

Administrative Procedure #
Form 100N: Expenditure Request of Low Carbon Fuel
Standard Program Funds – Navy Projects

IGSA Project Overview:

The Intergovernmental Service Agreement (IGSA), co-signed by Dept of Navy (DoN) and the Port of San Diego (PSD) in Sept 2022, is now in the implementation phase. The IGSA represents a 10-year agreement encompassing over 10+ projects valued at \$210M+, as an in-kind for Naval Base San Diego (NBSD) from Low Carbon Fuel Standard (LCFS) credit sale.

Purpose:

This procedure creates a standardized process for requesting the expenditure of LCFS Navy Project split funds to pay for qualified critical utility infrastructure projects on NBSD. Projects will be reviewed and agreed upon by the District Engineering Department and NBSD. The Engineering Department will assess whether sufficient funding from LCFS credit sales is available to fully complete the project. Form 100N will be reviewed by the Engineering Department Leadership, along with designated staff and officers, to ensure that the request complies with the appropriate federal guidelines, as spelled out in the IGSA, fits within the LCFS NBSD funding allocation, and supports NBSD electrification priorities.

Procedure Objective:

The purpose of this procedure is to outline the process for reviewing both planned and unplanned work projects that require the use of LCFS funds for NBSD Critical Utility Infrastructure projects. It also ensures that funds expended from the LCFS credit sale are accurately recorded in compliance with federally accepted accounting principles, including implicit costs. Additionally, this procedure guarantees that the distribution process for NBSD specific funds is created and reviewed exclusively by designated staff. The Port's IGSA LCFS funds must be optimally allocated to meet NBSD and DoN goals and comply with federal regulations.

1. Additional Notes/Definitions: *Funding Breakdown***Two Navy LCFS Funding Pots:**

- **Port Split Expenditures**, which is tracked by Engineering-Construction and Finance and reported to the LCFS Team. Projects using the Port Split account need approval using Form 100N.

- Funds are used to pay internal overhead and burden.
 - Special Project Manager salary and burden
 - Engineering Administrative staff
 - Construction Manager-external cost but covered as if it was an internal cost
 - Additional departments, such as: Procurement, Finance, IT.
- **Navy Project Expenditures**, which is tracked by Engineering-Construction
 - Funds are used to pay for execution of planning, design, and construction (including construction inspection services) and materials.

2. Department(s) Affected (Stakeholders):

Engineering-Construction. Other requested funds will come from the Port Split as per the IGSA and as outlined above in the Funding Breakdown.

3. How to Achieve the Procedure Objective:

Accurate completion of Form 100N will achieve the procedure's objective to move the funds from LCFS to Engineering-Construction to fund the NBSD Projects.

4. Criteria:

To be used for all "Form 100N Request to Expend Navy Project LCFS Funds," which will be submitted to the Review Teams (defined below) for review and approval.

5. Responsibility/Action:

RESPONSIBILITY	ACTION
Requester	<p>Completes Form 100N and routes via District approved electronic signature.</p> <p>* Due to the CUI of the projects and the classified area in which they are located on NBSD, the Form 100N may be heavily redacted.</p>
Director (of requestor)	Reviews and approves Form 100N for submittal.
Designated Staff Review Team	<ul style="list-style-type: none"> • Reviews Form 100N and works with Requester to finalize request and scope on edits. • Provide a budget summary of LCFS.

	<ul style="list-style-type: none"> • Make recommendation Provides input to Executive Team.
Executive Team	ODC will update the document management system with a redacted version, the master procedures book, and the District Clerks office will notify those cleared to view the redacted document via encrypted email. The Executive team approves, rejects, or suggests improvements. Provide regular summary of LCFS budget including Navy and PSD Split and expenditure to ELG.

6. Related Documents:

Board of Port Commissioners' Policy No. regarding the Low Carbon Fuel Standard Program.

Administrative Procedure No. – Expenditure Request of Low Carbon Fuel Standard Program Funds – Port Projects

Administrative Procedure No. – Revenue Processing for Low Carbon Fuel Standard Program Funds

Document Information:

Created On:	
Responsible Dept.:	
Used by:	Designated District Staff
Biennial Review: <i>(Assigned by ODC)</i>	January even year(s)

7. Document History:

Date of Update	Editor	Change(s) Made	Previous DOCS #

APPROVED (Director):

Thomas Maclean

Program Director, Energy and Policy

_____ **Date**

APPROVED (CEO, CFO, VP, AVP):

Job Nelson

Vice President, Strategy and Policy

_____ **Date**

FORM 100N

EXPENDITURE REQUEST OF NAVY PROJECT LCFS PROGRAM FUNDS

BACKGROUND

In accordance with District Policy, Form 100N provides a means whereby special project managers can request IGSA related funds from the Low Carbon Fuel Standard Navy Project split account. The Preparer of the Form 100N, starting below, needs to provide an overview of the project, a specific budget itemizing the need for the funds, and an explanation of why and when the funds are needed to achieve success.

PARTICIPANTS DEFINED

Requestor – Limited to Engineering Department Leadership or Special Project Manager currently working with the DoN. Typically, the Special Project Manager or their supervisor, who is intimately familiar with the project and expenses.

Director – Form 100N must first be approved by the Director of the Requestor to ensure transparency on the request and process.

Designated Staff Review Team – Will consist of representatives from Finance, and Strategy & Policy, and Engineering who are intimately familiar with the IGSA LCFS program, its operational rules from CARB, federal requirements, and the District's relationship with DoN and NBSD.

Executive Team – Will consist of the Chief Engineer, Vice President of Maritime, Vice President of Financial Services, and the Vice President of Strategy & Policy.

FORM 100N: TO BE COMPLETED BY REQUESTOR, APPROVED BY DIRECTOR, AND RETURNED TO STAFF REVIEW TEAM:

Name of Requester	
Amount of Request	
Date of Request	
Name of Director	

BACKGROUND

- Please provide background and scope or history of the work or project.

DEFINE THE WORK (Provide a Preliminary Engineering Report)

- What is the preliminary purpose, scope, budget, and schedule of the project work?
- What results or deliverables will be achieved?
- How much are you requesting of Navy Project LCFS funds?

STRATEGIC ANALYSIS

- Does this support the NBSD Critical Utility Infrastructure or other critical needs identified by the Navy?
- If this request is not approved, what will happen with the project?
- Which departments are involved and what are the staffing needs?

ITEMIZATION OF REQUESTED FUNDS

- Please provide a breakdown of the expenses including capital, labor, and outside services.

APPROVAL

Comments from the Designated Staff Review Team:

Date	Name	Approval
	Michael La Fleur, VP of Maritime and Facilities	
	Job Nelson, VP of Strategy and Policy	
	Tracy Largent, Chief Financial Officer	
	Ernesto Medina, Chief Engineer	

#

DRAFT