

# APPENDIX C

## Clean Transportation Incentives

Fiscal Year 2017-18  
Clean Off-Road Equipment Voucher Incentive Project (CORE)

## SAMPLE GRANT AGREEMENT

Mobile Source Control Division  
California Air Resources Board  
February 1, 2019



**CALIFORNIA**  
AIR RESOURCES BOARD

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## GRANT PROVISIONS

### A. AGREEMENT

This Grant is from the California Air Resources Board (hereinafter referred to as CARB or the Board) to \_\_\_\_\_ (hereinafter referred to as Grantee).

The parties agree to comply with the requirements and conditions contained herein, as well as all commitments identified in the Fiscal Year 2017-18 Grant Solicitation for Clean Transportation Incentives from the Greenhouse Gas Reduction Fund Clean Off-Road Equipment Voucher Incentive Project (Exhibit D), the CORE Implementation Manual Framework (Exhibit C), and the Grantee Application Package (Exhibit E).

### B. CLIMATE CHANGE INVESTMENTS LOGO

Where applicable, the Grantee agrees to acknowledge the California Climate Investments program and CARB as a funding source for CORE, as outlined in the California Climate Investments Messaging and Communications Guide<sup>1</sup>. Below are specific requirements for acknowledgement.

Grantee agrees to acknowledge the California Climate Investments program from CARB's Low Carbon Transportation program whenever projects funded, in whole or in part by this Agreement, are publicized in any news media, websites, brochures, publications, audiovisuals, or other types of promotional material. The acknowledgement must read as follows: "This publication (or project) was supported by the "California Climate Investments" (CCI) program. Guidelines for the usage of the CCI logo can be found at [www.arb.ca.gov/ccifundingguidelines](http://www.arb.ca.gov/ccifundingguidelines).

The California Climate Investments (CCI) logo and name serves to bring under a single brand the many investments whose funding comes from the Greenhouse Gas Reduction Fund (GGRF). The logo represents a consolidated and coordinated initiative by the State to address climate change by reducing greenhouse gases, while also investing in disadvantaged communities and achieving many other co-benefits.

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<sup>1</sup> <http://www.caclimateinvestments.ca.gov/logo-graphics-request/>



Grantee agrees to acknowledge CARB as a funding source for CORE when publicized in any news media, websites, applications, brochures, publications, audiovisuals, or other types of promotional material. The Grantee agrees to adhere to the Board's logo usage requirements in a manner directed by CARB. CARB logos shall be provided to the Grantee by CARB Project Liaison.



The CARB logo is a visual representation of our air environment. The arcs represent: the different elements that make up the air we breathe, the protection of our atmosphere and the efforts we take to protect the health of Californians, the collaboration of multiple stakeholders all moving in the same direction together, and innovation with the arcs all growing and changing.

Finally, when preparing flyers, brochures, or other handout material that will be used to promote CORE as one of CARB's Low Carbon Transportation Investment projects, the Grantee will incorporate the Moving California typeset and branding, as appropriate. Moving California is the branding of CARB's suite of Low Carbon Investment projects, including both light- and heavy-duty projects. The Moving California typeset is displayed below and branding materials will be provided by the CARB Project Liaison.



**C. GRANT SUMMARY AND AMENDMENTS (IF APPLICABLE)**

Project Title: Clean Off-Road Equipment Voucher Incentive Project

Authorized Official: \_\_\_\_\_

Title: \_\_\_\_\_

CORE Grant Funding: \_\_\_\_\_

Total Match and In-Kind: \_\_\_\_\_

Total Project Cost: \_\_\_\_\_

**D. GRANT PARTIES AND CONTACT INFORMATION**

1. The CARB Project Liaison is Eloy Florez, Air Pollution Specialist. Correspondence regarding this project shall be directed to:

Eloy Florez  
California Air Resources Board  
Mobile Source Control Division  
9480 Telstar Avenue, No. 4  
El Monte, California 91731  
Phone: (626) 350-6525  
Email: [eloy.florez@arb.ca.gov](mailto:eloy.florez@arb.ca.gov)

2. The Grantee Liaison is \_\_\_\_\_. Correspondence regarding this project shall be directed to:

Name  
Title  
Address  
Phone  
Email

3. If the CARB Project Liaison identified above changes, CARB will notify the Grantee Liaison of said change and provide the new contact information. If the Grantee Liaison identified above changes, the Grantee will notify the CARB Project Liaison of said change and provide the new contact information.

**E. TIME PERIOD**

1. Performance of work or other expenses billable to CARB under this Grant Agreement may commence after full execution of this Grant Agreement. Performance on this Grant Agreement ends once the Grantee has submitted the Final Report or if the Grant Agreement is terminated, whichever is earlier.
2. Upon completion of the project, the Grantee shall submit a draft final report to the CARB Project Liaison no later than **March 15, 2021** (see Section J, Reporting, of this Grant Agreement).
3. Final grant disbursement requests and the Final Report 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 (see Sections G.5., Grant Disbursements, and J.2., Final Report, of this Grant Agreement).

4. The CARB Executive Officer retains the authority to terminate, or reduce the grant amount of, this Grant Agreement for nonperformance. In the event of such termination or reduction of the grant amount, Section G.9, Termination and Suspension of Payments, of this Grant Agreement shall apply.

## **F. DUTIES AND REQUIREMENTS**

This section defines the respective duties and requirements of CARB and the Grantee in implementing CORE.

### **1. The California Air Resources Board is responsible for:**

- a. Approving the CORE Implementation Manual once developed by the Grantee.
- b. Updating and finalizing the CORE Eligibility Application including process in the CORE Implementation Manual Framework, Exhibit C.
- c. Evaluating and approving pieces of off-road equipment for CORE eligibility, and providing the Grantee an up-to-date list of eligible equipment. CARB is responsible for working closely with off-road equipment manufacturers in order to determine equipment eligibility.
- d. Determining equipment voucher amounts with support from the Grantee.
- e. Participating in regular meetings with the Grantee to discuss project refinements and guide project implementation.
- f. Reviewing and approving project elements provided by the Grantee, such as the CORE webpage, voucher payment verifications, and progress reports.
- g. Reviewing and approving Grant Disbursement Request Forms (Form MSCD/ISB-90).
- h. Distributing project funds to the Grantee.
- i. Providing project oversight and ensuring accountability (in conjunction with the Grantee).
- j. Verifying equipment ownership. If applicable, this can be done through checking vehicle identification numbers (VIN) with the California DMV.

## 2. The Grantee

The Grantee is responsible for implementation of CORE, which was approved by the Board as part of the Fiscal Year 2017-18 Funding Plan for Clean Transportation Incentives<sup>2</sup>. The Grantee's responsibilities encompass two phases to ensure the efficient and effective distribution of vouchers for eligible pieces of equipment: project development and project administration (including reporting). These phases are to be completed in a manner directed by CARB and on a timeframe as stated in the Grant Agreement.

The Grantee is responsible for "on-the-ground" project implementation of issuing vouchers for eligible zero-emission off-road pieces of equipment in addition to providing CARB with feedback on the success of the project through metrics of success, lessons learned, and/or data collected during the project's life. Tasks include, but are not limited to, the following:

- a. Grantee's key project personnel will participate in an initial project kick-off meeting with CARB staff before work on the project begins. The purpose of the initial meeting will be to discuss the overall plan, details for performing the tasks, the project schedule, and any issues that may need to be addressed.
- b. Participate, schedule, and organize regular project update meetings at least quarterly. Additional meetings may be scheduled at the sole discretion of the CARB Project Liaison. The regular project update meetings shall include the following items:
  - i. An agenda with call-in information for all participants and details for any issues to be discussed during the update meeting;
  - ii. Statement of work expected to be completed by the next status report; and
  - iii. A discussion on what milestones and work plan tasks are expected to be completed before the next regular project update meeting.
- c. Develop an Implementation Manual for manufacturers and purchasers based on the elements set forth in Exhibit C (Implementation Manual Framework) and through public engagement that outlines how CORE will be implemented. The public will be offered the opportunity to provide comments and receive feedback on draft versions of the Implementation Manual, and one or more public meetings may be held as an element of the process. Development of the Implementation Manual will include finalizing all Terms and Conditions and forms included as examples in the Implementation Manual Framework. The Implementation Manual will be

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<sup>2</sup> <https://www.arb.ca.gov/msprog/aqip/fundplan/fundplan.htm>

reviewed and approved by CARB before being finalized. The Grantee must continue to update the Implementation Manual throughout the grant term, as needed or directed by CARB.

- d. Conduct statewide public outreach to equipment dealers, fleets, and communities where potential purchasers reside for the project to be successful. Outreach could include on-site dealer trainings, public question and answer sessions, and entail the following:
  - i. Target outreach in areas that are classified as extreme nonattainment of the federal 8-hour ozone standard (i.e., the South Coast and San Joaquin Valley Air Basins), and disadvantaged communities (based on CalEnviroScreen 3.0)<sup>3</sup>; and
  - ii. Develop and implement a strategy to engage lower-income and disadvantaged communities through activities relevant to the community being served. Bring communities together with equipment dealers to foster greater communication between sellers and customers and increase overall program awareness.
- e. Develop/maintain a user-friendly public website that may be hosted by CARB, the Grantee, or a CARB-approved third party. The website must include, at a minimum:
  - i. General project information and instructions on how to participate;
  - ii. A list of eligible equipment models and each piece of equipment's eligible voucher amount;
  - iii. Voucher request and voucher redemption forms, which include terms and conditions to which purchasers must attest or commit;
  - iv. Provide real-time voucher statistics, including vouchers issued, dollars awarded by funding source, available and expended funds, location of vouchers, and other statistics as defined by CARB;
  - v. Ability to provide information on CORE vouchers based upon query parameters such as equipment type, location, and vocation;
  - vi. Ability to provide a visual representation of where vouchers are being requested and/or disbursed with a mapping tool;
  - vii. Ability to provide user survey data to display information, such as demographics, dealer experience, motivations to purchase,

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<sup>3</sup> The CalEnviroScreen 3.0 mapping tool is available at <https://oehha.ca.gov/calenviroscreen/report/calenviroscreen-30>



decision-making process, etc., upon request by CARB; and

- viii. Applicable documents and forms related to the project.
- f. Develop, make available, and distribute language-specific and culturally appropriate materials, to be determined by CARB, which will be used for the effective implementation of CORE. Language-specific materials must include, but are not limited to, the following:
  - i. Outreach and education materials;
  - ii. Webpage(s);
  - iii. Owner requirements;
  - iv. Terms and conditions agreement forms;
  - v. Frequently asked questions; and
  - vi. Contact information.
- g. Train and approve equipment dealers for participation in CORE based upon eligibility criteria identified in Exhibit C (Implementation Manual Framework).
- h. Develop a Policies and Procedures Manual and flow chart that describes the Grantee's administrative action for processing vouchers. Examples include details on acceptable supporting documentation and protocols for recording CARB case-by-case approvals.
- i. Establish and maintain voucher records (see Section L.3. of this Grant Agreement).
- j. Utilize best practices to store all records in a safe and secure storage facility that maintains confidentiality and provides fire and natural disaster protection. Files shall be retained during the term of the Grant Agreement plus three years. Upon completion of the required record-retention period, the Grantee must submit all project records to CARB. Hardcopy or electronic records are suitable. Acceptable forms of electronic media must be approved based on prior written concurrence from CARB.
- k. Develop a systematic process and schedule to back-up the CORE database(s) each day, at a minimum.
- l. Develop and enforce security measures to safeguard the CORE database(s).

- m. Ensure participating equipment manufacturers, dealers, purchasers, and lessees meet all applicable CORE requirements.
- n. Support three-year ownership and lease-term requirements by identifying and reporting voucher recipients to CARB who are at risk of not meeting the requirements.
- o. Track and report equipment resale inquiries to CARB.
- p. Develop, in coordination with CARB, an annual equipment user survey/questionnaire (Questionnaire) that evaluates equipment usage, operational business changes implemented by the fleet user, and user satisfaction with equipment purchased through CORE. Grantee will, at a minimum:
  - i. Develop and implement an effective mechanism for equipment operators to respond to the Questionnaire annually for three years from the equipment purchase date;
  - ii. Conduct quality control for Questionnaire data and provide data to CARB as part of the monthly CORE status reports (see Section J of this Grant Agreement for more information on status reports); and
  - iii. Provide a mechanism, which should be outlined in the Grantee's transfer plan, for potential subsequent Grantees to continue collecting such data from fleets for a three-year period after voucher redemption.
- q. With input from equipment manufacturers, the Grantee will develop and maintain a mechanism, such as a database; website; or data-access portal, for equipment manufacturers to transmit key telematics data to the Grantee (more information on telematics data in Section F.2.r below). The Grantee is responsible for ensuring the data are stored appropriately, making the data available to CARB or its future designee upon request for a period of three years from the equipment delivery date, and ensuring subsequent Grantees can continue to utilize the mechanism to collect and store the data. The equipment manufacturers are responsible for uploading the key telematics data to the Grantee, CARB, or CARB's designee using the mechanism developed by the Grantee at a frequency to be determined by CARB and the Grantee. For more information, see Exhibit C, Implementation Manual Framework.
- r. Acquire key telematics data from CORE-funded equipment, except military pieces of equipment, for a minimum of three years from the equipment purchase date. Grantee must provide a mechanism for subsequent Grantees to continue collecting such data from the equipment

manufacturers for a three-year period after voucher redemption. Grantee must ensure the following data are collected by the equipment manufacturers and transmitted to the database that is maintained by the Grantee. Telematics data must include, at a minimum, the following information:

- i. Load\*;
  - ii. Motor Speed\*;
  - iii. Equipment Speed\*;
  - iv. Global Positioning System (GPS) data (when applicable)\*;
  - v. Idle (On with no movement and no work being done)\*;
  - vi. Equipment mileage/hours;
  - vii. Location and time of first key on and last key off of the work day;
  - viii. Charging/refueling events and duration;
  - ix. Cumulative charging time and energy charged;
  - x. State of charge/fuel capacity at beginning and end of charging/refueling events;
  - xi. Battery cycle life or cycle count;
  - xii. Battery state of health (as defined by the manufacturer);
  - xiii. Hours (and miles, if applicable) and percentage of total time when the equipment is operating (“key on”) within and outside of a disadvantaged community (when applicable); and
  - xiv. Service, repair, and maintenance events.  
(\* Monitoring frequency and data format to be determined)
- s. The Grantee will prepare annual reports presenting the data collected (noted in Section F.2.r above). The report will include analyses based on the requirements of CORE (e.g., operating time within a disadvantaged community). This may include fleet information associated with use, power consumption, and disadvantaged community activity. The report may also include information on performance anomalies, recommendations for future data collection activities, and recommendations to streamline the collection, storage, and analysis of future data sets. Should CARB identify a concern, additional or more frequent reports may be required beyond a single annual report.
- t. Once the term of the CORE grant agreement has ended, the Grantee shall deliver the collected data to CARB or the subsequent Grantee in a format approved by CARB.
- u. Contact CORE voucher purchasers that have sold, or will potentially sell, their equipment early and inform them of the requirements with which they must comply in order to sell early and the options available to them.
- v. Inspect required documentation prior to voucher redemption. Documents include, but are not limited to, the following:

- i. Signed Final Invoice – must show the final purchase price less the voucher amount and any other additional incentive funding. It must also provide line items listing:
  1. Equipment base price.
  2. Price of equipment upgrades (i.e., nonstandard features).
  3. Price of charging equipment [such as electric vehicle supply equipment (EVSE)].
  4. Voucher discount, including all voucher enhancements itemized.
  5. All applicable taxes and fees.
- ii. Financing/Lease Documentation – copy of check, money transfer receipt, financing/loan agreement identifying the lien holder, and/or lease contract indicating terms of lease.
- iii. For equipment that is required by DMV to be registered, DMV Registration documentation, which includes:
  1. California Registration.
  2. California License plate number.
- iv. Delivery Bill of Lading – must be signed and dated at delivery location.
- v. Line Setting Ticket (Factory Build Sheet) – manufacturer issued.
- vi. Digital photos of equipment showing:
  1. Equipment from left side – showing completed equipment, with numbering if applicable;
  2. Serial number for the piece of equipment; and
  3. Hour Meter.
- vii. When a purchaser is requesting an infrastructure enhancement through CORE: site plans, cost documentation, and any other relevant documentation needed as justification for the infrastructure enhancement (for more details on infrastructure enhancements see Exhibit C, Implementation Manual Framework).
- viii. CORE Equipment Inspection signed by authorized dealer or Grantee representative. The piece of equipment must have no more than 500 hours of usage at time of the equipment inspection. Vouchers for pieces of equipment with more than 500 hours of usage may be redeemed on a case-by-case basis with sole approval of the CARB Project Liaison with sufficient evidence or explanation justifying such mileage.

- w. Use the criteria in the Implementation Manual to review and approve or disapprove voucher requests and document this process in each project file.
- x. Require the purchaser/lessee and dealer to sign and date the CORE Voucher Request Form currently in use.
- y. Establish safeguards to ensure CORE participants (i.e., equipment manufacturers and purchasers) conform to all applicable terms and conditions set forth in the Implementation Manual.
- z. If necessary, the Grantee shall support CARB's enforcement efforts, including the recapturing of funds, by providing CARB with any fleet information, purchaser information, documents, data, or other material needed to investigate or carry out such efforts.
- aa. Issue voucher payments to equipment dealers for eligible equipment purchases.
- bb. The Grantee will develop a mechanism to notify the electric utility for the service area of the vehicle operator of any plug-in equipment purchase plans, based on the details of voucher requests. The utility will be able to determine if there are any infrastructure requirements and upgrades needed to successfully utilize the zero-emission piece of equipment. The Grantee will facilitate coordination between the utility/energy provider and the purchaser to ensure the necessary infrastructure installation or upgrades take place successfully.
- cc. Develop and maintain accounting procedures to track funding reservations and expenditures by grant award, fiscal year, projects (CORE), and funding source.
- dd. Establish a process for returned voucher funds as a result of uncashed voucher checks, prorated returns, cancellations, etc.
- ee. For all vouchers issued, track and report metrics, such as, but not limited to: information regarding if the equipment is domiciled and benefitting a priority population; GHG emission reductions; and project co-benefits. Tracking and reporting will be done at an agreed upon length of duration and frequency to CARB. The Grantee will utilize the CCI quantification materials located here: [CCI Quantification, Benefits, and Reporting Material](#)<sup>4</sup>. A quantification tool will be developed by CARB specifically for the CORE program, but an example of what the quantification tool might look like is located here: [FARMER Quantification Tool](#)<sup>5</sup>.

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<sup>4</sup> <https://ww2.arb.ca.gov/resources/documents/cci-quantification-benefits-and-reporting-materials>

<sup>5</sup> [https://www.arb.ca.gov/cc/capandtrade/auctionproceeds/carb\\_farmer\\_tool\\_final\\_110918.xlsx?\\_ga=2.170544352.1341289681.1544123961-992858175.1464282797](https://www.arb.ca.gov/cc/capandtrade/auctionproceeds/carb_farmer_tool_final_110918.xlsx?_ga=2.170544352.1341289681.1544123961-992858175.1464282797)

- ff. Establish and maintain a waiting list if the project becomes oversubscribed and CARB determines a waiting list is appropriate.
- gg. Provide data updates to CARB upon request, which could include all voucher records.
- hh. Provide periodic data summaries to the public via a method approved by CARB.
- ii. Respond promptly to legislative and public requests regarding CORE.
- jj. Provide information to CARB, upon request. Information requested by CARB may include, but not limited to, the following:
  - i. Status of the off-road market;
  - ii. Barriers and potential solutions;
  - iii. Recommendations to improve the effectiveness of CORE investments;
  - iv. Recommendations to improve CORE and for other off-road incentive projects; and
  - v. Role of incentives and how incentive programs can complement near-term regulatory measures.
- kk. Develop and execute a project transfer plan, as part of the Grantee's closeout duties, to ensure a complete and timely transfer of data and website to the next potential Grantee for CORE. The project transfer plan, which will be approved by CARB, includes at a minimum the following tasks:
  - i. Process vouchers for all of FY 2017-18;
  - ii. Complete all tasks associated with the FY 2017-18 CORE closeout (See Section J.2. of this Grant Agreement);
  - iii. Process vouchers from next (subsequent) funding allocation, for up to three months; and
  - iv. If applicable, transfer CORE to new Grantee selected by CARB (See Section M of this Grant Agreement).
- ll. Provide information, upon request, to individuals or organizations that wish to appeal a voucher denial to CARB.

mm. Meet all applicable requirements of statutes; all applicable Funding Plans; CARB's Funding Guidelines<sup>6</sup>; Exhibit D (Grant Solicitation); Exhibit C (Implementation Manual Framework); the final Grant Agreement; the CORE Implementation Manual; and any future updates and/or revisions to the CORE Implementation Manual issued during the grant term. The Grantee must also ensure its subcontractors meet all the aforementioned requirements, as applicable. CARB's Funding Guidelines and Funding Plan are available at: [www.arb.ca.gov/msprog/aqip/aqip.htm](http://www.arb.ca.gov/msprog/aqip/aqip.htm).

nn. Ensure that the most current equipment eligibility list is being used.

oo. Support and help inform CARB's determination of appropriate base voucher amounts for eligible pieces of equipment and voucher enhancement amounts for infrastructure, bulk deployments, extended warranties, and any other voucher enhancements outlined in the Implementation Manual.

This will include gathering and providing cost information to help support CARB's determination of the estimated aggregated cost of new conventionally-fueled pieces of equipment that could perform the same function as the zero-emission pieces of equipment for which manufacturers seek eligibility. This information will be used to calculate the incremental cost for each manufacturer's equipment models seeking eligibility. This will be performed for each eligible equipment category outlined in the Implementation Manual, and reviewed periodically as market shifts take place. This cost will be determined on an equipment-specific basis and informed by discussions with fleets and other stakeholders, market data, and/or other relevant information.

pp. Work with equipment manufacturers to create and maintain a list of dealerships authorized to receive CORE vouchers.

qq. Provide monthly status reports to CARB detailing vouchers awarded for ordered equipment and redeemed for delivered equipment (see Section J.1. of this Grant Agreement).

rr. Provide CARB with a Final Report that summarizes and evaluates total fund expenditures (including match, interest earned, and in-kind contributions), total equipment funded, outreach efforts, data collected through telematics (see Section F.2.r. of this Grant Agreement), implementation challenges per source of funding, and recommendations for potential project improvements (See Section J.2. of this Grant Agreement).

ss. Provide CARB with all webpage(s), databases, computer software, or other

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<sup>6</sup> CARB, 2018; <https://ww2.arb.ca.gov/resources/documents/cci-funding-guidelines-administering-agencies>

intellectual property developed or purchased by the Grantee for the purposes of administering or implementing CORE, if requested (See Section M this Sample Grant Agreement).

## **G. FISCAL ADMINISTRATION**

### **1. Budget**

- a. The maximum amount of this Grant is **\$XX**. Under no circumstance will CARB reimburse the Grantee for more than this amount. A written Grant Agreement amendment is required whenever there is a change to the amount of this Grant.
- b. The budget for this project is shown in Exhibit B, Attachment I. Grant Disbursement Requests (Form MSCD/ISB-90) for off-road equipment voucher funding and for Grantee project implementation funding, collectively, shall not exceed the grant amount.
- c. Project implementation funding may be reallocated by CARB at CARB's sole discretion to voucher funding in the event that the Grantee requests less funding for project implementation than the amount stated in the budget.
- d. Subject to prior written approval from CARB, line item shifts of up to ten percent of each milestone may be made over the life of the grant. Grantee can continue work upon approval of line item shifts by CARB, and CARB will follow up with a formal amendment to the Grant. Line item shifts may be proposed by either CARB or the Grantee and must not increase the total grant amount.
- e. 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 CORE (if applicable).
- f. In the event of nonperformance or Grant Agreement termination, CARB shall require full recovery of the unspent funds by transfer from the Grantee's accounts. The Grantee must provide fund transfer information within 45 calendar days upon receipt of notification from CARB.

### **2. Project Funding**

- a. Off-Road Equipment Voucher Funding

CORE is designed to depend upon off-road equipment dealerships deducting the voucher amount from the equipment purchase price at the time the purchaser makes the purchase. A dealer is more likely to accept the voucher's cash value at the time of purchase if the voucher is redeemed



quickly. Therefore, the Grantee is expected to turn around voucher redemptions from dealers within one to two weeks. As such, the Grantee will receive an initial disbursement of up to 20 percent of off-road equipment voucher funding as seed money once the Implementation Manual has been approved by CARB. The 20 percent advanced initial disbursement is subject to all advanced pay requirements outlined in Section G.7. of this Grant Agreement.

In order to ensure adequate project funds are available in the Grantee's account to cover the cost of vouchers, the Grantee may request subsequent disbursements by submitting a Status Report documenting the need for additional voucher funding from CARB. The Grantee must ensure that no more than 20 percent of the total equipment voucher funding allocation is available in the Grantee's general ledger account, except in cases where CARB determines additional funds may be necessary to address increased market activity.

- b. Funding for Project Implementation Costs (up to seven percent of the total project amount).

Project implementation funds may be used for work completed in the following categories:

- Labor expenses (including total staff time and labor costs);
- External consultant fees for completed work, if applicable;
- Printing, mailing, traveling, and other outreach expenses; and
- Other direct and indirect costs.

- i. The Grantee shall receive project implementation funds on the following schedule:

- (1) Up to 30 percent of project implementation funds at the time the Grant Agreement is signed and upon availability of funds for outreach, dealer training, and other project start-up costs. The 30 percent advanced project implementation payment is subject to all advanced pay requirements outlined in Section G.7. of this Grant Agreement
- (2) 10 percent of project implementation funds after completion of dealer trainings and the CORE Implementation Manual, and the CORE website is fully functional.
- (3) 5 percent of project implementation funds after 25 percent of voucher funding is committed via vouchers issued.
- (4) 5 percent of project implementation funds after 50 percent

of voucher funding is committed via vouchers issued.

- (5) 5 percent of project implementation funds after 75 percent of voucher funding is committed via vouchers issued.
  - (6) 10 percent of project implementation funds after all voucher funding is committed via vouchers issued.
  - (7) 5 percent of project implementation funds after 25 percent of voucher funding has been expended on purchased equipment.
  - (8) 5 percent of project implementation funds after 50 percent of voucher funding has been expended on purchased equipment.
  - (9) 5 percent of project implementation funds after 75 percent of voucher funding has been expended on purchased equipment.
  - (10) 10 percent of project implementation funds after all voucher funding has been expended on purchased equipment
  - (11) Final 10 percent, plus any funds not requested in the initial advanced project implementation payment (100 percent cumulative) of project implementation funds after CARB has received all intellectual property and data needed to ensure continued smooth implementation of CORE (see Section M, Intellectual Property, of this Grant Agreement), the Grantee provides documentation describing expenditure of all match funding and in-kind contributions to which the Grantee committed in the project application and CARB has received and approved a Final Report documenting equipment paid for by the project and fulfillment of all project commitments.
- ii. CARB will have the sole discretion to accelerate the timeline for allowable disbursements of project implementation funds identified above (with the exception of the final project implementation fund disbursement) necessary to assure the goals of the project are met. With the exception of the initial 30 percent of project implementation funds provided for project start-up, all project implementation funds provided to the Grantee shall be on a reimbursement basis and requires cost summaries approved by CARB for completed tasks and/or eligible expenses. The Grantee must provide documentation of actual project implementation costs

incurred for the first 30 percent of project implementation funds before additional project implementation funds will be provided.

- iii. Grant disbursement invoices used to justify project implementation costs must, in accordance with Section G.6., identify costs for work completed in the categories outlined in Section G.2.b., above. Invoices for additional cost categories may be provided to CARB, if warranted. Documentation substantiating these costs must be maintained by the Grantee and provided to CARB upon request, as described in Section G.6. of this Grant Agreement. Furthermore, in consultation with CARB and subject to CARB's approval, the Grantee may redirect any project implementation funds to fund additional vouchers for eligible equipment.
- iv. In no event shall the Grantee receive reimbursement for project implementation costs that exceed the maximum project implementation funding amount. Any project implementation funds not needed for project implementation may be transferred to voucher funds upon CARB's written approval. Funds need to be fully expended or returned to CARB within 90 days following the end date of this Grant Agreement term.

### **3. Grantee Match Funding**

- a. Match funding from the Grantee, if applicable, can only be used in two ways – to increase the number of eligible pieces of off-road equipment funded or to increase the voucher amount provided to eligible pieces of off-road equipment, as directed by CARB. Match funding must meet the following criteria:
  - i. Funding from other state or federal revenue sources, such as the Carl Moyer Program or other AB 118 programs, may not be counted as match from the Grantee.
  - ii. The combination of CORE and match funding may not exceed a piece of equipment's purchase price.
  - iii. Match funding must meet the same requirements applicable to CORE funding.
  - iv. Pieces of off-road equipment, purchased wholly or in part with match funding, must meet the same requirements as pieces of off-road equipment funded with CORE funding.
- b. Documentation of match funding must be retained for a minimum of three years after the voucher has been redeemed.

- c. The above documentation must be provided to CARB in a Final Report.

#### **4. In-Kind Contributions**

The Grantee is encouraged, but not required, to contribute in-kind contributions to improve CORE's incentive effectiveness. "In-kind contributions," for the purposes of CORE, means contributions made in the form of goods and services, rather than direct monetary contributions. Funds expended on in-kind contributions must meet all the requirements described herein and must be documented in the CORE Final Report to CARB.

#### **5. Grant Disbursements**

With each disbursement request, the Grantee must provide documentation as required in this section.

- a. Requests for payment shall be made with the Grant Disbursement Request Form (Form MSCD/ISB-90) and conform to the instructions outlined in this Grant Agreement (see Section G, Fiscal Administration, and Section H, Documentation of Expenditure of State Funds).

Except as provided in Section G.5.a, grant payments shall be:

- i. Made on a reimbursement basis and only for actual costs incurred by the Grantee;
  - ii. Made only when the Grantee has submitted a Grant Disbursement Request Form; and
  - iii. Made only when the milestones stipulated in Exhibit B, Attachment II, have been accomplished including documentation provided to CARB in the form of the Status Report and any associated deliverables, as applicable.
- b. Grant payments are subject to CARB's approval of Status Reports and any accompanying deliverables. (see Section J, Reporting, of this Grant Agreement.) A payment will not be made if the CARB Project Liaison deems that the required documentation is incomplete or insufficient, the claimed expenses are not valid, or the Grantee has not met other terms of the Grant Agreement.
- c. Requests for project funds in advance of performing the work or incurring the cost requires an Advance Payment Request Form (see Section G.7, Advanced Pay) and a detailed list of the future work the Grantee intends to fund with the disbursement. The Grantee must demonstrate in a

subsequent report that the advance has been expended appropriately by supplying documents required in Section G.5, Grant Disbursements. The recipient of a CARB advance payment can not advance pay any other entity. No further advance shall be disbursed until the Grantee is fully compliant with all terms of the Grant. Failure to comply shall require the Grantee to return all amounts of the inappropriate or unapproved expenditure to CARB within 45 calendar days of written notification.

- d. Grantee acknowledges that CARB is in the process of promulgating additional Advance Payment regulations. Grantee agrees that this Agreement may be reopened and modified to comply with such regulations once finalized.
- e. The Chief of the Mobile Source Control Division, or other designee of CARB, may review the CARB Project Liaison's approval or disapproval of a Grant Disbursement. No reimbursement will be made for expenses that, in the judgment of the Chief of the Mobile Source Control Division or other CARB designee, are not reasonable or do not comply with the Grant Agreement.
- f. The Grantee shall mail Grant Disbursement Requests to the CARB Project Liaison.
- g. CARB will withhold payment of ten percent of project implementation funds, as identified in Section G.2.b. of this Grant Agreement, until completion of all work, all intellectual property has been relinquished to CARB in accordance with Section J (Reporting) and Section M (Intellectual Property) of this Grant Agreement, CARB has received and approved the Grantee's mechanism (e.g. tools, software, documents) for receiving annual activity reports and questionnaires, and submission to CARB by Grantee of a Final Report. It is the Grantee's responsibility to submit a Grant Disbursement Request for this final disbursement of funds.
- h. CARB shall disburse funds in accordance with the California Prompt Payment Act, Government Code, Section 927, et seq.

## **6. Documentation of Project Implementation Funds**

- a. Project implementation funds shall be used to fund Grantee costs for administering CORE, which covers processing vouchers and other activities required for voucher processing and outreach. Project implementation funds cover all costs attributed to CORE incurred by the Grantee, including:
  - i. Grantee's personnel costs and fringe benefits;
  - ii. Operating costs (i.e., rent, supplies, and equipment);
  - iii. Indirect costs (i.e., administrative services, office space, and telephone services);

- iv. Travel expenses and per-diem rates, set at the rates specified by the California Department of Human Resources (CalHR);
  - v. Overhead;
  - vi. Consultant fees (if preapproved by CARB); and
  - vii. Printing, records retention, and mailing costs.
- b. The Grantee must maintain documentation of CORE funds used for implementation and outreach, as follows:
  - i. Personnel documentation must make use of timesheets or other labor-tracking software. Duty statements or other documentation may also be used to verify the number of staff and actual hours (or percent of time staff) devoted to CORE implementation and outreach.
  - ii. Fees for external consultants must be documented with copies of the consultant contract and invoices. All external consultant fees must be preapproved by CARB. Fees included in the budget as a part of the Grantee Application Package (Exhibit E) are considered preapproved by CARB.
  - 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 shall be at rates not to exceed those amounts paid to the State's represented employees. The State's travel and per diem reimbursement amounts may be found online at <http://www.calhr.ca.gov/employees/pages/travel-reimbursements.aspx>. Reimbursement must be at the State travel and per diem amounts applicable on the date the costs are actually incurred by the Grantee. No travel outside the State of California shall be reimbursed, unless prior written authorization is obtained from CARB.
  - v. If indirect costs are used as documentation for project implementation costs for CORE, the Grantee must have an official written policy regarding calculation of these costs. The Grantee must maintain documentation for all costs referenced in the indirect cost calculation written policy.
- c. The above documentation, records, and referenced materials must be made available for review during monitoring visits and audits by CARB, or its designee. These records must be retained for a minimum of three years after submittal of the final CORE disbursement request to CARB.

- d. The above documentation must be provided to CARB in Status Reports and a Final Report.

## **7. Advance Payment**

Consistent with the Legislature's direction to expeditiously disburse grants, CARB in its sole discretion may provide advance payments of grant awards in a timely manner to support program initiation and implementation with a focus on mitigating the constraints of modest reserves and potential cash flow problems.

Recognizing that appropriate safeguards are needed to ensure grant monies are used responsibly, CARB has developed the grant conditions described below to establish control procedures for advance payments. CARB may provide advance payments to grantees of a grant program or project if CARB determines all of the following:

- a. The advance payments are necessary to meet the purposes of the grant project.
- b. The use of the advance funds is adequately regulated by grant or budgetary controls.
- c. The request for application or the request for proposals contains the terms and conditions under which an advance payment may be received consistent with this section.
- d. The Grantee is either a small air district or the Grantee meets all of the following criteria:
  - i. Has no outstanding financial audit findings related to any of the moneys eligible for advance payment and is in good standing with the Franchise Tax Board and Internal Revenue Service.
  - ii. Agrees to revert all unused moneys to CARB if they are not liquidated within the timeline specified in the grant agreement.
  - iii. Submits a spending plan to CARB for review prior to receiving the advance payment.
  - iv. The spending plan shall include project schedules, timelines, milestones, and the Grantee's fund balance for all state grant programs.
  - v. CARB shall consider the available fund balance when determining the amount of the advance payment.
  - vi. Reports to CARB any material changes to the spending plan within 30 days.
  - vii. Agrees to not provide advance payment to any other entity.

- e. In the event of the nonperformance of the Grantee, CARB shall require the full recovery of the unspent moneys. A Grantee shall provide a money transfer confirmation within 45 calendar days upon the receipt of a notice from CARB.
- f. The Grantee must complete and submit to CARB for review and approval, an Advance Payment Request Form, along with each grant disbursement that is requesting advance payment. The Advance Payment Request Form shall be provided by CARB to the Grantee after the grant execution.
- g. CARB may provide an advance of the direct project costs of the grant, if the program has moderate reserves and potential cash flow issues. Advance payments will not exceed the Grantee's interim cash needs.
- h. The Grantee assumes legal and financial risk of the advance payment.
- i. Grantee shall place funds advanced under this section in an interest-bearing account. Grantee shall track interest accrued on the advance payment. Interest earned on the advance payment shall only be used for eligible grant-related expenses as outlined in the Grant Provisions, Exhibit A or will be returned to CARB.
- j. Grantee shall report to CARB the value of any unused balance of the advance payment and interest earned and submit quarterly fiscal accounting reports consistent with Section J, Reporting, of this grant agreement (also see Section L, Project Records, of this grant agreement).
- k. Grantee shall remit to CARB any unused portion of the advance payment and interest earned within 90 days following the end date of this Grant Agreement term on \_\_\_\_ or the reversion date of the appropriation.

## **8. Earned Interest**

Earned interest means any interest earnings generated from grant funds held by Grantee in interest bearing accounts.

- a. Except as provided in Section G.7.b.iii., above, Grant funds are not required to be held in an interest bearing account. However, if interest is earned by Grantee on the project, the earnings must be reported to CARB. All interest income on the project funds must be reinvested in and used by the project or returned to CARB. Grantee is responsible for reporting to CARB all project expenditures funded with interest earned on the grant funds.
- b. If applicable, the Grantee must maintain accounting records (e.g., general ledger) that tracks interest earned, expended, reinvested, or returned on the grant funds, as follows:



- i. The calculation of interest must be based on an average daily balance or some other reasonable and demonstrable method.
- ii. Interest earned must be separately identifiable from interest earned on nongrant funds.
- iii. The methodology for calculating earned interest must be consistent with how it is calculated for Grantee's other fiscal programs, if applicable.
- iv. Earned interest must be fully expended or returned to CARB by completion of the project, submittal of the Final Report, or by May 15, 2021, whichever comes first.
- v. Documentation of interest earned on grant funds must be retained for a minimum of three years after it is generated. Documentation of interest expended on eligible equipment must be retained for a minimum of three years after the interest-funded equipment has been redeemed.
- vi. The above documentation must be provided to CARB in Quarterly Reports and Final Report.

## **9. Suspension of Payments and Grant Agreement Termination**

- a. CARB reserves the right to terminate this Grant Agreement upon 30 days' written notice to the Grantee. In addition, CARB may terminate this Grant in accordance with Section N.25. (Termination). In case of early termination, the Grantee will submit a Grant Disbursement Request form, a Status Report covering activities up to, and including, the termination date, following the requirements in Section J (Reporting) of this Grant Agreement. Upon receipt of the Grant Disbursement Request form, and Status Report, and once all intellectual property has been relinquished to CARB, a final payment will be made to the Grantee. This payment shall be for all CARB-approved, actually incurred costs, i.e., costs that CARB has determined are justified. However, the total amount paid shall not exceed the total Grant amount.
- b. CARB reserves the right to suspend the Grant in the event that a dispute should arise. CARB will suspend the Grant until the dispute has been resolved or the Grant Agreement has been terminated. If the Grantee chooses to continue work on the project during a suspension, the Grantee will not be reimbursed for any expenditure incurred during the suspension, in the event CARB ultimately terminates the Grant Agreement. If CARB rescinds the suspension and does not terminate the Grant Agreement,

CARB will reimburse the Grantee for any expenses incurred during the suspension that are reimbursable in accordance with the terms of the Grant Agreement.

- c. Upon Grant Agreement termination, regardless of cause, CORE voucher funds must be returned to CARB within 45 calendar days.

## **10. Contingency Provision**

In the event this Grant is terminated, regardless of cause, the CARB Executive Officer or designee reserves the right in his or her sole discretion to award a Grant to the next highest scored applicant and, if an agreement cannot be reached with said applicant, to the next applicant(s) until an agreement is reached. If CARB is unable to award a Grant under these circumstances, CARB may reallocate funding to other projects.

### **H. DOCUMENTATION OF EXPENDITURE OF STATE FUNDS**

The Grantee must provide CARB with documentation accounting for the proper expenditure of CARB funds. The documentation must be provided in Status Reports submitted monthly to CARB. In addition, a Final Report must be submitted after all equipment funding has been expended and prior to the Grantee receiving their last disbursement of project implementation funding.

### **I. PROJECT MONITORING**

#### **1. Meetings**

- a. Initial meeting: A meeting will be held between key project personnel and CARB staff before work on the project begins. The purpose of the first meeting will be to discuss the overall plan, details of performing the tasks, the project schedule, and any issues that may need to be resolved.
- b. Review meetings: After the initial meeting with CARB staff, monthly meetings will be required until the tasks related to project initiation (Implementation Manual is finalized, CORE website completed, and other tasks agreed upon by CARB and the Grantee, as necessary to initiate the project have been completed). After the project is operational, CARB and the Grantee can agree to hold less frequent review meetings (quarterly, at a minimum), if deemed appropriate. Additional meetings may be scheduled at the sole discretion of the CARB Project Liaison. Such meetings may be conducted by phone, if deemed appropriate by CARB Project Liaison.
- c. Site visits: Site visits shall be established by CARB Project Liaison during the term of this Grant Agreement and the Grantee will facilitate these site visits.

## **2. Technical Monitoring**

- a. The Grantee shall notify the CARB Project Liaison in writing, immediately, if any circumstances arise (technical, economic, or otherwise) that might place completion of the project in jeopardy. The Grantee shall also make such notification if there is a change in key project personnel (see Exhibit B, Attachment IV).
- b. In addition to Status Reports (see Section J, Reporting, of this Grant Agreement), the Grantee shall provide information requested by the CARB Project Liaison that is needed to assess progress in completing tasks and meeting the objectives of the project.
- c. Any changes in the scope or schedule of the project shall require the prior written approval of the CARB Project Liaison and may require a formal Grant Amendment.
- d. Any change in budget allocations, redefining of deliverables, or extension of the project schedule must be requested in writing and is subject to approval by CARB. Such change may require a formal Grant Amendment.

## **J. REPORTING**

### **1. Status Reports**

- a. The Grantee shall submit Status Reports on a monthly basis. The Status Reports shall be provided in a format agreed upon between the CARB Project Liaison and the Grantee and meet the requirements specified herein. CARB may specify an electronic format for Status Reports.
- b. The Grantee must provide a Status Report to CARB detailing the off-road pieces of equipment and associated voucher amounts assigned and redeemed to date. The Status Report must include the following components:
  - i. Excel spreadsheet of off-road pieces of equipment funded for the reporting period (format and data fields to be agreed upon by the Grantee and CARB). Data fields shall include, but not be limited to, Vehicle Identification Number (if applicable); purchasing fleet home office city and zip code; physical address, air basin, and census tract of the location(s) where the equipment is stored; where the equipment is operated (if applicable); equipment type, make and model; and purchase/lease date.

- ii. Additionally, at a minimum of three-month intervals, the Status Report must include the telematics data specified within the Solicitation, Implementation Manual Framework, and Implementation Manual and referenced in the Grantee's Duties and Requirements in Section F.2.q. of this Grant Agreement.
- iii. Status reports must include the following information:
  - 1. Number of vouchers requests received, approved, in-process, and pending;
  - 2. Dollar amount of vouchers issued by equipment vocation;
  - 3. Number, dollar amount, and percentage of vouchers issued by equipment type, model, purchase price and voucher amount;
  - 4. Graph of number of vouchers issued by equipment model and month;
  - 5. Number of vouchers for equipment leased versus purchased;
  - 6. Number of vouchers per Air Basin;
  - 7. Number of vouchers and dollar amount provided to equipment in disadvantaged communities, as defined by CARB (based on CalEnviroScreen 3.0<sup>7</sup>);
  - 8. Track and report in which California Senate and Assembly districts pieces of equipment are being deployed, along with the corresponding legislative representative;
  - 9. Other financial incentives received (other than tax vouchers), if applicable;
  - 10. Status of education and outreach efforts;
  - 11. Survey results and feedback received from consumers, if available;
  - 12. Accounting records, including expenditure and supporting documentation;
  - 13. Copies of any reports from sub-contractors or partner agencies concerning the performance of the program, if appropriate;
  - 14. Identified problems or concerns, proposed solutions, lessons learned, and suggested best practices, if applicable;
  - 15. Other data and analysis as required by CARB; and
  - 16. Remaining Grant funding available.

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<sup>7</sup> The CalEnviroScreen 3.0 mapping tool is available at <https://oehha.ca.gov/calenviroscreen/report/calenviroscreen-30>

- iv. Grantee project implementation funding summaries, if applicable.
- v. Identified problems or concerns and proposed solutions, if applicable.
- c. The Status Report provides a mechanism for the Grantee to justify a need for additional CORE disbursements from CARB. The Status Report must be submitted monthly, but may be provided on an as needed basis, to justify additional funding from CARB. The first Status Report must be submitted one month after the Grant Agreement is fully executed or when requesting additional disbursement of funds, whichever is sooner.
- d. If the project is behind schedule, the Status Reports must contain an explanation of the reasons and how the Grantee plans to resume the schedule.

## **2. Final Report**

- a. The Grantee must submit a Final Report to CARB after all CORE funding has been expended.
- b. The Final Report must include, at a minimum:
  - i. Total fund expenditures documentation (including, but not limited to, off-road equipment voucher funds, project implementation costs, and match and in-kind contributions);
  - ii. Excel spreadsheet of any off-road equipment funded, but not previously included in a Status Report;
  - iii. Summary report of all off-road equipment funded by CORE for the period covered by the Grant Agreement (may be provided as summaries or previously submitted Status Reports - see Section J.1, Status Report);
  - iv. Total expenditures of CORE funding per source of funding and fiscal year;
  - v. Total number of vouchers and funding amounts benefitting disadvantaged communities;
  - vi. Telematics data, as specified within the Solicitation, Implementation Manual Framework, and Implementation

Manual and referenced in the Grantee's Duties and Requirements in Section F.2.q. of this Grant Agreement;

- vii. Outreach efforts;
  - viii. Implementation challenges;
  - ix. Recommendations for potential program improvements; and
  - x. Earned interest.
- c. When the project is complete, the Grantee shall submit a draft Final Report. The draft Final Report must be submitted to CARB in an appropriate format agreed upon between the CARB Project Liaison and the Grantee. The Final Report must meet the requirements specified herein. Upon approval of the draft Final Report by the CARB Project Liaison, the Grantee shall provide a written copy of the final version, plus an electronic file in a file format approved by the CARB Project Liaison.

#### **K. OVERSIGHT AND ACCOUNTABILITY**

1. The Grantee shall comply with all oversight responsibilities identified herein.
2. CARB or its designee may recoup CORE funds that were provided based upon misinformation or fraud, or from a Grantee, manufacturer (including off-road equipment manufacturer), technology provider, dealer, or off-road equipment purchaser that is in significant or continual noncompliance with the terms of this Grant Agreement or State law. CARB also reserves the right to prohibit any entity from participating in CORE due to noncompliance with project requirements.
3. If the Grantee detects any actual and/or potentially fraudulent activity by an off-road equipment dealer, purchaser, or lessee, the Grantee shall notify CARB as soon as possible and work with CARB to determine an appropriate course of action.

#### **L. PROJECT RECORDS**

As further described below, project records include, but are not limited to, Grantee documentation, financial records, and voucher records. All project records must be retained for a period of three years after final payment under this Grant Agreement. All project records are subject to audit pursuant to Section N.4. (Audit) of this Grant Agreement. Upon completion of the third year of record retention, the Grantee shall submit all project records to CARB. Hardcopy or electronic records are suitable. Acceptable forms of electronic media must be approved based on prior written concurrence from CARB.

## **1. Grantee Documentation Records**

The Grantee shall retain a combined file for CORE containing:

- a. Original executed copy of the CORE Grant Agreement and Grant Agreement Amendments (if applicable).
- b. Policies and Procedures Manual (see Section F.2.h).
- c. Copies of Grant Disbursement Request Forms.
- d. Documentation of earned interest generation and expenditure (see Section G.8., Earned Interest, 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 CORE that adequately documents all significant actions relative to the project.
- b. Establish separate accounts that adequately and accurately depict all amounts received and expended through CORE.
- c. Establish separate accounts that adequately and accurately depict all CORE-related income received.
- d. Establish an accounting system that adequately depicts final total costs of CORE.

## **3. Voucher Records**

Grantee is required to establish and maintain voucher records that include, at a minimum:

- a. CORE voucher applications.
- b. Unique identifier that links each voucher to its corresponding file.
- c. Documentation on any deviations from the normal processing of vouchers (examples include enforcement action, CARB case-by-case approvals).

- d. Maintain copies of all disapproved voucher applications and the reason(s) for disapproval.

## **M. INTELLECTUAL PROPERTY**

Any webpage(s), software, databases, project data, or other intellectual property developed or purchased by the Grantee for the purposes of administering or implementing CORE are the property of CARB. Should a different entity be selected to manage CORE in subsequent funding years, it will be the Grantee's responsibility to turn over this property and information to CARB and said entity and provide all reasonable and necessary assistance needed to ensure a smooth transition. It is CARB's intention that voucher access and redemption be seamless to off-road equipment purchasers and lessees as CORE transitions to each new fiscal year.

## **N. 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 CARB.
3. **Availability of funds:** CARB'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 CARB, 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 three 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, state, and local 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 that has been designated as confidential by CARB 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 could conflict with its ability to impartially complete the tasks described herein. The Grantee must disclose any direct or indirect financial interest or situation that could be perceived as an actual, apparent, or potential conflict of interest. In determining if an interest or situation poses a conflict of interest, CARB will consider the nature and potential impact of such interest or situation on the Grantee's ability to perform its duties, as stipulated by the Grant Agreement.

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

- 9. Disadvantaged Communities:** The Grantee, for the purposes of this program, will designate disadvantaged communities, as identified by CalEnviroScreen 3.0. The identified disadvantaged community census tracts are available at: <http://www.calepa.ca.gov/EnvJustice/GHGInvest/>
- 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 CARB 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 CARB staff must be subject to resolution by the CARB 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 federal, 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 CARB 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. CARB 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 CARB.
- 18. Nondiscrimination:** During the performance of this Agreement, the Grantee and its subcontractors shall not unlawfully discriminate, harass, or allow

harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (e.g., cancer), age (over 40), marital status, and denial of family care leave. The Grantee and subcontractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. The Grantee and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code §12990 (a-f) et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. The Grantee and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement. The Grantee shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Agreement.

- 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 CARB. No information, data, documents, intellectual property received or generated under this Grant must be released without CARB's approval.
- 21. Personally Identifiable Information (PII):** 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 that 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, CARB 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 return funds to CARB within 45 calendar days.
- 26. Timeliness:** Time is of the essence in this Grant Agreement. Grantee must proceed with and complete CORE 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.

## **O. INSURANCE REQUIREMENTS**

The Grantee must comply with all requirements outlined in Section N, General Provisions, and Section O, Insurance Requirements, described below.

No payments will be made under the grant until the Grantee fully complies with all insurance requirements.

### **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 ten 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 Nonrenewal – Grantee is responsible to notify the State within five business days of any cancellation, nonrenewal, or material change that affects required

insurance coverage. New certificates of insurance are subject to the approval of the Department of General Services, and the Grantee agrees no work or services will be performed prior to obtaining such approval. In the event that the 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 the grant upon the occurrence of such event, subject to the provisions of the grant.

- c. Premiums, Assessments and Deductibles – The 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 the 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<sup>8</sup> rating of at least “A–” with a financial category rating of no lower than VI. If the 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 the Grantee’s obligations under the Grant Agreement.
- h. Use of Subcontractor – In the case of the Grantee’s utilization of subcontractors to complete the grant scope of work, the Grantee shall include all subcontractors as insured’s under the Grantee’s insurance or supply evidence of the subcontractor’s insurance to the State equal to policies, coverages, and limits required of the Grantee.

## **2. Grant Insurance Requirements**

The Grantee shall display evidence of the following on a certificate of insurance. 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 – The Grantee shall maintain general liability on an occurrence form with limits not less than \$1,000,000 per

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<sup>8</sup> <http://www.ambest.com/home/default.aspx>

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 Grantees, products, completed operations, personal and advertising injury, and liability assumed under an insured contract or Grant Agreement. 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 Agreement.

- 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 insurance. 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 Agreement.
- c. Workers Compensation and Employers Liability – The 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 Agreement. In addition, employer’s liability limits of \$1,000,000 are required. A Waiver of Subrogation or Right to Recover endorsement in favor of the State of California must be attached to the certificate.
- d. Crime Insurance – Crime insurance requirements are negotiable at CARB’s sole discretion. At a minimum, the maximum amount of funding that the Grantee will have on hand at any time should be covered. Coverage shall include, but not be limited to, employee dishonesty, theft, forgery or alteration, and inside/outside money and securities coverages, including first- and third-party theft for state-owned or leased property in the care, custody, and/or control of the Grantee. The policy shall include as loss payee, the State of California, California Air Resources Board.

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**EXHIBIT B, WORK STATEMENT  
GRANT NUMBER:**

**Attachment I - Budget Summary**

**Attachment II - Project Milestones and Disbursement Schedule**

**Attachment III - Project Schedule**

**Attachment IV - Key Project Personnel**



**EXHIBIT B, Attachment I**

**Budget Summary**

**Grantee:** \_\_\_\_\_

**Grant No.:** \_\_\_\_\_

**Project: Clean Off-Road Equipment Voucher Incentive Project**

**Total Costs & Funding**

<b>Funding Source</b>	<b>Amount</b>	<b>Project Implementation Funds</b>	<b>Off-Road Equipment Voucher Funds</b>
<b>GGRF</b>	<b>\$40,000,000</b>		
<b>TOTAL</b>	<b>\$40,000,000</b>		

Dependent on amount of signed grant (not to exceed seven percent). Additional detail is in Exhibit E, Grantee Application Package.

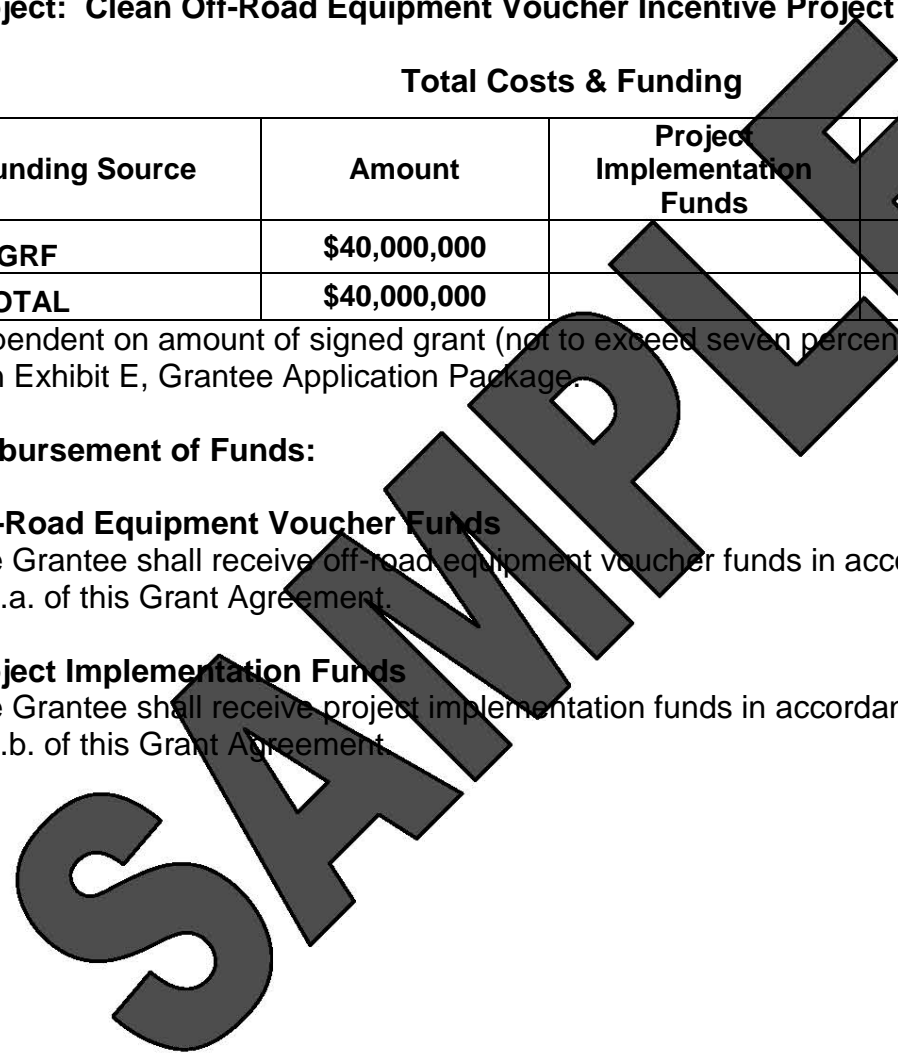
**Disbursement of Funds:**

**Off-Road Equipment Voucher Funds**

The Grantee shall receive off-road equipment voucher funds in accordance with Section G.2.a. of this Grant Agreement.

**Project Implementation Funds**

The Grantee shall receive project implementation funds in accordance with Section G.2.b. of this Grant Agreement.



**EXHIBIT B, Attachment II**

**Project Milestones and Disbursement Schedule**

**Grantee:** \_\_\_\_\_

**Grant No.:** \_\_\_\_\_

**Project: Clean Off-Road Equipment Voucher Incentive Project**

Milestone	Milestone Description	Funding Amount
<b>1</b>	<b>Project Implementation Costs (not to exceed seven percent)</b>	
1.1	Sign Grant Agreement with CARB <sup>1</sup>	Up to 30 percent
1.2	Completion of fully-functional voucher request and redemption website; Finalized Implementation Manual; Completion of Dealer Trainings	10 percent
1.3	25 Percent of Voucher Funding Committed via Vouchers Issued	5 percent
1.4	50 Percent of Voucher Funding Committed via Vouchers Issued	5 percent
1.5	75 Percent of Voucher Funding Committed via Vouchers Issued	5 percent
1.6	100 Percent of Voucher Funding Committed via Vouchers Issued	10 percent
1.7	25 Percent of Voucher Funding Expended	5 percent
1.8	50 Percent of Voucher Funding Expended	5 percent
1.9	75 Percent of Voucher Funding Expended	5 percent
1.10	100 Percent Voucher Funding Expended	10 percent
1.11	Receipt of Intellectual Property and Data; Completion of Off-Road Equipment Activity Reporting Mechanism; Receipt of Final Report	10 percent <sup>2</sup>
Project Implementation Cost Subtotal		
<b>2</b>	<b>Off-Road Equipment Voucher Funding</b>	
2.1	Complete Implementation Manual and voucher application forms <sup>3</sup> .	20 percent
2.2	Ongoing disbursement of voucher funds <sup>3</sup>	80 percent
Off-Road Equipment Voucher Funding Subtotal		
CORE Grand Total		\$40,000,000

<sup>1</sup> The initial disbursement of off-road equipment voucher funds and project implementation funds will be released once funds become available.

<sup>2</sup> If Grantee receives less than 30 percent of project implementation funds for Milestone 1.1, the remaining funding (i.e., 30 percent minus actual percentage received) shall be added to Milestone 1.11.

<sup>3</sup> Project funds will be disbursed in accordance with the instructions identified in Section G.2., Project Funding, and Section G.5., Grant Disbursements, of this Grant Agreement.

**EXHIBIT B, Attachment III**

**Project Schedule**

**Grantee:** \_\_\_\_\_

**Grant No.:** \_\_\_\_\_

**Project: Clean Off-Road Equipment Voucher Incentive Project**

Detailed Scope of Work and Schedule

<b>Work Task</b>	<b>Start Date<sup>1</sup></b>	<b>Completion Date<sup>1</sup></b>
Task 1 – Sign Grant Agreement with CARB; submit to CARB one original copy of fully executed Grant Agreement.	January 2019	January 2019
Task 2 – Complete Implementation Manual and update voucher application forms <sup>2</sup> .	January 2019	February 2019
Task 3 – Outreach and education, including robust outreach activities in disadvantaged communities.	Ongoing	Ongoing
Task 4 – Update Implementation Manual (in a manner directed by CARB), CORE Project webpages, and CORE database; accept voucher applications; process vouchers and disburse voucher funds; initiate enforcement process for 36-month ownership requirement by identifying and reporting at-risk voucher recipients; track and report equipment resale inquiries; track vouchers used in disadvantaged communities; and contact voucher recipients that have sold, or will potentially sell, their equipment early, to request repayment of the prorated voucher amount or to ensure new owners accept all applicable CORE terms and conditions. Submit a mechanism (e.g., tools, software, documents) for receiving annual activity reports and questionnaires to CARB for approval. See Section F.2., Grantee Responsibilities and Duties, of the Grant Agreement for detailed tasks.	January 2019	Until voucher funding is depleted
Task 5 – Provide CARB Status Reports.	Every month or when requesting additional funds, whichever is sooner	
Task 6 – Provide CARB with CORE intellectual property and data needed to ensure smooth implementation of CORE in future years; submit Final Report to CARB.	Within 6 weeks of voucher funding depletion or March 31, 2021, whichever is sooner	

<sup>1</sup> Start and completion dates are estimated for the sole purpose of this Sample Grant Agreement

<sup>2</sup> Personal information or other data collected from voucher applications may not be used or released in any way; however, with approval from CARB, this information can be used for other related CARB incentive programs with the consent of the voucher applicant (e.g., checking “opt-in” boxes on the application) and the written consent of CARB.

**EXHIBIT B, Attachment IV**

**Key Project Personnel**

**Grantee:** \_\_\_\_\_

**Grant No.:** \_\_\_\_\_

**Project: Clean Off-Road Equipment Voucher Incentive Project**

Name	Position	Duties

**SAMPLE**

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EXHIBIT C, IMPLEMENTATION MANUAL FRAMEWORK  
GRANT NUMBER:

**Clean Transportation Incentives**  
**Implementation Manual Framework**

**Fiscal Year 2017-18**  
**Clean Off-Road Equipment Voucher Incentive Project**

**Effective Date: February 1, 2019**



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**EXHIBIT D, GRANT SOLICITATION PACKAGE  
GRANT NUMBER:**

**Clean Transportation Incentives  
2017-2018 GRANT SOLICITATION**

**Fiscal Year 2017-18  
Clean Off-Road Equipment Voucher Incentive Project**

Mobile Source Control Division  
California Air Resources Board  
February 1, 2019



**CALIFORNIA**  
AIR RESOURCES BOARD



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**EXHIBIT E, GRANTEE APPLICATION  
GRANT NUMBER:**

**GRANTEE APPLICATION PACKAGE**