

APPENDIX B

SAMPLE GRANT AGREEMENT

**LIGHT-DUTY FINANCING ASSISTANCE IN
DISADVANTAGED COMMUNITIES
PILOT PROJECT
(FINANCING ASSISTANCE PILOT PROJECT)**

**FISCAL YEAR 2014-15
LOW CARBON TRANSPORTATION
INVESTMENTS**

California Air Resources Board
Mobile Source Control Division

California Environmental Protection Agency



This page left intentionally blank.

Sample Grant Agreement

**LIGHT-DUTY FINANCING ASSISTANCE IN DISADVANTAGED COMMUNITIES
PILOT PROJECT
FISCAL YEAR 2014-15**

Project Title: Light-Duty Financing Assistance Pilot Project in Disadvantaged Communities (Financing Assistance Pilot Project or pilot project)

Grant Number:

**Total Grant Amount:
Total Match:**

Grant Term: Upon execution – Date

Grant Recipient Name:

Authorized Official:

Title:

Address:

Phone:

Tax Identification Number:

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

Exhibit A: General Grant Provisions

Exhibit B: Work Statement, incorporating the following attachments

Attachment I: Budget Summary
Attachment II: Project Milestones and Disbursement Schedule
Attachment III: Project Schedule
Attachment IV: Key Project Personnel

Exhibit C: Disbursement Request Form

Exhibit D: Solicitation

Exhibit E: Application Package

Exhibit F: Sample Participant Survey

The undersigned parties agree to comply with the requirements and conditions contained herein, including all provisions, roles, and responsibilities identified in this Grant Agreement. The undersigned parties certify under the penalty of perjury that they are duly authorized to bind the parties to this Grant Agreement.

California Air Resources Board:

Signature of Authorized Official

Date

Name/Title: Pam Biggins, Chief
Section/Unit: Financial Operations Branch

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 (hereinafter referred to as ARB or the Board) to _____(hereinafter referred to as Grantee).
2. The ARB Grant Coordinator is Kevin Driskill. All financial inquiries regarding this pilot project must be directed to:

Kevin Driskill
Air Resources Board
Administrative Services Division
Post Office Box 1436
Sacramento, California 95812
Phone: (916) 324-2165
Email: Kevin.Driskill@arb.ca.gov

3. The ARB Project Liaison is Laura Zaremba-Schmidt. Correspondence regarding this pilot project must be directed to:

Laura Zaremba-Schmidt
Air Resources Board
Mobile Source Control Division
9480 Telstar Avenue, Number 4
El Monte, California 91731
Phone: (626) 459-4394
Email: Laura.ZSchmidt@arb.ca.gov

The Grantee Liaison is _____. Correspondence regarding this project must be directed to:

Name
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 and quarterly report or if this Grant is terminated, whichever is earlier.
2. Upon completion of the pilot project, the Grantee must submit a draft final report to the ARB Project Liaison no later than **May 1, 2018** (See Section H, Reporting, of this Grant Agreement).
3. Final request for payment and Final Report must be received by ARB no later than **May 1, 2018** (See Sections E (3) and H (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, 2017**, 60 percent of pilot project funding has not been expended by the Grantee.

C. OPTION FOR NEW GRANT AGREEMENT FOR FISCAL YEAR (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.

D. SCOPE OF WORK

This section defines the respective duties and requirements of ARB and the Grantee in implementing the Financing Assistance Pilot Project.

1. Air Resources Board

ARB is responsible for the following:

- a. Setting interest rate and buy-down caps for financing assistance programs as follows:
 - i. Loan loss reserve account-premiums up to twenty (20) percent of the loan amount on the first \$300,000 in enrolled loans, at that point contributions can be reduced to up to ten (10) percent. The application must define proposed premiums up to the amounts listed.
 - ii. For all financing pilot project types the maximum interest rate a lender may charge is fifteen (15) percent annual percentage rate (APR).

- iii. For price buy-down for non-profit organizations, the funding maximums are as follows:
 - 1. For a hybrid electric vehicle, 8 year old or newer with combined fuel economy rating of at least 20 miles per gallon of fuel or more depending on the model year as described in Table 1, a maximum price buy-down of \$2,500.
 - 2. For a plug-in hybrid and zero emission vehicles, a maximum price buy-down of \$5,000 is allowed.

Alterations may be required to the loan loss reserve premiums, interest rate, and price buy-down caps, at ARB's sole discretion.

- b. Designating advanced technology vehicles eligible for this Financing Assistance Pilot Project funding.
- c. Determining Financing Assistance interest rate cap and price buy-down caps based of vehicle type.
- d. Determining eligible lower income consumer criteria.
- e. Participating in discussions with the Grantee to guide pilot project implementation and pilot project refinements.
- f. Reviewing and approving pilot project elements provided by the Grantee, such as the type of financial assistance, educational curriculum, outreach, and quarterly and final reports.
- g. Review and approve all Grant Disbursement Request Forms (Exhibit C) and distribute Financing Assistance Pilot Project funds to the Grantee.
- h. Providing pilot project oversight and accountability (in conjunction with the Grantee).

2. The Grantee and Subcontractor(s)

The Grantee and if applicable, its subcontractor(s), is responsible for implementation of the Financing Assistance Pilot Project approved by the Board as part of the FY 2014-2015 Funding Plan. The Grantee's responsibilities encompass three phases to ensure the efficient and proper distribution of funds for eligible advanced technology vehicles purchased or leased by eligible lower income consumers – pilot project development, implementation, and reporting. A detailed description of responsibilities will be based on the application details.

Depending on Grantee's application, program elements may include, but are not limited to, the following tasks:

- a. Preparing outreach and educational materials and conduct the public outreach necessary for the Financing Assistance Pilot Project to be successful.
- b. Ensuring participants meet all applicable Financing Assistance Pilot Project requirements.
- c. Assisting lower income consumers in obtaining financing assistance to purchase or lease eligible advanced technology vehicles.
- d. Establishing and maintaining records (see Section I (2) for more information).
- e. Storing all records in a secured and safe storage facility that maintains confidentiality and provides fire and natural disaster protection (see Section I for more information). Files must be retained during the term of the Grant Agreement plus 7 years (see Section I for more information). However if for some reason the Grantee ends this agreement before the end of the term, the Grantee must return files to ARB immediately.
- f. Developing and enforcing security measures to safeguard Financing Assistance Pilot Project data.
- g. Grantee must survey the participant annually for the term of the loan or financial assistance. Survey will be developed in coordination with ARB to assist in determining greenhouse gas emissions benefits. See Exhibit F for Sample Participant Survey.
- h. Tracking and reporting vehicle and participant information as described in Section H and I.
- i. Developing and maintaining accounting procedures to track expenditures by grant award, fiscal year, and funding sources.
- j. Establishing a process to track and enforce measures for defaulted loans or returned vehicles, cancellations, etc..
- k. Providing quarterly and final reports to ARB.
- l. Providing ARB with all pilot project records including, but not limited to, copies of loan documentation. If price buy-down finance assistance is provided, the difference between an advanced technology vehicle purchase price and a conventional gas vehicle purchase price, provide vehicle details and copy of financial assistance checks, upon request (See Section H for further detail).

- m. Meeting applicable requirements of statutes, FY 2014-15 Funding Plan and the Financing Assistance Pilot Project Grant Agreement with ARB.
- n. If a loan loss reserve account project, the Grantee must comply with ARB's requirement that the loan loss reserve account premiums up to twenty (20) percent of the loan amount on the first \$300,000 in enrolled loans, at that point contributions can be reduced up to ten (10) percent.
- o. If a loan loss reserve account project, once all loans guaranteed by the loan loss reserve account have been repaid, the Grantee must promptly return to ARB the premium contributions funded in lenders' loan loss reserve accounts made on behalf of the borrower and lender.

3. Eligible Participants

Eligible participant must be a lower income consumer that meets the following requirements:

- a. Participant must currently reside in a disadvantaged community as identified in ARB's Interim SB 535 Guidance, <http://www.arb.ca.gov/cc/capandtrade/auctionproceeds/535investments.htm> .
- b. Participant must have a household income less than or equal to 400% of the Federal Poverty Level. The Federal Poverty guidelines (U.S. Department of Health and Human Services, Office of Assistant Secretary for Planning and Evaluation: <http://aspe.hhs.gov/poverty/15poverty.cfm>, income thresholds are updated annually and vary by household size).
- c. Participant must possess a valid California Class C Driver's license.
- d. Participant must register the advanced technology vehicle in California.
- e. Participant must purchase and maintain minimum required automotive insurance. In California, drivers must carry liability insurance of \$15,000 for injury/death to one person, \$30,000 for injury/death to more than one person and \$5,000 for damage to property.
- f. Participant must reside in California for the term of the loan or other financing pilot project term ends.
- g. For participants receiving funds in the form of price buy-down, the associated loan taken in purchasing an advanced technology vehicle must also meet requirements of this section for the term of the loan.

- h. Participant purchasing or leasing a new eligible vehicle may participate in the Clean Vehicle Rebate Program (CVRP) by purchasing or leasing a new vehicle pursuant to CVRP requirements.
- i. Participant purchasing or leasing an eligible vehicle may participate in Enhanced Fleet Modernization Program (EFMP) or EFMP Plus-Up programs by purchasing new or used vehicles pursuant to EFMP and EFMP Plus-Up requirements.
- j. Participant must agree to complete a survey annually until the financing assistance loan or other financing pilot project term ends. The survey will be developed in coordination with ARB and Grantee to assist in determining greenhouse gas benefits.
- k. Participant must complete fiscal, vehicle maintenance, and consumer protection class(es) prior to receiving financial assistance.

4. Eligible Advanced Technology Vehicles

Grantee must confirm the vehicle being purchased or leased meets the following vehicle eligibility criteria. Eligible vehicles for the purpose of this Financing Assistance Pilot Project solicitation include light-duty passenger vehicles that are either a hybrid electric vehicle (HEV), a plug-in hybrid electric vehicle (PHEV), a battery electric vehicle (BEV), or a fuel cell electric vehicle (FCEV).

For used vehicles (HEV, PHEV, or zero-emission vehicles including BEV and FCEV), vehicles must be eight years old and newer with a U.S. Environmental Protection Agency (U.S. EPA) combined fuel economy rating of at least 20 miles per gallon of fuel or more depending on the model year. Combined fuel economy ratings requirements are described in Table 1: Minimum U.S. EPA Combined Fuel Economy Rating by Model Year. This pilot project excludes neighborhood electric vehicles and zero-emission motorcycles.

Table 1: Minimum U.S. EPA Combined Fuel Economy Rating by Model Year

Model Year	Minimum U.S. EPA Combined Fuel Economy Rating
2008 – 2009	20
2010	22
2011	25
2012	28
2013	29
2014	30
2015	31

Additional vehicles requirements:

- a. A chassis that has been modified with aftermarket parts or equipment to create a PHEV or zero-emission vehicle is not eligible.
- b. No modifications to the vehicle's emission control systems, hardware, software calibrations, or hybrid system (California Vehicle Code (CVC) section 27156).
- c. Vehicle title cannot be salvaged (as defined in CVC section 544).
- d. Vehicle inspection by a reliable, licensed automotive mechanic.
- e. Vehicle history to be provided and attached to the financing assistance paperwork.

5. Eligible Electric Vehicle Supply Equipment (EVSE)

If a lower income consumer is purchasing a BEV, the consumer may request financial assistance up to \$2,000 in additional funding for the purchase and installation of EVSE. The applicant must provide an option to fund EVSE and include a description on the process for issuing EVSE funds in the implementation plan.

E. FISCAL ADMINISTRATION

1. Budget

- a. The maximum amount of this Grant is up to **\$xxx,xxx.xx**. 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 pilot project is shown in Exhibit B, Attachment I. Grant disbursement requests for the Financing Assistance Pilot Project and administration funds must not exceed the grant amount.
- c. The grant funding may be reallocated by ARB at ARB's sole discretion in the event that the Grantee requests less than the total allocated financing assistance pilot project and administration fund amounts 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 pilot project (if applicable).

2. Pilot Project Funding

a. Financing Assistance Funds

Details will depend on the financing assistance model proposed. Details from the application will be included once an applicant is selected.

b. Administration Funds

Invoices used to justify administration funds from ARB must provide documentation in accordance with Section E (6) for costs for work completed in the following categories:

- i. Labor expenses (including total staff time and labor costs).
- ii. External consultant fees for completed work (if applicable).
- iii. Printing, mailing, travel, education classes, and other outreach expenses.
- iv. Other indirect costs.

Additional invoices 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 E (6) and I of this Grant Agreement.

3. Grant Disbursements

The ARB will release any disbursements from the total grant award after the Grantee submits the following to ARB:

- a. A fully executed Grant Agreement; and
- b. Grant Disbursement Request Form (Exhibit C).
- c. The Grantee must mail Grant Disbursement Requests to the ARB Project Liaison. Disbursement request must be made in conjunction with completed milestones, details depends on the grantee's financing assistance model.

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

4. Suspension of Payments and Grant Termination

- a. 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 pilot 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 at its sole discretion will reimburse the Grantee for any expenses incurred during the suspension that ARB deems reimbursable in accordance with the terms of the grant.
- b. 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 Quarterly Report covering activities up to, and including, the termination date and following the requirements specified herein and in Section G of these provisions and immediately return remaining funds.
- c. ARB reserves the right to immediately terminate this Grant in accordance with Exhibit A, General Grant Provisions (25).
- d. Upon termination, remaining funds must be immediately returned to ARB.

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 any remaining funds to other Financing Assistance Pilot Project recipients (or Grantees) or other projects.

6. Documentation of Administration Funds

Administration funds used for Financing Assistance Pilot Project include processing loans, price buy-down, outreach or support of other financial assistance enhancements. Administrative cost include: the Grantee's personnel costs; fringe benefit costs, operating costs (including rent, supplies, and equipment), indirect costs (general administrative services, office space, and telephone services), travel expenses and per diem rates set at the rate specified by California Department of Human Resources (CalHR)¹, overhead, consultant fees (if pre-approved by ARB); printing, records retention, and mailing.

¹ Under no circumstances should the Grantee exceed travel expenses and per diem rates set by CalHR.

- a. The Grantee must maintain documentation of all Financing Assistance Pilot Project administration funds, including the following:
 - 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 Financing Assistance Pilot Project administration and outreach.
 - ii. Administration funds for external consultants must be documented with copies of the consultant contract and invoices.
 - iii. Printing, mailing, records retention, and travel expenses must be documented with receipts and/or invoices.
 - iv. Any reimbursement for necessary travel and per diem must be at rates not to exceed those amounts paid to the State's represented employees. No travel outside the State of California will be reimbursed unless prior written authorization is obtained from ARB. CalHR's travel and per diem reimbursement amounts may be found online at <http://www.calhr.ca.gov/employees/pages/travel-reimbursements.aspx>. Reimbursement must 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 administration funds for the Financing Assistance Pilot Project, the Grantee must describe how these costs are determined.
- b. 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 seven years after expenditure of the final Financing Assistance Pilot Project funds.
- c. The above documentation must be provided to ARB in Quarterly Reports and a Final Report.

7. Earned Interest

"Earned interest" means any interest generated from Financing Assistance Pilot Project funds provided to the Grantee and held in an interest-bearing account.

- a. Interest earned by the Grantee on the Financing Assistance Pilot Project funds must be reported to ARB. All interest income on the Financing Assistance Pilot Project funds, including both vehicle financing assistance funds and administration funds, must be reinvested in the Financing Assistance Pilot Project to fund additional eligible vehicles. The Grantee is

responsible for reporting to ARB on all vehicles and participants funded with interest earned on the Financing Assistance Pilot Project funds.

- b. The Grantee must maintain accounting records (e.g. general ledger) that tracks interest earned and expended on the Financing Assistance Pilot Project 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-Financing Assistance Pilot Project 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 or returned to ARB by completion of pilot project, or by **April 30, 2018**, whichever comes first.
- c. Documentation of interest earned on the Financing Assistance Pilot Projects funds must be retained for a minimum of seven years after it is generated. Documentation of interest expended on eligible vehicles must be retained for a minimum of seven years after the interest-funded financing assistance has been redeemed.
- d. The above documentation must be provided to ARB in Quarterly Reports and Final Report.

8. In-Kind Services

The Grantee is encouraged, but not required, to contribute in-kind services to improve Financing Assistance Pilot Project effectiveness. "In-kind services", for the purposes of Financing Assistance Pilot Project, 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 Final Report to ARB.

9. Grantee Match Funding

Match funding from the Grantee is encouraged, but not required, and may include funding from other State, federal, non-profit, or private revenue sources. All match funding sources and amounts must be reported to ARB in quarterly and the final reports.

F. PROJECT MONITORING

1. Meetings with ARB (and any sub-contractor)

- a. Initial meeting: A meeting will be held between key project personnel and ARB staff before work on the Financing Assistance Pilot 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 may be held beginning three months after the initial meeting. Additional meetings may be scheduled at the sole discretion of the ARB Project Liaison or by the Grantee upon request. Such meetings may be conducted by phone, if deemed appropriate by the ARB Project Liaison.
- c. Site visits: Site visits may be established by the ARB Project Liaison during the term of this grant.

2. Technical Monitoring

- a. Any changes in the scope or schedule for the project must require the prior written approval of the ARB Project Liaison and possibly a written Grant Agreement Amendment. As a pilot project, technical monitoring may be necessary or adjustments to the pilot project scope or requirements may need to be made.
- b. The Grantee must 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 pilot project in jeopardy. The Grantee must also make such notification if there is a change in key pilot project personnel.
- c. In addition to Quarterly Reports (see Section H, Reporting, of this Grant Agreement), the Grantee must provide information requested by the ARB Project Liaison that is needed to assess progress in completing tasks and meeting the objectives of the pilot project.
- d. Any change in budget allocations, re-definition of deliverables, or extension of the pilot project schedule must be requested in writing to the ARB Project Liaison and approved by ARB, in its sole discretion.

G. DOCUMENTING 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 Quarterly Reports

submitted at least every three months to ARB and a Final Report submitted after all financing assistance funds have been expended.

H. REPORTING

1. Quarterly Reports

- a. The Grantee must submit Quarterly Reports at a minimum of three-month intervals. The Quarterly Reports must 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 quarterly reporting.
- b. The Grantee must provide a Quarterly Report to ARB detailing the vehicles, participants, and associated financing assistance amounts assigned and redeemed to date. The Quarterly Report must include the following components:
 - i. Excel spreadsheet of:
 - a) Purchased or leased vehicle Information, including make, model, model year, vehicle identification number, mileage at time of purchase and vehicle type
 - b) Dollar amount of the financing assistance (loan, price buy-down or other financial assistance mechanism), financing terms (interest rate, term of loan), participant's income level, participant's zip code, census tract, whether the vehicle is purchased or leased and purchase/lease date.
 - c) If a lower income consumer is purchasing a BEV and financial assistance is provided for EVSE, report must include EVSE purchase and installation costs.
 - ii. Summary report of:
 - a) Program participation rates.
 - b) Survey results, feedback received from participants, including those participants that ultimately did not receive any financing assistance, if available.
 - c) Remaining grant funds available.
 - d) Accounting records, including expenditure and supporting documentation.
 - e) Copies of any reports from sub-contractors or partner agencies concerning the performance of the program, if appropriate.
 - f) Identified problems or concerns and proposed solutions, if applicable.
 - g) Other data and analysis as required by ARB.

- c. The Quarterly Report provides a mechanism for the Grantee to justify a need for additional Financing Assistance Pilot Project funds from ARB. The Quarterly Report must be submitted at least every three months, but may be provided on an as needed basis to justify payment from ARB. The first Quarterly Report must be submitted three months after the grant agreement is fully executed or when requesting additional disbursement of funds, whichever is sooner.

2. Final Report

- a. The Grantee must submit a Final Report to ARB within 30 days of the pilot project end date. The Final Report must include the following components:

The Final Report must include, at a minimum:

- i. Excel spreadsheet of:
 - a) Purchased or leased vehicle information, including make, model, vehicle identification number, model year, mileage at time of purchase and vehicle type
 - b) Dollar amount of the financing assistance (loan, price buy-down, or other financial assistance mechanism), financing terms (interest rate, term of loan), participant's income level, participant's zip code, census tract, whether the vehicle is purchased or leased and purchase/lease date.
 - c) Expenditure documentation of financing assistance, administration costs, match and in-kind contributions.
 - d) If a lower income consumer is purchasing a BEV and financial assistance is provided for EVSE, report must include EVSE purchase and installation costs.
- ii. Summary report of:
 - a) Program participation rates.
 - b) Outreach efforts.
 - c) Survey results, feedback received from participants, including those participants that ultimately did not receive any financing assistance, if available.
 - d) Copies of any reports from sub-contractors or partner agencies concerning the performance of the program, if appropriate.
 - e) Accounting records, including expenditure and supporting documentation.
 - f) Implementation challenges and recommendation for potential program improvements.
 - g) Other data and analysis as required by ARB.

- h) Remaining grant funds available.
 - i) Earned interest.
- iii. Overview of the Financing Assistance Pilot Project from inception through pilot project end, including pilot project background, partnerships, funding sources, challenges, successes, and suggestions going forward.
 - iv. Table of milestones and narrative of how the milestones have been met.
 - v. Other co-benefits to the disadvantaged community.
 - vi. Expenditure and income information and supporting documentation.
 - vii. Other data and analysis as developed with ARB.

Additional reporting requirements may be added based on the information provided in response to this solicitation.

- b. The draft Final Report must be submitted to ARB in an appropriate format as directed by ARB. The Final Report must meet the requirements specified herein. Upon approval of the draft Final Report by the ARB Project Liaison, the Grantee must provide either a hard copy of the final version, or an electronic file.
- c. In addition to the Final Report, the Grantee must submit to ARB all financing assistance records and supporting documentation in an electronic format.

I. PROJECT RECORDS

As further described below, pilot project records include but are not limited to Grantee, financial and financing assistance records. All pilot project records must be retained for period of seven years after final payment under this Grant. All project records are subject to audit pursuant to Exhibit A, General Grant Provision (4) of this Grant Agreement. Upon completion of the seventh year of record retention, the Grantee must submit all project records to ARB.

1. Grantee Record:

The Grantee must retain all Financing Assistance Pilot Project files containing:

- a. Original executed copy of the Financing Assistance Pilot Project Grant Agreement and Grant Agreement Amendments (if applicable).
- b. Copies of Grant Disbursement Request Forms
- c. Documentation of earned interest generation and expenditure (see Section E (7) for more information).

2. Financial Records:

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

- a. Establish an official file for Financing Assistance Pilot Project which must adequately document all significant actions relative to the pilot project.
- b. Establish separate accounts which will adequately and accurately depict all amounts received and expended on the Financing Assistance Pilot Project.
- c. Establish separate accounts which will adequately and accurately depict all income received which is attributable to the Financing Assistance Pilot Project.
- d. Establish an accounting system which will adequately depict final total costs of the Financing Assistance Pilot Project, including both direct and indirect costs.

3. Financing Assistance Records:

Grantee is required to establish and maintain financing assistance records which must include, at a minimum:

- a. Financing Assistance Pilot Project application.
- b. Copy of loan documentation, financing assistance check(s) or other form of documentation demonstrating how the funds were spent.
- c. Documentation on any deviations from the normal processing of financing assistances (examples include enforcement action, ARB case-by-case approvals).
- d. Develop a system to track all disapproved financing assistance applications, including explanation(s) of disapproval.

J. OVERSIGHT AND ACCOUNTABILITY

1. The Grantee must comply with all oversight responsibilities identified herein.
2. ARB or its designee may recoup the Greenhouse Gas Reduction Fund investments which were received based upon misinformation or fraud, or for which a Grantee, vehicle manufacturer, technology provider, or lower income consumer is in significant or continual non-compliance with the terms of this Grant Agreement or State law. ARB also reserves the right to prohibit any

entity from participating in Financing Assistance Pilot Projects due to non-compliance with pilot project requirements.

3. If the Grantee detects any actual and/or potentially fraudulent activity by a finance assistance administrator, vehicle dealer, purchaser, or lessee, it must notify ARB as soon as possible and work with ARB to determine an appropriate course of action.

K. INTELLECTUAL PROPERTY

Any webpage(s), software, databases, pilot project data, or other intellectual property developed or purchased by the Grantee for the purposes of administering or implementing the Financing Assistance Pilot Project are the property of ARB. Should a different grantee be selected to manage Financing Assistance Pilot Project 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 transfer. It is ARB's intention that financing assistance access and redemption be seamless to vehicle purchasers and lessees as Financing Assistance Pilot Project transfers to each new fiscal year.

GENERAL GRANT PROVISIONS

1. **Amendment:** No amendment or variation of the terms of this Grant Agreement will be valid unless made in writing, signed by all 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 must have no liability to pay any funds whatsoever to the Grantee or to furnish any other considerations under this Grant Agreement.
4. **Audit:** Grantee agrees that ARB, the Department of General Services, Department of Finance, the Bureau of State Audits, or their designated representative must have the right to review and to copy any records and supporting documentation pertaining to the performance of this Grant and all State funds received. Grantee agrees to maintain such records for possible audit for a minimum of seven years after the term of this Grant is completed, unless a longer period of records retention is stipulated. Grantee agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, Grantee agrees to include similar right of the State audit records and interview staff in any Grant related to performance of this Agreement.
5. **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.
6. **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.
7. **Confidentiality:** No record which has been designated as confidential by ARB, or is the subject of a pending application of confidentiality, may be disclosed by the Grantee.
8. **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 must 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.

- 9. 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 must result in the loss of tax exempt status for any State bonds, the Grantee must immediately reimburse the State in an amount equal to any damages paid by or loss incurred by the State due to such breach.
- 10. Disputes:** The Grantee must 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 must 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.
- 11. Environmental justice:** In the performance of this Grant Agreement, the Grantee must 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.
- 12. Fiscal management systems and accounting standards:** The Grantee agrees that, at a minimum, its fiscal control and accounting procedures will be sufficient to track 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.
- 13. Force majeure:** Neither ARB or the Grantee must 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.

- 14. Governing law and venue:** This Grant is governed by and must 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 must 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.
- 15. Grantee's responsibility for work:** The Grantee must 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 must 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.
- 16. 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.
- 17. Independent Contractor:** The Grantee, and its agents and employees, if any, in their performance of this Grant Agreement, must act in an independent capacity and not as officers, employees or agents of ARB.
- 18. Nondiscrimination:** During the performance of this Grant Agreement, the Grantee and its contractors must 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 must ensure that the evaluation and treatment of their employees and applicants for employment are free of such discrimination and harassment.
- 19. 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.
- 20. Ownership:** All information, data, documents, intellectual property including but not limited to webpages received or generated by the Grantee under this Grant is the property of ARB. No information, data, documents, intellectual

property received or generated under this Grant must be released without ARB's approval.

- 21. Personally Identifiable Information:** Information or data, including but not limited to all financing assistance records and supporting documentation 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 must safeguard all such information or data which comes into their possession under this agreement in perpetuity, and must not release or publish any such information, data, or financing assistance records.
- 22. 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 must 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.
- 23. 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.
- 24. 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.
- 25. Termination:** In addition to the termination provisions in Section E (4) of this Grant Agreement, ARB may terminate this Grant Agreement by written notice at any time prior to completion of 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. Upon termination, the Grantee must immediately return vehicle retirement and replacement funds to ARB.
- 26. Timeliness:** Time is of the essence in this Grant Agreement. Grantee must proceed with and complete the Project in an expeditious manner.
- 27. 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 must 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.

WORK STATEMENT

Attachment I – Budget Summary

Grantee:
Project: Financing Assistance Pilot Project

Grant No.:

Total Costs & Funding

Funding Source	Amount
TOTAL	

Disbursement of Funds:

Description of Disbursement	Deliverable	Amount
Initial Disbursement	Task 1, Grant Agreement execution	Up to \$xxx,xxx.xx
Quarterly Status Report	Task 2, submittal and ARB approval of 1st quarterly status report	Up to \$
Quarterly Status Report	Task 3, submittal and ARB approval of 2nd quarterly status report	Up to \$
Quarterly Status Report	Task 4, submittal and ARB approval of 3rd quarterly status report	Up to \$
Quarterly Status Report	Task 5, submittal and ARB approval of 4th quarterly status report	Up to \$
Final Disbursement	Task 6, Submittal and ARB approval of Final Report	Up to \$xx,xxx.xx

Exhibit B, Work Statement

Attachment II – Project Milestones and Disbursement Schedule

Grantee:

Grant No.:

Project: Financing Assistance Pilot Project

Task	Milestone Description	Scheduled Payment
1	Grant Agreement Execution	
	Sign grant agreement with ARB	Up to 40 percent upon execution
2	First Quarterly Status Report	
	Submittal of Report for ARB Evaluation	Up to 12.5 percent upon ARB approval
3	Second Quarterly Status Report	
	Submittal of Report for ARB Evaluation	Up to 12.5 percent upon ARB approval
4	Third Quarterly Status Report	
	Submittal of Report for ARB Evaluation	Up to 12.5 percent upon ARB approval
5	Fourth Quarterly Status Report	
	Submittal of Report for ARB Evaluation	Up to 12.5 percent upon ARB approval
6	Continuing Status Reports (Status reports are required on a quarterly basis after Milestone 1 until Milestone 7 is reached)	
	Submittal of Report for ARB Evaluation	No Payment Associated
7	Project Completion (no later than April 1, 2018)	
	End of Project	No Payment Associated
8	Final Report Upon Completion of Project (no later than May 1, 2018)	
	Submittal of Report for ARB Evaluation	Up to 10 percent upon ARB approval

Attachment III – Project Schedule

Grantee:

Grant No.:

Project: Financing Assistance Pilot Project

Detailed Scope of Work and Timeline Schedule

Work Task	Start Date	Completion Date
Task 1 –		
Task 2 –		
Task 3 –		
Task 4 –		
Task 5 –		
Task 6 –		
Task 7 --		

Attachment IV – Key Project Personnel

Grantee:

Grant No.:

Project: Financing Assistance Pilot Project

Name	Position	Duties

STATE OF CALIFORNIA					
California Environmental Protection Agency					
AIR RESOURCES BOARD	Air Quality Improvement Program				
MSCD/ISB-90 (REV. 08/14)	GRANT DISBURSEMENT REQUEST FORM				

General Information

Project Name		Grant Number	
Grantee Name		Fiscal Year	
Contact Person			
Mailing Address			
Phone Number		FAX Number	

Disbursement Request

	Original Grant	Total Previous Disbursement	This Request	Remaining Balance
Project Funds				\$0
Processing Fees				\$0
Total				\$0

Documentation attached for disbursement justification:	Attachments:
Project Funds <input type="checkbox"/>	
Processing Fees <input type="checkbox"/>	

I certify under penalty of perjury 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.

Authorized Official				
	<i>Print Name</i>	<i>Title</i>	<i>Signature</i>	<i>Date</i>

FOR STATE USE ONLY

	Date Request Received by ARB:	Date to Accounting:	Date to SCO:
ARB Project Liaison Approval	<i>Print Name</i>	<i>Signature</i>	<i>Date</i>
Grant Manager Approval	<i>Print Name</i>	<i>Signature</i>	<i>Date</i>
Financial Operations Branch Approval	<i>Print Name</i>	<i>Signature</i>	<i>Date</i>
	Total Disbursement:	Fund:	PCA:
	Total Disbursement:	Fund:	PCA:
	Total Disbursement:	Fund:	PCA:

This page left intentionally blank

Solicitation

EXHIBIT D

This page left intentionally blank

Application Package

EXHIBIT E

Sample Participant Survey

1. On a scale of 1 to 10, with 1 being very unsatisfied and 10 being very satisfied, how satisfied are you with the vehicle you chose?
2. On a scale of 1 to 10, with 1 being very unsatisfied and 10 being very satisfied, how satisfied are you with the process to retire and replace your vehicle?
3. On a scale of 1 to 10, with 1 being very unsatisfied and 10 being very satisfied, how satisfied are you with the terms of your loan?
4. Do you expect to be able to keep up with your loan payments?
5. What, if anything, about your loan worries you?
6. Has the vehicle you purchased or leased changed your employment opportunities or your plans for your future?
7. How much more or how much less is your income now that you have a newer vehicle?
8. How much have you spent in repairs on the vehicle?
9. How much do you spend on gas for your vehicle each month?
10. Date of vehicle purchase or lease and number of miles at the time of purchase or lease?
11. Date of recording mileage and miles driven since vehicle purchase or lease?
12. On average, how many miles do you drive in a month?
13. Approximately how many miles will you be driving your vehicle annually?
14. What, if anything, about your new vehicle worries you?
15. What, if anything, do you like/enjoy about your vehicle?
16. Would you be willing to answer some follow up questions in a few months to help us continue to improve the replacement program?