

**OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY
FISCAL YEAR 2017 OKLAHOMA CLEAN DIESEL GRANT PROGRAM
GRANT ANNOUNCEMENT**

I. FUNDING OPPORTUNITY DESCRIPTION

A. Summary

The Oklahoma Department of Environmental Quality (DEQ) is soliciting proposals for projects that reduce emissions from and improve fuel efficiency of diesel engines. Potential projects include verified idle reduction technologies and the replacement of diesel vehicles and buses throughout Oklahoma. Eligible vehicles may include school buses, municipal fleet vehicles (city buses, refuse vehicles, etc.), and some commercial transportation vehicles. The grant funds will be for the purchase and installation of verified idle reduction technologies, EPA¹- or CARB²-certified vehicle replacements, and/or all-electric vehicle replacements. While projects from the entire state will be accepted, special consideration will be given to projects in counties that are in potential non-attainment of National Ambient Air Quality Standards (NAAQS), counties with toxic air pollutant concerns as identified from the National Air Toxics Assessment (NATA) data, and counties containing Federal Class I areas. Priority will be given to projects that will result in a decrease in emissions from school buses.

B. Funding

The total funding for this competitive opportunity is approximately \$566,018. DEQ will award the assistance agreements for projects resulting from this announcement. The anticipated number of awards is variable due to the number and type of applications received as well as available funding, but based on past experience, DEQ expects to grant between 8 and 10 awards. Funding will be in the form of cooperative agreements; each successful applicant must enter into a grant agreement or Memorandum of Agreement (MOA) with DEQ.

C. Funding Closing Date

Applications will be accepted until January 19, 2018; all projects must be completed and all monies must be spent by September 1, 2018. If funds are not fully awarded after the closing date and initial selection process, DEQ may elect to extend the application deadline.

II. ELIGIBILITY INFORMATION

A. Eligible Entities

The Fiscal Year 2017 grant program will be open to school districts, commercial entities (public and private), and municipalities.

¹ U.S. Environmental Protection Agency

² California Air Resources Board

B. Eligible Projects

Applications containing projects that will achieve emission reductions through verified idle reduction technologies and/or vehicle replacements will be considered. Potential projects are described below.

1. Installation of Verified Idle Reduction Technologies

Idle reduction equipment can be installed on long haul, Class 8 trucks³ equipped with sleeper cabs and school buses. Eligible categories of idle reduction technologies are limited to those on EPA's SmartWay Verified Technologies list (<https://www.epa.gov/verified-diesel-tech/idling-reduction-technologies-irts-trucks-and-school-buses>). They include these five categories:

- i. APU/GS (Auxiliary Power Units and Generator Sets) for trucks engine model year (EMY) 1995-2006
- ii. BAC (Battery Air Conditioning Systems) for trucks EMY 1995-2009
- iii. EPS/TSE (Electrified Parking Spaces/Truck Stop Electrification) for trucks EMY 1995-2009
- iv. FOH aka DFH (Fuel Operated Heaters aka Direct Fired Heaters) for trucks and school buses EMY 1995-2009
- v. TSS (Thermal Storage Systems) for trucks EMY 1995-2009

2. Vehicle Replacements

All diesel transit buses, diesel school buses, and Class 5-8 heavy-duty diesel trucks⁴ are eligible to be replaced with newer vehicles that operate on diesel or alternative fuels and meet a more stringent set of engine emission standards to meet the following guidelines.

- i. Vehicles with EMY 1995-2006 are eligible to be replaced with an EPA- or CARB-certified diesel vehicle of EMY 2017 or newer.
- ii. Vehicles with EMY 1995-2009 are eligible to be replaced with an all-electric (grid, battery, or fuel cell) vehicle. EPA or CARB certification is not required for electric vehicles.

The vehicle being replaced must be scrapped within 90 days (by drilling a hole in the engine and by cutting the frame rail), and proof of scrappage must be provided to DEQ. The replacement vehicle must perform the same function and be of the same type and similar gross vehicle weight rating or horsepower as the vehicle that is being replaced.

All eligible replacement projects must be early attrition projects. Early attrition refers to a project where a vehicle is replaced before that vehicle is scheduled to be replaced. For the purposes of this grant, any vehicle that is due to be replaced, scheduled to be replaced, or has a life expiration date before September 30, 2021 is considered to be normal attrition and therefore not eligible for FY 2017 Oklahoma Clean Diesel Grant Program funds.

³ Class 8a (33,001 - 60,000 lbs GVWR); Class 8b (60,001 lbs GVWR and over)

⁴ Class 5 through Class 8 heavy-duty vehicles are defined as: Class 5 (16,001 -19,500 lbs GVWR); Class 6 (19,501 - 26,000 lbs GVWR); Class 7 (26,001 - 33,000 lbs GVWR); Class 8a (33,001 - 60,000 lbs GVWR); Class 8b (60,001 lbs GVWR and over).

Highway engine emission standards are available here: <https://www.epa.gov/emission-standards-reference-guide/epa-emission-standards-heavy-duty-highway-engines-and-vehicles>

A list of CARB-certified vehicles is available here:
<https://www.arb.ca.gov/msprog/onroad/cert/cert.php>

C. Special Requirements for Eligibility

1. Successful applicants (school bus projects only) shall implement a fleet-wide idle reduction policy. Unnecessary vehicle idling pollutes the air, wastes fuel, and causes excess engine wear. Reducing idling saves money for fleets. For example, if a fleet has 30 vehicles that reduce idling time by 30 minutes per vehicle per day, using a half gallon of diesel fuel per hour of idling at \$2.70 per gallon of diesel fuel saves 1,350 gallons of diesel and \$3,645 over 180 days. Idling should be limited to the engine manufacturer's recommendation (generally no more than five minutes). Applicants should specify the policy to be implemented including (but not limited to) idling time limits, idling exceptions, expected fuel savings, etc. For applicants with an idle reduction policy already in place, please thoroughly describe the specifics of the policy. Failure to institute an idle reduction policy may be cause for disqualification. An idle reduction policy is required for all school bus fleets.

2. All applicants will be required to provide matching funds according to guidelines listed below. For all projects, applicants who offer higher matching funds on their application will be more likely to receive awards than other applicants offering lower matching funds.

i. All projects must provide matching funds according to the following guidelines.

(1) Funding for the purchase and installation of verified idle reduction technologies described in section B.1 of this document will be reimbursed up to 25%.

(2) Funding for the purchase of replacement vehicles as described in section B.2 of this document will be reimbursed up to 25% if powered by a 2017 or newer engine certified to EPA emission standards.

(3) Funding for the purchase of replacement vehicles as described in section B.2 of this document will be reimbursed up to 35% if powered by a 2017 or newer engine certified to meet CARB's Optional Low-NOx Standards.

(4) Funding for the purchase of replacement vehicles as described in section B.2 of this document will be reimbursed up to 45% if powered by an all-electric engine.

3. Successful applicants must use a competitive process for obtaining contracts for products and services and conduct cost and price analyses to the extent required in 40 CFR⁵ Parts 30 or 31, as applicable, as well as any regulations covered by state, local, or internal procurement requirements. All contracts and the purchase of equipment must be conducted in a manner providing free and open competition, to the maximum extent practicable. As such, applicants

⁵ Code of Federal Regulations

should refrain from mentioning specific technology producers in their applications unless they are sole source providers. Applicants are not required to identify contractors or consultants in the application. If applicants have named a specific contractor or consultant in the application DEQ approves, it does not relieve the applicant of obligations to comply with competitive procurement requirements as well as any regulations covered by federal, state, local, or internal procurement requirements. Applicants should describe their competitive bid process in the application.

4. Each replacement and/or modified vehicle must operate primarily in the state of Oklahoma for five years following project completion.

5. Grant recipients will be required to keep the replacement and/or modified vehicle in good working order for a minimum of five years and report annually of such. DEQ may audit your fleet for a period of up to five years to ensure equipment remains in service for the specified time. Quarterly reporting will be required from the project start date through one year after the installation of the technology and/or the delivery of the new vehicle. Notification will be required if the vehicle is replaced, sold, or transferred.

6. Upon awarding the grants, the recipient must enter into a Memorandum of Agreement committing to the terms of the award. This agreement will establish project timelines, the reimbursement process, reporting requirements (minimum of quarterly reports), ensure the grant recipient will adhere to the competitive bid/procurement process, and other applicable information.

7. All grant recipients must have registered/renewed with the System for Award Management (SAM) (<https://www.sam.gov/portal/public/SAM/>) and have a registered Data Universal Numbering System (DUNS) number (<http://fedgov.dnb.com/webform>).

D. Evaluation Criteria

Program eligibility, as indicated in this announcement, must be demonstrated within the application. Additionally, a successful application must meet all of the requirements in items 1-6 below. Each application will be ranked according to the evaluation criteria in item 7 below.

1. Applications must support Goal 1 of EPA's 2014-2018 Strategic Plan, Addressing Climate Change and Improving Air Quality. Because this funding originated from EPA, projects funded with this grant money must support Objective 1.2, Improve Air Quality, which states, "achieve and maintain health- and welfare-based air pollution standards and reduce risk from toxic air pollutants and indoor air contaminants." Specifically, the grant projects funded under this program must reduce emissions from diesel fleets, thereby reducing local and regional air pollution.

The FY 2014-2018 EPA Strategic Plan may be found at:

https://www.epa.gov/sites/production/files/2014-09/documents/epa_strategic_plan_fy14-18.pdf

2. Applications must be received on or before the closing date and time. If any funds remain available after the closing date and initial selection process, an extension may be granted to additional applicants.
3. Applications must be complete.
4. Projects must be located within the state of Oklahoma.
5. Applications must describe applicant's capability to complete the project in a timely manner.
6. School bus replacements will receive first priority over all other projects during the evaluation process to ensure that all districts have a chance to participate in the Oklahoma Clean Diesel Grant Program.
7. Final selection will be based primarily upon which projects will achieve the greatest emissions reductions for the greatest population at the least cost in award monies. The following selection criteria apply, which are listed in general order of highest priority to lowest priority.
 - i. School bus replacement projects will receive priority over non-school bus replacement projects.
 - ii. Projects affecting counties that are potential non-attainment, identified by NATA data, and/or contain Federal Class I areas will have priority over projects affecting other counties. These counties include Bryan, Canadian, Carter, Cleveland, Comanche, Creek, Grady, Lincoln, Logan, McClain, Oklahoma, Okmulgee, Osage, Pawnee, Rogers, Tulsa, and Wagoner.
 - iii. Projects achieving greater emissions reductions will receive priority over projects with lesser emissions reductions. In order from greatest reductions to least reductions, the projects are electric vehicle replacement, CARB's Optional Low-NOx Standards vehicle replacement, EPA-certified emissions standards vehicle replacement, and verified idle reduction technology installation.
 - iv. DEQ encourages the use of leveraged funds to enhance and expand proposed projects. Proposals with higher percentages of match funds will receive higher rankings during the evaluation process.
 - v. Applications from schools will receive priority over applications from municipalities or municipal contracts. Applications from municipalities or municipal contracts will receive priority over applications from private entities.
 - vi. Projects affecting vehicles that will have longer working life expectancies will have priority over vehicles with shorter life expectancies.
 - vii. Projects affecting areas of greater population density will receive priority over projects affecting areas of lesser population density.
 - viii. Projects affecting sensitive populations (such as children, the elderly, and people with cardiopulmonary disorders) will receive priority over projects affecting the general populace.
 - ix. Projects with older fleets will receive priority over projects with newer fleets.
 - x. Larger projects will receive priority over smaller projects.

- xi. Projects with greater numbers of riders affected or households served will receive priority over projects with fewer riders affected or households served.
- xii. Applications with sufficient amounts of detail and completeness will have advantages over other applications.
- xiii. Projects affecting areas that have proportionately higher than average traffic from diesel engines, such as the I-40 and I-35 corridors, will have priority over other areas.

III. AWARD INFORMATION

A. Amount of Funding Available

DEQ has approximately \$566,018 available under this announcement for grants.

B. Funding Type

Funding will be in the form of reimbursement upon receipt of invoice(s) from the subgrantee.

Subgrantees must have a prior executed agreement with DEQ to receive reimbursements.

All grant recipients must have registered/renewed with the System for Award Management (SAM) (<https://www.sam.gov/portal/public/SAM/>) and have a registered Data Universal Numbering System (DUNS) number (<http://fedgov.dnb.com/webform>).

C. Start Date/Project Duration/Timeline

All projects should be started as soon as possible after the MOA has been executed. Vehicles should be replaced and/or equipment should be installed within 120 days of signing the final agreement with DEQ; extensions of this 120-day requirement must be based on a demonstrated need and approved in writing by DEQ. All projects must be completed and all invoices paid by September 1, 2018. Vehicles and/or equipment must be maintained for five years. DEQ may audit your fleet for a period of up to five years to ensure equipment remains in service for the specified time. Quarterly reporting will be required from the project start date through one year after the installation of the technology and/or the delivery of the new vehicle. Annual reporting will be required for five years.

D. Partial Funding

Partial funding may be offered to applicants as deemed applicable and necessary when making the awards.

IV. APPLICATION AND SUBMISSION INFORMATION

A. How to Apply

Applicants may submit their application by either hardcopy submission or electronically via email.

Oklahoma Department of Environmental Quality
AQD - Clean Diesel Grant Program
707 N. Robinson

P.O. Box 1677
Oklahoma City, OK 73101-1677
roxanne.bueckers@deq.ok.gov

Applications can be found at the following website addresses:

Word format – <http://www.deq.state.ok.us/AQDNew/cleandiesel/DERAFY17Application.docx>

PDF format – <http://www.deq.state.ok.us/AQDNew/cleandiesel/DERAFY17Application.pdf>

Submitting an application package does not guarantee that funding will be awarded.

The applicant must have been awarded the funding via an executed agreement with DEQ in order to receive reimbursement. The applicant is responsible for expending its own monies first and then is reimbursed for the award amount specified in the signed agreement with DEQ. Without a fully executed agreement in place, the applicant assumes all costs for the purchases and installation.

Recipient must execute the MOA with DEQ and receive a work commencement notification before any work on the project is started. Any funds spent by the recipient before official notification will not be reimbursed.