

2009-10 GRANT PROPOSAL SOLICITATION
AIR QUALITY IMPROVEMENT PROGRAM (AQIP)
LAWN AND GARDEN EQUIPMENT REPLACEMENT
PROJECT

Mobile Source Control Division
The California Air Resources Board
October 22, 2009



SUMMARY

The California Air Resources Board (ARB) is soliciting Grantees for the \$1.6 million¹ Lawn and Garden Equipment Replacement (LGER) Project. The LGER Project will help accelerate the deployment of approximately 5,760 cordless zero-emission lawn mowers in California.

This solicitation for LGER Project Grantees is open to all air districts designated as non-attainment of the federal 8-hour ozone standard (See Table 1). Grantee, hereinafter always referred to as air districts. Please note that more than one air district may be selected for LGER Project funding. Specific requirements for eligible air districts are described in this solicitation and in the Draft LGER Project Implementation Manual found in Appendix B. Applications are due to ARB by November 18, 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 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 million¹. 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 purpose of the LGER Project is to replace internal combustion lawn and garden equipment with cordless zero-emission lawn and garden equipment; however, only cordless zero-emission residential lawn mowers are eligible for FY 2009-10. The project provides vouchers or rebates of up to \$250 for the purchase of cordless zero-emission residential lawn mowers. Incentives

¹ In the *AB118 Air Quality Improvement Program Funding Plan for Fiscal Year 2009-10*, the Board approved \$2 million for the LGER 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 the LGER Project funding has been adjusted to \$1.6 million.

provided by the LGER Project will help with the development of cordless commercial and other residential zero-emission lawn and garden equipment, which are necessary to meet California's air quality goals. The LGER Project will be administered and implemented through a partnership between ARB and air districts, selected via a competitive grant solicitation. Ninety percent of LGER Project funding is for the purchase of new eligible lawn mowers, while up to ten percent of LGER Project funding is for air district administration and outreach. Lawn and garden equipment manufacturers, dealers, and purchasers will also play a key role in ensuring the success of the LGER Project.

ELIGIBILITY

The ARB is soliciting applications for the LGER Project. Air districts designated as non-attainment of the federal 8-hour ozone standard are eligible (see Table 1). Please note that more than one air district may be selected. Selected air districts 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 LGER Project requirements and authorized the district to accept the grant funds from ARB. The board resolution must also authorize the Air Pollution Control Officer to supply sufficient funding to meet the one to one match requirement.

ARB may consider the nature and the extent of any potential or any apparent conflict of interest in evaluating each application. Lawn and garden equipment vendors or manufacturers are not eligible to administer the LGER Project. Specific equipment eligibility can also be found in Section 2.2 of the Implementation Manual.

Table 1 – Air Districts Designated as Nonattainment

| Air District | Federal 8-Hour Ozone Designation/Classification* |
|--|--|
| South Coast AQMD San Joaquin Valley APCD | Extreme |
| Antelope Valley AQMD Mojave Desert AQMD Sacramento Metropolitan AQMD Yolo-Solano AQMD El Dorado AQMD Placer County APCD Feather River AQMD | Severe |
| Ventura County APCD | Serious |
| San Diego APCD Imperial County Northern Sierra AQMD (western Nevada County) Amador County APCD Calaveras County APCD Tuolumne County APCD Mariposa County APCD Kern County APCD | Moderate |
| Bay Area AQMD Butte County APCD | Marginal |

* Designations are based on proposed or final U.S. EPA designations, or designation requests submitted to the U.S. EPA by ARB.

AVAILABLE FUNDING

The total funding available through this solicitation for the LGER Project is up to \$1.6 million depending on availability of State funds. However, ARB reserves the right to increase the grant amount, up to the \$2 million approved in the Funding Plan, without rebidding for an air district if actual State revenues are higher than projected revenues. The grant amount will be reassessed no later than April 30, 2010. Air districts may use up to ten percent of the total grant award for administrative and outreach costs. LGER Project grant awards shall be a minimum of \$10,000 and shall not exceed \$1 million. ARB reserves the right to reallocate LGER Project funds if the total amount requested is less than \$1.6 million.

MATCH FUNDING

The LGER project requires a one to one match from the air districts. ARB will provide air districts with up to one dollar in LGER Project funding toward their local program for every dollar they spend on a cordless residential electric lawn

mower. Air districts may use funds from past cordless zero-emission lawn mower exchange events that would have qualified for the LGER Project as part of their matching funds. Contributions to similar lawn and garden exchange programs or other air quality incentive projects (i.e. in-kind match) are not considered eligible match funds. Requirements for match funding are detailed in Section 4.6 of the “Draft Implementation Manual for the Lawn and Garden Equipment Replacement Project” (Implementation Manual).

ELIGIBLE PROJECTS/SCOPE OF WORK

Air districts are responsible for project implementation of distributing rebates or vouchers for eligible equipment, including the following tasks:

- Finalize the Implementation Manual (Appendix B) in consultation with ARB.
- Conduct the outreach necessary for the program to be successful.
- Develop and update as needed a user-friendly public webpage to provide general information about mower exchange events including at a minimum:
 - List of eligible mowers
 - Voucher/rebate amounts
 - Dates and locations of exchange events
- Conduct one or more public lawn mower exchange events.
- Track voucher or rebate reservations.
- Track expenditure of LGER Project grant funding.
- Respond to public inquiries regarding the LGER Project.
- Provide ARB with a LGER Project Final Report that must include the information outlined in section 4.3 of the Implementation Manual. The grant agreement with the air district may specify an electronic format for reporting.
- Meet all applicable requirements of State law, the AQIP Guidelines and Funding Plan, this solicitation, the LGER Project Implementation Manual, and the LGER grant agreement with ARB.

This solicitation is for air districts to distribute vouchers or rebates and implement the \$1.6 million LGER Project included in the AQIP Funding Plan for FY 2009-10. Should the LGER Project receive additional funding in FY 2010-11, another competitive solicitation must be held to select air districts for these additional funds. Air districts selected via this solicitation may apply to implement the LGER Project in subsequent funding years.

DEFINITIONS

LGER Project definitions are included in Section 5 of the Implementation Manual.

APPLICATION REQUIREMENTS

Eligible air districts must meet all applicable requirements of State law, the AQIP Guidelines and Funding Plan, and this solicitation. To be considered for the grant award, air districts 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. ARB shall select air districts in compliance with the AQIP Guidelines and applicable State law. Air district 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 Johanna Levine at (916) 324-6971 or jlevine@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 18, 2009. Items delivered by UPS, Express Mail, Federal Express or another delivery service (other than U.S. Postal Service) must be received by the delivery service provider no later than 5 p.m. on November 18, 2009 (delivery service provider tracking number may be used to verify date of receipt). Please send an email 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. 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

No applications may be submitted by fax or email.

Format Requirements

The ARB strongly encourages applications to be accurate, brief and clear. Applications will be initially screened for completeness.

Solicitation Timelines

| | |
|--------------------------------|---------------------------|
| Public Release of Solicitation | October 22, 2009 |
| Applicant Workshop | November 5, 2009 |
| Application Deadline | November 18, 2009 5:00 PM |
| Review/Rating of Proposals | Nov. 19 - Dec. 15, 2009 |
| Air Districts Selected | December 16, 2009 |

Timelines are subject to change at ARB’s sole discretion.²

EVALUATION AND SCORING

The ARB will evaluate each proposal based on the criteria described below. The maximum score is 100 points. Air districts receiving 50 or more points will be selected for funding. The selected air districts will be required to sign grant agreements with ARB to fulfill their LGER Project duties (See Appendix C for a Sample Draft Grant Agreement). ARB reserves the right to re-solicit for air districts or to direct LGER Project funding to another project in the Funding Plan.

1. Federal 8-Hour Ozone Classification (maximum 50 points)

Points are provided based upon the air district’s designated non-attainment status of the federal 8-hour ozone standard (See Table 1).

| Proposal Characteristics | Points Earned |
|---|----------------------|
| Districts classified as moderate or marginal for the federal 8-ozone designation. | 20 points |
| Districts classified as serious for the federal 8-ozone designation. | 30 points |
| Districts classified as severe for the federal 8-ozone designation. | 40 points |
| Districts classified as extreme for the federal 8-ozone designation. | 50 Points |

² 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>.

2. Project Implementation Plan (maximum 15 points)

Air districts will be evaluated based on the completeness of their plan for implementing the LGER Project, the ability to complete the work in a timely manner, their expertise/experience, and resources to successfully implement the LGER Project.

| Application Characteristics | Points Earned |
|---|----------------------|
| Plan is unclear and/or does not provide the highest impact for the funding provided. Air district lacks the experience, expertise, and resources applicable to the project requested. | 0 points |
| Plan is complete, provides sound recommendations for effective and efficient project development, implementation, and administration, along with budget consideration. Air district demonstrates their experience, expertise, and resources to complete the required LGER Project tasks. | 1 – 7 points |
| Plan is sound and well organized, tailors recommendations creatively and appropriately to successfully implement the LGER Project, provides recommendations for effective and efficient project development, implementation, and administration, and proposes high-impact activities that maximize the budget. Air district also demonstrates extensive and strong experience, expertise, and resources required to effectively and successfully complete all LGER Project tasks. | 7 – 15 points |

3. Project Budget (maximum 20 points)

Air districts must identify their proposed budget for completing LGER Project tasks, consistent with the Draft Implementation Manual, their Project Implementation Plan (included in the application) and the requirements of this solicitation. The budget must include the total LGER Project administrative funds requested, and a detailed description of all match funding. Air districts may also receive additional points on their LGER project proposals by offering more than the minimum one to one match requirement. Funds from past lawn mower exchange events that would have qualified for the LGER Project may only be used to meet the minimum match requirement and cannot be used for additional match to receive additional points. Air districts who use funds from previous exchange events are not eligible to receive additional points for providing additional match.

| Application Characteristics | Points Earned |
|--|------------------------------|
| <p>Budget is unclear, inconsistent with the Draft Implementation Manual, the air district's Project Implementation Plan, and the requirements of this solicitation, or is insufficient to successfully complete the project. Air district commits to the minimum match funding requirement and is requesting the maximum allowable funding for LGER Project administration and outreach.</p> | <p>0 – 5 points</p> |
| <p>Budget is relatively clear, detailed, consistent with the Draft Implementation Manual, the air district's Project Implementation Plan, and the requirements of this solicitation, and is adequate to complete the project. Costs are represented clearly. Air district commits to the minimum match funding requirement as well as some additional in-kind support. The air district's in-kind support will enable the project to be marginally more effective and efficient, and achieve additional emission reductions. Air district is requesting the maximum allowable funding for LGER Project administration and outreach.</p> | <p>6 - 14 points</p> |
| <p>Budget is very clear, detailed, consistent with the Draft Implementation Manual, the air district'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. Air district commits to the minimum match funding requirement and to reduce administration costs through in-kind support to less than the ten percent allowable. The air district's commitment of match funding or in-kind support will enable the project to be significantly more effective and efficient, and achieve maximum additional emission reductions.</p> | <p>15 - 20 points</p> |

4. 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 |

5. Ability to Promote the Use of Alternative Fuels and Vehicle Technologies (maximum 5 points)

| Application Characteristics | Points Earned |
|---|---------------|
| The air district 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

Selected air districts must submit a Final Report to ARB. The report shall contain at a minimum the following information:

- Total number of new units exchanged (by make and model).
- Final invoice from equipment dealers/manufacturers.
- Cost per unit, cost share for customer, and cost share for district.
- Source(s) and amount(s) of match funding and in-kind services.
- Total program expenses (outreach and administrative costs, etc.).
- Remaining grant funding available.
- Identified problems or concerns.

DISBURSEMENT OF FUNDS

LGEM Project grant awards will be determined by the air district's residential lawn mower population (based on ARB's 2007 Off-road Model) and application score. Each air district scoring 50 or more points will receive the minimum \$10,000 and the remaining funds will be reallocated to air districts who requested more than the minimum amount. Please note that air districts who request more than the minimum grant amount may not be awarded their desired amount. ARB is required to expend 100 percent of the funds available through this solicitation prior to June 30, 2012. ARB will provide the air districts with funding for eligible equipment rebates or vouchers and project administration.

Equipment Funding

Ninety percent of the air district's grant award must be used for eligible equipment rebates/vouchers. Air districts may request these funds once they have documentation of rebate/voucher reservations. Air districts may also

request equipment funds up to the amount for which they have documented rebate/voucher reservations.

Administration Funding

Air districts may use up to ten percent of their total grant award for LGER Project administration and outreach.

Additional information regarding the disbursement of funds is provided in the Implementation Manual (See Sections 4.2).

APPLICANT WORKSHOP

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

Place: CalEPA Building, CR 720
1001 I Street
Sacramento, CA 95812

| | |
|----------------------|---------------------|
| Call-in Information: | Tel: 877-917-5781 |
| | Passcode: 34508 |
| Date: | November 5, 2009 |
| Time: | 10:00 am – 12:00 pm |

The workshop will be open to all eligible air districts. The above call-in number has been 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. Grace Garcia at ggarcia@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 4, 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 LGER Project is included in Appendix A of this solicitation, and includes the following required elements:

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