending, or repealing the rule or regulation to attain state and federal NAAQS.

Selected contractor(s) will be required to perform the following:

- **Characterize the Valley’s current economic climate and challenges.**

Using data and information available through the California Department of Finance, discuss the Valley’s current economic climate and challenges including regional unemployment, energy prices, state and local government budgets, issues affecting subject industries, etc. as related to the source category.

- **Describe basic economic characteristics of the industries with affected sources.**

This description shall include but not be limited to the following information:

- Number of businesses by type using NAICS or SIC codes, as appropriate, and size (employment),
- Revenue and profitability characteristics by industry and size,

- Output or sales (use budget for government and non-profits organizations),
 - Nature of markets/service areas (to where and who),
 - Qualitative characteristics including economic and financial standing, strategic and/or historic importance to the Valley, and
 - Labor force characteristics including the number of employees, by industry.
- **Identify appropriate industry subgroups where costs, profits, or production methods vary significantly within an industry.**

The analysis should identify the appropriate industry subgroups within an industry.

- **Determine business responses to compliance costs.**

Estimate how the costs of complying with a proposed rule would affect output, employment, and income generated by the businesses, agencies and organizations. The cost should also include any new employee training/education required to comply with the rule. The assessment should consider both short-term and long-term effects.

- **Present direct and indirect economic impacts.**

Direct impacts should describe the costs or benefits to the entities which are the specific targets of the proposed action. Indirect impacts should describe the costs or benefits to entities resulting from changes in consumption or production patterns of directly affected entities.

- **Evaluate potential impacts on small businesses and municipalities.**

Describe how small businesses and municipalities might absorb compliance costs differently than large businesses.

- **Assess socioeconomic impacts on the affected businesses, industry, and regional economy.**

The analysis of total regional impacts extends to include all economic activity in the Valley. This should include any changes in employment across industries. The assessment should identify if regional economic impacts would be considered significant.

- **Assess potential economic impacts on “at-risk” communities.**

The analysis should include impacts on “at-risk” communities, where the community’s major employer may respond to compliance costs by laying off workers. This should also include the personal and social impacts of Valley residents.

3.2 Deliverables

The District conducts a robust public process for all rule development projects that typically involves several workshops and meetings. The contractor will be expected to participate in these meetings, as necessary, to provide and receive input. Through a performance-based contract, the following work is required for each project:

- **Focus Group, Survey and/or Data Collection:** Attend meetings and develop an economic survey and/or collect data necessary for the completion of each rule project. Provide the District with a progress memo to demonstrate the completion of this milestone.

Cost for this milestone shall not exceed 25% of the total socioeconomic impact analysis cost for a particular rule development project.

- **Reports:** Multiple revisions of the socioeconomic report will be required as described below. In addition, further revisions may be needed as information is updated throughout the development process. The following reports are required and must include an electronic version in Microsoft Word format, with no smaller than 12-point font:

- **Administrative Draft Report:** Provide an administrative draft of the socioeconomic analysis report.

Cost for this milestone shall not exceed 20% of the total socioeconomic impact analysis cost for a particular rule development project.

- **Public Draft Report:** Provide a draft socioeconomic analysis report and present the report at public workshops, as needed. This draft of the socioeconomic analysis report shall address District staff comments made on the administrative draft.

Cost for this milestone shall not exceed 20% of the total socioeconomic impact analysis cost for a particular rule development project.

- **Final Report:** Provide a final socioeconomic analysis report, addressing District and public comments as necessary. The District may request interim deliverables to a Final Report from the contractor should there be a need to revise the socioeconomic impact analysis, as determined by the District. The Final Report presented to the Governing Board must accurately reflect the provisions of the rule as proposed to the Governing Board.

Cost for this milestone shall not exceed 25% of the total socioeconomic impact analysis cost for a particular rule development project.

- **Governing Board Presentation:** Present the final socioeconomic analysis report at the Governing Board hearing for the proposed rule, as needed.

Cost for this milestone shall not exceed 10% of the total socioeconomic impact analysis cost for a particular rule development project.

3.3 Schedule of Deliverables

All milestones will be deemed complete and payable once the District receives an acceptable deliverable for each project, as determined by the District.

Table 2 - Schedule of Deliverables

Deliverable	Due Date
Progress Memo	Two weeks after focus group meeting.
Administrative Draft Report	Four weeks after submittal of Progress Memo to the District.
Public Draft Report	One week after receiving comments from the District.
Final Report (Includes re-analysis as necessary)	One week after receiving comments from the District and/or public.
Governing Board Presentation	Date of Governing Board public hearing for project

The District may amend the above schedule, as necessary. Schedule changes would be communicated to the contractor as those changes are made.

4.0 REQUIRED QUALIFICATIONS

The contractors selected to perform the services outlined in this RFP must have demonstrated experience and extensive expertise in the following areas, specific to each source category project that contractor is proposing to provide socioeconomic analysis for:

1. Developing and performing surveys targeted towards industry-specific groups and businesses on technically complex issues or rules.
2. Conducting industry-specific macroeconomic studies.
3. Understanding environmental regulation and its potential economic and/or socioeconomic impacts.
4. Knowledge of and accessibility to economic and demographic databases and survey methods.
5. Data compilation, access and manipulation, and model testing.
6. Methods of socioeconomic impact analysis, including regional econometric modeling, input/output modeling, etc.
7. Public speaking and presenting sensitive matter to non-technical audiences.
8. Staffing adequately experienced to handle and support the contract.

5.0 RESPONSE SUBMITTAL REQUIREMENTS

5.1 Contents of Proposal

Submitted proposals must follow the format outlined below and all requested information must be included in the submittal package. The submitted proposals shall not exceed 25 pages total, and shall use Arial font no smaller than 12 point. Failure to submit proposals in the required format, or omission of requested information, will result in elimination from proposal evaluation.

1. **Cover Letter** - Must include the name, address, telephone number of the company, the total cost of the contract, source category project to be analyzed (one or more), the name of the contact person for the proposal, and be signed by the person or persons authorized to represent the firm.
2. **Table of Contents** - Clearly identify material contained in the proposal by section and page number.
3. **Summary (Section I)** - State overall approach to the outlined project including the objective(s) and scope of work to be performed.

4. **Work Program (Section II)** - Describe work activities or tasks to be performed including the sequence of activities and a description of methodology or techniques to be used.
5. **Program Schedule (Section III)** - Provide projected milestones or benchmarks for deliverables - major products/reports within the total time allowed.
6. **Project Organization (Section IV)** - Describe the proposed management structure, program monitoring procedures, organization of the contracting group, staff levels allocated to this contract, and facilities available.
7. **Assigned Personnel (Section V)** - Identify the principals having primary responsibility for implementing the proposal. Discuss their professional and academic backgrounds. Provide a summary of similar work they have previously performed and the level of expertise in the specific industries affected by the scheduled rule projects. List the amount of time, on a continuous basis, that each principal will spend on this project. Describe the responsibilities and capacity of the technical personnel involved. Substitution of project manager and/or lead personnel will not be permitted without prior written approval of the District.
8. **District Resources (Section VI)** - Describe any District services and staff resources needed to supplement contractor activities to achieve identified objective(s).
9. **Subcontractors (Section VII)** - If subcontractors are to be used, identify each of them in the proposal. Describe the work to be performed by them and the number of hours or the percentage of time they will devote to the project. Provide a list of their assigned staff, qualifications, level of expertise in the specific industries affected by the scheduled rule projects, and relationship to project management, schedule, costs, and hourly rates.
10. **Contractor Capability and References (Section VIII)** - Provide a summary of the firm's relevant background experience and level of expertise with respect to the specific source categories contractor is proposing to provide analyses for. Discuss the applicability of each experience to this RFP. Include examples of socioeconomic evaluations or related projects completed for other parties that are of a similar nature to the work requested herein.
11. **Alternative Proposals (Section IX)** - Provide statements of alternative proposals, if any, labeled "Alternative Proposal Number One," "Alternative Proposal Number Two," etc. Alternative Proposals will be considered for portions of the project and may include more than one source category.

The format of each alternative proposal submitted may be abbreviated to address the following:

- Work Program
- Methodology
- Assigned Personnel
- Estimated Costs

12. **Costs of Proposal (Section X)** - Identify all costs associated with the execution of this RFP.
13. **Conflict of Interest (Section XI)** - Identify actual or potential conflicts of interest resulting from any contractual work performed, or to be performed, for other clients, as well as any such work done, or to be done, by its proposed subcontractors. Specifically, contractors must disclose any recent or current contracts with the District; business entities regulated or proposed to be regulated by the District, and/or any environmental or business interest group. In addition, contractors must disclose any contracts with the District, public entities, or private entities that are scheduled to be performed in the future, or which are currently under negotiation. The District will consider the nature and extent of such work in evaluating the proposal (see Section 7).
14. **Additional Data (Section XII)** - Attach a copy of any analogous socioeconomic analysis prepared for a regionally significant project. Provide other essential data that may assist in the evaluation of this project.

5.2 Proposal Submission

All proposals must be submitted according to the specifications set forth in Section 5.1 - Contents of Proposal and this section. Failure to adhere to these specifications may be cause for rejection of proposal.

1. **Signature** – An authorized representative of the firm must sign all proposals.
2. **Due Date** – Proposals must be emailed, in Adobe Portable Document Format (PDF), to socioRFP@valleyair.org with company name in the subject line of the email.

Proposals must be received on or before:

November 27, 2019 – 5:00 PM PST

Late proposals will not be accepted. Any correction or resubmission done by the proponent will not extend beyond the submittal due date.

3. **Addenda** – The District may modify the proposal and/or issue supplementary information or guidelines relating to the RFP during the proposal preparation period of October 23, 2019 to November 27, 2019.
4. **Grounds For Rejection** – A proposal may be immediately rejected for any of the following reasons:
 - Proposal is received at any time after the exact due date and time set for receipt of proposals, or
 - Proposal is not prepared in the format prescribed, or
 - Proposal is signed by an individual not authorized to represent the firm.
5. **Disposition of Proposals** – The District reserves the right to reject any or all proposals. All responses become the property of the District. One copy of the proposal shall be retained for District files.
6. **Modification or Withdrawal** – Once submitted, proposals, including the composition of the contracting team, cannot be altered without prior written consent of the District. All proposals shall constitute firm offers and may not be withdrawn for a period of ninety (90) days following the last day to accept proposals.

6.0 ESTIMATION OF COSTS

Estimation of costs must be based on how much it will cost to analyze each project milestone, as specified in Section 3.2, using established procedures to report the socioeconomic impacts of the project.

Costs must be itemized using the following categories for each source category:

1. **Labor:** List an hourly labor rate for each assigned principal and key personnel. Rate quoted must include labor, general, administrative, and overhead costs.
2. **Supplies and Equipment:** Provide an itemized list of supplies to be purchased or leased specifically for the socioeconomic analysis project. The District will not pay for any equipment unless adequately justified. Any equipment paid for by the District will become the property of the District.
3. **Subcontractor Costs:** Identify subcontractors by name; list cost per hour or per day, and provide the number of hours or days their services will be used.

4. **Travel Costs:** Identify estimated travel costs, including the number of trips required, destinations, and approximate costs of travel. Travel costs are reimbursed at prevailing rates for the contracting company or District rates, whichever is lower, unless negotiated otherwise.
5. **Miscellaneous Costs:** If any, must be clearly identified. The District will not pay for miscellaneous costs unless adequately justified.

The total cost must be clearly indicated in the Costs of Proposal section of the proposal for each socioeconomic analysis.

Charges for supplies, equipment, travel, and subcontractors will be paid at cost. It is expected that general, overhead, and administrative costs are included in the hourly rate for labor. Bids submitted will be held to the cost for each rule development project milestone given in the response quote. It will be assumed that all contingencies and/or anticipated escalations are included. No additional funds will be paid above and beyond the original quote given by the selected firm.

The anticipated contract life is for no more than three (3) years. If the contract has not expired by the three (3) year anticipated life, then the balance of the contract will be open for re-evaluation to consider cost of living increases.

7.0 PROPOSAL EVALUATION AND SELECTION PROCESS

7.1 Addenda and Supplements to the RFP

The District may modify the proposal and/or issue supplementary information or guidelines relating to the RFP during the proposal preparation period of October 23, 2019 to November 27, 2019. In the event that it becomes necessary to revise any part of this RFP, or if additional information is necessary to enable the respondent to make adequate interpretation of the provisions of this RFP, a supplement to the RFP will be provided to each respondent.

7.2 Proposal Evaluation and Contractor Selection Process

District staff will evaluate all proposals to determine responsiveness to the RFP received in accordance with the required deadline and instructions.

Failure to adhere to specification in this RFP may be cause for rejection of the proposal. The District retains the right to reject all proposals and conduct direct negotiations with a selected contractor if all proposals are considered to be substantially nonresponsive to key issues.

Proposal evaluation criteria will include the following:

1. Previous experience developing and conducting socioeconomic analyses for California air districts.
2. Level of expertise in the specific industries affected by the scheduled rule projects.
3. Familiarity with economic databases, economic/socioeconomic data compilation, and manipulation for policy analysis.
4. Presentation of proposal in regard to clarity and thoroughness.
5. Actual or potential conflicts of interest.
6. Cost effectiveness.

During the selection process, District staff may interview contractors with scores above a natural break for clarification purposes as well as to evaluate the public speaking and presentation skills of the individual assigned to the public interaction portion of the contract. No new material can be submitted at this time.

The contract will be awarded to the contractor(s) with the highest-scored proposal based on the evaluation criteria described in this section, and rating factors, giving consideration to actual or potential conflicts of interest. Contract negotiation will be conducted after approval of contractor selection.

The District may choose not to award this contract if submitted proposals are not deemed acceptable to the District. All contractors will be notified of the results by letter.

8.0 INSURANCE

The District requires that any contractor, prior to endorsement of a contract, meet the following insurance requirements.

Without limiting District's right to obtain indemnification from the contractor or any third parties, the contractor, at its sole expense, shall maintain in full force and effect insurance policies throughout the term of this Agreement the following insurance policy(s):

1. Liability insurance for bodily injury, including automobile liability, with limits of coverage of not less than two hundred and fifty thousand dollars (\$250,000) each person and five hundred thousand dollars (\$500,000) each occurrence; and

2. Liability insurance for property damage with limits of coverage not less than fifty thousand dollars (\$50,000) each occurrence; and
3. Workers compensation insurance in accordance with the California Labor Code; and
4. Professional liability insurance with limits of coverage of not less than one million dollars (\$1,000,000) per occurrence, three million dollars (\$3,000,000) annual aggregate.

The foregoing insurance policy(s) shall not be canceled, reduced, or changed, without a minimum of thirty (30) - calendar days advance, written notice given to the District.

Prior to performing its obligations under this Agreement, the contractor shall provide the District a certificate of insurance from an insurer acceptable to the District evidencing proof of such insurance coverage required herein.

9.0 CONFIDENTIAL INFORMATION

Information in the proposals shall become public property subject to disclosure under the Public Records Act. Any information included in the proposal which constitutes a trade secret or is otherwise proprietary or confidential should be clearly marked with that designation. All responsible proposals received by the District are available for review by the public after the selection process is completed. Proposals containing information the bidder requires to be kept confidential will be rejected as nonresponsive.

10.0 INQUIRIES

Questions regarding this RFP should be addressed to:

Crystal Yunker, Senior Air Quality Specialist
San Joaquin Valley Unified Air Pollution Control District
1990 East Gettysburg Avenue
Fresno, CA 93726-0244

Phone: (559) 230-5800
Email: socioRFP@valleyair.org