REQUEST FOR PROPOSAL (RfP)
New York City: Exploring a city-level Indirect Source Rule (ISR)

C40 Cities Climate Leadership Group, Inc.
120 Park Avenue, 23rd Floor
New York, NY 10017
United States of America

May 2nd, 2024
1. C40 Cities Climate Leadership Group Inc. (“C40”)

C40 is a network of nearly 100 mayors of the world’s leading cities, who are working to deliver the urgent action needed right now to confront the climate crisis, and create a future where everyone, everywhere can thrive. Mayors of C40 cities are committed to using a science-based and people-focused approach to help the world limit global heating to 1.5°C and build healthy, equitable and resilient communities. Through a Global Green New Deal, mayors are working alongside a broad coalition of representatives from labour, business, the youth climate movement and civil society to go further and faster than ever before.

The strategic direction of the organisation is determined by an elected Steering Committee of C40 mayors which is co-chaired by Mayor Sadiq Khan of London, United Kingdom, and Mayor Yvonne Aki-Sawyerr of Freetown, Sierra Leone. Three term Mayor of New York City Michael R. Bloomberg serves as President of the C40 Board of Directors, which is responsible for operational oversight. A nine-person management team, led by Executive Director, Mark Watts, leads the day-to-day management of C40. C40’s three core strategic funders are Bloomberg Philanthropies, the Children’s Investment Fund Foundation (CIFF) and Realdania.

To learn more about the work of C40 and our cities, please visit our Website, or follow us on Twitter, Instagram, Facebook and LinkedIn.

2. Summary, Purpose and Background of the Project

Background

In April 2023, New York City (NYC) released PlaNYC: Getting Sustainability Done, a new long-term strategic climate plan to protect New Yorkers from climate threats, improve quality of life, and build a green economy. The plan includes a number of initiatives to make the city more resilient and reduce climate and air pollution, including prioritizing clean energy and heat pumps, supporting a transition to electric vehicles, increasing tree canopy and providing training and workforce development for green jobs.

The city is also exploring strategies to minimize the environmental and community impacts of warehouse activity. According to a study by Environmental Defense Fund (EDF), in New York City, 4.8 million people reside within half a mile of a warehouse. Of these, 315,000 are under the age of five and 649,000 are over the age of 64. In addition, Black, Hispanic/Latino and low-income populations live near warehouses at rates that are more than 59%, 48% and 42% higher, respectively, than would be expected based on statewide statistics.¹

There is interest in exploring policies available for New York City to reduce the impacts of warehouse operations, including the development of an ISR.

An ISR is emerging as an innovative approach for providing options to reduce emissions and neighborhood impacts associated with warehouse facilities. One example of such a program was implemented in 2021, by the South Coast Air Quality Management District (SCAQMD) in California. SCAQMD’s Warehouse Indirect Source Rule, Rule 2305 allows warehouses to earn Warehouse Actions and Investments to Reduce Emissions (WAIRE) points by completing actions such as investing in zero emission (ZE) and/or near-zero emission technologies, using solar power, installing onsite ZE charging or fuelling infrastructure, or installing filtration systems in qualified buildings such as schools. According to EarthJustice, “SCAQMD estimates that actions taken so far have produced a 3% reduction in nitrogen oxide emissions from over 3,000 regulated warehouses — about two thirds of a ton less NOX per day — and have also cut diesel particulate emissions.”

**Related Policies**

NYC is already undertaking a variety of innovative initiatives relating to warehousing and goods movement:

- Utilizing waterways, cargo bikes, and low and zero emission vehicles for goods movement can reduce congestion, support safer, and more environmentally friendly deliveries. NYC’s [Blue Highways initiative](https://www.dot.nyc.gov/innovate-blue-highways) will activate the robust network of local waterways for the sustainable movement of goods.
- In September 2023, NYC DOT announced [Smart Curbs](https://www.dot.nyc.gov/innovate-smart-curbs) as part of its Curb Management Action Plan. Working in partnership with the Columbus Avenue Business Improvement District (Columbus Avenue BID) and local stakeholders, this pilot reflects a new, neighborhood-first approach to redesigning the city’s curb space. The action plan represents another step in the Adams administration’s efforts to reimagine the use of public space.
- NYC DOT launched the Hunts Point Clean Trucks Program (HPCTP) in 2012 to replace, retrofit or scrap heavy polluting diesel trucks from the South Bronx and NYC. The HPCTP provided incentive funding for the replacement, retrofit or scrappage of older heavy polluting diesel trucks from the South Bronx business communities of Hunts Point and Port Morris. In 2020, NYC DOT expanded the HPCTP to provide funding for applicants in program-approved New York City Industrial Business Zones across the city. To symbolize this broader funding opportunity, the HPCTP was renamed the [NYC Clean Trucks Program](https://www.dot.nyc.gov/innovate-clean-trucks-program).

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To reduce the number of large and highly-polluting trucks on NYC's streets, the city recently created new regulations facilitating the use of e-cargo bikes on city streets and established key safety standards. New rules are designed to make deliveries safer and more sustainable by reducing the number of large delivery trucks on New York City streets.

Please see more details of the city's warehouse and goods movement initiatives here.

Objective

New York City is considering the merits of an ISR to reduce the negative health and community impacts stemming from warehouse operations. The City could be empowered to create an ISR through a New York State (NYS) law or an NYC local law.

As described in greater detail below, NYC would like to understand the potential impacts of and options for an ISR that lowers air and climate pollution, especially for people who live near warehouses, as well as addresses the quality-of-life impacts of these operations.

Project Details

C40 is seeking a service provider to deliver a research memo that answers key foundational research questions and provides a set of strategies, policy design options, and recommendations that could inform ISR policy development and design in NYC.

C40 Program

C40’s Zero Emission Freight program supports cities seeking to improve public health and cut climate pollution by accelerating the uptake of zero emission urban freight systems. The team facilitates knowledge sharing and technical support on projects, policies and incentives related to zero emission goods and services movement around the world.

3. Proposal Guidelines

This Request for Proposal represents the requirements for an open and competitive process. Proposals should be no more than 15 pages and will be accepted until May 24th, 2024 at 5pm EST. Any proposals received after this date and time will not be accepted. All proposals should include clear timetables, how you will work with C40, clear costs and detail on experience in this area.

The proposal should give C40 evaluators all the information they need to assess your bid. Please clearly indicate where applicable:
• How your proposal is responsive to the Evaluation Criteria defined below.
• List of key personnel who would be working on the project, including job titles and descriptions and their proposed role for this project. Please ensure at least one senior level staff member will be regularly involved and available as needed.
• The assumptions you are making about the project.
• Risks you have identified and appropriate mitigation measures.
• Information about your fee.
• Proposed research timeline.
• Any additional support that you need to make the project a success, including any inputs you will need from third parties or C40 staff.
• Proposed working partnership with C40, including (as applicable) project governance and management, key personnel, key roles and responsibilities, and escalation procedure for issues.
• Description of experience in warehouse operations, clean energy, air quality, green buildings, zero-emission transportation, urban freight, the logistics industry and/or heavy-duty vehicles.
• Description of your organization, including mission, values, size, leadership and commitment to diversity, equity and inclusion.
• Examples of relevant past work in the fields of transport, air quality and/or green buildings policy research, impact analysis and/or design.
• Information on Data Protection (if it is a system, software or a supplier utilizing personal data like passport number, birthday, address, etc): C40 is subject to the European Union and United Kingdom* data protection regulations and the winning proposal must ensure its continued compliance.
• At least one (1) reference from a previous client or partner.

You must include adequate information about how your costs were calculated to enable evaluation of cost reasonableness.

Supplier Diversity

C40 is committed to supplier diversity and inclusive procurement through promoting equity, diversity and inclusivity in our supplier base. We believe that by procuring a diverse range of suppliers, we get a wider range of experiences and thoughts from suppliers and thus are best able to deliver to the whole range of our diverse cities and the contexts that they operate within.

We strongly encourage suppliers (individuals and corporations) that are diverse in terms of size, age, nationality, gender identity, sexual orientation, majority owned and
controlled by a minority group, physical or mental ability, ethnicity and perspective to put forward a proposal to work with us.

Feel welcome to refer to C40's Equity, Diversity and Inclusion Statement as supplier diversity and inclusive procurement is one element of applying equity, diversity and inclusion to help the world limit global heating to 1.5°C and build healthy, equitable and resilient communities.

**Contract**

Please note this is a contract for professional services and not a grant opportunity. Organisations unable to accept contracts for professional services should not submit bids. The work will be completed on the C40 Standard Service Provider Agreement.

These terms and conditions are accepted as drafted by the majority of our suppliers and we reserve the right to penalise your bid on the basis of non-acceptance of terms. If you do wish to include any requested amendments with your proposal, please do not mark up the document in tracked changes but provide a separate document for review setting out clearly your rationale for the change.

If C40 is unable to execute a contract with the winner of this competitive process, we reserve the right to award the contract to the second highest Potential Supplier.

**Subcontracting**

If the organisation submitting a proposal needs to subcontract any work to meet the requirements of the proposal, this must be clearly stated. All costs included in proposals must be all-inclusive of any outsourced or contracted work. Any proposals which call for outsourcing or contracting work must include a name and description of the organisations being contracted.

4. **RfP and Project Timeline**

**Project Scope**

The project aims to provide New York City with critical contextual information and a clear assessment of the technical details of introducing an ISR in the city. The supplier will hold a strategic kickoff call and work closely with city staff to answer key research questions in the following areas.
1) Foundational Research

Warehouse industry landscape: The city would like to develop further its baseline knowledge and understanding of how the warehouse industry currently works.

Key research questions:

- What’s the operational landscape for NYC warehouses? For example:
  - Who builds, owns and operates them?
  - How does the contractual relationship between warehouse owners and third-party logistics companies and/or owner-operators work (e.g., who are the major operators and third-party logistics firms in NYC? What is the typical division of responsibilities & expenses among parties; what are the competitive dynamics in this market)?
  - What types of expenses are associated with warehouse ownership and operation and how much does it cost on an annual basis?
  - What levers do warehouse owners/operators have to impact the vehicle types that service them?
  - Where is warehouse traffic going to and from in NYC, at what volumes, and in what vehicle types/sizes?
- What is the emissions impact of warehouses of different sizes?

Please note: The successful provider will have access to several datasets as starting points. PLUTO is a publicly available database maintained by the NYC Department of City Planning that lists every NYC building and its existing use. Additionally, New York Metropolitan Transportation Council (NYMTC) would serve as a resource, in particular this Regional Freight Land Use Study. The City is also conducting a transportation analysis of Red Hook, Brooklyn, a neighborhood with a significant presence of warehouses. The City may also have additional data it can provide to support this research; however, significant new research will be necessary to provide a meaningful industry landscape.

2) Policy Design and Impacts

Points program design and timing: The city would like to understand what are the possible compliance options or regulatory frameworks (such as a points menu, as used in the SCAQMD ISR) that could provide a foundation for an NYC indirect source rule that reflects the unique NYC landscape and overall city climate, mobility, economic, and quality of life goals.

Key research questions:

- Points menu/compliance options
  - What could be the formula for calculating the number of points that owners/operators will need to earn based on their warehouse operations? How could it be linked to/based on anticipated emissions
reductions as determined by air quality modelling, class of vehicles, number of trips, etc.?

- What options could be on the ISR menu for operators to earn points?
  - What options could help the city meet multiple goals (e.g., better air quality, resilience, better community health and welfare, local jobs)?
  - How might an NYC points menu be different from SCAQMD (e.g., encouraging mode shift)?
    - This should be informed by constraints, such as geography, existing fleet and mode mix, opportunities presented by density specific to NYC (e.g., grid capacity), and administrative capacity and strategies.

- How many points should be associated with each action, as determined by its anticipated impact on emissions reduction and quality of life?

- How could certain mechanics of points-earning impact emissions reductions? (For example, what could the emissions impact be if owners are earning for operators, operators are banking points year to year, or operators are transferring points between warehouse sites.)

- Is there a compliance approach that NYC could consider besides a points menu?

  - Timing
    - What are achievable timeframes for companies to make the changes needed in their businesses to earn these points?
    - How could the city design and roll out an achievable compliance timetable?

  - Compliance
    - What penalty structures could be required to bring about compliance? Are there any incentive design elements that could promote proactive industry responses?
    - How can the policy effectively target the compliance burdens to the entities causing the most challenges?
    - How can the policy incorporate business size and capacity to create appropriate and reasonable compliance options?

  - Designing for equitable outcomes
    - Who benefits from the ISR action and why, and who loses out if certain considerations are not taken into account?
    - What types of policy design target benefits in locally impacted communities?
    - How can the policy design ensure that burdens are not inadvertently shifted to other overburdened communities?

*Indirect Source Rule impacts:* The city would like to understand how the introduction of an indirect source rule could impact economic decisions.
Key research questions:

- What anticipated impacts could an ISR have on relocations of warehouses outside NYC?
- If warehouses move from inside NYC boundaries to outside, how could that impact VMT, air quality, etc.?
- What could the predicted cost of compliance be, especially in relation to overall industry expenditure?
- What could be the predicted effect on the supply chain, and more specifically, the direct cost of customer goods and services?
- Are there any significant anticipated positive or negative local jobs/labor impacts from an ISR? If negative, are there ways to mitigate these?

It is anticipated that the foundational research will need to occur first, followed by the policy design and impacts.

In addition to regular check-ins to review research findings and questions that arise, as well as to course-correct where needed, the service provider will be expected to produce the following outputs as part of this project:

- A draft research outline and draft iterations of the report before it is finalized;
- A tailored final research report that answers the outlined research questions; and
- A two-page case study for other cities that describes the activities undertaken and lessons learned.

The research report can be completed in two parts (foundational research and policy impacts and design).

**RfP Timeline:**

<table>
<thead>
<tr>
<th>RFP Timeline</th>
<th>Due Date</th>
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<tbody>
<tr>
<td>Request for Proposals sent out</td>
<td>May 2nd, 2024</td>
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<tr>
<td>Questions submitted to C40</td>
<td>May 9th, 2024</td>
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<tr>
<td>C40 responds to questions</td>
<td>May 16th, 2024</td>
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<tr>
<td>Deadline for receiving Offers</td>
<td>May 24th, 2024</td>
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<tr>
<td>Clarification of Offers (if needed)</td>
<td>May 28th, 2024</td>
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<tr>
<td>Evaluation of Proposal</td>
<td>June 4th, 2024</td>
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<tr>
<td>Presentation on Proposal (if needed)</td>
<td>June 5th, 2024</td>
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<td>Selection decision made</td>
<td>June 12th, 2024</td>
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<td>------------------------</td>
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<tr>
<td>All Potential Suppliers notified of outcome</td>
<td>June 12th, 2024</td>
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<thead>
<tr>
<th>Project Timeline</th>
<th>Due Date</th>
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<tbody>
<tr>
<td>The project initiation phase must be completed by</td>
<td>June 28th, 2024</td>
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<tr>
<td>Project planning phase must be completed by</td>
<td>July 12th, 2024</td>
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<tr>
<td>The project is due to run until</td>
<td>September 30th, 2024</td>
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5. Proposal Evaluation Criteria

Proposals will be evaluated against the following criteria:

<table>
<thead>
<tr>
<th>Evaluation Criteria</th>
<th>Weight</th>
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<tr>
<td>Robustness of the project delivery proposal: A clear demonstration of the goals of the project and how the proposal will achieve those goals</td>
<td>35%</td>
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<tr>
<td>Project management: Planning and a clear indication of how the candidate will deliver products on time and with quality</td>
<td>20%</td>
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<td>Capability and experience of the proposed team</td>
<td>20%</td>
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<td>Cost reasonableness measured by:</td>
<td>20%</td>
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<tr>
<td>- Economy: minimising the cost of resources used / spending less</td>
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<td>- Efficiency: the relationship between the output from goods / services and the resources to produce them</td>
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<tr>
<td>Diversity, Equity and Inclusion:</td>
<td>5%</td>
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6. Project Budget

C40 is assessing market costs and will use proposals to determine the budget needed to achieve the project objectives. As noted above, cost reasonableness is one of the main criteria for judging the submissions.

Budget proposals should include:

- Specific budget amounts dedicated to each task.
- Personnel costs (hourly staff rates and time dedicated to each deliverable).
- Any work that is outsourced or contracted to a partner organisation, including staff rates and time dedicated to each deliverable.

All proposals must include proposed costs to complete the tasks described in the project scope, including all VAT and taxes. Costs should be stated as one-time or non-recurring costs. Pricing should be listed for each of the following items in accordance with the format below. All costs incurred in connection with the submission of this RfP are non-refundable by C40.

Payment will be made according to meeting project milestones as approved by the C40 point of contact.

Please note travel and in-person meetings are not anticipated for this work.

7. C40 Policies

C40 expects third parties to be able to abide by these C40 policies:

- Non-Staff Code of Conduct Policy [here](#)
- Equity, Diversity and Inclusion Policy [here](#)
8. Submissions

Each Potential Supplier must submit 1 copy of their proposal to the email addresses below by May 24th, 2024 at 5pm EST:

**Catherine Ittner, Senior Programme Manager Zero Emission Freight,**
[ cittner@c40.org](mailto:cittner@c40.org)

**Will Roderick, Green and Healthy Streets Manager,** [wroderick@c40.org](mailto:wroderick@c40.org)

Please submit any questions to the above email address by May 9th, 2024 at 5pm EST. Anonymized responses to questions will be [provided here](#) when the Q&A period closes.

**Disclaimer**

C40 will not accept any liability or be responsible for any costs incurred by Potential Suppliers in preparing a response for this RFP.

Neither the issue of the RFP, nor any of the information presented in it, should be regarded as a commitment or representation on the part of C40 (or any of its partners) to enter into a contractual arrangement. Nothing in this RFP should be interpreted as a commitment by C40 to award a contract to a Potential Supplier as a result of this procurement, nor to accept the lowest price or any tender.