

APPENDIX C

**Air Quality Improvement Program (AQIP)
Hybrid and Zero-Emission Truck and Bus Voucher
Incentive Project**

**Sample
Grant Agreement
Fiscal Year 2013-14**

California Air Resources Board
Date

California Environmental Protection Agency

 **Air Resources Board**

Sample HVIP Grant Agreement
Subject to Change at ARB's Sole Discretion

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**Grant Agreement
Air Quality Improvement Program (AQIP) (Pursuant to AB 118)
Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project
Fiscal Year 2013-14**

AQIP Project Title: Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP)

Grant Number:

Grant Amount:

Match Amount:

Grant Term: Upon execution – May 31, 2015

Grant Recipient Name:

Authorized Official:

Title:

Address:

Phone:

Tax Identification Number:

This legally binding Grant Agreement, including Exhibits A – G, attached hereto and incorporated by reference herein, is made and executed between the State of California, Air Resources Board (ARB) and _____ (Grantee).

Exhibit A: Grant Provisions

Exhibit B: Sample Implementation Manual for the Fiscal Year 2013-14 Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP)(Implementation Manual)

Grantee understands and agrees to be bound to the provisions in the current Implementation Manual, and any future updates and/or revisions to this Implementation Manual issued during the Grant Agreement period.

Exhibit C: Work Statement incorporating the following attachments:

Budget Summary (Attachment I)

Project Milestones and Disbursement Schedule (Attachment II)

Project Schedule (Attachment III)

Key Project Personnel (Attachment IV)

Subject to Change at ARB's Sole Discretion
Sample HVIP Grant Agreement

- Exhibit D: Air Quality Improvement Program Grant Disbursement Request Form
Fiscal Year 2013-14**
- Exhibit E: Fiscal Year 2013-14 Grant Solicitation Air Quality Improvement
Program (AQIP) Hybrid and Zero-Emission Truck and Bus Voucher
Incentive Project**
- Exhibit F: Grantee Application Package**
- Exhibit G: Payee Data Record (STD. 204)**

The undersigned parties agree to comply with the requirements and conditions contained herein, including all provisions, roles, and responsibilities identified in the Implementation Manual as well as all commitments identified in the Fiscal Year 2013-14 Grant Solicitation Air Quality Improvement Program Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP) and Grantee Application Package. The undersigned parties certify under the penalty of perjury that they are duly authorized to bind the parties to this Grant.

California Air Resources Board:

Signature of Authorized Official

Date

Name/Title:
Section/Unit: Administrative Services Division

Grant Recipient:

Signature of Authorized Official

Date

Name/Title:
Section/Unit:

Grant Provisions

A. GRANT PARTIES AND CONTACT INFORMATION

1. This grant is from the California Air Resources Board (herein after referred to as ARB) to the name of recipient (herein after referred to as Grantee).
2. The ARB Grant Coordinator is Alexa Barron. All financial inquiries regarding this project shall be directed to:

Brandy Hunt
Air Resources Board
Administrative Services Division
P.O. Box 1436
Sacramento, California 95812
Phone: (916) 445-4845
Email: Brandy.Hunt@arb.ca.gov

3. The ARB Project Liaison is Joe Calavita. Correspondence regarding this project shall be directed to:

Joe Calavita
Air Resources Board
Mobile Source Control Division
P.O. Box 2815
Sacramento, California 95812
Phone: (916) 445-4586
Email: jcalavit@arb.ca.gov

4. The Grantee Liaison is name of liaison. Correspondence regarding this project shall be directed to:

Grantee Liaison
Title
Address
Phone:
Email:

B. TIME PERIOD

1. Performance of work or other expenses billable to ARB under this grant may commence after full execution of this grant by both parties. Performance on this grant ends once the Grantee has submitted the final report or if this grant is terminated, whichever is earlier.

2. Upon completion of the project, the Grantee shall submit a draft final report to the Project liaison on later than May 16, 2015. (See Section G, Reporting, of this Grant Agreement).
3. Final request for payment and Final Report shall be received by ARB no later than May 31, 2015. (See Sections D(3) and G(2) of this Grant Agreement).
4. The ARB Executive Officer retains the authority to terminate or reduce the dollar amount of this grant if by January 1, 2015, 75 percent of FY 2013-14 vehicle voucher funding has not been reserved in the form of vouchers issued by the Grantee for specific vehicle orders, pursuant to Section D(2) of the HVIP Implementation Manual (Exhibit B); or (2) by January 1, 2015, 50 percent of vehicle voucher funding has not been expended on eligible vehicles by the Grantee. In the event of such termination, Section D(4) of these provisions shall apply.

C. DUTIES AND REQUIREMENTS

This section defines the respective duties and requirements of ARB and the Grantee in implementing HVIP.

1. Air Resources Board

ARB is responsible for the following:

- a. Developing and finalizing the Implementation Manual in consultation with the Grantee.
- b. Selecting the Grantee.
- c. Evaluating and approving vehicles for HVIP eligibility, and providing the Grantee an up-to-date list of eligible vehicles. ARB is responsible for working closely with vehicle manufacturers in order to determine vehicle eligibility.
- d. Determining vehicle voucher amounts and providing this information to the Grantee.
- e. Participating in regular meetings with the Grantee to discuss project refinements and guide project implementation.
- f. Reviewing and approving project elements provided by the Grantee, such as the HVIP webpage, voucher payment verification, and progress reports.
- g. Distributing project funds to the Grantee.

- h. Providing project oversight and accountability (in conjunction with the Grantee).
- i. Meeting applicable requirements of statute, the Guidelines for the AB 118 Air Quality Improvement Program (Guidelines) and AQIP Funding Plan for Fiscal Year (FY) 2013-2014 (Funding Plan), the Fiscal Year 2013-14 Grant Solicitation Air Quality Improvement HVIP Solicitation (HVIP Solicitation), this Grant Agreement with the Grantee, and the current Implementation Manual and any future updates and/or revisions to this Implementation Manual issued during the grant term. The Guidelines and Funding Plan are available at: www.arb.ca.gov/msprog/aqip/aqip.htm.

2. **The Grantee**

The Grantee is responsible for implementation of the HVIP approved by the Board as part of the Funding Plan. The Grantee's responsibilities encompass three phases to ensure the efficient and proper distribution of vouchers for eligible vehicles – project development, project implementation, and project reporting.

The Grantee is responsible for the on-the-ground project implementation and distributing voucher payments 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. Conduct the statewide public outreach to vehicle dealers and fleets necessary for the project to be successful. Outreach could include on-site dealer trainings and public question and answer sessions.
- c. Develop/maintain a user-friendly public webpage to include, at a minimum:
 - i. A list of eligible vehicles and each vehicle's eligible voucher amount.
 - ii. Voucher request and voucher redemption forms.
 - iii. Ability to track HVIP funds, both available and expended, in real time.
 - iv. Ability to provide information on HVIP vouchers based upon query parameters such as vehicle type, location, and vocation.
 - v. Ability to provide a visual representation of where vouchers are being requested and/or disbursed with a mapping tool.

- d. Train and approve vehicle dealers for participation in HVIP based upon eligibility criteria identified in the Implementation Manual.
- e. Ensure participating vehicle dealers, purchasers and lessees meet all applicable HVIP requirements.
- f. Use the criteria in the Implementation Manual to review and approve voucher requests.
- g. Distribute voucher payments to vehicle dealers for eligible vehicle purchases.
- h. Track reservation and expenditure of HVIP grant funding.
- i. Closely communicate with ARB to ensure that the most current vehicle eligibility list is being used.
- j. Respond to public inquiries regarding HVIP.
- k. Work with vehicle manufacturers to create a list of dealerships authorized to receive HVIP vouchers.
- l. Provide ARB with a HVIP Final Report that summarizes and evaluates total fund expenditures (including match and in-kind funds), vehicles funded, outreach efforts, and implementation challenges per source of funding and recommends potential program improvements. (See Section G(2) of this Grant Agreement).
- m. Provide Status Reports to the ARB detailing vouchers awarded for ordered vehicles and redeemed for purchased vehicles. (See Section G(1) of this Grant Agreement).
- n. Provide ARB a mechanism for receiving three years of annual activity reports from vehicle purchasers.
- o. Provide ARB with all webpage(s), databases, software or other intellectual property developed or purchased by the Grantee for the purposes of administering or implementing HVIP, if requested. (See Section J of this Grant Agreement).
- p. Ensure that it and its subcontractors meet all applicable requirements of statute, the AQIP Guidelines and Funding Plan, ARB's HVIP solicitation, this Grant Agreement with ARB, and the Implementation Manual.
- q. Maintain records for a minimum of three years after final payment. (See Sections H and I of this Grant Agreement).

D. FISCAL ADMINISTRATION

This section defines the respective roles of ARB and the Grantee in administering HVIP.

1. Budget

- a. The maximum amount of this grant is \$_____. Under no circumstance will ARB reimburse the Grantee for more than this amount. A written grant agreement amendment is required whenever there is a change to the amount of this Grant.
- b. The budget for this project is shown in Exhibit C, Attachment I. Except as stated in Section (D)(3)(a) of these provisions, Grant Disbursement Requests for vehicle voucher and administrative funds shall not exceed the grant amount.
- c. The total AQIP funding may only be reallocated in the event that the Grantee requests less administrative funding than the amount stated in the budget.
- d. No grant funds may be used to purchase equipment or computers that would be required to be returned to the State at the completion of this project.

2. Project Funding

a. Vehicle Funding

The success of HVIP is contingent upon hybrid vehicle dealerships deducting the voucher amount from the vehicle purchase price at the time the purchaser makes the purchase. A dealership is more likely to accept the voucher's cash value at the time of purchase if the voucher is redeemed quickly. As such, the Grantee will receive an initial disbursement of up to 20 percent of HVIP vehicle voucher funding as seed money at project start-up in order to turn around voucher redemptions from dealers within one to two weeks once the Grant Agreement has been signed and upon availability of funds (See Exhibit C, Attachment II of this Grant Agreement).

In order to ensure adequate project funds are available in the Grantee's account to cover the cost of vouchers, the Grantee may request subsequent disbursements by submitting a Status Report documenting the need for additional vehicle funding from ARB to quickly and efficiently redeem vouchers. The Grantee must submit a Status Report to ARB to justify additional vehicle funding. The Grantee may request a funding amount up to that needed to pay off vouchers which have been assigned and not yet redeemed.

b. Administrative Funding

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 and upon availability of funds for outreach, dealer training, and other project start-up costs.
- 5 percent of administration funding after completion of dealer trainings, finalization of the HVIP Implementation Manual, and the HVIP website is fully functional.
- 5 percent of administration funding after 25 percent of voucher funding is committed via vouchers issued.
- 5 percent of administration funding after 50 percent of voucher funding is committed via vouchers issued.
- 5 percent of administration funding after 75 percent of voucher funding is committed via vouchers issued.
- 5 percent of administration funding after all voucher funding is committed via vouchers issued.
- 5 percent of administration funding after 25 percent of voucher funding has been expended on vehicles purchased.
- 5 percent of administration funding after 50 percent of voucher funding has been expended on vehicles purchased.
- 5 percent of administration funding after 75 percent of voucher funding has been expended on vehicles purchased.
- Final 10 percent (100 percent cumulative) 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 HVIP (See Section J of this Grant Agreement), the Grantee provides documentation describing expenditure of all match funding and in-kind services committed to in the project application and ARB has received a Final Report documenting vehicles paid for by the program and fulfillment of all project commitments.

ARB will have the sole discretion to accelerate the timeline for allowable disbursements of administration funds identified above (with the exception of the final project administration disbursement) necessary to assure the goals of the project are met. 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 cost summaries for the first 50 percent of administration funding before additional administration funding will be provided.

The milestones needed for disbursements of the 5 percent increments of administration funding described above need not be sequential. For example, the Grantee may receive 5 percent of total administration funding when the milestone of expending 25, 50 and 75 percent of vehicle funding, even if all voucher funding has not yet been committed via vouchers issued.

Administrative cost summaries used to justify an additional increment of administration funding from ARB must describe costs for work completed in the following categories: 1) labor expenses (including total staff time and 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 category summaries 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 Sections D(6) and H of this Grant Agreement.

3. Grant Disbursements

- a. Requests for payment shall be made with the Grant Disbursement Request Form (Exhibit D) and conform to the instructions identified in Sections D and F of this Grant Agreement. Grant payments shall be made only for reasonable costs incurred by the Grantee and (with the exception of the first disbursement of administration funds) only when the Grantee has submitted a Grant Disbursement Request Form, milestones stipulated in Exhibit C, Attachment II, the requirements established herein and in Section F of this Grant Agreement have been accomplished, documentation of accomplishment has been provided to ARB in the form of the Status Report, and any associated deliverables (if applicable) have been provided to ARB. ARB will have the sole discretion to accelerate the allowable timeline for disbursement of administration funds identified in Exhibit C, Attachment II (with the exception of the final project administration disbursement) necessary to ensure the goals of the project are met.
- b. Grant payments are subject to ARB's approval of Status Reports and any accompanying deliverables. (See Section G, reporting, of this Grant Agreement.)

A payment will not be made if the ARB Project Liaison deems that a milestone has not been accomplished or documented, that a deliverable meeting specifications has not been provided, that claimed expenses have not been documented or accomplished, not valid per the budget, or not reasonable, or that the Grantee has not met other terms of the grant.

The Chief of the Mobile Source Control Division or designee of ARB may review the Project Liaison's approval or disapproval of a grant disbursement. No reimbursement will be made for expenses that, in the judgment of the Division Chief of the Mobile Source Control Division, are not reasonable or do not comply with the Grant Agreement.

- c. The Grantee shall mail Grant Disbursement Requests to the ARB Project Liaison.
- d. ARB will withhold payment of ten percent of administrative funds, as identified in Section D(2)(b) of this Grant Agreement, until completion of all work, all intellectual property has been relinquished to ARB in accordance with Sections G and J of these provisions, ARB has received and approved the Grantee's mechanism for receiving annual activity reports, and submission to ARB by Grantee of a Final Report. It is the Grantee's responsibility to submit a Grant Disbursement Request for this final disbursement of funds.

4. Termination and Suspension of Payments

- a. ARB reserves the right to terminate this grant upon 30 days' written notice to the Grantee. In case of early termination, the Grantee will submit a grant disbursement request form, a Status Report covering activities up to, and including, the termination date, following the requirements in Section G of these provisions. Upon receipt of the Grant Disbursement Request form, and Status Report, and once all intellectual property has been relinquished to ARB, a final payment will be made to the Grantee. This payment shall be for all ARB-approved, actually incurred costs that in the opinion of ARB are justified. However, the total amount paid shall not exceed the total grant amount.
- b. ARB reserves the right to issue a grant suspension order in the event that a dispute should arise. The grant suspension order will be in effect until the dispute has been resolved or the grant has been terminated. If the Grantee chooses to continue work on the project after receiving a grant suspension order, the Grantee will not be reimbursed for any expenditure incurred during the suspension in the event ARB terminates the grant. If ARB rescinds the suspension order and does not terminate the grant, ARB will reimburse the Grantee for any expenses incurred during the suspension that are reimbursable in accordance with the terms of the grant.

5. Contingency Provision

In the event this Grant is terminated for whatever reason, the ARB Executive Officer or designee reserves the right in his or her sole discretion to award a grant to the next highest scored applicant and if an agreement cannot be reached, to the next applicant(s) until an agreement is reached. If ARB is unable to award a grant under these circumstances, ARB may award a grant to other AQIP projects.

6. Documentation of Grantee Administrative Costs

- a. Administrative funds shall only be used for costs associated with project implementation tasks outlined in the Funding Plan, the HVIP Solicitation, the Implementation Manual, and grant agreement. Administrative funds shall be used for HVIP administration and outreach including: the Grantee's staff time; consultant fees (if pre-approved by ARB); printing, mailing, and travel costs; and indirect costs such as general administrative services, office space, and telephone services.
- b. The Grantee must maintain documentation of HVIP funds used for administration and outreach, as follows:
 - i. Personnel documentation must make use of timesheets or other labor tracking software. Duty statements or other documentation may also be used to verify the number of staff and actual hours or percent of time staff devoted to HVIP administration and outreach.
 - ii. Fees for external consultants must be documented with copies of the consultant contract and invoices. All external consultant fees must be pre-approved by ARB.
 - iii. Printing, mailing, and travel expenses must be documented with receipts and/or invoices.
 - iv. Any reimbursement for necessary travel and per diem shall be at rates not to exceed those amounts paid to the State's represented employees. No travel outside the State of California shall be reimbursed unless prior written authorization is obtained from ARB. The State's travel and per diem reimbursement amounts may be found online at <http://www.calhr.ca.gov/employees/pages/travel-reimbursements.aspx>. Reimbursement will be at the State travel and per diem amounts that are current as of the date costs are incurred by the Grantee.

- v. If indirect costs are used to document project administrative costs funded by HVIP, the Grantee must have an official written policy regarding calculation of these costs. The Grantee must maintain documentation for all costs referenced in the indirect cost calculation formula.
- c. The above documentation, records, and referenced materials must be made available for review during monitoring visits and audits by ARB, or its designee. These records must be retained for a minimum of three years after submittal of the final HVIP invoice to ARB.
- d. The above documentation must be provided to ARB in a Final Report.

7. **Earned Interest**

“Earned interest” means any interest generated from State AQIP funds provided to the Grantee and held in an interest-bearing account.

- e. Interest earned by the Grantee on HVIP funds must be reported to ARB. All interest income on HVIP funds, including both vehicle voucher funds and project administration/outreach funds, must be reinvested in HVIP to fund additional vouchers for eligible vehicles. The Grantee is responsible for reporting to ARB on all vehicles funded with interest earned on HVIP funds.
- f. The Grantee must maintain accounting records (e.g. general ledger) that tracks interest earned and expended on HVIP funds, as follows:
 - i. The calculation of interest must be based on an average daily balance or some other reasonable and demonstrable method of allocating the proceeds from the interest-generating account back into the program.
 - ii. The methodology for tracking earned interest must ensure that it is separately identifiable from interest earned on non-HVIP funds.
 - iii. The methodology for calculating earned interest must be consistent with how it is calculated for the Grantee’s other fiscal programs.
 - iv. Earned interest must be fully expended by May 16, 2015.
- g. Documentation of interest earned on the HVIP funds must be retained for a minimum of three years after it is generated. Documentation of interest expended on eligible vehicles must be retained for a minimum of three years after the interest-funded voucher has been redeemed.
- h. The above documentation must be provided to ARB in a Final Report.

8. In-Kind Services

The Grantee is encouraged to contribute in-kind services to improve HVIP's effectiveness. "In-kind services", for the purposes of HVIP, means payments or contributions made in the form of goods and services, rather than direct monetary contributions. Funds expended on in-kind services must meet all the requirements described herein and must be documented in the HVIP Final Report to ARB.

9. Grantee Match Funding

- a. Match funding from the Grantee, if applicable, can only be used in two ways – to increase the number of eligible vehicles funded or to increase the voucher amount provided to eligible vehicles. Match funding must meet the following criteria:
 - i. Funding from other state or federal revenue sources, such as the Carl Moyer Program or other AB 118 programs, may not be counted as match from the Grantee.
 - ii. The combination of HVIP and match funding may not exceed a vehicle's purchase price.
 - iii. Match funding must meet the same requirements applicable to HVIP funds.
 - iv. Vehicles, purchased wholly or in part with match funding, must meet the same requirements as vehicles funded with HVIP funds.
- b. Documentation of match funding must be retained for a minimum of three years after the voucher has been redeemed.
- c. The above documentation must be provided to ARB in a Final Report.

E. PROJECT MONITORING

1. Meetings

- a. Initial meeting: A meeting will be held between key project personnel and ARB staff before work on the project begins. The purpose of the first meeting will be to discuss the overall plan, details of performing the tasks, the project schedule, and any issues that may need to be resolved.
- b. Review meetings: Meetings to discuss progress must be held at least quarterly

beginning three months after the initial meeting. Additional meetings may be scheduled at the sole discretion of the ARB Project Liaison. Such meetings may be conducted by phone, if deemed appropriate by the ARB Project Liaison.

2. Technical Monitoring

- a. Any changes in the scope or schedule for the project shall require the prior written approval of the ARB Project Liaison.
- b. The Grantee shall notify the ARB Project Liaison and Grant Coordinator in writing, immediately if any circumstances arise (technical, economic, or otherwise), which might place completion of the project in jeopardy. The Grantee shall also make such notification if there is a change in key project personnel (see Exhibit C, Attachment IV).
- c. In addition to Status Reports (see Section G, Reporting, of this Grant Agreement), the Grantee shall provide information requested by the ARB Project Liaison that is needed to assess progress in completing tasks and meeting the objectives of the project.
- d. Any change in budget allocations, re-definition of deliverables, or extension of the project schedule must be requested in writing to the ARB Project Liaison and approved by ARB, in its sole discretion.

F. DOCUMENTATION OF EXPENDITURE OF STATE FUNDS

The Grantee must provide ARB with documentation accounting for the proper expenditure of ARB funds. The documentation must be provided in Status Reports submitted at least every three months to ARB and a Final Report submitted after all vehicle funding has been expended and prior to the Grantee receiving their last disbursement of administrative funding.

G. REPORTING

1. Status Reports

- a. The Grantee shall submit Status Reports at a minimum of three-month intervals. The Status Reports shall be provided in a format agreed upon between the ARB Project Liaison and the Grantee and meet the requirements specified herein. ARB may specify an electronic format for Status Reports.
- b. The Grantee must provide a Status Report to ARB detailing the vehicles and associated voucher amounts assigned and redeemed to date. The Status Report must include the following components:

- i. Excel spreadsheet of vehicles funded for the reporting period – format and data fields to be agreed upon by the Grantee and ARB. Data fields will include, but not limited to, Vehicle Identification Number (VIN), purchasing fleet city and zip code, city, zip code and air district in which the vehicle is to be deployed, vehicle type, make and model, and purchase/lease date.
 - ii. Summary report-
 - a) Number of vouchers received, approved, in-process, and pending.
 - b) Number and dollar amount of vouchers issued by vehicle vocation (i.e. beverage delivery truck, parcel delivery truck, utility vehicle, refuse hauler, etc...)
 - c) Number, dollar amount, and percentage of vouchers issued by vehicle type, model, purchase price and voucher amount.
 - d) Graph of vouchers issued by vehicle model and month
 - e) Number of vouchers for vehicles leased versus owned.
 - f) Number of vouchers per Air District.
 - g) Other financial incentives received (other than tax vouchers), if applicable.
 - h) Remaining grant funding available.
 - iii. Grantee administrative cost summaries.
 - iv. Identified problems or concerns and proposed solutions, if applicable.
 - c. The Status Report provides a mechanism for the Grantee to justify a need for additional HVIP funding from ARB. The Status Report must be submitted at least every three months, but may be provided on an as needed basis to justify additional funding from ARB. The first Status Report must be submitted three months after the grant agreement is fully executed or when requesting additional disbursement of funds, whichever is sooner.
 - d. Every Grant Disbursement Request Form (Exhibit D) shall be accompanied by a Status Report that documents the completion of a milestone specified in Exhibit C, Attachment II.
 - e. If the project is behind schedule, the Status Reports must contain an explanation of reasons and how the Grantee plans to resume the schedule.
2. **Final Report**
- a. The Grantee must submit a Final Report to ARB after all vehicle funding has been expended. The Final Report must include the following components:
 - b. The Final Report must include, at a minimum:

- i. Total fund expenditures (including match, earned interest, and in-kind funds).
 - ii. Excel spreadsheet of any vehicles funded not previously included in a Status Report (see Status Report).
 - iii. Summary report of all vehicles funded by HVIP for the period covered by the Grant Agreement (may be provided as summaries or previously submitted Status Reports - see Status Report).
 - iv. Expenditure of HVIP funding per fiscal year.
 - v. VIN for each vehicle purchased.
 - vi. Outreach efforts.
 - vii. Implementation challenges.
 - viii. Recommendations for potential program improvements.
- c. When the project is complete, the Grantee shall submit a draft Final Report. The draft Final Report must be submitted to ARB in an appropriate format agreed upon between the ARB Project Liaison and the Grantee. The Final Report must meet the requirements specified herein. Upon approval of the draft Final Report by the ARB Project Liaison, the Grantee shall provide a written copy of the final version, plus an electronic file.

H. OVERSIGHT AND ACCOUNTABILITY

1. The Grantee shall comply with all oversight responsibilities identified herein.

ARB holds the overarching responsibility for HVIP fund oversight and project accountability and has final authority regarding vehicle eligibility and other program parameters. As such, ARB is responsible for monitoring and reviewing the Grantee's implementation of HVIP. ARB or its designee reserves the right to audit at any time during the duration of this Grant the Grantee's costs of performing the grant and to refuse payment of any reimbursable costs or expenses that in the opinion of ARB or its designee are unsubstantiated or unverified. The Grantee shall cooperate with ARB or its designee including, but not limited to, promptly providing all information and documents requested, such as all financial records, documents, and other information pertaining to reimbursable costs, and any matching costs and expenses.

The Grantee shall allow ARB, the Bureau of State Audits, or their designated

representative the right to review and to copy any records and supporting documentation pertaining to its development or implementation of HVIP. The Grantee must maintain such records for a possible audit for a minimum of three years after final payment from ARB. The Grantee must allow ARB or its designee access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records.

2. The Grantee shall retain all financial records referred to above and provide them for examination and audit by the State for three years after final payment under this Grant.
3. ARB or its designee may recoup the AQIP funds which were received based upon misinformation or fraud, or for which a Grantee, manufacturer (including truck equipment manufacturer), technology provider, or vehicle purchaser is in significant or continual non-compliance with the terms of this Grant or State law. ARB also reserves the right to prohibit any entity from participating in HVIP due to non-compliance with project requirements.
4. If the Grantee detects any actual and/or potentially fraudulent activity by a vehicle dealer, purchaser, or lessee, it shall notify ARB as soon as possible and work with ARB to determine an appropriate course of action.

I. RECORDS

Without limitation of the requirement to maintain project accounts in accordance with generally accepted accounting principles, the Grantee must:

1. Establish an official file for HVIP which shall adequately document all significant actions relative to the project.
2. Establish separate accounts which will adequately and accurately depict all amounts received and expended on HVIP.
3. Establish separate accounts which will adequately and accurately depict all income received which is attributable to HVIP.
4. Establish an accounting system which will adequately depict final total costs of HVIP, including both direct and indirect costs.

J. INTELLECTUAL PROPERTY

Any webpage(s), software, databases, project data, or other intellectual property developed or purchased by the Grantee for the purposes of administering or implementing HVIP are the property of ARB. Should a different grantee be selected to

manage HVIP in subsequent funding years, it will be the Grantee's responsibility to turn over this property and information to ARB and the new grantee and provide all reasonable and necessary assistance needed to ensure a smooth transition. It is ARB's intention that voucher access and redemption be seamless to vehicle purchasers and lessees as HVIP transitions to each new fiscal year.

K. GENERAL PROVISIONS

1. **Amendment:** No amendment or variation of the terms of this Grant Agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or agreement not incorporated in the Grant Agreement is binding on any of the parties.
2. **Assignment:** This Grant is not assignable by the Grantee, either in whole or in part, without the consent of ARB.
3. **Availability of Funds:** ARB's obligations under this Grant Agreement are contingent upon the availability of funds. In the event funds are not available, the State shall have no liability to pay any funds whatsoever to the Grantee or to furnish any other considerations under this Grant Agreement.
4. **Compliance with law, regulations, etc.:** The Grantee agrees that it will, at all times, comply with and require its contractors and subcontractors to comply with all applicable federal and State laws, rules, guidelines, regulations, and requirements.
5. **Computer software:** The Grantee certifies that it has appropriate systems and controls in place to ensure that State funds will not be used in the performance of this Grant Agreement for the acquisition, operation or maintenance of computer software in violation of copyright laws.
6. **Confidentiality:** No record which has been designated as confidential by ARB, or is the subject of a pending application of confidentiality, shall be disclosed by the Grantee.
7. **Conflict of interest:** The Grantee certifies that it is in compliance with applicable State and/or federal conflict of interest laws.

The Grantee may have no interest, and shall not acquire any interest, direct or indirect, which will conflict with its ability to impartially complete the tasks described herein. The Grantee must disclose any direct or indirect financial interest or situation which may pose an actual, apparent, or potential conflict of interest with its duties throughout the grant term. ARB may consider the nature and extent of any actual, apparent, or potential conflict of interest in the Grantee's ability to perform the grant.

The Grantee must immediately advise ARB in writing of any potential new conflicts of interest throughout the grant term.

8. **Damages for breach affecting tax exempt status:** In the event that any breach of any of the provisions of this Grant Agreement by the Grantee shall result in the loss of tax exempt status for any State bonds, the Grantee shall immediately reimburse the State in an amount equal to any damages paid by or loss incurred by the State due to such breach.
9. **Disputes:** The Grantee shall continue with the responsibilities under this Grant Agreement during any dispute. Grantee staff or management may work in good faith with ARB staff or management to resolve any disagreements or conflicts arising from implementation of this Grant Agreement. However, any disagreements that cannot be resolved at the management level within 30 days of when the issue is first raised with ARB staff shall be subject to resolution by the ARB Executive Officer, or his designated representative. Nothing contained in this paragraph is intended to limit any rights or remedies that the parties may have under law.
10. **Environmental justice:** In the performance of this Grant Agreement, the Grantee shall conduct its programs, policies, and activities that substantially affect human health or the environment in a manner that ensures the fair treatment of people of all races, cultures, and income levels, including minority populations and low-income populations of the State.
11. **Fiscal management systems and accounting standards:** The Grantee agrees that, at a minimum, its fiscal control and accounting procedures will be sufficient to permit tracing of grant funds to a level of expenditure adequate to establish that such funds have not been used in violation of State law or this Grant Agreement. Unless otherwise prohibited by State or local law, the Grantee further agrees that it will maintain separate Project accounts in accordance with generally accepted accounting principles.
12. **Force majeure:** Neither ARB nor the Grantee shall be liable for or deemed to be in default for any delay or failure in performance under this Grant Agreement or interruption of services resulting, directly or indirectly, from acts of God, enemy or hostile governmental action, civil commotion, strikes, lockouts, labor disputes, fire or other casualty, etc.
13. **Governing law and venue:** This Grant is governed by and shall be interpreted in accordance with the laws of the State of California. ARB and the Grantee hereby agree that any action arising out of this Grant Agreement shall be filed and maintained in the Superior Court in and for the County of Sacramento, California, or in the United States District Court in and for the Eastern District of California. The Grantee hereby waives any existing sovereign immunity for the

purposes of this Grant Agreement.

14. **Grantee's responsibility for work:** The Grantee shall be responsible for work and for persons or entities engaged in work, including, but not limited to, contractors, subcontractors, suppliers, and providers of services. The Grantee shall be responsible for any and all disputes arising out of its contract for work on the Project, including but not limited to payment disputes with contractors, subcontractors, and providers of services. The State will not mediate disputes between the Grantee and any other entity concerning responsibility for performance of work.
15. **Indemnification:** The Grantee agrees to indemnify, defend and hold harmless the State and the Board and its officers, employees, agents, representatives, and successors-in-interest against any and all liability, loss, and expense, including reasonable attorneys' fees, from any and all claims for injury or damages arising out of the performance by the Grantee, and out of the operation of equipment that is purchased with funds from this Grant Award.
16. **Independent Contractor:** The Grantee, and its agents and employees, if any, in their performance of this Grant Agreement, shall act in an independent capacity and not as officers, employees or agents of ARB.
17. **Nondiscrimination:** During the performance of this Grant Agreement, the Grantee and its contractors shall not unlawfully discriminate against, harass, or allow harassment against any employee or applicant for employment because of sex, race, religion, color, national origin, ancestry, disability, sexual orientation, medical condition, marital status, age (over 40) or allow denial of family-care leave, medical-care leave, or pregnancy-disability leave. The Grantee and its contractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free of such discrimination and harassment.
18. **No third party rights:** The parties to this Grant Agreement do not create rights in, or grant remedies to, any third party as a beneficiary of this Grant Agreement, or of any duty, covenant, obligation or undertaking establish herein.
19. **Ownership:** All information or data received or generated by the Grantee under this agreement shall become the property of ARB. No information or data received or generated under this agreement shall be released without ARB's approval.
20. **Personally Identifiable Information:** Information or data that personally identifies an individual or individuals is confidential in accordance with California Civil Code sections 1798, et seq. and other relevant State or Federal

statutes and regulations. The Grantee shall safeguard all such information or data which comes into their possession under this agreement in perpetuity, and shall not release or publish any such information or data.

21. **Prevailing wages and labor compliance:** If applicable, the Grantee agrees to be bound by all the provisions of State Labor Code Section 1771 regarding prevailing wages. If applicable, the Grantee shall monitor all agreements subject to reimbursement from this Grant Agreement to ensure that the prevailing wage provisions of State Labor Code Section 1771 are being met.
22. **Professionals:** For projects involving installation or construction services, the Grantee agrees that only licensed professionals will be used to perform services under this Grant Agreement where such services are called for and licensed professionals are required for those services under State law.
23. **Severability:** If a court of competent jurisdiction holds any provision of this Grant Agreement to be illegal, unenforceable or invalid in whole or in part for any reason, the validity and enforceability of the remaining provisions, or portions of those provisions, will not be affected.
24. **Termination:** ARB may terminate this Grant Agreement by written notice at any time prior to completion of projects funded by this Grant Agreement, upon violation by the Grantee of any material provision after such violation has been called to the attention of the Grantee and after failure of the Grantee to bring itself into compliance with the provisions of this Grant Agreement.
25. **Timeliness:** Time is of the essence in this Grant Agreement. Grantee shall proceed with and complete the Project in an expeditious manner.
26. **Waiver of Rights:** Any waiver of rights with respect to a default or other matter arising under the Grant Agreement at any time by either party shall not be considered a waiver of rights with respect to any other default or matter. Any rights and remedies of the State provided for in this Grant Agreement are in addition to any other rights and remedies provided by law.

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**SAMPLE IMPLEMENTATION MANUAL FOR THE
HYBRID AND ZERO-EMISSION TRUCK AND BUS
VOUCHER INCENTIVE PROJECT (HVIP)**

DECEMBER 2013

California Environmental Protection Agency



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Attachment I – Budget Summary

Grantee:

Grant No.:

Project: Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project

Total Costs & Funding

Costs	AQIP Grant	All Other Sources	Total
1. Vehicle voucher funds			
2. Administrative funds			
Total			

Disbursement of Funds:

Vehicle Voucher Funding

The Grantee shall receive vehicle voucher funds in accordance with Section D(2)(a) of this Grant Agreement.

Project Administration

The Grantee shall receive project administration funding in accordance with Section D(2)(b) of this Grant Agreement.

EXHIBIT C, Work Statement

Attachment II – Project Milestones and Disbursement Schedule

Grantee:

Grant No.:

Project: Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project

Milestone	Milestone Description	Funding Amount
1	Project Administration	
1.1	Sign Grant Agreement with ARB ¹	50 percent
1.2	Completion of fully-functional voucher request and redemption website; Finalized Implementation Manual; Completion of Dealer Trainings	5 percent
1.3	25 Percent of Voucher Funding Committed via Vouchers Issued	5 percent
1.4	50 Percent of Voucher Funding Committed via Vouchers Issued	5 percent
1.5	75 Percent of Voucher Funding Committed Via Vouchers Issued	5 percent
1.6	100 Percent of Voucher Funding Committed Via Vouchers Issued	5 percent
1.7	25 Percent of Voucher Funding Expended	5 percent
1.8	50 Percent of Voucher Funding Expended	5 percent
1.9	75 Percent of Voucher Funding Expended	5 percent
1.10	Voucher Fund Disbursement Complete; Receipt of Intellectual Property and Data; Completion of Vehicle Activity Reporting Mechanism; Receipt of Final Report	10 percent
2	Vehicle Vouchers	
2.1	Funds provided prior to webpage launch to ensure timely voucher reimbursement	20 percent
2.2	Ongoing disbursement of voucher funds ² .	80 percent

¹The initial disbursement of vehicle rebate funds and project administration funds will be released once funds become available.

²Voucher funds will be disbursed in accordance with the instructions identified in Section D(2)(a) of this Grant Agreement.

EXHIBIT C, Work Statement

Attachment III – Project Schedule

Grantee:

Grant No.:

Project: Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project

Detailed Scope of Work and Schedule

Work Task	Start Date	Completion Date
Task 1 –		
Task 2 –		
Task 3 –		
Task 4 –		
Task 5 –		

EXHIBIT C, Work Statement

Attachment IV – Key Project Personnel

Grantee:

Grant No.:

Project: Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project

Name	Position	Duties

**Air Quality Improvement Program
 GRANT DISBURSEMENT REQUEST FORM
 Fiscal Year 2013-2014**

Amount of Funds Requested for this Disbursement

1. Project Name: Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project

2. Business Name:	3. Grant number:
-------------------	------------------

4. Contact Person:

	Original Grant	Total of Previous Disbursements	This Request	Remaining Balance
Voucher Funds	\$	\$	\$	\$
Admin. Funds	\$	\$	\$	\$
Total	\$	\$	\$	\$

Documentation attached for justification of disbursement of:

Administrative Funds

Project Funds

Attachments: _____

Certification

I certify that the information contained in this Grant Disbursement Request Form and all attachments is correct and complete and is in accordance with the Grant Agreement. In addition, I hereby authorize the Air Resources Board to make any inquiries to confirm this information.

Signature of Authorized Official

Name: _____

Title: _____

Date: _____

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2013-14 GRANT SOLICITATION

AIR QUALITY IMPROVEMENT PROGRAM (AQIP)

**Hybrid and Zero-Emission Truck and Bus Voucher
Incentive Project**

Mobile Source Control Division
The California Air Resources Board
Date

California Environmental Protection Agency

 **Air Resources Board**

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EXHIBIT F

Grantee Application Package

Subject to Change at ARB's Sole Discretion
Sample HVIP Grant Agreement

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Payee Data Record (STD. 204)