

# **FISCAL YEAR 2018-19 GRANT SOLICITATION**

## **ADMINISTRATOR FOR THE DIESEL FILTER REPLACEMENT PROGRAM**

Mobile Source Control Division  
February 15, 2019



California Air Resources Board  
Air Quality Improvement Program (AQIP)

**Diesel Filter Replacement Program**

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## I. SUMMARY

The California Air Resources Board (CARB or the Board) is holding a competitive solicitation for one Grantee to implement and administer the Diesel Filter Replacement Program for Fiscal Year (FY) 2018-19. The current funding available is \$3 million.

The purpose of this project is to provide funds on a first-come, first-served basis to support filter substrate replacements for existing heavy-duty vehicles equipped with an Environmental Solutions Worldwide (ESW) CleanTech certified muffler module. The funds may also cover new verified diesel particulate matter (PM) filters for vehicles that do not meet the assessment and duty cycle requirements for the LongMile-S PM filter. Based on results from the similar Proposition 1B project administered 2015-2017, the proposed funding will cover approximately 270 to 500 substrate replacements or about 150 new diesel PM filter systems. This project will cover the costs of the substrate, new systems where needed, parts, and installation labor. The proposed AQIP funds for truck filter replacements reduce uncontrolled criteria and toxic air contaminant emissions by helping replace recalled filters.

The Diesel Filter Replacement Program is administered and implemented through a partnership between CARB, the Grantee (selected via this competitive CARB grant solicitation), and the prospective contractor ESW CleanTech (the manufacturer of the requisite replacement equipment). CARB anticipates that the Grantee will contract with ESW CleanTech to perform outreach and upgrade services, and distribute funds upon project completion, application submittal and verification, that all requirements have been met.

Applications are due to CARB no later than **5:00 p.m. PST. March 15, 2019.**

## II. BACKGROUND

### Funding Background

In 2007, Governor Schwarzenegger signed into law the *California Alternative and Renewable Fuel, Vehicle Technology, Clean Air, and Carbon Reduction Act of 2007* (AB 118, Statutes of 2007, Chapter 750). Assembly Bill (AB) 118 created the Air Quality Improvement Program (AQIP), a voluntary incentive program administered by CARB, to fund clean vehicle and equipment projects, air quality research, and workforce training.

As required in Health and Safety Code (HSC) Section 44274(a), the Board adopted regulatory guidelines in 2009 for AQIP. The Guidelines for the AB 118 Air

Quality Improvement Program (Guidelines)<sup>1</sup> define the overall administrative requirements and policies and procedures for program implementation based on the framework established in statute. Central to the Guidelines is the requirement for a Board-approved annual Funding Plan developed with public input. The Funding Plan is each year's blueprint for expending AQIP funds appropriated to CARB in the annual State Budget. The Funding Plan focuses AQIP on supporting development and deployment of the advanced technologies needed to meet California's longer-term, post 2020 air quality goals. With the passage of AB 8 (Perea, Chapter 401, Statutes of 2013), the funding for AQIP is extended until January 1, 2024. AB 8 also requires CARB, when considering projects for AQIP funding, to provide preference to projects with higher benefit-cost scores.

At the October 25, 2018 CARB Board meeting, the Board approved the proposed FY 2018-19 AQIP Funding Plan allocating \$3 million for the Diesel Filter Replacement Program.

## **Project Background**

CARB has required the clean-up of heavy-duty diesel-powered vehicles via an array of programs for many years. One common clean-up pathway included the installation of a verified diesel emission control system (VDECS), also known as a PM filter.

In 2012, Cleaire Advanced Emission Controls, Incorporated (Cleaire), a manufacturer of PM filters, voluntarily recalled its LongMile PM filter. During the recall, Cleaire replaced the LongMile with either a certified silicon carbide core (becoming the Longmile-S), a Cleaire Muffler Module (CMM), or removed the entire system. However, several months later Cleaire ceased operation and their assets were acquired by ESW CleanTech, Incorporated (ESW CleanTech or ESW), a manufacturer of verified on-road and off-road diesel emissions control strategies. ESW CleanTech has provided product support of the Cleaire product line since the closure.

Between May 2015 and March 2017, the Sacramento Metropolitan Air Quality Management District (SMAQMD) and ESW CleanTech entered into a Grant Agreement to provide reimbursement for up to \$6.3 million in filter substrate replacements through the Proposition 1B Goods Movement Emission Reduction Program (Proposition 1B or Prop 1B). These replacements ensured reductions of PM consistent with the original system operations prior to the recall. However,

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

some fleets could not qualify for Proposition 1B funding or could not meet required temperature or engine family criteria.

Staff will work closely with the Grantee and stakeholders to determine final eligibility criteria and identify potential funding recipients.

### **III. AVAILABLE FUNDING**

This solicitation provides up to \$3 million in FY 2018-19 AQIP funds for one Grantee to implement and administer the Diesel Filter Replacement Program. Staff anticipates exhaustion of program funding no later than May 2021.

Funding is to be broken down as follows:

- A. Payments for eligible projects to install substrate replacements or a new PM filter on eligible vehicles.
- B. Grantee's implementation fees (program costs).

There is no minimum match funding required under this grant solicitation, however, voluntary match funding (including cash match, in kind services, or leveraged funding) will be considered in application scoring.

In the event that additional funding is provided for the Diesel Filter Replacement Program, additional funds may be included and administered under this solicitation at CARB's discretion.

### **IV. PROGRAM TIMELINE**

The FY 2018-19 grant funds are required to be encumbered by June 30, 2019, and expended by June 30, 2021. The FY 2018-19 Diesel Filter Replacement Program funds must be disbursed by CARB no later than April 30, 2021 and funds must be liquidated by the Grantee no later than June 30, 2021. Final disbursement requests must be received by CARB no later than March 30, 2021, to ensure adequate time for processing prior to the end of the fiscal year. The solicitation timeline is presented in the Grant Application Instructions of this solicitation.

Key milestones for Diesel Filter Replacement Program development and implementation for FY 2018-19 are identified in Table 1.

**Table 1: Program Development and Implementation Timeline\***

<b>Action Item</b>	<b>Date or Time Period</b>
Selection of Grantee	March 2019
Work group process to finalize the Implementation Manual	April 2019
Grantee, in collaboration with ESW Cleantech and CARB, develops streamlined Diesel Filter Replacement application, per the Implementation Manual	May 2019
FY 2018-19 Diesel Filter Replacement funding is available to award to eligible Diesel Filter Replacement Projects. Installations proceed.	June 2019
Project implementation concludes	December 2020
Final Report and final disbursement requests submitted	March 31, 2021
All funds program funds liquidated	June 30, 2021

\*This timeline may be changed at CARB's sole discretion.

**V. APPLICANT ELIGIBILITY**

This competitive solicitation is open to federal, state, or local government entities or agencies, and nonprofit organizations with at least one office located in California, that have tax-exempt status with the Internal Revenue Service under Internal Revenue Code Section 501 (only 501(c) (3) organizations are allowed) and are also tax exempt under California state law.

The applicant must demonstrate its expertise and experience with heavy-duty vehicle and regulations, vehicle incentive projects, or air quality expertise. Specific requirements for the prospective Grantee are described in this solicitation, the Diesel Filter Replacement Program Application (Appendix A), the Diesel Filter Replacement Program draft Sample Implementation Manual (Appendix B), and the Diesel Filter Replacement Program draft Sample Grant Agreement (Appendix C).

Eligible applicants must meet all applicable requirements of State law, the AQIP Guidelines and FY 2018-19 Funding Plan, and this solicitation. To be considered for the grant award, applicants must fully complete the Application (Appendix A) and demonstrate that they meet all requirements of this solicitation. CARB

may request clarification regarding application responses during the application review process.

Once selected, the public agency or non-profit organization Grantee will be required to submit a resolution of its governing board prior to execution of the Grant Agreement that commits the agency/organization to:

- the requirements of the Grant Agreement,
- accept grant funds from CARB, and
- allocate and authorize any voluntary match funding that the Grantee has committed as part of the project proposal and application.

If the public agency or non-profit organization does not have a governing board, then a binding written commitment from an authorizing official of the agency/organization will be required to fulfill the aforementioned requirement. CARB recommends the resolution (or equivalent written commitment) allow for grant amendments without governing board (or authorizing official) approval. In addition to the resolution (written commitment), the Grant Agreement must be signed by CARB and the Grantee to be executed. An executed Grant Agreement must be in place before work on the program may begin.

## **VI. SCOPE OF WORK**

The Diesel Filter Replacement Program is administered and implemented through a partnership between CARB, the Grantee (selected via a competitive CARB grant solicitation), and the prospective contractor ESW CleanTech (the manufacturer of the requisite replacement equipment). CARB will set the requirements and develop the eligibility criteria for eligible Diesel Filter Replacement projects to apply for funding through the program. The Grantee is responsible to contract for individual project installations and verify all the project eligibility requirements have been met by the applicants, and to distribute funding after an applicant has submitted the supporting documentation and required items.

The FY 2018-19 Grant Solicitation and the Funding Plan, identify the minimum requirements for implementing the Diesel Filter Replacement Program. The draft Implementation Manual for the FY 2018-19 Diesel Filter Replacement Program (Implementation Manual) provides the necessary definitions, explanations, and processes associated with the minimum requirements. A final Implementation Manual will be developed by the Grantee and CARB, in conjunction with ESW CleanTech and stakeholders, through a public work group process upon execution of the Grant Agreement. The Implementation Manual may be periodically updated by the Grantee in conjunction with CARB as needed to clarify program requirements and improve program effectiveness.

## **A. Duties and Requirements**

This section defines the respective duties and requirements of CARB and the Grantee in implementing the Diesel Filter Replacement Program.

### **1. The California Air Resources Board Role**

CARB is responsible for the following:

- a. Providing technical assistance on interpreting filter data and verifications.
- b. Clarifying eligibility and guidelines.
- c. Participating in regular meetings with the Grantee to discuss program refinements and guide program implementation.
- d. Participating in coordination meetings with the Grantee and other key staff.
- e. Reviewing and approving all Grant Disbursement Request Forms (MSCD/ISB-90) and distributing grant funds to the Grantee.
- f. Providing program oversight and accountability (in conjunction with the Grantee).
- g. Meeting applicable requirements of statutes, applicable State law, the FY 2018-19 Funding Plan, the FY 2018-19 Diesel Filter Replacement Program Grant Solicitation and this grant agreement with Grantee. The FY 2018-19 Funding Plan for Clean Transportation Incentives is available at: [www.arb.ca.gov/msprog/aqip/aqip.htm](http://www.arb.ca.gov/msprog/aqip/aqip.htm).

### **2. The Grantee's Role**

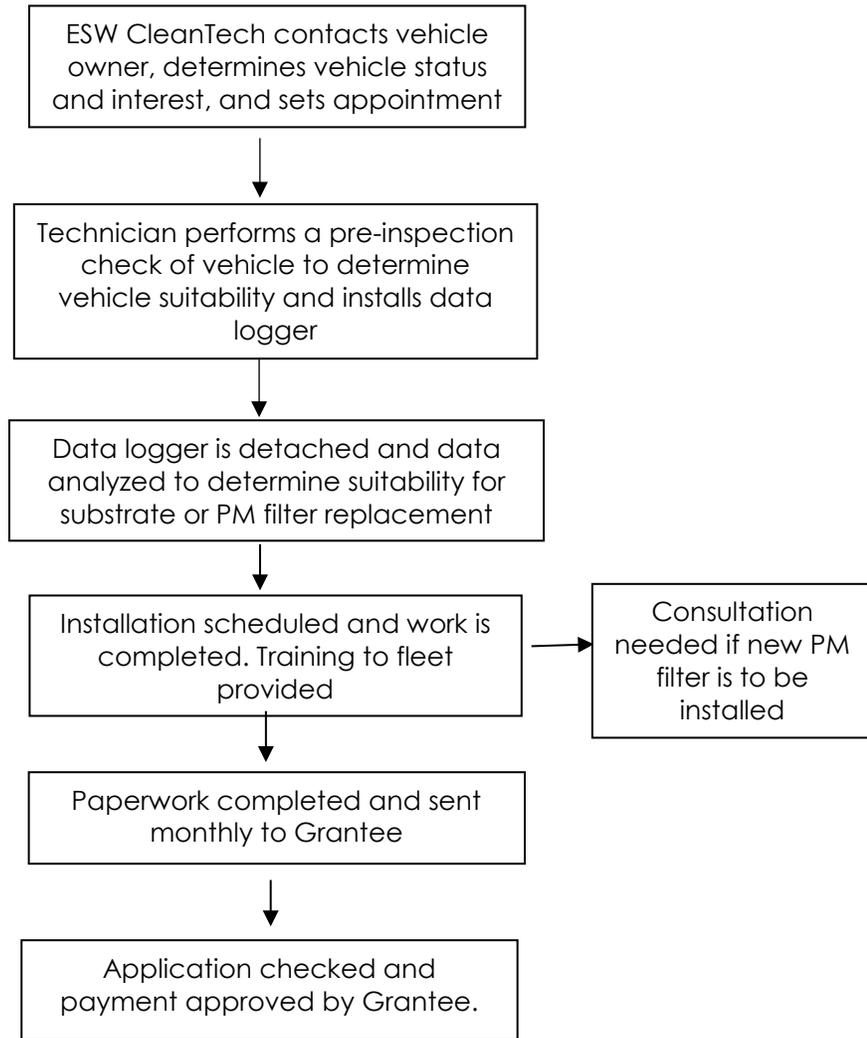
- a. The Grantee is responsible for implementation of the Diesel Filter Replacement Program approved by the Board as part of the Funding Plan. The Grantee's responsibilities encompass three phases to ensure the efficient and proper distribution of funds for eligible projects:
  - Program Development – complete a public work group process in coordination with CARB and ESW CleanTech resulting in a final Implementation Manual approved by CARB. Contract with ESW CleanTech to complete installations.

- Program Implementation – monitor program progress and receive reimbursement requests/applications from ESW CleanTech. Verify all project eligibility requirements set by CARB have been met and distribute funds.
- Program Reporting – track progress and submit status reports and complete a Final Report (see draft Sample Grant Agreement, Section I).

The phases shall be completed in a manner directed by CARB, and on a timeframe agreed upon by the Grantee and CARB. Table 1 - Program Development and Implementation Timeline for FY 2018-19 outlines key milestones for Diesel Filter Replacement Program development and implementation.

- b. The Grantee is responsible to receive applications from ESW CleanTech, verify all the by eligible project requirements are met and distribute funds for completed projects. Depending on the Grantee's application, CARB anticipates the following general process for each completed project in Figure 1. The Grantee shall collaborate with ESW CleanTech and CARB on a final process.

**Figure 1- Diesel Filter Replacement Process Example**



### **3. The Grantee's Project Responsibilities**

The Grantee shall work with prospective contractor ESW CleanTech and CARB to:

- a. Develop a final Implementation Manual through a public work group process in coordination with CARB and ESW CleanTech.
- b. Develop a policies and procedures document and flow chart that describes the Grantee's administrative action for processing projects. Examples include details on acceptable supporting documentation and protocols for recording case-by-case approvals.

- c. Grant permission, in consultation with CARB, to install a new verified PM filter when a substrate replacement is not appropriate based pre-inspection check and the data logging report documentation stating the vehicle did not meet the temperature requirement. Testing and analysis documents completed under previous PM filter replacement programs may be considered.
- d. Accept application and use the approved criteria and requirements, stated in the Implementation Manual, to review, verify the project eligibility, and approve or disapprove applications and document the process.

The applicant must submit the supporting documentation to the Grantee for reimbursement. Upon completion and verification of all requirements, the Grantee distributes funds to the applicant. Required documentation will include, at a minimum, the following:

- Vehicle Owner/Operator
- Company Name
- Vehicle Unit Number
- Vehicle Identification Number
- Vehicle Year/Model
- Vehicle Body Type/Application
- Engine Information & Family Name
- PM Filter Family Name and Serial Number
- Customer Contact Information
- Pre-Installation Compatibility Check List for Installation
- Program Reimbursement Form, completed and signed
- Program Reimbursement Invoice
- Description of any extra tasks completed
- Total Cost including itemized amounts
- Approval Documents for any excess charges
- Confirmation that training and warranty information was provided

The Grantee will have 30 working days to reimburse the contractor after determining that the Claim for Payment packet(s) are complete.

- e. Maintain copies of all disapproved applications and related correspondence.
- f. Establish and maintain financial and project records of projects funded by the Grantee (see draft Sample Grant Agreement Section K).

- g. Store all records in a safe and secure storage facility that maintains confidentiality and provides fire and natural disaster protection (see Section M in the Sample Grant Agreement). Files shall be retained during the term of the Grant Agreement plus three years. Upon completion of the third year of record retention, the Grantee must submit all project records to CARB. Hardcopy of electronic records are suitable. Acceptable forms of electronic media include hard drives, compact discs (CD), digital versatile discs, and flash drives. Other forms of electronic media may be allowed based on prior written concurrence from CARB.
- h. Develop and maintain accounting procedures to track expenditures by grant award specified.
- i. Establish a process for returned award funds as a result of uncashed checks, prorated returns, cancellations, etc.
- j. Respond to public inquiries regarding the Diesel Filter Replacement Program.
- k. Provide data updates to CARB periodically and upon request.
- l. Provide periodic data summaries to the public in response to data requests.
- m. Establish and maintain oversight authority to verify projects are on track to complete the project milestones, and funds are spent as intended and for the approved costs.
- n. Provide a monthly filter substrate installation schedule or one mutually agreed upon. In addition, a schedule of projected installations should be provided to the Grantee and updated periodically, but no less than on a quarterly basis.
- o. Provide quarterly status reports to CARB in an agreed upon format.
- p. Provide CARB with the Diesel Filter Replacement Program Final Report that summarizes and evaluates total fund expenditures, projects funded, estimated emission reductions achieved for each project, outreach efforts, implementation challenges, and recommended potential program improvements (see the Sample Grant Agreement Section I for more details).

- q. Meet applicable requirements or statutes, the AB 118 AQIP Guidelines, the FY 2018-19 Funding Plan, this solicitation, the Grant Agreement with CARB, and the Implementation Manual.

#### **4. Grantee's Prospective Contractor Responsibilities:**

The prospective contractor ESW CleanTech shall coordinate with the Grantee to:

- a. Identify eligible projects and contact potential applicants to coordinate and schedule upgrade.
- b. Conduct site visits, inspections, data logging, and installations (including pre-and post-inspections of the installed filter substrate replacement kit). Notify the Grantee if the PM Filter and/or any related equipment shows any evidence of tampering observed during the pre-inspection.
- c. Provide written justification for any vehicle to the Grantee that is determined to be non-viable for installation of the filter substrate replacement kit and identify an appropriate CARB-verified Level 3 diesel emission control strategy (DECS) retrofit device from their list of CARB currently verified devices.
- d. Receive permission to install a new verified PM filter when a substrate replacement is not appropriate. Total cost of the replacement CARB-verified Level 3 DECS shall not exceed \$20,000, subject to change, including all applicable labor, taxes, or additional costs and/or fees, and removal of the previously installed equipment without Grantee and CARB approvals.
- e. Install the filter substrate replacement kit or new PM filter (per CARB verification procedure) on viable and eligible vehicles that participate in the program. Equipment disposal shall be in an appropriate manner.
- f. Notify the Grantee after the installation is complete and submit on a periodic basis (anticipated to be monthly) an invoice with supporting documentation for reimbursement.
- g. The Grantee will have 30 working days to reimburse the applicant after determining that the Claim for Payment packet(s) are complete.

- h. Customer and vehicle data are to be collected for each installation, entered into a database, and upon request shall be downloaded and sent to the Grantee.
- i. Provide a part testing report of all failed components that result in exceedance of any Payment Authorization Limits. Photographs may be required.
- j. Program participants are not to be charged for any additional costs or fees for the installation of the filter substrate replacement kit or new PM filter, subject to Grantee approval. Entering into a separate agreement with the Program Participant to cover additional parts and labor not covered by the Diesel Filter Replacement Program is prohibited unless approved by the Grantee and CARB.
- k. Educate applicants/participants on proper use and maintenance of the diesel PM filter in accordance with the verification procedure outlined in California Code of Regulations Title 13, Section 2706(v)

## **5. Eligible Models for Diesel Filter Replacement Project**

Vehicles qualified for funding must have had an eligible recalled Cleaire Longmile PM filter installed and may qualify for one of the following projects:

- a. Substrate replacement kit installation
- b. Verified diesel PM filter replacement

The Implementation Manual will determine final eligibility criteria and priority of potential funding recipients. Eligibility criteria may include, but not be limited to age of the vehicle, whether the vehicle is subject to any upcoming regulatory requirements, type of operations, whether the vehicle is eligible for substrate replacement or full diesel PM filter replacement, and location or operation in disadvantaged or low income communities. Vehicles eligible for the substrate replacement kit installation shall receive priority due to the greater cost-benefit effectiveness.

Emissions reductions must be surplus to regulatory requirements per AQIP Guidelines. Participating fleets shall be compliant with CARB diesel regulations. Eligible vehicles may not have any DMV VIN Stops or registration holds through CARB Enforcement actions.

Proposed project funding limits can be found in Section G Fiscal Administration.

## VII. DEFINITIONS

Refer to the Sample Implementation Manual (Appendix B).

## VIII. GRANT APPLICATION INSTRUCTIONS

This grant application packet contains the forms and information necessary for submittal of a complete application. CARB will select a Grantee in compliance with applicable state law. The Grantee selection will be based upon the scoring criteria identified in this solicitation.

If you need this document in an alternate format or language, please contact Brandon Rose at (916) 327-8495 or by email at [brandon.rose@arb.ca.gov](mailto:brandon.rose@arb.ca.gov). TTY/TDD/Speech to Speech users may dial 711 for the California Relay Service.

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

Grant applications submitted in person, by U.S. Postal Service, UPS, Express Mail, Federal Express, or another delivery service provider must be delivered to CARB no later than **5:00 p.m. (PDT) on March 15, 2019**.

### **Submit applications to:**

Diesel Filter Replacement Program  
Attn: Brandon Rose  
California Air Resources Board  
1001 I Street  
Sacramento, California 95814

Please send an email to Brandon Rose at [brandon.rose@arb.ca.gov](mailto:brandon.rose@arb.ca.gov) indicating that you have submitted a grant application once the application has been mailed and let him know that your formal application is on its way. CARB will send a confirmation email to the applicant once the hard copy of the grant application package has been received.

**No grant applications may be submitted by fax or email.**

### *Format Requirements*

CARB strongly encourages grant applications to be accurate, brief, and clear. Grant applications will be screened for completeness and must include all of

the required elements of this solicitation. CARB in its sole discretion may reject any incomplete grant applications.

*Solicitation Timeline\**

<b>Key Actions</b>	<b>Dates</b>	<b>Time (PDT)</b>
Public Release of Grant Solicitation	February 15, 2018	N/A
Grant Applicant Teleconference Question Deadline	February 27, 2018	No later than 5:00 p.m.
Grant Applicant Teleconference	February 28, 2018	10:00 a.m. to 11:30 a.m.
<b>Grant Application Deadline</b>	<b>March 15, 2018</b>	<b>No later than 5:00 p.m.</b>
Review/Rating of Grant Applications	March 18, 2018 – March 21, 2018	N/A
Grantee Selected	March 22, 2018	N/A
Return Signed Grant to CARB	Within 10 calendar days of receipt	

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

**IX. GRANT APPLICANT TELECONFERENCE**

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

**Teleconference Information:**

Date: Thursday, February 28, 2019  
 Time: 10:00 a.m. to 11:30 a.m. (PDT)  
 \*Call-in Number: 888-748-4029  
 \*Passcode: 48422  
 Place: California Air Resources Board  
 1001 I Street  
 Sacramento, California 95814

\*Note: Call-in numbers and passcodes may change. Should a change occur, the new call-in number and passcode will be listed on CARB's webpage at <https://www.arb.ca.gov/msprog/aqip/meetings/meetings.htm>. Potential applicants are encouraged to confirm the call-in number and passcode by visiting the listed website prior to the teleconference. For in-person attendance, please RSVP due to seating limitations.

The Applicant teleconference will be open to all interested entities. The intent of the Applicant teleconference is to provide potential project applicants with an opportunity to ask clarifying questions regarding general application or applicant requirements or terminology definitions. Written questions submitted before the Applicant teleconference will be given priority. Questions may be submitted via email to Brandon Rose at [brandon.rose@arb.ca.gov](mailto:brandon.rose@arb.ca.gov) by 5 p.m. one day prior to the Applicant teleconference.

The questions and answers from the Applicant teleconference and any questions received via email will be posted on the CARB website no later than **5 p.m. on February 27, 2019**. This date may be extended at CARB's sole discretion. CARB will not answer questions regarding this solicitation after the Applicant teleconference. Any verbal communication with a CARB employee concerning this solicitation is not binding on the State and shall in no way alter a specification, term or condition of the solicitation.

## **X. REQUIRED ELEMENTS**

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

Appendix A: Application

Attachment 1: Application Checklist & Application

Attachment 2: Applicant Resources to Implement the Project

Attachment 3: Proposed Estimated Budget

Attachment 4: Project Implementation Plan

Attachment 5: Conflict of Interest Declaration

Attachment 6: Confidentiality Statement

Attachment 7: Confidentiality Agreement

Attachment 8: STD. 204 Payee Data Record

## **XI. EVALUATION AND SCORING**

CARB will evaluate each grant application based on the criteria described below. The qualified applicant with the highest overall score will be selected as the Grantee. The selected applicant will be required to sign a Grant Agreement with CARB to fulfill the duties as Grantee (see Appendix C, Draft Sample Grant Agreement). CARB reserves the right, in its sole discretion, to cancel this solicitation and re-solicit for a Diesel Filter Replacement Program Grantee or to direct funding to another project listed in the most current Funding Plan, or not fund any projects.

### **A. Applicant Qualifications and Resources to Implement the Program (Appendix A, Attachment 2) – Maximum 30 points**

The Grantee must provide qualifications and resources to fully implement the Diesel Filter Replacement Program. Scoring will be based upon the applicant's ability to successfully act as the Grantee based upon its experience/expertise and history of administering and implementing similar incentive programs and working with relevant stakeholders. In addition, applicants will also be evaluated on proposed staffing, expertise, infrastructure, funding, and other available resources to successfully implement this program.

<b>Grant Application Characteristics</b>	<b>Points Earned</b>
Applicant lacks necessary experience/expertise to complete the tasks required of the Grantee and/or lacks relevant experience handling similar programs. The applicant did not demonstrate sufficient staff, expertise, infrastructure and/or funding resources, to effectively and successfully implement the Diesel Filter Replacement Program.	<b>0 – 5 points</b>
Applicant demonstrates some experience/expertise to complete the tasks required of the Grantee and/or has some relevant experience successfully running similar grant programs. The applicant marginally demonstrated sufficient staff, expertise, infrastructure and/or funding resources, to effectively and successfully implement the Diesel Filter Replacement Program.	<b>6 – 16 points</b>
Applicant demonstrates extensive and strong experience/expertise required to effectively and successfully complete the tasks of the Grantee. Applicant has significant experience successfully running similar grant programs. The applicant has clearly demonstrated sufficient staff, expertise, infrastructure and/or funding resources, to effectively and successfully implement the Diesel Filter Replacement Program.	<b>17 – 30 points</b>

**B. Propose Estimated Budget (Appendix A, Attachment 3) – Maximum 30 points (including up to 5 bonus points)**

Applicants must identify an estimated budget for completing the tasks of the Diesel Filter Replacement Program, consistent with the Sample Implementation Manual and Sample Grant Agreement (included as part of the Application), and the requirements of this solicitation. The budget must list the estimated total for all program expenditures, total anticipated application processing fee (program implementation costs), which shall include costs to cover the implementation of FY 2018-19 and the closeout of FY 2018-19. To the extent possible, the budget should be broken down into

major tasks or phases of work.

The Proposed Estimated Budget should account for any anticipated changes to labor or other rates over time. Definitions and allowable expenditures for costs associated with this grant are described in this solicitation and attachments. There is no minimum match funding required under this grant solicitation. However, voluntary match funding (including cash match, in kind services, or leveraged funding) will be considered in application scoring via bonus points. For a complete description of program implementation requirements and costs, see the Draft Sample Grant Agreement (Appendix C).

<b>Grant Application Characteristics</b>	<b>Points Earned</b>
Budget is unclear, inconsistent with the Sample Grant Agreement, a Program Implementation Plan, and the requirements of this solicitation, or are insufficient to successfully complete the program.	<b>0 – 5 points</b>
Budget is relatively clear, detailed and consistent with the Sample Grant Agreement, a Program Implementation Plan, and the requirements of this solicitation, and is acceptable to complete the program. Costs are represented relatively clear and reasonable in proportion to the proposed deliverables.	<b>6 – 15 points</b>
Budget is very clear, detailed, and consistent with the Sample Grant Agreement, a Program Implementation Plan, and the requirements of this solicitation, and is substantially adequate to complete the program. Costs are represented very clearly, and are justified appropriately in proportion to the proposed deliverables.	<b>16 – 25 points</b>
<i>Bonus points: Applicant commits to provide voluntary match funding and/or in-kind support to enable the program to be significantly more effective and efficient.</i>	<b>1 – 5 points</b>

**C. Program Implementation Plan (Appendix A, Attachment 4) – Maximum 25 points**

Applicants will be evaluated based on the completeness of their plan for implementing the Diesel Filter Replacement Program, and their ability to complete the work in a timely manner. The program implementation plan must address how the applicant will implement all of the tasks under the Scope of Work of this solicitation (Section V).

In previous diesel filter replacement programs, CARB identified that grant application process was somewhat involved and complex. Applicants must

describe their process to develop the streamlined funding application system and provide possible recommendations for simplifying the process. The purpose of having the Grantee is to make the funding application process as simple and efficient as possible for smaller entities with more limited resources operating throughout the State.

<b>Grant Application Characteristics</b>	<b>Points Earned</b>
Plan is unclear and/or does not provide the highest impact for the funding provided. There is no description of the process for streamlining the funding application.	0 – 5 points
Plan is complete, provides sound recommendations for effective and efficient program development, implementation and administration, and considers the budget. The plan includes a relatively clear description of the process for streamlining the program.	6 – 15 points
Plan is sound and well organized, tailors recommendations creatively and appropriately to successfully implement the Diesel Filter Replacement Program, provides recommendations for effective and efficient program development, implementation and administration, and recommends high-impact activities that maximizes the budget. The plan includes very clear and detailed description for streamlining the program. The plan also contains example(s) of past experiences in successfully completing the similar task.	16 – 25 points

**D. Application Completeness – Maximum 10 points\***

<b>Application Characteristics</b>	<b>Points Earned</b>
The application is unclear or is missing key information.	0 – 5 points
The application is clear, concise, and includes all the required information.	6 – 10 points

\*One point is provided for sending CARB an email notification of a submitted application, as described in Application Instructions.

**XII. ADMINISTRATION**

**A. Cost of Developing Grant Application**

The applicant is responsible for the cost of developing a grant application, and this cost cannot be charged to the State. In addition, CARB is not liable for any costs incurred during environmental review (if applicable) or as a result of withdrawing a proposed award or canceling the solicitation.

## **B. Errors**

If an applicant discovers any ambiguity, conflict, discrepancy, omission, or other error in this solicitation, the applicant shall immediately notify CARB of such error in writing and request modification or clarification of the document. CARB shall not be responsible for failure to correct errors.

## **C. Immaterial Defect**

CARB may waive any immaterial defect or deviation contained in an applicant's grant application. CARB's waiver shall in no way modify the grant application or excuse the successful applicant from full compliance.

## **D. Disposition of Applicant's Documents**

On the date that the Grant Agreement is signed, all grant applications and related material submitted in response to this solicitation become a part of the property of the State and public record.

## **E. Applicant's Admonishment**

This solicitation contains the instructions governing the requirements for funding proposed programs submitted by interested applicants, including the format in which the information is to be submitted, the material to be included, the requirements that must be met to be eligible for consideration, and applicant responsibilities. Applicants must take the responsibility to carefully read the entire solicitation, ask appropriate questions in a timely manner, submit the grant application with all required responses in a complete manner by the required date and time, and make sure that all procedures and requirements of the solicitation are followed and appropriately addressed.

## **F. Agreement Requirements**

The content of this solicitation and each grant recipient's application shall be incorporated by reference into the final agreement. See the Appendix C, Draft Sample Grant Agreement.

CARB reserves the right to negotiate with applicants to modify the program scope, the level of funding, or both. If CARB is unable to successfully negotiate and execute a funding agreement with an applicant, CARB, at its sole discretion, reserves the right to withdraw the pending award and

fund the next highest ranked eligible program. This does not limit CARB's ability to withdraw a proposed award for other reasons, including for no cause.

#### **G. No Agreement Until Signed**

No agreement between CARB and the successful applicant is in effect until the agreement is signed by the recipient and signed by the authorized CARB representative. Costs are only subject to payment by CARB after execution; no costs incurred prior to execution of the grant agreement are reimbursable using CARB funds.

#### **H. No Modifications to the General Provisions**

The general provisions are a required component of this grant and are not negotiable. Applicants should not apply if they cannot meet the terms of the general provisions. CARB reserves the right to reject a grant application or withdraw a proposed award if an applicant attempts to negotiate, or otherwise seeks modification of, the General Provisions (See Appendix C, Draft Sample Grant Agreement). This does not alter or limit CARB's ability to withdraw a proposed award for other reasons.

#### **I. Payment of Prevailing Wages**

All applicants must read and pay particular attention to Appendix C, Draft Sample Grant Agreement, Section (N) General Provisions, entitled "Prevailing wages and labor compliance." Prevailing wage rates can be significantly higher than non-prevailing wage rates. Failure to pay legally-required prevailing wage rates can result in substantial damages and financial penalties, termination of the grant agreement, disruption of projects, and other complications.

#### **J. Solicitation Cancellation and Amendments**

CARB reserves the right to do any of the following:

- i. Cancel this solicitation.
- ii. Revise the amount of funds available under this solicitation.
- iii. Amend this solicitation as needed.
- iv. Reject any or all grant applications received in response to this solicitation.

#### **K. Insurance Requirements**

The Grantee must comply with all requirements outlined in the (1) General Provisions section and (2) Insurance Requirements section. The Grantee must also assure the projects that received payment fully complies with all insurance requirements that will be set forth in the Implementation Manual before starting the project. No payments will be made under the grant until the Grantee fully complies with all insurance requirements outlined herein.

### **1. General Provisions:**

- a. Coverage Term: Coverage needs to be in force for the complete term of the grant. If insurance expires during the term of the grant, a new certificate must be received by the State at least 30 days prior to the expiration of this insurance. Any new insurance must comply with the original grant terms.
- b. Policy Cancellation or Termination & Notice of Non-Renewal: Grantee is responsible to notify the State within five business days of any cancellation, non-renewal or material change that affects required insurance coverage. New certificates of insurance are subject to the approval of the Department of General Services and Grantee agrees no work or services will be performed prior to obtaining such approval. In the event that Grantee fails to keep in effect at all times the specified insurance coverage, the State may, in addition to any other remedies it may have, terminate this grant upon the occurrence of such event, subject to the provisions of this grant.
- c. Premiums, Assessments and Deductibles: Grantee is responsible for any premiums, policy assessments, deductibles or self-insured retentions contained within their insurance program.
- d. Primary Clause: Any required insurance contained in this grant shall be primary, and not excess or contributory, to any other insurance carried by the State.
- e. Insurance Carrier Required Rating: All insurance companies must carry an AM Best rating of at least "A-" with a financial category rating of no lower than VI. If Grantee is self-insured for a portion or all of its insurance, review of financial information including a letter of credit may be required.

- f. Endorsements: Any required endorsements requested by the State must be physically attached to all requested certificates of insurance and not substituted by referring to such coverage on the certificate of insurance.
- g. Inadequate Insurance: Inadequate or lack of insurance does not negate Grantee's obligations under the grant.
- h. Satisfying an SIR: All insurance required by this contract must allow the State to pay and/or act as the contractor's agent in satisfying any self-insured retention (SIR). The choice to pay and/or act as the contractor's agent in satisfying any SIR is at the State's discretion.
- i. Available Coverages/Limits: All coverage and limits available to the contractor shall also be available and applicable to the State.
- j. Use of Subcontractor: In the case of Grantee's utilization of Subcontractors to complete the grant scope of work, Grantee shall include all Subcontractors as insured's under Grantee's insurance or supply evidence of Subcontractor's insurance to The State equal to policies, coverages, and limits required of Grantee.

## **2. Grant Insurance Requirements:**

The Grantee shall display evidence of the following on a certificate of insurance. After the solicitation is awarded, failure to provide the certificate upon request will result in the termination of the grant. The following coverages must be evidenced on the certificate of insurance:

- a. Commercial General Liability: Grantee shall maintain general liability on an occurrence form with limits not less than \$1,000,000 per occurrence for bodily injury and property damage liability combined with a \$2,000,000 annual policy aggregate. A "per project aggregate" endorsement is required. The policy shall include coverage for liabilities arising out of premises, operations, independent contractors, products, completed operations, personal & advertising injury, and liability assumed under an insured contract or grant. This insurance shall apply separately to each insured against whom claim is made or suit is brought subject to Grantee's limit of liability. The policy must name the State of California, its officers, agents, and employees as additional insured, but only with respect to work performed under the grant.

- b. Automobile Liability: If the Grantee will be using vehicles to complete the project or driving a vehicle onto State property, automobile liability insurance is required. The Grantee shall maintain motor vehicle liability with limits of not less than \$1 million per accident. Such insurance shall cover liability arising out of a motor vehicle including owned, hired, and non-owned motor vehicles. At the request of CARB, the Grantee must show proof of automobile liability. Failure to provide proof upon request will result in the termination of the grant. The policy must name the State of California, its officers, agents, and employees as additional insured, but only with respect to work performed under the grant.
  
- c. Workers Compensation and Employers Liability: Grantee shall maintain statutory worker's compensation and employer's liability coverage for all its employees who will be engaged in the performance of the grant. In addition, employer's liability limits of \$1,000,000 are required. If applicable, contractor shall provide coverage for all its employees for any injuries or claims under the U.S. Longshoremen's and Harbor Workers' Compensation Act, the Jones Act or under laws, regulations, or statutes applicable to maritime employees. By signing this contract, Contractor acknowledges compliance with these regulations. A Waiver of Subrogation or Right to Recover endorsement in favor of the State of California must be attached to certificate.
  
- d. Technology Professional Liability / Errors and Omissions Insurance: Grantee shall maintain appropriate to the Grantee's profession and work hereunder, with limits not less than \$1,000,000 per occurrence. Coverage shall be sufficiently broad to respond to the duties and obligations as is undertaken by the Grantee in this agreement and shall include, but not be limited to, claims involving infringement of intellectual property, copyright, trademark, invasion of privacy violations, information theft, release of private information, extortion and network security. The policy shall provide coverage for breach response costs as well as regulatory fines and penalties as well as credit monitoring expenses with limits sufficient to respond to these obligations.
  - i. The Policy shall include, or be endorsed to include, *property damage liability* coverage for damage to, alteration of, loss of, or destruction of electronic data and/or information "property" of the Agency in the care, custody, or control of the Grantee. If not covered under the Grantee's liability policy, such "property" coverage of the Agency may be endorsed onto

the Grantee's Cyber Liability Policy as covered property as follows:

- ii. *Cyber Liability* coverage in an amount sufficient to cover the full replacement value of damage to, alteration of, loss of, or destruction of electronic data and/or information "property" of the Agency that will be in the care, custody, or control of Grantee.
- iii. Please provide the following If policies provide claims-made coverage:
  - a) The Retroactive Date must be shown, and must be before the date of the contract or the beginning of contract work.
  - b) Insurance must be maintained and evidence of insurance must be provided *for at least five (5) years after completion of the contract of work.*
  - c) If coverage is canceled or non-renewed, and not replaced *with another claims-made policy form with a Retroactive Date prior to the contract effective date,* the Contractor must purchase "extended reporting" coverage for a minimum of *five (5) years* after completion of work.
  - d) The policy shall include as loss payee, the State of California.