

2009-10 GRANT PROPOSAL SOLICITATION

Air Quality Improvement Program (AQIP)

Zero-Emission and Plug-In Hybrid Light-Duty Vehicle (Clean Vehicle) Rebate Project

Mobile Source Control Division
California Air Resources Board
September 17, 2009



California Air Resources Board
Air Quality Improvement Program (AQIP)

**Zero Emission and Plug-In Hybrid Light-Duty Vehicle (Clean Vehicle) Rebate
Project**

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SUMMARY

The California Air Resources Board (ARB) is soliciting a Grantee for the \$4.1 million¹ Zero Emission and Plug-In Hybrid Light-Duty Vehicle (Clean Vehicle) Rebate Project. The Clean Vehicle Rebate Project will provide rebates for the purchase of new zero-emission vehicles or plug-in hybrid light-duty vehicles in California. 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 light duty vehicles.

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 Draft Clean Vehicle Rebate Project Implementation Manual (Implementation Manual) found in Appendix B. Applications are due to ARB by October 15, 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 funding plan directs about 12 percent of total AQIP funds to the Clean Vehicle Rebate Project.

The Clean Vehicle Rebate Project provides about half the incremental cost of purchasing zero-emission or plug-in hybrid light duty vehicles. This project provides a benefit by encouraging and accelerating zero-emission vehicle deployment and

¹ In the *AB118 Air Quality Improvement Program Funding Plan for Fiscal Year 2009-10*, the Board approved \$5 million for the Clean Vehicle 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 Clean Vehicle Rebate Project funding has been adjusted to \$4.1 million.

technology innovation necessary to meeting California's clean air goals. The project provides rebates of up to \$20,000 for California purchasers of zero-emission vehicles as well as plug-in hybrid electric light-duty vehicles. The Clean Vehicle Rebate Project builds upon the success of the Air Resources Board's (ARB) recent Alternative Fuel Vehicle Incentive Program (AFVIP). The Clean Vehicle Rebate Project will be administered and implemented through a partnership between ARB and a Grantee, selected via a competitive ARB grant solicitation.

ELIGIBILITY

The ARB is soliciting proposals for a Grantee to administer and implement the Clean Vehicle Rebate Project. This competitive 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. ARB may consider the nature and extent of any potential or apparent conflict of interest in evaluating each application.

AVAILABLE FUNDING

The total funding available through this solicitation for the Clean Vehicle Rebate Project is up to \$4.1 million depending on availability of State funds. However, ARB reserves the right to increase the grant amount, up to the \$5 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 in scoring the application. Funding is to be broken down as follows:

- Rebates to eligible vehicle recipients equal up to \$3.69 million to be dispersed in amounts of up to \$20,000 in accordance with the criteria identified in the Implementation Manual.
- Administrative and outreach costs shall not exceed \$410,000.

ELIGIBLE PROJECTS/SCOPE OF WORK

The Grantee is responsible for the on-the-ground project implementation of distributing rebates for eligible vehicles, including the following tasks:

- Finalize the Draft Implementation Manual in consultation with ARB.
- Prepare outreach and educational materials in consultation with ARB and conduct the statewide public outreach necessary for the project to be successful.
- 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 Clean Vehicle Rebate Project funds available and expended in real-time.
 4. All documents and forms related to the project.

- Ensure purchasers and lessees meet all applicable Clean Vehicle 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 and lessees.
- Track expenditure of Clean Vehicle 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 Clean Vehicle Rebate Project.
- Provide Status Reports to the ARB detailing rebates redeemed for purchased vehicles. 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 a Clean Vehicle 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 ARB a mechanism for receiving three years of annual reports from purchasers and lessees of commercial ZEV's.
- Provide information, upon request, to individuals or organizations that wish to appeal a rebate denial to the Executive Officer.
- 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 Clean Vehicle Rebate Project, if requested.
- Meet all applicable requirements of statute, the AQIP Guidelines and Funding Plan, ARB's Clean Vehicle Rebate Project solicitation, the Clean Vehicle Rebate Project grant agreement with ARB, and this Implementation Manual.

This solicitation is for a Grantee to distribute rebates and implement the up to \$4.1 million Clean Vehicle Rebate Project included in the AQIP Funding Plan for FY 2009-10. Should the Clean Vehicle Rebate Project receive additional funding in FY 2010-11, another competitive solicitation must be held to select the Grantee for these additional funds. The Grantee selected via this solicitation may apply to implement the Clean Vehicle Rebate Project in subsequent funding years.

DEFINITIONS

Refer to the section 5 of the 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 fully complete the project application and demonstrate that they meet the required solicitation elements. ARB will not accept incomplete applications, and 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 will select a Clean Vehicle Rebate 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 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 October 15, 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 October 15, 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

No applications may be submitted by fax or email.

Format Requirements

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

Tentative Timelines

Public Release of Solicitation	September 17, 2009
Applicant Workshop and conference call	October 1, 2009
Application Deadline	October 15, 2009 5:00 PM
Review/Rating of Applications	October 16-November 11, 2009
Grantee Selected	November 12, 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. The qualified applicant with the highest overall score will be selected as 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 to re-solicit for a Clean Vehicle Rebate Project 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 act as 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 Clean Vehicle 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 Clean Vehicle Rebate Project Grantee and significant relevant experience successfully running similar sized funding programs.	16 – 25 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 Budget (maximum 25 points)

Applicants must identify their proposed budget for completing the tasks of Clean Vehicle Rebate Project Grantee, consistent with the Draft Implementation Manual, their Project Implementation Plan (included as part of the application) and the 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.

In-kind services refer to goods or services contributed by the Grantee but not charged to the Clean Vehicle 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 Clean Vehicle Rebate Project to fund eligible vehicles. An applicant may propose that match funding be used to fund vehicles as part of the Clean Vehicle 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
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 or limited match funding or no or limited in-kind support is committed and the applicant is requesting the maximum allowable funding for Clean Vehicle Rebate Project administration and outreach.	0 – 5 points
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. The applicant's commitment for in-kind support will enable the program to be marginally more effective and efficient.	6 - 15 points
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 or forgo Clean Vehicle Rebate Project administration and outreach funding (in match or potential administration and outreach funding) to be used for eligible vehicles. The applicant's commitment for in-kind support will enable the program to be significantly more effective and efficient.	15 - 25 points

3. Project Implementation Plan (maximum 15 points)

Applicants will be evaluated based on the completeness of their plan for implementing the Clean Vehicle 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 – 7points
Plan is sound and well organized, tailors recommendations creatively and appropriately to successfully implement the Clean Vehicle Rebate Project, provides recommendations for effective and efficient project development, implementation, and administration, and recommends high-impact activities that maximize the budget.	8 – 15 points

4. 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 Clean Vehicle Rebate Project.	0 points
The applicant has demonstrated the minimum resources needed to implement the Clean Vehicle Rebate Project.	1 – 5 points
The applicant has clearly demonstrated sufficient staff, expertise, infrastructure and/or funding resources to effectively and successfully implement the Clean Vehicle Rebate Project.	6 – 15 points

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. 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

7. 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 Rebate Project 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 Parts C and D of the application.	0 – 5 points

MONITORING AND REPORTING REQUIREMENTS

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

1. Number of rebates requested.
2. Number and dollar amount of rebates issued detailed by vehicle, purchase price, other financial incentives received (other than tax rebates) and California air basin.
3. Cost Summaries
4. Remaining grant funding available.
5. 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 Clean Vehicle 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 Clean Vehicle Rebate Project administration funding (see below), with the remainder of the ten percent of total Clean Vehicle Rebate Project funds to be used to redeem rebates (see below).

Vehicle Rebate Funding

The Grantee will receive up to \$3.69 million to distribute as rebates to eligible vehicles. After the initial distribution of Clean Vehicle 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 \$410,000 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 and approved the Grantee's mechanism for receiving vehicle annual activity reports, ARB has received all intellectual property and data needed to ensure continued smooth implementation of the Clean Vehicle 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 Program Manager 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 Clean Vehicle Rebate Project Implementation Manual.

Additional information regarding disbursement of administration and vehicle voucher funding is provided in the Clean Vehicle 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: October 1, 2009
Time: 1:30-4:00 PM
Place: CalEPA Building, CR 350
1001 I Street
Sacramento, CA 95812

Call-in Information: Tel: 888-391-6581
Passcode: 24502

The workshop will be open to all interested entities. The above call-in phone 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. Stella Ling-Taylor at slingtay@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 September 30, 2009 will be posted on the ARB website no later than 5 p.m. on October 7, 2009. 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 Clean Vehicle Rebate 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