

**OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY
FISCAL YEAR 2018 OKLAHOMA CLEAN DIESEL GRANT PROGRAM
GRANT ANNOUNCEMENT/ REQUEST FOR PROPOSAL (RFP)**

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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 diesel-to-diesel and diesel-to-gasoline school bus replacements and exhaust control installations on heavy-duty highway diesel vehicles. Eligible vehicles for exhaust control installations may include school buses, governmental fleet vehicles (city buses, refuse vehicles, etc.), and some commercial transportation vehicles. Only school buses are eligible for replacement. The grant funds will be for the purchase of verified exhaust control retrofits and/or the purchase of school buses certified by the Environmental Protection Agency (EPA). 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 \$638,545. 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 15 and 20 awards. Funding will be in the form of cooperative agreements; each successful subgrant recipient must enter into a grant agreement or Memorandum of Agreement (MOA) with DEQ.

C. Funding Closing Date

Applications will be accepted until close of business (5:00 p.m. CST) on December 20, 2018; all projects must be completed and all monies must be spent by September 1, 2019. 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 2018 grant program will be open to school districts, commercial entities (public and private), and government or government contractors.

B. Eligible Projects

Applications containing projects that will achieve emissions reductions through school bus replacements and/or the installation of exhaust controls will be considered. Potential projects are described below.

1. Installation of Exhaust Control Retrofits

Class 5-8 heavy-duty highway diesel vehicles¹ are eligible for exhaust control retrofits. This includes but is not limited to city buses, tour buses, municipal vehicles, and cargo vehicles.

Exhaust control retrofits are not limited to school buses. The following restrictions apply:

- i. Exhaust control technologies must be on the EPA or the California Air Resources Board (CARB) list of verified technologies. Funds will only be awarded for technologies on these lists:
 - (1) EPA: <https://www.epa.gov/verified-diesel-tech/verified-technologies-list-clean-diesel>
 - (2) CARB: <https://www.arb.ca.gov/diesel/verdev/vt/cvt.htm>
- ii. Only vehicles with engine model years (EMY) 1995-2006 qualify for the installation of eligible EPA/CARB verified diesel oxidation catalysts (DOCs) with/without closed crankcase ventilation systems (CCVs).
- iii. Only vehicles with EMYs 1995-2009 qualify for the installation of eligible EPA/CARB verified selective catalytic reduction systems (SCRs).
- iv. Diesel particulate filters (DPFs) are not eligible technologies under this grant.

2. Vehicle Replacements

Class 5-8 diesel school buses¹ are eligible to be replaced with newer, cleaner school buses that operate on diesel or gasoline and meet a more stringent set of engine emission standards certified by EPA. The following restrictions apply:

- i. Only school buses are eligible to be replaced. Other vehicle types are only eligible for exhaust control retrofits (see Section II.B.1)
- ii. Eligible school buses are defined as Class 5-8 diesel vehicles that are utilized for the transportation of students in pre-Kindergarten through 12th grade.
- iii. School buses must meet EPA's heavy-duty highway engine emission standards:
 - (1) <https://www.epa.gov/emission-standards-reference-guide/epa-emission-standards-heavy-duty-highway-engines-and-vehicles>

¹ 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).

- iv. Only school buses with EMY 1995-2006 are eligible to be replaced with an EPA-certified new diesel or new gasoline school bus of EMY 2017 or newer.

The vehicle being replaced must be scrapped within 90 days, and proof of scrapping must be provided to DEQ prior to reimbursement. “Scrapped” is defined as having a greater than three-inch hole drilled through the engine block and cutting both frame rails. The replacement vehicle must perform the same function and be of the same type and similar gross vehicle weight rating (GVWR) or horsepower as the vehicle that is being replaced; vehicle right-sizing is not permitted under this grant.

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, 2022 is considered to be normal attrition and therefore not eligible for FY 2018 Oklahoma Clean Diesel Grant Program funds.

C. Special Requirements for Eligibility

1. School bus projects only: Successful subgrant recipients 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. Idling should be limited to the engine manufacturer’s recommendation (generally no more than five minutes). Subgrant recipients should specify the policy to be implemented including (but not limited to) idling time limits, idling exceptions, expected fuel savings, etc. For subgrant recipients with an idle reduction policy already in place, please thoroughly describe the specifics of the policy in the application. Failure to instate an idle reduction policy may be cause for disqualification. An idle reduction policy is required for all school bus fleets.

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

- i. All projects must provide matching funds according to the following guidelines:
 - (1) Funding for the purchase and installation of exhaust control retrofits (as described in Section II.B.1) will be reimbursed up to 100% of the cost (labor and equipment) for an eligible verified emission control on a publicly-owned vehicle, and up to 50% of the cost (labor and equipment) for an eligible verified emission control on a privately-owned vehicle.
 - (2) Funding for the purchase of replacement school buses (as described in Section II.B.2) will be reimbursed up to 25% if powered by a new 2017 or newer engine certified to EPA emission standards.

3. Successful subgrant recipients must use a competitive process for obtaining contracts for products and services and conduct cost and price analyses to the extent required in 2 Code of Federal Regulations (CFR) Part 200, 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, subgrant recipients should refrain from mentioning specific technology producers in their applications unless they are sole source providers. Subgrant recipients are not required to identify contractors or consultants in the application. If subgrant recipients have named a specific contractor or consultant in the application DEQ approves, it does not relieve the subgrant recipient of obligations to comply with competitive procurement requirements as well as any regulations covered by federal, state, local, or internal procurement requirements. Subgrant recipients should describe their competitive bid process in the application.

Subgrant recipients have the option to purchase a vehicle or exhaust control retrofit equipment as negotiated by OMES Division of Capital Assets Management/Central Purchasing, which can be found on their website ([https://www.ok.gov/DCS/Central_Purchasing/CP_Processes, Rules & Statutes/index.html](https://www.ok.gov/DCS/Central_Purchasing/CP_Processes,_Rules_&_Statutes/index.html)). If a subgrant recipient wishes to purchase from the list of state-approved vehicles or equipment, it is not required to engage in the competitive bidding process.

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

5. Subgrant recipients will be required to keep the replacement and/or modified vehicle in good working order for a minimum of five years. Your fleet may be audited by DEQ for a period of up to five years to ensure equipment remains in service for the specified time. Quarterly reporting will be required for one year from the project start date.

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

7. All subgrant 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>).

8. Outstanding projects or late completion of projects previously awarded under the Oklahoma Clean Diesel Program may affect eligibility for this funding opportunity.

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 2018-2022 Strategic Plan, Addressing Climate Change and Improving Air Quality. Because this funding originated from EPA, projects funded with this grant money must support Objective 1.1, Improve Air Quality, which states, "work with states and tribes to accurately measure air quality and ensure that more Americans are living and working in areas that meet high air quality standards." Specifically, the grant projects funded under this program must reduce emissions from diesel fleets, thereby reducing local and regional air pollution.

The FY 2018-2022 EPA Strategic Plan may be found at:

<https://www.epa.gov/sites/production/files/2018-02/documents/fy-2018-2022-epa-strategic-plan.pdf>

2. Applications must be received by DEQ on or before December 20, 2018. DEQ may choose to extend the program application deadline if deemed necessary. If a deadline extension is granted, applications must be received on or before the new extended deadline.

3. Applications must be complete with sufficient details.

4. Projects must be located within the State of Oklahoma.

5. Applications must describe subgrant recipient'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 school districts have a chance to participate in the Oklahoma Clean Diesel Grant Program.

7. Final selection will be based primarily upon project type and 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 exhaust control installations.
- ii. 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.
- iii. 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.
- iv. Projects achieving greater emissions reductions will receive priority over projects with lesser emissions reductions. Vehicle replacements achieve greater emissions reductions than exhaust control installations.
 - v. Applications from public schools will receive priority over applications from private schools. Applications from private schools will receive priority over applications from government or government contractors. Applications from government or government contractors 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 with older fleets will receive priority over projects with newer fleets.
 - viii. Larger projects (i.e. projects with a larger number of vehicles) will receive priority over smaller projects.
 - ix. Projects with greater numbers of riders affected or households served will receive priority over projects with fewer riders affected or households served.
 - x. Applications providing thorough explanations and relevant details of the project may be scored higher.
 - xi. Projects affecting areas that have proportionately higher than average traffic from diesel engines, such as (but not limited to) the I-40 and I-35 corridors, will have priority over other areas.

III. AWARD INFORMATION

A. Amount of Funding Available

DEQ has approximately \$638,545 available under this announcement for grants.

B. Funding Type

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

Subgrant recipients must have a prior executed MOA with DEQ to receive reimbursements.

All subgrant 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 MOA 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 submitted by September 1, 2019. Vehicles and/or equipment must be maintained for five years. Your fleet may be audited by DEQ for a period of up to five years to ensure equipment remains in service for the specified time. Quarterly reporting will be required for one year from the project start date.

D. Partial Funding

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

IV. APPLICATION AND SUBMISSION INFORMATION

A. How to Apply

Subgrant recipients may submit their application by either hardcopy submission or electronically via email on or before December 20, 2018 by 5:00 p.m. CST.

Oklahoma Department of Environmental Quality
AQD - Clean Diesel Grant Program
707 N. Robinson
P.O. Box 1677
Oklahoma City, OK 73101-1677
christina.hagens@deq.ok.gov

Applications can be found at the following website address:

PDF format – <http://www.deq.state.ok.us/AQDNew/cleandiesel/DERAFY18Application.pdf>

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

The subgrant recipient must have been awarded the funding via an executed MOA with DEQ in order to receive reimbursement. The subgrant recipient 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 MOA in place, the subgrant recipient assumes all costs for the purchases and installation.

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

THIS REQUEST FOR PROPOSALS WAS PREPARED ON: October 17, 2018

THIS REQUEST FOR PROPOSALS WAS MODIFIED ON: November 27, 2018

This Request for Proposals was modified on November 27, 2018 to extend the original application deadline from December 3, 2018 to December 20, 2018.