

2014-15 GRANT SOLICITATION
Air Quality Improvement Program (AQIP)

CLEAN VEHICLE REBATE PROJECT

Mobile Source Control Division
California Air Resources Board
July 30, 2014

California Environmental Protection Agency

 **Air Resources Board**

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Air Quality Improvement Program (AQIP)

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AQIP APPLICATION **Appendix A**

**SAMPLE IMPLEMENTATION MANUAL FOR THE FISCAL
YEAR 2014-15 CLEAN VEHICLE REBATE PROJECT** **Appendix B**

**AIR QUALITY IMPROVEMENT PROGRAM CLEAN VEHICLE
REBATE PROJECT SAMPLE GRANT AGREEMENT FISCAL
YEAR 2014-15** **Appendix C**

I. SUMMARY

The California Air Resources Board (ARB or the Board) is soliciting a Grantee to implement and administer the Clean Vehicle Rebate Project (CVRP) and Increased Incentives for Public Fleets in Disadvantaged Communities (Public Fleet Pilot Project) for Fiscal Year 2014-15 and option for a new Grant Agreement for Fiscal Year 2015-16. The current funding available for the Fiscal Year (FY) 2014-15 CVRP and the Public Fleet Pilot Project is up to \$117.36 million. CVRP is intended to encourage and accelerate zero- and near-zero emission, on-road light-duty vehicle deployment and technology innovation. This project provides rebates for California purchasers and lessees of up to \$5,000 for fuel cell electric vehicles (FCEVs), up to \$2,500 for battery-electric vehicles (BEVs), up to \$1,500 for plug-in hybrid electric light-duty vehicles (PHEVs), and up to \$900 for neighborhood electric vehicles (NEVs) and zero-emission motorcycles (ZEMs) on a first-come, first-served basis. In addition, the Public Fleet Pilot Project provides increased incentives for public fleets located in or serving disadvantaged communities. Rebates offered to public fleets located in or serving disadvantaged communities are up to \$15,000 for FCEVs, \$10,000 for BEVs, and \$5,250 for PHEVs, up to \$900 for NEVs and ZEMs.

This project benefits the citizens of California by providing immediate air pollution emission reductions and stimulating development and deployment of the next generation of zero-emission and plug-in hybrid electric light-duty vehicles necessary to meeting California's clean air goals. This project will be administered and implemented through a partnership between ARB and a Grantee, selected via a competitive ARB Grant solicitation. Applications are due to ARB no later than **5:00 p.m., August 13, 2014.**

II. 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 workforce training.

As required in Health and Safety Code (HSC) Section 44274(a), the Board adopted regulatory guidelines in 2009 for AQIP. The Guidelines for the AB 118 Air Quality Improvement Program (Guidelines)¹ define the overall administrative requirements, and policies and procedures for program implementation based on the framework established in statute. Central to the Guidelines is the requirement for a Board-approved annual funding plan developed with public input. The funding plan is each year's blueprint for expending AQIP funds appropriated to ARB in the annual State

¹ The Guidelines for the AB 118 Air Quality Improvement Program are available at: <http://www.arb.ca.gov/msprog/aqip/regdocs.htm>

Budget. The funding plan focuses AQIP on supporting development and deployment of the advanced technologies needed to meet California's longer-term, post 2020 air quality goals.

III. AVAILABLE FUNDING

In June 2014, ARB approved the Fiscal Year 2014-15 Funding Plan for the Air Quality Improvement Program and Low Carbon Transportation Greenhouse Gas Reduction Fund Investments (FY 2014-15 Funding Plan)², providing up to \$117.36 million in funding for CVRP and the Public Fleet Pilot Project. The \$117.36 million is comprised of up to \$5 million in AQIP funding, and \$109.483 million in funding from the Low Carbon Transportation Greenhouse Gas Reduction Fund (GGRF) for CVRP. In addition, up to \$2.877 million in funding from GGRF is available for public fleets located in or serving disadvantaged communities. There is no minimum match funding requirement, but voluntary match or in-kind funding will be considered in scoring the application. Funding is to be broken down as follows:

- A. Rebates to eligible vehicle purchasers and lessees.
- B. Grantee's Rebate processing fee (fee shall not exceed 5 percent of total project funding.)

In the event additional funding is provided for CVRP, these funds will be administered under this solicitation.

IV. OPTION FOR NEW GRANT AGREEMENT FOR FY 2015-16

ARB in its sole discretion may award a new Grant Agreement for FY 2015-16 under the same terms and conditions. The Grantee understands and agrees that there is no guarantee the FY 2015-16 Grant Agreement will be awarded.

V. ELIGIBILITY

This solicitation is open to individuals, federal, state or local government entities or agencies, and organizations or companies with expertise implementing a grant program and general knowledge of ARB's clean vehicle programs. Specific requirements for the Grantee are described in this solicitation and in the Sample Implementation Manual for the FY 2014-15 CVRP (Sample Implementation Manual) (Appendix B) and the Air Quality Improvement Program (AQIP) CVRP Sample Grant Agreement FY 2014-15 (Sample Grant Agreement)(Appendix C).

Eligible applicants must meet all applicable requirements of State law, the AQIP Guidelines and FY 2014-15 Funding Plan, and this solicitation. To be considered for the grant award, applicants must fully complete the AQIP Application (Appendix A) and

² The approved FY 2014-15 Funding Plan is available at:
<http://www.arb.ca.gov/msprog/aqip/fundplan/fundplan.htm>

demonstrate that they meet the Required Elements. (See Section X of this solicitation.) ARB may request clarification regarding application responses during the application review process.

VI. SCOPE OF WORK

The Grantee is responsible for the on-the-ground project implementation of distributing rebates for eligible vehicles, including, but not limited to the following tasks:

- A. Update and finalize the Implementation Manual in consultation with ARB throughout the grant term.
- B. Prepare outreach and educational materials in consultation with ARB and conduct the statewide public outreach necessary for the project to be successful.
- C. Develop user-friendly public webpages that may be hosted at ARB's discretion on the Grantee's webpages, ARB webpages, or an ARB-approved third party webpage. Webpages 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 the total CVRP funds, both available and expended, in real-time.
 - 4. Ability to provide information on CVRP rebates disbursed based on query parameters such as vehicle type, location, and consumer type.
 - 5. Ability to provide a visual representation of where rebates are being disbursed with a mapping tool.
 - 6. Ability to provide user survey data to display information such as demographics, dealer experience, motivations to purchase, decision-making process, etc.
 - 7. Applicable documents and forms related to the project.
- D. Develop a policies and procedures document and flow chart that describes the Grantee's administrative action for processing rebates. Examples include, details on acceptable supporting documentation, practice for correcting erroneous VIN data entry errors, protocols for recording ARB case-by-case approvals.
- E. Establish and maintain rebate records (see Section J (2) of the Sample Grant Agreement).

- F. Store all records in a secured and safe storage facility that maintains confidentiality and provides fire and natural disaster protection (see Section J in the Sample Grant Agreement). Files shall be retained during the term of the Grant Agreement plus 7 years.
- G. Develop a systematic process and schedule to back-up CVRP database(s) each day at a minimum.
- H. Develop and enforce security measures to safeguard CVRP database(s).
- I. Develop a transfer plan for end of project duties to ensure a complete timely transfer of data and website to the next administrator on a timely basis.
- J. Ensure purchasers and lessees meet all applicable CVRP requirements.
- K. Conduct random sample checks to determine compliance with the maximum number of rebates for individuals and businesses requirement.
- L. Support 36-month ownership and lessee requirements by identifying and reporting at-risk rebate recipients to ARB.
- M. Track and report vehicle resale inquiries to ARB.
- N. Contact rebate recipients that have, or will potentially sell their vehicle early, to request repayment of the prorated rebate amount. (See Section C (4) of the Sample Implementation Manual.)
- O. Use the criteria in the Implementation Manual to review and approve or disapprove rebate applications and document this process in each project file.
- P. Maintain copies of all disapproved applications.
- Q. Distribute rebate payments to eligible vehicle purchasers and lessees.
- R. Develop and maintain accounting procedures to track expenditures by grant award, fiscal year, and of all CVRP funding sources. (AQIP, GGRF, CEC, etc.).
- S. Establish a process for returned rebate funds as a result of uncashed rebate checks, prorated returns, cancellations, etc.
- T. Track rebates issued in disadvantaged communities in a manner directed by ARB.
- U. Ensure that the most current list of eligible vehicles is being used.
- V. Establish a waiting list if the project becomes oversubscribed and ARB

determines a waiting list is appropriate. (See Section B (8) of the Sample Implementation Manual.)

- W. Respond to public inquiries regarding CVRP.
- X. Administer vehicle owner surveys to rebate recipients. (See Section E (1) of the Sample Implementation Manual.)
- Y. Assess the influence of incentives on clean vehicles.
- Z. Provide data updates to ARB upon request.
- AA. Provide periodic data summaries to the public in response to data requests.
- BB. Provide Status Reports to ARB detailing rebates redeemed for purchased and leased vehicles. (See Section H (1) of the Sample Grant Agreement for more details.)
- CC. Provide ARB with a CVRP 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. (See Section H (2) of the Sample Grant Agreement for more details.)
- DD. Provide ARB with all rebate records and copies of rebate checks upon request.
- EE. Develop a project transfer plan in a manner directed by ARB that includes the following tasks:
 - 1. Process rebates for all of FY 2014-15.
 - 2. Complete all tasks associated FY 2014-15 CVRP closeout. (See Section H (2) of the Sample Grant Agreement.)
 - 3. Process rebates for FY 2015-16 for up to 3 months.
 - 4. If applicable, transfer CVRP to new Grantee/administrator selected by ARB. (See Section K of the Sample Grantee Agreement.)
- FF. Provide information, upon request, to individuals or organizations that wish to appeal a rebate denial to ARB.
- GG. Provide ARB with all webpage(s), software or other intellectual property developed or purchased by the Grantee for the purposes of administering or implementing CVRP, if requested. (See Section K (1) of the Sample Grant Agreement.)

HH. Meet applicable requirements of statutes, the AB 118 AQIP Guidelines and FY 2014-15 Funding Plan, this solicitation, the CVRP grant agreement with ARB, and the Implementation Manual.

All information, data, and webpages received or generated under this solicitation is the property of ARB. No information or data received or generated under this agreement shall be released without ARB's approval. See Sample Grant Agreement (Appendix C) for a more complete description of the duties and responsibilities of the Grantee and ARB.

VII. DEFINITIONS

Refer to Section D of the Sample Implementation Manual (Appendix B).

VIII. APPLICATION INSTRUCTIONS

This application packet contains the forms and information necessary for submittal of a complete application. ARB will select a Grantee in compliance with the AQIP Guidelines and applicable State law. 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 Ms. Graciela Garcia at (916) 323-2781 or ggarcia@arb.ca.gov . TTY/TDD/Speech to Speech users may dial 711 for the California Relay Service.

One (1) signed original, four (4) copies and one (1) CD of the application, including all the required documents must be received at ARB headquarters at 1001 I Street, Sacramento, California 95814.

Applications submitted by U.S. Postal Service mail must be postmarked no later than **August 13, 2014**. Items delivered in person, 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 no later than **5:00 p.m. on August 13, 2014** (delivery service provider tracking number may be used to verify date of receipt). Applications submitted by a delivery service provider (UPS, Express Mail, Federal Express, etc.) must be mailed to the following address:

Graciela Garcia
Air Resources Board
Mobile Source Control Division
1001 I Street, Post Office Box 2815
Sacramento, California 95812

Applications submitted in person may be delivered to the following address:

Graciela Garcia
Air Resources Board
Mobile Source Control Division
1001 I Street
Sacramento, California 95814

Please send an email to Graciela Garcia at ggarcia@arb.ca.gov indicating that you have submitted an application once the application has been mailed. Sending this email secures one of the ten points provided for Application Completeness and lets ARB staff know that your formal application is on the way. ARB will send a confirmation email to the applicant once the hard-copy of the application has been received.

No applications may be submitted by fax or email.

Format Requirements

ARB strongly encourages applications to be accurate, brief and clear. Applications will be initially screened for completeness. Applications must include all the Required Elements identified in Section X of this solicitation.

*Solicitation Timeline**

<u>Key Actions</u>	<u>Dates</u>	<u>Time</u>
Public Release of Solicitation	July 30, 2014	N/A
Applicant Question Deadline	August 5, 2014	No later than 5:00 p.m.
Applicant Teleconference	August 6, 2014	10:00 a.m.
Application Deadline	August 13, 2014	No later than 5:00 p.m.
Review/Rating of Applications	August 14 – 21, 2014	N/A
Grantee Selected	August 22, 2014	N/A
Return Signed Grant to ARB	Within 10 calendar days of receipt	

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

IX. APPLICANT TELECONFERENCE

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

Date: August 6, 2014
Time: 10:00 a.m. to 12:00 p.m. (PST)

Teleconference Information:

Call-In Phone Number: (888) 942-9648
Passcode: 38970

The Applicant Teleconference will be open to all interested entities. The intent of the Applicant Teleconference 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 Applicant Teleconference will be given priority. Questions may be emailed to Ms. Graciela Garcia at ggarcia@arb.ca.gov. Questions may be submitted up to 5 p.m. one day prior to the Applicant Teleconference. The questions and answers from the Applicant Teleconference and any questions received via email will be posted on the ARB website no later than **5:00 p.m. on August 11, 2014**; this date may be extended at ARB's sole discretion. ARB will not answer questions regarding this solicitation after the Applicant Teleconference. 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.

X. REQUIRED ELEMENTS

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

Appendix A: AQIP Application

- Attachment 1: Applicant Qualifications
- Attachment 2: Proposed Budgets
- Attachment 3: Project Implementation Plan
- Attachment 4: Applicant Resources to Implement the Project
- Attachment 5: Conflict of Interest Declaration
- Attachment 6: STD. 204 Payee Data Record

XI. EVALUATION AND SCORING

ARB will evaluate each application based on the criteria described below. The maximum score is 100 points. The qualified applicant with the highest overall score will be selected as the Grantee. The selected applicant will be required to sign a Grant Agreement with ARB to fulfill the duties of Grantee. (See Appendix C for a Sample Grant Agreement.) ARB reserves the right, in its sole discretion, to cancel this solicitation, re-solicit for a CVRP Grantee, or to direct funding to another project in the Funding Plan.

A. Applicant Qualifications (Appendix A, Attachment 1) – Maximum 20 points

Scoring will be based upon the applicant’s ability to successfully act as the Grantee based upon its experience/expertise in and history of implementing similar incentive projects or working with vehicle manufacturers, dealers, fleets, and other stakeholders.

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 CVRP Grantee and/or has some relevant experience successfully running similar sized funding programs.	6 – 12 points
Applicant demonstrates extensive and strong experience/expertise required to effectively and successfully complete the tasks of the CVRP Grantee and significant relevant experience successfully running similar sized funding programs.	13 – 20 points

B. Proposed Budget (Appendix A, Attachment 2) – Maximum 30 points

Applicants must identify their proposed budget for completing the tasks of the CVRP, consistent with the Sample Implementation Manual and Sample Grant Agreement, for the FY 2014-15 CVRP, their Project Implementation Plan (included as part of the application) and the requirements of this solicitation. The budget must include the total rebate processing fee requested, which shall include costs to cover implementation of FY 2014-15, the closeout of FY 2014-15, the beginning of FY 2015-16, and costs to transfer all project data and website(s) to the next administrator. The rebate processing fee shall include a description of any applicable commitments for in-kind services and match funding. Rebate processing fee shall not exceed 5% of the total project funding (Note: any applications that are greater than 5% will be disqualified). For a complete description of rebate processing fees, see Section E (6) in Appendix C.

In-kind services refer to goods or services contributed by the Grantee but not charged to the CVRP, which help to more effectively and efficiently meet the goals of the program. Match funding refers to funds contributed by the Grantee to the CVRP to fund eligible vehicles. An applicant may propose that match funding be used to fund vehicles as part of the CVRP in a specific California region (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, Attachment 2-1 for a sample budget.)

Application Characteristics	Points Earned
<p>Budget is unclear, inconsistent with the Sample Implementation Manual, the applicant's Project Implementation Plan, and the requirements of this solicitation, or are insufficient to successfully complete the project. No or limited match funding or no or limited in-kind support is committed and the applicant is requesting the maximum allowable funding for the CVRP rebate processing fee.</p>	<p>0 – 5 points</p>
<p>Budget is relatively clear, detailed, and consistent with the Sample 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. The applicant's commitment for in-kind support will enable the program to be marginally more effective and efficient.</p>	<p>6 – 15 points</p>
<p>Budget is very clear, detailed, and consistent with the Sample 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 reduce allowable CVRP rebate processing fee in order to fund more eligible vehicles. The applicant's commitment for in-kind support will enable the program to be significantly more effective and efficient.</p>	<p>16 – 30 points</p>

C. Project Implementation Plan (Appendix A, Attachment 3) – Maximum 20 points

Applicants will be evaluated based on the completeness of their plan for implementing the CVRP, and the ability to complete the work in a timely manner. The Project Implementation Plan must address how the applicant will implement all of the tasks under the Scope of Work. (See Section IV of this solicitation.)

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 CVRP, provides recommendations for effective and efficient project development, implementation and administration, recommends high-impact activities that maximize the budgets.	11 – 20 points

D. Applicant Resources to Implement the Project (Appendix A, Attachment 4) – Maximum 10 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 CVRP.	0 points
The applicant has demonstrated the minimum resources needed to implement the CVRP.	1 – 5 points
The applicant has clearly demonstrated sufficient staff, expertise, infrastructure and/or funding resources to effectively and successfully implement the CVRP.	6 – 10 points

E. 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

F. Ability to Promote the Use of Alternative Fuels and 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

G. Contribution to Regional Air Quality Improvements – Maximum 5 points

Application Characteristics	Points Earned
The applicant has a plan for and the ability to target the CVRP 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). This will be scored based upon the applicant's response to Attachments 3 and 4 of the application.	0 – 5 points