

2009-10 GRANT PROPOSAL SOLICITATION

Air Quality Improvement Program (AQIP)

**Zero-Emission Agricultural Utility Terrain Vehicle
(Agricultural UTV) Rebate Project**

Mobile Source Control Division
California Air Resources Board
October 15, 2009

California Air Resources Board
Air Quality Improvement Program (AQIP)

**Zero Emission Agricultural Utility Terrain Vehicle (Agricultural UTV) Rebate
Project**

October 15, 2009

Table of Contents

SUMMARY	1
BACKGROUND	1
ELIGIBILITY	2
AVAILABLE FUNDING.....	3
ELIGIBLE PROJECTS/SCOPE OF WORK.....	3
DEFINITIONS	4
APPLICATION REQUIREMENTS.....	4
APPLICATION PROCESS	4
EVALUATION AND SCORING	5
MONITORING AND REPORTING REQUIREMENTS	9
DISBURSEMENT OF FUNDS	10
APPLICANT WORKSHOP	11
REQUIRED ELEMENTS.....	12

APPLICATION

Appendix A

**DRAFT IMPLEMENTATION MANUAL FOR THE
AGRICULTURAL UTV REBATE PROJECT**

Appendix B

SAMPLE GRANT AGREEMENT

Appendix C

SUMMARY

The California Air Resources Board (ARB) is soliciting a Grantee to implement a \$1.1 million Zero Emission Agricultural Utility Terrain Vehicle (Agricultural UTV) Rebate Project. The Agricultural UTV Rebate Project is intended to encourage and accelerate the use of zero-emission work vehicles for use in California agricultural operations¹ by providing rebates of 15 percent of the manufacturer's suggested retail price (MSRP), up to a maximum of \$2,500, for the purchase of new zero-emission vehicles. For the purposes of the Agricultural UTV Rebate Project, the term UTV will be used to collectively include both all terrain vehicles (ATVs) and utility vehicles (UVs) as they are defined by off-highway regulations.² The Agricultural UTV Rebate Project will be administered and implemented through a partnership between ARB and Grantee, selected via a competitive ARB solicitation.

This solicitation is open to air districts, non-profit organizations or public entities with expertise implementing a grant program and general knowledge of ARB's vehicle incentive programs. Specific requirements and duties for the Grantee are described in this solicitation and in the Draft Agricultural UTV Implementation Manual (Implementation Manual) found in Appendix B. Applications are due to ARB by November 17, 2009.

BACKGROUND

In 2007, Governor Schwarzenegger signed into law the *California Alternative and Renewable Fuel, Vehicle Technology, Clean Air, and Carbon Reduction Act of 2007* (AB 118, Statutes of 2007, Chapter 750). AB 118 created the Air Quality Improvement

¹ For the purposes of the Agricultural UTV Rebate Project, agricultural operations is defined from ARB's Regulation for in-Use Off-Road Diesel Vehicles (Title 13 CCR § 2449): "Agricultural operations" means (1) the growing or harvesting of crops from soil (including forest operations), and the raising of plants at wholesale nurseries, but not retail nurseries, or the raising of fowl or animals for the primary purpose of making a profit, providing a livelihood, or conducting agricultural research or instruction by an educational institution, or (2) agricultural crop preparation services such as packinghouses, cotton gins, nut hullers and processors, dehydrators, and feed and grain mills. Agricultural crop preparation services include only the first processing after harvest, not subsequent processing, canning, or other similar activities. For forest operations, agricultural crop preparation services include milling, peeling, producing particleboard and medium density fiberboard, and producing woody landscape materials.

² California's off-highway regulations as amended in July 2006 (Title 13 CCR § 2411) define an ATV as any off-highway motor vehicle 50 inches or less in overall width that is designed to travel on four or more low pressure tires, having a single seat designed to be straddled by the operator or a single seat designed to be straddled by the operator and a seat for no more than one passenger, having handlebars for steering control. An off-road utility vehicle is defined as designed to travel on four or more wheels, having bench or bucket seating for two or more persons, having a steering wheel for steering control, designed for operation over rough terrain, having an internal combustion engine with a displacement less than or equal to one liter, having a maximum brake power less than or equal to 30 kilowatts, and having either 1) a rear payload of 350 pounds or more, or 2) seating for six or more passengers.

Program (AQIP), a voluntary incentive program administered by ARB to fund clean vehicle and equipment projects, air quality research, and/or workforce training. ARB's appropriation for AQIP projects in the fiscal year (FY) 2009-10 State Budget is \$42.3 million³. Based on projected revenues for the AQIP in FY- 2009-10, ARB estimates \$34.6 million will be available for grants.

In April 2009, ARB adopted the AQIP Guidelines and the AQIP Funding Plan for FY 2009-10 (Funding Plan). The AQIP Guidelines establish minimum administrative and implementation requirements for the AQIP, while the Funding Plan serves as the blueprint for expending FY 2009-10 AQIP funds. The Funding Plan focuses the AQIP on supporting development and deployment of the advanced technologies needed to meet California's longer-term, post 2020 air quality goals.

The Agricultural UTV Rebate Project is intended to encourage and accelerate zero-emission vehicle deployment specifically in California's agricultural industry. The project provides rebates of 15 percent of the UTV's manufacturer's suggested retail price (MSRP), up to a maximum of \$2,500 per vehicle. The cost of an electric UTV is typically higher than its gasoline or diesel powered counterpart.

ELIGIBILITY

The ARB is soliciting proposals for a Grantee to administer and implement the Agricultural UTV Rebate Project. This competitive solicitation is open to air districts and non-profit or public entities with expertise implementing a grant program, knowledge of California air quality issues and general knowledge of ARB's vehicle incentive programs. ARB may consider the nature and extent of any potential or apparent conflict of interest in evaluating each application.

If an air district is selected as the Grantee, it will be required to submit a resolution of the district Governing Board prior to execution of the Grant Agreement that commits the district to comply with the Agricultural UTV Rebate Program requirements and authorized the district to accept the grant funds from ARB. If a match is committed, the board resolution shall authorize the Air Pollution Control Officer to supply sufficient funding to meet the stated match commitment.

³ In the *AB118 Air Quality Improvement Program Funding Plan for Fiscal Year 2009-10*, the Board approved \$1.3 million for the Agricultural UTV Rebate Project based on a \$42.3 million appropriation for AQIP projects in the proposed State Budget. The Funding Plan included provisions to scale funding targets proportionally based on the final budget allocation. Projected revenue for the AQIP in FY 2009-10 is estimated to be \$34.6 million rather than \$42.3 million, so Agricultural UTV Rebate Project funding has been adjusted to \$1.1 million.

AVAILABLE FUNDING

The total funding available through this solicitation for the Agricultural UTV Rebate Project is up to \$1.1 million depending on availability of State funds. ARB reserves the right to increase the grant amount, up to the \$1.3 million approved in the Funding Plan, without rebidding for a Grantee if actual State revenues are higher than projected revenues. The grant amount will be reassessed no later than April 30, 2010. There is no minimum match funding requirement, but voluntary match funding will be considered favorably in scoring the application. Funding is to be broken down as follows:

- Rebates to eligible vehicle recipients equal up to \$990,000 to be disbursed in amounts of up to \$2,500 per vehicle in accordance with the criteria identified in section 2.3 and 2.4 of the Draft Implementation Manual (Appendix B).
- Administrative and outreach costs shall not exceed \$110,000.

ELIGIBLE PROJECTS/SCOPE OF WORK

Grantee responsibilities encompass project development, project implementation, and project reporting, including the following tasks:

- Finalize the Draft Implementation Manual in consultation with ARB.
- Prepare outreach materials in consultation with ARB and conduct the statewide outreach to the public and agricultural equipment dealerships necessary for the project to be successful.
- Develop a consumer rebate application
- Develop a user-friendly public webpage which must include, at a minimum:
 1. The list of eligible vehicles and each vehicle's rebate amount.
 2. Ability to submit online rebate applications.
 3. Ability to track total Agricultural UTV Rebate Project funds available and expended.
 4. All documents and forms related to the project.
- Ensure purchasers meet all applicable Agricultural UTV Rebate Project requirements.
- Use the criteria in this Implementation Manual to review and approve or disapprove rebate applications.
- Distribute rebate payments to eligible vehicle purchasers.
- Track expenditure of Agricultural UTV Rebate Project grant funding.
- Closely communicate with the ARB to ensure that the most current list of eligible vehicles is being used.
- Respond to public inquiries regarding the Agricultural UTV Rebate Project
- Provide Status Reports to the ARB as described in Section 4.3 of this solicitation. The grant agreement with the Grantee may specify an electronic format for quarterly reporting, as needed for transparent and effective data tracking.

- Provide ARB with an Agricultural UTV Rebate Project Final Report that summarizes and evaluates total fund expenditures (including match and in-kind funds), vehicles funded, outreach efforts, and implementation challenges, and recommends potential program improvements
- Provide a mechanism for rebate recipients to provide voluntary customer satisfaction feedback on UTVs purchased with rebates. This mechanism will be further defined in coordination with the Grantee during finalization of the Implementation Manual.
- Provide ARB with all webpage(s), software or other intellectual property developed or purchased by the Grantee for the purposes of administering or implementing the Agricultural UTV Rebate Project, if requested.
- Meet all applicable requirements of statute, the AQIP Guidelines and Funding Plan, ARB's Agricultural UTV Rebate Project solicitation, the Agricultural UTV Rebate Project grant agreement with ARB, and this Implementation Manual.

This solicitation is for a Grantee to distribute rebates and implement the up to \$1.1million Agricultural UTV Rebate Project included in the AQIP Funding Plan for FY 2009-10. Should the Agricultural UTV Rebate Project receive additional funding in FY 2010-11, another competitive solicitation must be held to select the Grantee for these additional funds.

DEFINITIONS

Refer to Section 5 of the Draft Implementation Manual.

APPLICATION REQUIREMENTS

Eligible applicants must meet all applicable requirements of State law, the AQIP Guidelines and Funding Plan, and this solicitation. To be considered for the grant award, applicants must complete the project application and demonstrate that they meet the required solicitation elements. ARB may request clarification regarding application responses during the application review process.

APPLICATION PROCESS

This application packet contains the forms and information necessary for submittal of a complete application. The Grantee selection will be based upon the scoring criteria identified in this solicitation.

If you need this document in an alternate format or language, please contact Meri Miles at (916) 322-6370 or mmiles@arb.ca.gov. TTY/TDD/Speech to Speech users may dial 711 for the California Relay Service.

Four signed original copies and one CD of the application, including all the required documents must be received at the Air Resources Board headquarters at 1001 I Street, Sacramento, CA 95812.

Applications submitted by U.S. Postal Service mail must be postmarked by November 17, 2009. Items delivered by UPS, Express Mail, Federal Express or another delivery service provider (other than U.S. Postal Service) must be received by the delivery service provider by November 17, 2009 at 5 p.m. (delivery service provider tracking number may be used to verify date of receipt). Applications must be mailed to the following address:

Johanna Levine
Air Resources Board
Mobile Source Control Division
1001 I Street, P.O. Box 2815
Sacramento, CA 95812

Please send an e-mail to Johanna Levine at jlevine@arb.ca.gov identifying that you have submitted an application. ARB will confirm with the applicant that the application was received.

No applications may be submitted by fax or email.

Format Requirements

Applications will be initially screened for completeness. The ARB encourages applications to adhere to page limit requirements, be accurate, brief and clear.

Tentative Timelines

Public Release of Solicitation	October 15, 2009
Applicant Workshop	November 3, 2009
Application Deadline	November 17, 2009 5:00 PM
Review/Rating of Applications	November 18 - December 18, 2009
Grantee Selected	December 21, 2009

Timelines are subject to change at ARB's sole discretion.⁴

EVALUATION AND SCORING

The ARB will evaluate each proposal based on the criteria described below. The maximum score is 100 points. The qualified applicant with the highest overall score will

⁴ ARB can not sign grant award agreements for the AQIP until the AB 118 Air Quality Improvement Program Guidelines have been approved by the Office of Administrative Law. Information regarding this regulation may be found at <http://www.arb.ca.gov/regact/2009/aqip09/aqip09.htm>.

be selected as the Grantee. The selected applicant will be required to sign a grant agreement with ARB. A sample grant agreement is included as Appendix C. ARB reserves the right to re-solicit for an Agricultural UTV Rebate Grantee or to direct funding to another project in the Funding Plan.

1. Expertise/Experience to Successfully Implement the Project (maximum 25 points)

Scoring will be based upon the applicant’s ability to successfully execute the project based upon demonstrated experience/expertise in and history of implementing similar incentive projects, working with vehicle manufacturers, dealers, fleets, and other stakeholders. Eligible applicants will also be evaluated based on their knowledge of California air quality issues and knowledge of the ARB’s clean vehicle programs.

Application Characteristics	Points Earned
Applicant lacks experience/expertise applicable to the project requested and/or lacks relevant experience handling similar sized funding projects.	0 – 5 points
Applicant demonstrates experience/expertise to complete the tasks required of the Agricultural UTV Rebate Project Grantee and/or has some relevant experience successfully running similar sized funding programs.	6 – 15 points
Applicant demonstrates extensive and strong experience/expertise required to effectively and successfully complete the tasks of the Agricultural UTV Rebate Project Grantee and significant relevant experience successfully running similar sized funding programs.	16 – 25 points

2. Resources to Implement the Project (maximum 15 points)

Scoring will be based upon the applicant's ability to successfully act as Grantee based upon their demonstrable staffing, infrastructure, funding, and other available resources.

Application Characteristics	Points Earned
The applicant has not demonstrated sufficient resources to successfully implement the Agricultural UTV Rebate Project.	0 points
The applicant has demonstrated the minimum resources needed to implement the Agricultural UTV Rebate Project.	1 – 5 points
The applicant has clearly demonstrated sufficient staff, expertise, infrastructure and/or funding resources to effectively and successfully implement the Agricultural UTV Rebate Project.	6 – 15 points

3. Project Implementation Plan (maximum 20 points)

Applicants will be evaluated based on the completeness of their plan for implementing the Agricultural UTV Rebate Project, and the ability to complete the work in a timely manner.

Application Characteristics	Points Earned
Plan is unclear and/or does not provide the highest impact for the funding provided.	0 points
Plan is complete, provides sound recommendations for effective and efficient project development, implementation, and administration, and considers the budget.	1 – 10 points
Plan is sound and well organized, tailors recommendations creatively and appropriately to successfully implement the Agricultural UTV Rebate Project, provides recommendations for effective and efficient project development, implementation, and administration, and recommends high-impact activities that maximize the project budget.	11 – 20 points

4. Project Budget (maximum 20 points)

Applicants must identify their proposed budget for completing the tasks of the Agricultural UTV Rebate Project. The budget must be consistent with the Draft Implementation Manual, the Project Implementation Plan included in the application, and all other requirements of this solicitation. The budget must include the total administrative funds requested, and a description of any applicable commitments for in-

kind services and match funding. Up to ten percent of the Agricultural UTV Rebate Project funding is available for administrative costs and outreach.

In-kind services refer to administrative or outreach services contributed by the Grantee but not charged to the Agricultural UTV Rebate Project which help to more effectively and efficiently meet the goals of the program. Match funding refers to funds contributed by the Grantee to the Agricultural UTV Rebate Project to fund additional zero emission vehicles. An applicant may propose that match funding be used to fund vehicles as part of the Agricultural UTV Rebate Project in a specific California region only (such as an air district). Match funding does not include in-kind match (i.e. funding for other incentive projects, even if for similar vehicles or technologies). See Appendix A, E-1 for a sample budget.

Application Characteristics	Points Earned
<p>Budget is unclear, inconsistent with the Draft Implementation Manual, the applicant's Project Implementation Plan, and the requirements of this solicitation, or is insufficient to successfully complete the project. No match funding or in-kind support is committed and the applicant is requesting the maximum allowable funding for Agricultural UTV administration and outreach.</p>	<p>0 – 5 points</p>
<p>Budget is relatively clear, detailed, consistent with the Draft Implementation Manual, the applicant's Project Implementation Plan, and the requirements of this solicitation, and is adequate to complete the project. Costs are represented clearly. Applicant commits to provide some additional in-kind support. The applicant's in-kind support will enable the program to be marginally more effective and efficient, and achieve additional emission reductions.</p>	<p>6 - 12 points</p>
<p>Budget is very clear, detailed, consistent with the Draft Implementation Manual, the applicant's Project Implementation Plan, and the requirements of this solicitation, and is adequate to complete the project. Costs are represented clearly, and are appropriate for the level and quality of work to be performed. Applicant commits to provide match funding and/or to reduce administration costs through in-kind support to less than the 10% allowable. The applicant's commitment of match funding or in-kind support will enable the program to be significantly more effective and efficient, and achieve maximum additional emission reductions.</p>	<p>13 - 20 points</p>

5. Application Completeness (maximum 10 points)

Application Characteristics	Points Earned
The application is unclear or is missing key information.	0 – 5 points
The application is clear, concise, and includes all the required information.	6 – 10 points

6. Contribution to Regional Air Quality Improvements (maximum 5 points)

Application Characteristics	Points Earned
The applicant has a plan for and the ability to target clean vehicle outreach in areas which are classified or proposed by ARB to be classified as extreme non-attainment of the federal 8-hour ozone standard (i.e. the South Coast and San Joaquin Valley Air Basins).	0 – 5 points

7. Ability to Promote the Use of Clean Vehicle Technologies (maximum 5 points)

Application Characteristics	Points Earned
The applicant has a clear and effective plan for public outreach (as identified in the Project Implementation Plan) to ensure effective and efficient implementation of the project.	0 – 5 points

MONITORING AND REPORTING REQUIREMENTS

The selected Grantee must submit Status Reports to ARB at least every three months and must include, at a minimum, the following information:

- Number of rebates requested.
- Number and dollar amount of rebates issued detailed by vehicle, purchase price, other financial incentives received and California county.
- Administrative Cost Summaries
- Remaining grant funding available.
- Identified problems or concerns.

DISBURSEMENT OF FUNDS

ARB is required to expend 100 percent of the funds available through this solicitation prior to June 30, 2012. ARB will provide the Grantee with funding for vehicle rebates and project administration. The Grantee will receive ten percent of Agricultural UTV Rebate Project funding from ARB as seed money at project start-up in order to turn around rebate applications quickly. This seed funding includes up to fifty percent of the total allowable Agricultural UTV Rebate Project administration funding (see below), with the remainder of the ten percent of total Agricultural UTV Rebate Project funds to be used to redeem rebates (see below).

Vehicle Rebate Funding

The Grantee will receive \$990,000 to distribute as rebates to eligible vehicles. After the initial distribution of Agricultural UTV Rebate Project funds for project start-up, ARB will provide adequate additional funds to the Grantee as needed to quickly and efficiently redeem vouchers. The Grantee must document that 75 percent of previous funding allotments have been issued as rebates to request additional vehicle rebate funds from ARB.

Project Administration Funding

The Grantee may use up to \$110,000 or the amount committed in its funding application, whichever is less, for project administration and outreach (costs associated with promoting and redeeming rebates). The Grantee shall receive funding for project administration on the following schedule:

- 50 percent of project administration funds at the time the Grant Agreement is signed (for outreach, to develop the webpage, labor, other project start-up costs, etc.).
- 20 percent of administration funding after half of vehicle funding is expended, and the complete and accurate reports demonstrating fund expenditure for these vehicles have been supplied to ARB.
- 20 percent of administration funding after all vehicle funding is expended, the complete and accurate Status Reports demonstrating fund expenditure for these vehicles have been supplied to ARB, and the Grantee provides documentation describing expenditure of all match funding and in-kind services committed to in the project application.
- 10 percent of administration funding after ARB has received all intellectual property and data needed to ensure continued smooth implementation of the Agricultural UTV Rebate Project (see Sections 4.4 and 4.5 of the Draft Implementation Manual), and ARB has received a Final Report documenting vehicles paid for and fulfillment of all project commitments.

With the exception of the initial 50 percent of administrative funding provided for project start-up, all administrative funding provided to the Grantee shall be on a reimbursement basis and requires administrative cost summaries approved by ARB for completed tasks

and/or eligible expenses. The Grantee must provide invoices for the first 50 percent of administration funding before additional administration funding will be provided.

Administrative cost summaries shall describe costs for work completed in the following categories: 1) labor expenses (including staff time and total labor costs); 2) external consultant fees for completed work (if applicable); 3) printing, mailing, travel, and other outreach expenses; and 4) indirect costs. Additional administrative cost categories may be provided to ARB if warranted. Documentation substantiating these costs must be maintained by the Grantee and provided to ARB upon request, as described in Section 4.6 of the Agricultural UTV Rebate Project Implementation Manual.

Additional information regarding disbursement of administration and vehicle voucher funding is provided in the Agricultural UTV Rebate Project Implementation Manual (See Sections 4.2 and 4.3).

APPLICANT WORKSHOP

ARB will hold an Applicant Workshop and conference call at which time staff will be available to answer questions potential applicants may have regarding eligibility, application completion, and other issues. The Applicant Workshop and conference call will be at:

Date: November 3, 2009
Time: 1:30-3:00 PM
Place: Cal/EPA Headquarters
1001 I Street, Sacramento
Conference Room 520

Call-in Number: 1-800-369-3327
Passcode: 65775

The workshop will be open to all interested entities. A call-in phone number will be provided for those unavailable to attend in person. The intent of the workshop is to provide potential project applicants with an opportunity to ask clarifying questions regarding general application or applicant requirements or terminology definitions. Written questions submitted before the workshop will be given priority. Questions may be e-mailed to Ms. Meri Miles at mmiles@arb.ca.gov. Questions may be submitted up to 5 p.m. one day prior to the workshop. The questions and answers from the workshop and any questions received via e-mail by 5 p.m. on November 2, 2009 will be posted on the ARB website no later than 5 p.m. on November 10, 2009. ARB will not answer questions regarding this solicitation after the applicant workshop. Any verbal communication with an ARB employee concerning this solicitation is not binding on the State and shall in no way alter a specification, term or condition of the solicitation.

REQUIRED ELEMENTS

The application for the Agricultural UTV Grantee is included as Appendix A of this solicitation, and includes the following required elements:

- A. Applicant Information
- B. Applicant Qualifications
- C. Applicant Resources to Implement the Project
- D. Project Implementation Plan
- E. Proposed Budget
- F. Conflict of Interest Declaration