

## Appendix D

### Draft Sample Grant Agreement Fiscal Year 2016-17

#### EXHIBIT A

#### GRANT PROVISIONS

- A.** The parties agree to comply with the requirements and conditions contained herein, as well as all commitments identified in the Fiscal Year 2016-17 Grant Solicitation for the Air Quality Improvement Program (AQIP) and Low Carbon Transportation Investments from the Greenhouse Gas Emission Reduction Fund (GGRF) Clean Vehicle Rebate Project (CVRP) and Grantee Application Package. This includes all provisions, roles, and responsibilities identified in the current CVRP Terms and Conditions and the current CVRP Implementation Manual.
- B.** The California Climate Investments logo and name serves to bring under a single brand the many investments whose funding comes from the 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. The Grantee agrees to acknowledge the California Climate Investments program as a funding source from ARB'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).



#### **C. GRANT SUMMARY AND AMENDMENTS (if applicable)**

Project Title: Clean Vehicle Rebate Project (CVRP)  
Authorized Official:  
Title:

**Total Grant Amount:**

**Total Match:**

**D. GRANT PARTIES AND CONTACT INFORMATION**

1. This Grant is from the California Air Resources Board (hereinafter referred to as ARB or the Board) to \_\_\_\_\_ (hereinafter referred to as Grantee).
2. The ARB Project Liaison is Sara Dastoum. Correspondence regarding this project shall be directed to:

Sara Dastoum  
Air Resources Board  
Mobile Source Control Division  
Post Office Box 2815  
Sacramento, California 95812  
Phone: (916) 323-1696  
Email: sara.dastoum@arb.ca.gov

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

Name  
Title  
Address  
Phone  
Email

## **E. TIME PERIOD**

1. Performance of work or other expenses billable to ARB under this Grant may commence after full execution of this Grant by parties. Performance on this Grant ends once the Grantee has submitted the final report or if this Grant is terminated, whichever is earlier.
2. Upon completion of the project, the Grantee shall submit a draft final report to the ARB Project Liaison no later than **May 15, 2019** (see Section K, Reporting, of this Grant Agreement).
3. Final request for payment and Final Report shall be received by ARB no later than **May 31, 2019** (see Sections H (3) and K (2) of this Grant Agreement).
4. The ARB Executive Officer retains the authority to terminate or reduce the dollar amount of this Grant if by **January 1, 2019**, 60 percent of project funding has not been expended by the Grantee. In the event of such termination, Section G (4) of these provisions shall apply.

## **F. GRANT AGREEMENT FOR FY 2016-17**

1. ARB, in its sole discretion, may award a new Grant Agreement each of the following two fiscal years (FY 2017-18 and FY 2018-19), as specified in Grant Number \_\_\_\_\_. The Grantee understands and agrees that there is no guarantee that the FY 2017-18 and FY 2018-19 Grant Agreements will be awarded.

## **G. DUTIES AND REQUIREMENTS**

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

### **1. Air Resources Board**

ARB is responsible for the following:

- a. Updating and finalizing the Implementation Manual in consultation with the Grantee.
- b. Evaluating and approving vehicles for the CVRP List of Eligible Vehicle Models and providing the Grantee an up-to-date list. ARB is responsible for working closely with vehicle manufacturers in order to determine vehicle eligibility.
- c. Determining vehicle rebate amounts and providing this information to the Grantee.

- d. Participating in regular meetings with the Grantee to discuss project refinements and guide project implementation.
- e. Reviewing and approving project elements provided by the Grantee, such as the CVRP webpage, rebate payment verification, and progress reports.
- f. Review and approve all Grant Disbursement Request Forms (MSCD/ISB-90) and distribute ARB vehicle rebate funds to the Grantee.
- g. Prepare and approve all AQIP Grant Disbursement Request Forms (MSCD/ISB-90).
- h. Providing project oversight and accountability (in conjunction with the Grantee).
- i. Verifying vehicle ownership through checking vehicle identification numbers (VIN) with the California DMV.
- j. Pursuing remedies to recoup prorated rebate funds from rebate recipients who break the CVRP vehicle ownership requirements without prior ARB approval.
- k. Meeting applicable requirements of statutes, the AB 118 AQIP Guidelines (AQIP Guidelines) and Fiscal Year (FY) 2016-2017 Funding Plan for the Air Quality Improvement Program and Low Carbon Transportation Greenhouse Gas Reduction Fund Investments (FY 2016-17 Funding Plan), and the Fiscal Year 2016-17 Grant Solicitation Air Quality Improvement Program Clean Vehicle Rebate Project (CVRP solicitation), this Grant Agreement with the Grantee, and the current Implementation Manual and any future updates and/or revisions to the Implementation Manual issued during the grant term. The Guidelines and Funding Plan are available at:  
[www.arb.ca.gov/msprog/aqip/aqip.htm](http://www.arb.ca.gov/msprog/aqip/aqip.htm).

## 2. The Grantee

The Grantee is responsible for implementation of the CVRP 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 rebates for eligible vehicles – project development, project implementation, and project reporting.

These phases are to be completed in a manner directed by ARB and on a timeframe agreed upon by the Grantee and ARB.

The Grantee is responsible for the on-the-ground project implementation and distributing rebate payments for eligible vehicles, including, but not limited to, the

following tasks:

- a. Throughout the grant term and in consultation with ARB, update and finalize the both the CVRP Terms and Conditions and the Implementation Manual.
- b. Prepare outreach and educational materials in consultation with ARB and conduct the statewide public outreach necessary for the project to be successful. The Grantee shall clearly identify an outreach plan that contains, at minimum:
  - i. The types of outreach planned (e.g., printed materials, web-based, and social media).
  - ii. An approximation of the number of community events and the geographic location that will be attended to promote clean vehicle technology (including technology demonstration).
  - iii. A strategy to support organizations and groups that are representative of disadvantaged communities, and that are connected to a network of similar organizations and culturally-relevant institutions and community service providers to provide education, technical assistance, ride and drive opportunities, etc. Such groups and programs include, but is not limited to; the PEV Collaborative, Energy Upgrade California, Drive California, utility groups, community colleges, community centers, community events, smog check stations, and labor unions with low-wage members.
  - iv. A strategy to engage disadvantaged communities through activities relevant to the community being served, and through the use of language-specific and culturally-appropriate outreach and education materials.
  - v. A strategy to support dealerships and manufacturers for reaching sales staff and consumers.
  - vi. Outreach materials, such as fact sheets, infographics, and other multimedia tools, such as videos, readily accessible on the website.
- c. At the discretion of ARB, define, develop, and implement a prequalification mechanism to allow consumers the option to receive the appropriate incentive for an eligible vehicle as close to the time of purchase as possible.
- d. At the discretion of ARB, conduct consumer surveys and provide a summary of responses which includes survey statistics.

- e. Develop program related user-friendly public webpages (that may be hosted at ARB's discretion on the Grantee's webpages), ARB webpages, or an ARB-approved third party webpage. Webpages must include, at a minimum:
  - i. The list of eligible vehicles and each vehicle's rebate amount.
  - ii. Ability to submit online rebate applications.
  - iii. Ability to track the total CVRP funds, both available and expended, in real-time.
  - iv. Ability to provide information on CVRP rebates disbursed based on query parameters such as vehicle type, location, and consumer type.
  - v. Ability to provide a visual representation of where rebates are being disbursed with a mapping tool.
  - vi. Ability to provide user survey data to display information such as demographics, dealer experience, motivations to purchase, decision-making process, etc.
  - vii. Applicable documents and forms related to the project.
- f. Develop a policies and procedures document and flow chart that describes the Grantee's administrative action for processing rebates. Examples include details on acceptable supporting documentation, practice for correcting erroneous VIN data entry errors, and protocols for recording ARB case-by-case approvals.
- g. Establish and maintain rebate records (see Section M (2) for more information).
- h. Store all records in a safe and secure storage facility that maintains confidentiality and provides fire and natural disaster protection (see Section M for more information). 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 ARB. Hardcopy of electronic records are suitable. Acceptable forms of electronic media include hard drives, CDs, DVDs, and flash drives. Other forms of electronic media may be allowed based on prior written concurrence from ARB.
- i. Develop a systematic process and schedule to back-up CVRP database(s) each day at a minimum.
- j. Meet and adhere to all Information Security Requirements described in NIST Special Publication 800-53 r4.

- k. Ensure purchasers and lessees meet all applicable CVRP requirements, including, but not limited to:
  - i. Implementation of income eligibility requirements.
  - ii. Development of protocols for income verification.
  - iii. Enforcement of program requirements.
- l. Conduct random sample checks developed by ARB and the Grantee to determine compliance with the maximum number of rebates for individuals and businesses requirement.
- m. Income verification shall include an evaluation on a sliding scale of up to 100 percent of total rebate applications received per month. This sliding scale will be at ARB's discretion considering periodic operational updates received from the Grantee. Verification will be conducted randomly and systematically to ensure compliance with project requirements.
- n. Support 30-month ownership and lessee requirements by identifying and reporting at-risk rebate recipients to ARB.
- o. Track and report vehicle resale inquiries to ARB.
- p. Contact rebate recipients that have, or will potentially sell their vehicle early, to request repayment of the prorated rebate amount (see Section C (4) of the Implementation Manual).
- q. Use the criteria in the Implementation Manual to review and approve or disapprove rebate applications and document this process in each project file.
- r. Maintain copies of all applications cancelled by the Grantee.
- s. Maintain copies of all correspondence with disapproved applications, beginning with the cancellation notice sent to applicant.
- t. Distribute rebate payments to eligible vehicle purchasers and lessees.
- u. Develop and maintain accounting procedures to track expenditures by grant award and all CVRP funding sources (AQIP, GGRF, CEC, etc.).
- v. Establish a process for returned rebate funds as a result of uncashed rebate checks, prorated returns, cancellations, etc.

- w. Track rebates per funding source issued in disadvantaged communities in a manner directed by ARB (e.g. AQIF, GGRF, CEC, etc.).
- x. Provide real-time rebate statistics, including rebates issued, dollars awarded by funding source, location of rebates, and other statistics as defined by ARB.
- y. Ensure that the most current list of eligible vehicles is being used.
- z. Establish a waiting list if the project becomes oversubscribed and ARB determines a waiting list is appropriate (see Section B (9) of the Implementation Manual).
  - aa. Respond to public inquiries regarding CVRP.
  - bb. Administer vehicle owner surveys to rebate recipients (see Section C (2) of the Implementation Manual).
  - cc. Assess the influence of incentives on clean vehicles.
  - dd. Provide data updates to ARB upon request.
  - ee. Provide periodic data summaries to the public in response to data requests.
  - ff. Provide Status Reports to ARB detailing rebates redeemed for purchased and leased vehicles (see Section K (1) for more detail).
  - gg. Provide ARB with a CVRP Final Report that summarizes and evaluates total fund expenditures (including match and in-kind funds), vehicles funded, outreach efforts, implementation challenges, and recommended potential program improvements (see Section K (2) for more detail).
  - hh. Provide ARB with all project records including but not limited to copies of rebate checks upon request (see section M for more detail).
- ii. Develop a project transfer plan in a manner directed by ARB that includes the following tasks:
  - i. Process rebates for all of FY 2016-17.
  - ii. Complete all tasks associated with the FY 2016-17 CVRP closeout (see Section K (2) for more detail).
  - iii. Process rebates for the following fiscal year for up to three months after closeout.



- iv. If applicable, transfer CVRP data and website to a new Grantee/administrator selected by ARB according to the agreed upon transfer plan (see Section N for more information).
- jj. Provide information, upon request, to individuals or organizations that wish to appeal a rebate denial to ARB.
- kk. Upon request, provide ARB with all webpage(s), software, or other intellectual property developed or purchased by the Grantee for the purposes of administering or implementing CVRP (see Section N (1) for more detail).
- ll. Meet applicable requirements or statutes, the AB 118 AQIP Guidelines, the FY 2016-17 Funding Plan, this solicitation, the CVRP Grant Agreement with ARB, the Terms and Conditions, and the Implementation Manual.

## **H. FISCAL ADMINISTRATION**

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

### **1. Budget**

- a. The maximum amount of this Grant is up to \_\_\_\_\_. The maximum amount of this Grant may be increased further contingent upon receiving additional funds. The Grantee understands and agrees that there is no guarantee that additional funds will become available. Under no circumstance will ARB reimburse the Grantee for more than this amount. A written Grant Agreement amendment is required whenever there is a change to the amount of this grant.
- b. The budget for this project is shown in Exhibit C, Attachment I. Grant Disbursement Requests for vehicle rebate and Grantee rebate processing fee shall not exceed the grant amount.
- c. The total AQIP funding may be reallocated in the event that the Grantee requests less than the total rebate processing fee amount stated in the budget.

### **2. Project Funding**

#### **a. Vehicle Rebate Funding**

The success of CVRP is contingent upon the ability of vehicle purchasers and lessees to benefit from the rebates quickly after purchasing or leasing an eligible vehicle. The Grantee will receive an initial disbursement of up to 50

percent of the CVRP vehicle rebate funding as seed money prior to rebates being available in order to turn around rebate applications quickly after the Grant Agreement has been signed and upon availability of funds (see Exhibit C, Attachment II of this Grant Agreement).

In the event additional funds become available and in order to ensure adequate vehicle rebate funds are available in the Grantee's account to cover the cost of rebates, the Grantee may request subsequent disbursements by submitting a Status Report documenting the rebates reserved. ARB will provide subsequent disbursements to cover the cost for the amount of rebates reserved plus any additional funds necessary to ensure timely payment of rebates. The Grantee must ensure that no more than 20 percent of total vehicle rebate funds are available in the Grantee's general ledger account. Additional funds may be disbursed, if necessary and at ARB's sole discretion, to reflect an increase in market activity.

**b. Rebate Processing Fee**

The Grantee will receive an initial disbursement of up to 50 percent of rebate processing fee as seed money to turn around rebate applications quickly after the Grant Agreement has been signed and upon availability of funds (See Exhibit C, Attachment II of this Grant Agreement). The Grantee will receive up to 50 percent minus the final \$200,000 of rebate processing fee after 50 percent of vehicle funding is expended. The rebate processing fee shall not exceed seven percent of the total project funding. At least 50 percent of the rebate processing fee must be used to support outreach activities. Monthly invoices documenting rebate processing fee expenditures must be submitted to ARB. In order to ensure adequate rebate processing fees are available in the Grantee's account, the Grantee may request subsequent disbursements after submitting invoices to ARB, documenting up to 30 percent of the initial disbursement has been expended. Invoices are to be provided to ARB in accordance with Section H (6) of this Grant Agreement. ARB will provide subsequent disbursements to cover the processing cost for the amount of rebates reserved plus any additional funds necessary to ensure timely payment of rebates.

The final \$200,000 in rebate processing fees will be disbursed once the following tasks have been completed:

- i. 100 percent of vehicle funding is expended.
- ii. ARB has received all intellectual property and data needed to ensure continued smooth implementation of CVRP (see Section N of this Grant Agreement).

- iii. ARB has received the Final Report documenting vehicles paid for by the project and fulfillment of all project commitment (see Section K of this Grant Agreement).

ARB will have sole discretion to accelerate the timeline for allowable disbursements of rebate processing fees identified above – with the exception of the final rebate processing fee disbursement – necessary to assure the goals of the project are met. Additional funds may be disbursed, if necessary and at ARB's sole discretion, to reflect increased rebate processing associated increased market activity.

Rebate processing fees provided to the Grantee shall be on a reimbursement basis. Note that the initial disbursement of up to 50 percent of the rebate processing fee will be disbursed up front; however, the Grantee must provide ARB documentation in accordance with Section H (6) on a monthly basis. The Grantee must provide invoices before additional rebate processing fees are provided.

Invoices used to justify rebate processing fees from ARB must provide documentation in accordance with Section H (6) for costs for work completed in the following categories:

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

Additional invoices may be provided to ARB if warranted. Documentation substantiating these costs must be maintained by the Grantee and provided to ARB upon request, as described in Sections H (6) and L of this Grant Agreement. Furthermore, in consultation with ARB and subject to ARB's approval, the grantee may redirect any rebate processing fees to fund additional rebates for eligible vehicles.

### **3. Grant Disbursements**

- a. Requests for payment shall be made with the Grant Disbursement Request Form (MSCD/ISB-90) and conform to the instructions identified in Sections H and J of this Grant Agreement. Disbursements requesting funds from multiple funding sources shall be submitted individually by funding source (e.g. AQIF, GGRF, CEC, etc.). Grant payments shall be made only for reasonable costs incurred by the Grantee and only when the Grantee has submitted a Grant Disbursement Request Form, milestones stipulated in

Exhibit C, Attachment II, the requirements specified herein, including Section H (6) and in Section K of this Grant Agreement have been accomplished, documentation of accomplishment has been provided to ARB in the form of the Status Report, and any associated deliverables (if applicable) have been provided to ARB. ARB will have sole discretion to accelerate the timeline for allowable disbursements of rebate processing fee funds identified in Exhibit C, Attachment II (with the exception of the final disbursement of rebate processing fee funds), necessary to assure the goals of the project are met.

- b. Grant payments are subject to ARB's approval of Status Reports and any accompanying deliverables (see Section K, Reporting, of this Grant Agreement). A payment will not be made if the ARB Project Liaison deems that a milestone has not been accomplished or documented, that a deliverable meeting specifications has not been provided, that claimed expenses are not documented, not valid per the budget, or not reasonable, that the Grantee has not met other terms of the grant.

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

- c. The Grantee shall mail Grant Disbursement Requests to the ARB Project Liaison.
- d. ARB will withhold payment of \$200,000 of rebate processing fee funds, as identified in Section H (6) of this Grant Agreement, until completion of the Final Report and intellectual property has been relinquished to ARB in accordance with Sections K and N of these provisions, ARB has received and approved the Grantee's mechanism for receiving annual activity reports, and submission of the Final Report to ARB by the Grantee. It is the Grantee's responsibility to submit a Grant Disbursement Request for this final disbursement of funds.
- e. ARB shall disburse funds in accordance with the California Prompt Payment Act, Government Code, Section 927, et seq.

#### **4. Suspension of Payments and Grant Termination**

- a. ARB reserves the right to issue a grant suspension order in the event that a dispute should arise. The grant suspension order will be in effect until the dispute has been resolved or the grant has been terminated. If the Grantee chooses to continue work on the project after receiving a grant suspension order, the Grantee will not be reimbursed for any expenditure incurred during the suspension in the event ARB terminates the grant. If ARB rescinds the

suspension order and does not terminate the grant, ARB will reimburse the Grantee for any expenses incurred during the suspension that are reimbursable in accordance with the terms of the grant.

- b. ARB reserves the right to terminate this Grant upon 30 days' written notice to the Grantee. In case of early termination, the Grantee will submit a Grant Disbursement Request, a Status Report covering activities up to, and including, the termination date and following the requirements specified herein and in Section K of these provisions. Upon receipt of the Grant Disbursement Request Form, Status Report, and all intellectual property has been relinquished to ARB, a final payment will be made to the Grantee. This payment shall be for all ARB-approved, actually incurred costs that in the opinion of ARB are justified. However, the total amount paid shall not exceed the total grant amount.
- c. ARB reserves the right to immediately terminate this Grant in accordance with Section O (24).
- d. Upon termination, vehicle rebate funds must be immediately returned to ARB.

#### **5. Contingency Provision**

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

#### **6. Documentation of Grantee Rebate Processing Fees**

- a. Rebate processing fees shall be used for CVRP administration to process rebates and outreach including: the Grantee's personnel costs; fringe benefit costs, operating costs (including rent, supplies, and equipment), indirect costs (general administrative services, office space, and telephone services), travel expenses and per diem rates set at the rate specified by California Department of Human Resources (CalHR)<sup>1</sup>, overhead, consultant fees (if pre-approved by ARB); printing, records retention, and mailing. In no event shall the rebate processing fee exceed seven percent of the total project amount. At least 50 percent of the rebate processing fee must be used to support outreach activities.
- b. The Grantee must maintain documentation of CVRP rebate processing fees used for administration and outreach, as follows:

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<sup>1</sup> ARB will only reimburse travel expenses and per diem rates that are set by CalHR. The Grantee will be responsible for travel expenses and per diem rates that exceed CalHR rates.

- 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 CVRP administration and outreach.
  - ii. Fees for external consultants must be documented with copies of the consultant contract and invoices. All external consultant fees must be pre-approved by ARB. Fees included in the budget as a part of the Grantee Application Package (Exhibit E) are considered pre-approved by ARB.
  - 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. No travel outside the State of California shall be reimbursed unless prior written authorization is obtained from ARB. CalHR's travel and per diem reimbursement amounts may be found online at <http://www.calhr.ca.gov/employees/pages/travel-reimbursements.aspx>. Reimbursement will be at the State travel and per diem amounts that are current as of the date costs are incurred by the Grantee.
  - v. If indirect costs are used to document rebate processing fees for CVRP, the Grantee must have an official written policy regarding calculation of these costs. The Grantee must maintain documentation for all costs referenced in the indirect cost calculation formula.
- c. The above documentation, records, and referenced materials must be made available for review during monitoring visits and audits by ARB, or its designee. These records must be retained for a minimum of three years after submittal of the final CVRP invoice to ARB.
- d. The above documentation must be provided to ARB in Status Reports and a Final Report.

## 7. **Earned Interest**

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

- a. Interest earned by the Grantee on the CVRP funds must be reported to ARB. All interest income on the CVRP funds, including both vehicle rebate funds and rebate processing fee/outreach funds, must be reinvested in CVRP to

fund additional rebates for eligible vehicles. The Grantee is responsible for reporting to ARB on all vehicles funded with interest earned on the CVRP funds.

- b. The Grantee must maintain accounting records (e.g. general ledger) that track interest earned and expended on the CVRP funds, as follows:
  - i. The calculation of interest must be based on an average daily balance or some other reasonable and demonstrable method of allocating the proceeds from the interest-generating account back into the program.
  - ii. The methodology for tracking earned interest must ensure that it is separately identifiable from interest earned on non-CVRP funds.
  - iii. The methodology for calculating earned interest must be consistent with how it is calculated for the Grantee's other fiscal programs.
  - iv. Earned interest must be fully expended by **May 15, 2019**.
- c. Documentation of interest earned on the CVRP funds must be retained for a minimum of three years after it is generated. Documentation of interest expended on eligible vehicles must be retained for a minimum of three years after the interest-funded rebate has been redeemed.
- d. The above documentation must be provided to ARB in Status Reports and a Final Report.

## 8. In-Kind Services

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

## I. PROJECT MONITORING

### 1. Meetings

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

- b. Review meetings: Meetings to discuss progress must be held at least quarterly beginning three months after the initial meeting. Additional meetings may be scheduled at the sole discretion of the ARB Project Liaison. Such meetings may be conducted by phone, if deemed appropriate by the ARB Project Liaison.
- c. Site visits: Site visits shall be established by the ARB Project Liaison during the term of this grant.

## 2. Technical Monitoring

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

## J. DOCUMENTING EXPENDITURE OF STATE FUNDS

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

## K. REPORTING

### 1. Status Reports

- a. The Grantee shall submit Status Reports at a minimum of three-month intervals. The Status Reports shall be provided in a format agreed upon between the ARB Project Liaison and the Grantee and meet the requirements



specified herein. ARB may specify an electronic format for quarterly reporting.

- b. The Grantee must provide a Status Report to ARB detailing the vehicles and associated rebate amounts assigned and redeemed to date. The Status Report must include the following components:
  - i. Excel spreadsheet of vehicles funded for the reporting period – format and data fields to be agreed upon by the Grantee and ARB. Data fields will include, but not limited to, Vehicle Identification Number (VIN), city and zip code of where rebate check was mailed, Air District, vehicle type, make and model, and purchase/lease date.
  - ii. Summary report
    - a) Number of rebates received, approved, disapproved, in-process, and pending.
    - b) Number and dollar amount of rebates issued by consumer type (i.e. individual, business, state government agency, or non-profit organization).
    - c) Number, dollar amount, and percentage of rebates issued by vehicle type, model, purchase price and rebate amount.
    - d) Graph of rebates issued by vehicle model and month.
    - e) Number of rebates for vehicles leased versus owned.
    - f) Number of rebates per Air District.
    - g) Number of rebates issued (and dollars associated with those rebates) in disadvantaged communities.
    - h) Other financial incentives received (other than tax rebates), if applicable.
    - i) Remaining grant funding available.
  - iii. Grantee rebate processing fee summaries (if applicable).
  - iv. Identified problems or concerns and proposed solutions, if applicable.
- c. The Status Report provides a mechanism for the Grantee to justify a need for additional CVRP funding from ARB. The Status Report must be submitted at least every three months, but may be provided on an as needed basis to

justify additional funding from ARB. The first Status Report must be submitted three months after the grant agreement is fully executed or when requesting additional disbursement of funds, whichever is sooner.

- d. Every Grant Disbursement Request Form (MSCD/ISB-90) shall be accompanied by a Status Report that documents the completion of a milestone specified in Exhibit C, Attachment II.
- e. If the distribution of rebates outlined in the Implementation Manual is behind schedule, the Grantee must notify ARB immediately.

## 2. Final Report

- a. The Grantee must submit a Final Report to ARB after all vehicle funding has been expended.
- b. The Final Report must include, at a minimum:
  - i. Total fund expenditure documentation (including but not limited to vehicle rebate funds, rebate processing fee, match and in-kind funds).
  - ii. Excel spreadsheet of any vehicles funded not previously included in a Status Report (see Status Report).
  - iii. Summary report of all vehicles funded by CVRP for the period covered by the Grant Agreement (may be provided as summaries or previously submitted Status Reports - see Status Report).
  - iv. Total fund expenditures of CVRP funding per source of funding and fiscal year.
  - v. VIN for each vehicle purchased.
  - vi. City and ZIP code of where the rebate check was mailed.
  - vii. Outreach efforts.
  - viii. Implementation challenges.
  - ix. Recommendations for potential program improvements.
  - 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 ARB in an appropriate format agreed upon between the ARB Project Liaison and the Grantee. The Final

Report must meet the requirements specified herein. Upon approval of the draft Final Report by the ARB Project Liaison, the Grantee shall provide a written copy of the final version, plus an electronic file.

#### **L. OVERSIGHT AND ACCOUNTABILITY**

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

#### **M. PROJECT RECORDS**

As further described below, project records includes but is not limited to Grantee, financial, and rebate records. All project records must be retained for a period of three (3) years after final payment under this Grant. All project records are subject to audit pursuant to Section O (4) of this Grant Agreement. Upon completion of the third year of record retention, the Grantee shall submit all project records to ARB. Hardcopy of electronic records are suitable. Acceptable forms of electronic media include hard drives, CDs, DVDs, and flash drives. Other forms of electronic media may be allowed based on prior written concurrence from ARB.

##### 1. Grantee Record:

The Grantee shall retain a CVRP file containing:

- a. Original executed copy of the CVRP Grant Agreement and Grant Agreement Amendments (if applicable).
- b. Policies and Procedure Manual.
- c. Copies of Grant Disbursement Request Forms.
- d. Documentation of earned interest generation and expenditure (see Section H (7) for more information).

##### 2. Financial Records:

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

- a. Establish an official file for CVRP which shall adequately document all significant actions relative to the project.
  - b. Establish separate accounts which will adequately and accurately depict all amounts received and expended on CVRP.
  - c. Establish separate accounts which will adequately and accurately depict all income received which is attributable to CVRP.
  - d. Establish an accounting system which will adequately depict final total costs of CVRP, including both direct and indirect costs.
3. Rebate Records:

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

- a. CVRP rebate application.
- b. Supporting documentation as outlined in Section C (3) in the Implementation Manual.
- c. Copy of rebate check.
- d. Unique identifier that links each rebate to its corresponding file (check number).
- e. Documentation on any deviations from the normal processing of rebates (examples include enforcement action, ARB case-by-case approvals).
- f. Maintain copies of all disapproved rebate applications.

## **N. INTELLECTUAL PROPERTY**

1. Any webpage(s), software, databases, project data, or other intellectual property developed or purchased by the Grantee for the purposes of administering or implementing CVRP are the property of ARB. Should a different grantee be selected to manage CVRP in subsequent funding years, it will be the Grantee's responsibility to turn over this property and information to ARB and the new grantee and provide all reasonable and necessary assistance needed to ensure a smooth transfer. It is ARB's intention that rebate access and redemption be seamless to vehicle purchasers and lessees as CVRP transfers to each new fiscal year.

## O. GENERAL PROVISIONS

1. **Amendment:** No amendment or variation of the terms of this Grant Agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or agreement not incorporated in the Grant Agreement is binding on any of the parties.
2. **Assignment:** This Grant is not assignable by the Grantee, either in whole or in part, without the consent of ARB.
3. **Availability of Funds:** ARB's obligations under this Grant Agreement are contingent upon the availability of funds. In the event funds are not available, the State shall have no liability to pay any funds whatsoever to the Grantee or to furnish any other considerations under this Grant Agreement.
4. **Audit:** Grantee agrees that ARB, the Department of General Services, Department of Finance, the Bureau of State Audits, or their designated representative shall 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 three (3) years after the term of this Grant is completed, unless a longer period of records retention is stipulated. Grantee agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, Grantee agrees to include similar right of the State audit records and interview staff in any Grant related to performance of this Agreement.
5. **Compliance with law, regulations, etc.:** The Grantee agrees that it will, at all times, comply with and require its contractors and subcontractors to comply with all applicable federal and State laws, rules, guidelines, regulations, and requirements.
6. **Computer software:** The Grantee certifies that it has appropriate systems and controls in place to ensure that State funds will not be used in the performance of this Grant Agreement for the acquisition, operation or maintenance of computer software in violation of copyright laws.
7. **Confidentiality:** No record which has been designated as confidential by ARB, or is the subject of a pending application of confidentiality, shall 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 shall not acquire any interest, direct or indirect, which will conflict with its ability to impartially complete the tasks described herein. The Grantee must disclose any direct or indirect financial interest or situation which may pose an actual, apparent, or potential conflict of interest with its duties throughout the grant term. ARB may consider the nature and extent of any actual, apparent, or potential conflict of interest in the Grantee's ability to perform the grant.

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

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

California. The Grantee hereby waives any existing sovereign immunity for the purposes of this Grant Agreement.

14. **Grantee's responsibility for work:** The Grantee shall be responsible for work and for persons or entities engaged in work, including, but not limited to, contractors, subcontractors, suppliers, and providers of services. The Grantee shall be responsible for any and all disputes arising out of its contract for work on the Project, including but not limited to payment disputes with contractors, subcontractors, and providers of services. The State will not mediate disputes between the Grantee and any other entity concerning responsibility for performance of work.
15. **Indemnification:** The Grantee agrees to indemnify, defend and hold harmless the State and the Board and its officers, employees, agents, representatives, and successors-in-interest against any and all liability, loss, and expense, including reasonable attorneys' fees, from any and all claims for injury or damages arising out of the performance by the Grantee, and out of the operation of equipment that is purchased with funds from this Grant Award.
16. **Independent Contractor:** The Grantee, and its agents and employees, if any, in their performance of this Grant Agreement, shall act in an independent capacity and not as officers, employees or agents of ARB.
17. **Non-Discrimination Clause:** During the performance of this Grant Agreement, Grantee and its subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee of 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. Grantee and subcontractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. 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. 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.

Grantee shall include the non-discrimination and compliance provisions of this clause in all subcontracts to perform work under the Agreement.

18. **No third party rights:** The parties to this Grant Agreement do not create rights

in, or grant remedies to, any third party as a beneficiary of this Grant Agreement, or of any duty, covenant, obligation or undertaking establish herein.

19. **Ownership:** All information, data, documents, intellectual property including but not limited to webpages received or generated by the Grantee under this Grant is the property of ARB. No information, data, documents, intellectual property received or generated under this Grant shall be released without ARB's approval.
20. **Personally Identifiable Information:** Information or data, including but not limited to all rebate 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 shall safeguard all such information or data which comes into their possession under this agreement in perpetuity, and shall not release or publish any such information, data, or rebate records.
21. **Prevailing wages and labor compliance:** If applicable, the Grantee agrees to be bound by all the provisions of State Labor Code Section 1771 regarding prevailing wages. If applicable, the Grantee shall monitor all agreements subject to reimbursement from this Grant Agreement to ensure that the prevailing wage provisions of State Labor Code Section 1771 are being met.
22. **Professionals:** For projects involving installation or construction services, the Grantee agrees that only licensed professionals will be used to perform services under this Grant Agreement where such services are called for and licensed professionals are required for those services under State law.
23. **Severability:** If a court of competent jurisdiction holds any provision of this Grant Agreement to be illegal, unenforceable or invalid in whole or in part for any reason, the validity and enforceability of the remaining provisions, or portions of those provisions, will not be affected.
24. **Termination:** In addition to the termination provisions in Section H (4) of this Grant Agreement, ARB may terminate this Grant Agreement by written notice at any time prior to completion of this Grant Agreement, upon violation by the Grantee of any material provision after such violation has been called to the attention of the Grantee and after failure of the Grantee to bring itself into compliance with the provisions of this Grant Agreement. Upon termination, the Grantee must immediately return vehicle rebate funds to ARB.
25. **Timeliness:** Time is of the essence in this Grant Agreement. Grantee shall proceed with and complete the Project in an expeditious manner.
26. **Waiver of Rights:** Any waiver of rights with respect to a default or other matter arising under the Grant Agreement at any time by either party shall not be



considered a waiver of rights with respect to any other default or matter. Any rights and remedies of the State provided for in this Grant Agreement are in addition to any other rights and remedies provided by law.

## **P. Insurance Requirements**

The Grantee must comply with all requirements outlined in the (1) General Provisions section and (2) Insurance Requirements section. 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 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 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 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.
  - 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. 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 – The 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 Grantees, products, completed operations, personal and 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 ARB, 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 – 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. 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 – Coverage shall provide limits of not less than \$81 million. 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.

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**IMPLEMENTATION MANUAL  
FOR THE FY 2016-17  
CLEAN VEHICLE REBATE PROJECT (CVRP)**

SAMPLE

California Environmental Protection Agency

 **Air Resources Board**

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Attachment I – Budget Summary

Grantee: Grant No.:

Project: Clean Vehicle Rebate Project

Total Costs & Funding

Funding Source	Total Amount	Rebate Processing Fees	Vehicle Rebate Funds
<b>TOTAL</b>			

Disbursement of Funds:

**Vehicle Rebate Funding**

The Grantee shall receive vehicle rebate funds in accordance with Section H (2) of this Grant Agreement.

**Rebate Processing Fees**

The Grantee shall receive rebate processing fee funding in accordance with Section H (2) of this Grant Agreement.

**Exhibit C, Work Statement**

**Attachment II – Disbursement Schedule<sup>1</sup>**

**Grantee:**

**Grant No.:**

**Project: Clean Vehicle Rebate Project**

<b>Disbursement</b>	<b>Disbursement Description</b>	<b>Grant Award</b>
<b>1</b>	<b>Vehicle Rebate Funding</b>	
1.1	Sign grant agreement with ARB	Up to 50 percent
1.2	Ongoing disbursements of vehicle rebate funds	Up to 50 percent
<b>Vehicle Rebate Funding Subtotal</b>		
<b>2</b>	<b>Rebate Processing Fees</b>	
2.1	Sign grant agreement with ARB	Up to 50 percent
2.2	50 percent of vehicle funding expended	Up to 50 percent (minus final \$200,000)
2.3	100 percent of CVRP vehicle funding is expended; Final Report and intellectual property for CVRP submitted to ARB	\$200,000
<b>Rebate Processing Fee Subtotal</b>		
<b>Grant Total</b>		

<sup>1</sup> Project funds will be disbursed in accordance with the instructions identified in Section H (2) and H (3) of this Grant Agreement.

**Exhibit C, Work Statement**

**Attachment III – Project Schedule**

**Grantee:**

**Grant No.:**

**Project: Clean Vehicle Rebate Project**

Detailed Scope of Work and Schedule

<b>Task</b>	<b>Start Date</b>	<b>Completion Date</b>
Task 1 –		
Task 2 –		
Task 3 –		
Task 4 –		
Task 5 –		
Task 6 –		

SAMPLE



Attachment IV – Key Project Personnel

Grantee:

Grant No.:

Project: Clean Vehicle Rebate Project

Name	Position	Duties

SAMPLE

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## 2016-17 GRANT SOLICITATION

# Low Carbon Transportation Greenhouse Gas Reduction Fund (GGRF) Investments and Air Quality Improvement Program (AQIP)

## CLEAN VEHICLE REBATE PROJECT

Mobile Source Control Division  
California Air Resources Board  
Date

California Environmental Protection Agency



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**Grantee Application Package**

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Payee Date Record (STD. 204)

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