

APPENDIX B

SAMPLE GRANT AGREEMENT

**Off-Road Mobile Agricultural Equipment
Trade-Up Pilot Project in the San Joaquin Valley
(Trade-Up Pilot Project)**

FISCAL YEAR 2016-17

California Environmental Protection Agency

 **Air Resources Board**

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GRANT AGREEMENT COVER SHEET

		GRANT NUMBER	
NAME OF GRANT PROGRAM Off-Road Mobile Agricultural Equipment Trade-up Pilot Project			
GRANTEE NAME			
TAXPAYER'S FEDERAL EMPLOYER IDENTIFICATION NUMBER		TOTAL GRANT AMOUNT NOT TO EXCEED \$3,000,000.00	
TERM OF GRANT AGREEMENT FROM: Start Date		TO: May 31, 2019	

This legally binding Grant Agreement, including this cover sheet and Exhibits A, B, C, and D attached hereto and incorporated by reference herein, is made and executed between the State of California, Air Resources Board (ARB) and Name of Grantee (the "Grantee").

- Exhibit A – Grant Provisions
- Exhibit B – Work Statement
 - Budget Summary (Attachment I)
 - Project Milestones and Disbursement Schedule (Attachment II)
 - Project Schedule (Attachment III)
 - Key Project Personnel (Attachment IV)

- Exhibit C – Trade-Up Pilot Project Solicitation
- Exhibit D – Application Package

This Agreement is of no force or effect until signed by both parties. Grantee shall not commence performance until it receives written approval from ARB.

The undersigned certify under penalty of perjury that they are duly authorized to bind the parties to this Grant Agreement.

Air Resources Board		GRANTEE'S NAME (PRINT OR TYPE)	
SIGNATURE OF ARB'S AUTHORIZED SIGNATORY:		SIGNATURE OF GRANTEE (AS AUTHORIZED IN RESOLUTION, LETTER OF COMMITMENT, OR LETTER OF DESIGNATION)	
TITLE Administrative Services Division Chief, ARB	DATE	TITLE	DATE
GRANTEE'S ADDRESS (INCLUDE STREET, CITY, STATE AND ZIP CODE)			

CERTIFICATION OF FUNDING				
AMOUNT ENCUMBERED BY THIS AGREEMENT \$3,000,000.00	FISCAL YEAR/PROGRAM		FUND TITLE	
PRIOR AMOUNT ENCUMBERED FOR THIS AGREEMENT \$0.00	(OPTIONAL USE)			
TOTAL AMOUNT ENCUMBERED TO DATE \$0.00	ITEM	CHAPTER	STATUTE	FISCAL YEAR
OBJECT OF EXPENDITURE				
<i>I hereby certify upon my own personal knowledge that budgeted funds are available for the period and purpose of the expenditure stated above.</i>				
SIGNATURE OF AIR RESOURCES BOARD BUDGET OFFICE:				DATE

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 Off-Road Mobile Agricultural Equipment Trade-Up Pilot Project in the San Joaquin Valley and the Grantee’s Application Package.

B. GRANT SUMMARY AND AMENDMENTS (IF APPLICABLE)

Project Title: Off-Road Mobile Agricultural Equipment Trade-Up Pilot Project in the San Joaquin Valley (Trade-Up Pilot Project)

Grant Funding Amount: \$3,000,000

Applicant Match Amount: _____

C. GRANT PARTIES AND CONTACT INFORMATION

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

1. The CARB Project Liaison is Erin Uchida. Correspondence regarding this project must be directed to:

Erin Uchida
Air Resources Board
Mobile Source Control Division
P.O. Box 2815
Sacramento, California 95812
Phone: (916) 323-0002
Email: Erin.Uchida@arb.ca.gov

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

Name
Title
Address
Phone
Email

2. The Grantee agrees to comply with the requirements and conditions contained herein, as well as all requirements and commitments identified in the Fiscal Year 2016-17 Grant Solicitation Off -Road Mobile Agricultural Equipment Trade-Up

Project in the San Joaquin Valley (Exhibit C) and Grantee Application Package (Exhibit D).

D. TIME PERIOD

1. Performance of work or other expenses billable to CARB under this Grant may commence after full execution of this Grant by both parties. Performance on this Grant ends once the Grantee has submitted the final report or if this Grant is terminated, whichever is earlier.
2. Upon completion of the project, the Grantee must submit a draft Final Report to the Project Liaison no later than **March 1, 2019**.
3. Final request for payment and Final Report must be received by CARB within 60 days of project completion or no later than **April 1, 2019**.
4. The CARB Executive Officer retains the authority to terminate or reduce the dollar amount of this Grant if by **April 30, 2018**, 40 percent of the project funding has not been obligated by the Grantee.

E. SCOPE OF WORK

This section defines the respective duties and requirements of CARB and the Grantee in implementing the Trade-Up Pilot Project.

1. CARB is responsible for the following:

- a. Participating in a project kick-off meeting and ongoing coordination with the Grantee to discuss project activities and guide project implementation;
- b. Reviewing and approving elements developed by the Grantee for Trade-Up Pilot Project development and implementation. Examples might include process/approval flowcharts, operating procedures, outreach materials, eligibility guidelines, etc.;
- c. Reviewing and approving all Grant Disbursement Request Forms (Form MSCD/ISB-90) and dispense project funds to the Grantee; and
- d. Providing project oversight and accountability (in conjunction with the Grantee).

2. The Grantee

The Grantee is responsible for development and implementation of the Trade-Up Pilot Project. A more comprehensive description of responsibilities will be based on the Grantee's application details and included in the final Grant.

Minimum duties and requirements include:

- Conduct a project kick-off meeting and maintain ongoing project coordination with the CARB Project Liaison;
- Further develop and implement the trade-up incentive project in the San Joaquin Valley Air Basin;
- Survey and document trade-up participants' satisfaction with and acceptance of the new and used equipment acquisitions resulting from trade-up transactions;
- Evaluate the feasibility and cost effectiveness of implementing a large-scale program;
- Develop recommended program implementation guidelines, including expanded participant outreach to ensure equitable access;
- Refine methodology to quantify potential emission reductions and requirements needed for trade-up transactions to achieve maximum SIP-creditable emission reductions;
- Oversee the project budget and funds used for match requirements;
- Submit quarterly status reports and Grant disbursement requests to CARB; and
- Submit a Final Report.

a. Trade-Up Pilot Project Development and Implementation

The Grantee's scope of work (proposal) must address the following key project elements:

Mobile Agricultural Equipment Eligibility: The Grantee must review and refine current eligibility criteria for three equipment categories: 1) new equipment for incentivized purchase, 2) used equipment for trade-up, and 3) high-emitting equipment for scrap. Criteria may differ among categories, and may include, but not be limited to, defining allowable off-road diesel engine tiers for equipment in each category, specifying allowable equipment type(s), horsepower rating(s), equipment age/usable life/hours of use, establishing allowable expenditure caps for new and used equipment, etc. The eligibility criteria established for each equipment category (e.g., new, used and scrap), should serve the goal of maximizing the Trade-Up Pilot Project's capacity to achieve cost-effective emission reductions.

Participant Eligibility: The Grantee must develop eligibility criteria for 1) purchasers of new, incentivized mobile agricultural equipment; and 2) recipients for used, trade-up equipment. Criteria may include, but not be limited to, residency in the San Joaquin Valley Air Basin, qualifying as "Agricultural Operations" (see definition in Section VIII of the Grant Solicitation), owning eligible equipment for scrap or trade, etc.

Procedures and Processes: In addition to equipment and participant eligibility, the Grantee must evaluate measures to streamline and enhance other essential processes developed for the FY 15-16 Trade-Up Pilot Project, including the flow of administrative actions and approvals necessary for completing successful equipment transactions. Examples may include, but are not limited to:

- i. Expand project outreach to ensure equitable access to potential participants;
- ii. Refine process and timing for matching eligible participants with equipment;
- iii. Refine process for service and assessment of used equipment for trade-up;
- iv. Automated tracking of incentive payments;
- v. Participant requirements (e.g., annual reports, install equipment hour meters, etc.);
- vi. Potential to expand role of dealerships in the project;
- vii. Developing and maintaining accounting procedures to track expenditures by Grant Agreement number, fiscal year and funding source; and
- viii. Implementing provisions to protect against fraud, and to identify, respond to, and report fraud if it has occurred.

b. Participant Survey on Satisfaction with Equipment

The Grantee must survey and document feedback from Trade-Up Pilot Project participants on their satisfaction with the new and used mobile agricultural equipment resulting from trade-up transactions. Parameters may include, but not be limited to, equipment performance, in-field fuel use, time and cost associated with servicing and maintenance, and any issues or problems encountered with the equipment or multi-step transaction process. Details of the approach, including parameters, timeframe, and method(s) of contact will be finalized during the project kick-off meeting with the Grantee and CARB Project Liaison. The Grantee must include a section in the Final Report that describes and summarizes feedback obtained from project participants on their satisfaction with the new and used mobile agricultural equipment resulting from trade-up transactions.

c. Evaluation of Incentive Feasibility and Cost Effectiveness

The Grantee must evaluate the feasibility of a multi-step, trade-up incentive, including the near-term and potential long-term cost effectiveness of a large-scale program in the San Joaquin Valley Air Basin. The evaluation must also include a vision or goals that would be needed to streamline matches and sustain funding for the program in future years. The Grantee must include this evaluation in the Final Report.

d. Recommended Program Implementation Guidelines

The Grantee must provide CARB with recommended program implementation guidelines, including expanded participant outreach to ensure equitable access, refined methodology to quantify potential emission reductions, and required processes and procedures for trade-up transactions to achieve SIP-creditable emission reductions. The Grantee must include these guidelines as a section of the Final Report.

e. Project Kick-off Meeting and Ongoing Coordination

Before initiating work on the project, a one-time kick-off meeting will be held between the Grantee and CARB project management staff. The purpose of this meeting is to discuss items such as the proposed work plan, details of task performance, identify equipment transaction data of interest for reporting, select parameters for a survey of participants' satisfaction with new and used equipment acquired from trade-up transactions, and issues needing clarification or resolution prior to initiating work. The Grantee will coordinate with the CARB Project Liaison on the agenda and presentation materials. Ongoing Grantee coordination and review meetings with the CARB Project Liaison to discuss project status will be held as needed, but typically monthly. Additional meetings may be scheduled at the discretion of the CARB Project Liaison. These meetings may be conducted by phone if deemed appropriate by the CARB Project Liaison. Project coordination and review meetings are the responsibility of the Grantee and should contain:

- Agenda for the meeting with conference call information;
- Project status update;
- Discussion of any difficulties encountered since the last project update meeting;
- Discussion of project milestones and upcoming deliverables;
- Notification of any pending disbursement requests; and
- Scheduling the next project update meeting.

Site visits by CARB staff may be required at CARB's sole discretion. A final meeting, or conference call pending CARB Project Liaison approval, will be held at the conclusion of the project.

f. Quarterly Reports

The Grantee must submit quarterly status reports to CARB beginning three months after full grant execution and continuing through the end of the project. These reports may also be used to accompany grant disbursement requests. Reports may be submitted electronically and, at a minimum, must include:

- i. Project Status Report number, title of project, name of Grantee, date of submission, and project grant number;
- ii. Summary of work completed and in progress since the last progress report, noting progress toward completion of tasks and milestones identified in the work plan;
- iii. Summary of completed equipment transactions (format and data parameters to be discussed during project kick-off meeting);
- iv. Identified problems or concerns and proposed solutions, if applicable;
- v. Grant funds remaining and expended; and
- vi. Itemized invoice showing all costs for which reimbursement is being requested.

g. Final Report

The Grantee must submit a draft Final Report by March 1, 2019 and the Final Report by April 1, 2019. At a minimum, the Final Report must include the following:

- i. Accounting summary of funds expended (grant and match funding for project and administrative costs);
- ii. Overview of the Trade-Up Pilot Project from inception through project end, including background, partnerships, funding sources, outreach efforts, challenges, successes, and suggestions moving forward;
- iii. Summary and description of each trade-up equipment transaction (new equipment purchase and used equipment acquisition);
- iv. Participant survey questions and survey results on satisfaction with equipment;
- v. Evaluation of incentive feasibility and program cost effectiveness;
- vi. Recommended program implementation guidelines;
- vii. Table of milestones and narrative of how the milestones have been met; and
- viii. Other data and analysis as developed in coordination with CARB.

h. Establish and Maintain Project Records

As further described below, records include, but are not limited to, Grantee financial and project records, including Trade-Up Pilot Project participant data. All project records must be retained during the Grant period, and for three years after final payment under the Grant. Upon completion of the third year of record retention, the Grantee must submit all project records to CARB.

i. Grantee Record:

The Grantee must retain all Trade-Up Pilot Project files containing:

- 1) Original executed copy of the Trade-Up Pilot Project Grant Agreement and Grant Agreement Amendments, if applicable;
- 2) Copies of Grant Disbursement Request Forms;
- 3) Documentation of earned interest generation and expenditures; and
- 4) Project document and records pertaining to equipment and participant eligibility, where the Grantee must identify “Confidential Information” (see definition in Section VIII of Grant Solicitation), and develop measures to maintain this data safely and securely.

ii. Financial Record:

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

- 1) Establish an official file for the Trade-Up Pilot Project which must adequately document all significant actions relative to the pilot project;
- 2) Establish separate accounts which will adequately and accurately depict all amounts received and expended on the Trade-Up Pilot Project;
- 3) Establish separate accounts which will adequately and accurately depict all income received that is attributable to the Trade-Up Pilot Project; and
- 4) Establish an accounting system that will adequately depict final total costs of the Trade-Up Pilot Project, including both direct and indirect costs.

- iii. Other project records include all deliverables required under Exhibit B, Attachment II, of this Grant Agreement.

F. FISCAL ADMINISTRATION

1. Budget

- a. The maximum amount of this Grant is up to \$3,000,000. 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 for the Trade-Up Pilot Project and administration funds must not exceed the Grant amount.
- c. The Grant funding may be reallocated by CARB at CARB's sole discretion in the event that the Grantee requests less than the total funds allocated for the Trade-Up Pilot Project and less than the administration funding amount stated in the budget.

2. Project Funding

a. Project Funds

Project funds may be used for new equipment purchases, expenses relating to the transportation, assessment, and repairs of the used equipment for trade-up, scrap costs for the high-emitting equipment, and any other equipment-related expenses necessary to implement the Trade-Up Pilot Project. Details from the application will be included once an applicant is selected.

b. Administration Funds

Invoices used to justify administration funds from CARB must provide documentation in accordance with Section F (6), Documentation of Administrative Funds, for costs for work completed in the following categories:

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

Additional invoices 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 Sections F (6) and J of this Grant Agreement.

3. Grant Disbursements

CARB will release any disbursements from the total Grant award after the Grantee submits the following to CARB:

- A fully executed Grant Agreement; and
- Grant Disbursement Request Form (Form MSCD/ISB-90).

The Grantee must mail Grant Disbursement Requests to the CARB Project Liaison. Disbursement request must be made in conjunction with completed milestones, details depend on the Grantee's application. Grant payments are subject to CARB's approval of Status Reports and any accompanying deliverables. A payment will not be made if the CARB Project Liaison deems that a milestone has not been accomplished or documented, a deliverable meeting specification has not been provided, claimed expenses are not documented, not valid per the budget, or nor reasonable, or the Grantee has not met other terms of the grant.

The Division Chief of the Mobile Source Control Division or designee of CARB may review the CARB Project Liaison's approval or disapproval of a Grant Disbursement Request. No reimbursement will be made for expenses that, in the judgment of the Division Chief of the Mobile Source Control Division or designee of CARB, are not reasonable or do not comply with the Grant Agreement. CARB will have sole discretion to accelerate the timeline for allowable disbursements of administrative and project funds identified in Exhibit B, Attachment II (with the exception of the final project administration disbursement), necessary to assure the goals of the project are met.

CARB will withhold payment of ten percent of administrative funds until completion of all work and submission of a Final Report to CARB. It is the Grantee's responsibility to submit a Grant Disbursement Request for this final disbursement of funds.

CARB 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. CARB 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 CARB terminates the grant. If CARB rescinds the suspension order and does not terminate the grant, CARB at its sole discretion will reimburse the Grantee for any expenses incurred during the suspension that CARB deems reimbursable in accordance with the terms of the Grant.
- b. CARB reserves the right to terminate this Grant upon 30 days' written notice to the Grantee. In case of early termination, the Grantee will submit a Quarterly Report covering activities up to, and including, the termination date and following the requirements specified herein and in Section G of these provisions and immediately return remaining funds.
- c. CARB reserves the right to immediately terminate this Grant in accordance with Exhibit A, General Grant Provisions (25).
- d. Upon termination, remaining Grant funds must be immediately returned to CARB.

5. Contingency Provision

In the event this Grant is terminated for whatever reason, the CARB Executive Officer or designee reserves the right in his or her sole discretion to award any remaining funds to other projects.

6. Documentation of Administration Funds

Administrative costs include: the Grantee's personnel costs; fringe benefit costs; operating costs (including rent, supplies, and equipment); indirect costs (general administrative services, office space, and telephone services); travel expenses and per diem rates set at the rate specified by California Department of Human Resources (CalHR)¹; overhead; consultant fees (if pre-approved by CARB); and printing, records retention, and mailing costs.

- a. The Grantee must maintain documentation of all project administration funds, including the following:

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

- 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 project administration;
 - ii. Administration funds for subcontractor(s) must be documented with copies of the contract and invoices;
 - iii. Printing, mailing, records retention, and travel expenses must be documented with receipts and/or invoices;
 - iv. Any reimbursement for necessary travel and per diem must be at rates not to exceed those amounts paid to the State's represented employees. No travel outside the State of California will be reimbursed unless prior written authorization is obtained from CARB. CalHR's travel and per diem reimbursement amounts may be found online at <http://www.calhr.ca.gov/employees/pages/travel-reimbursements.aspx>. Reimbursement must be at the State travel and per diem amounts that are current as of the date costs are incurred by the Grantee; and
 - v. If indirect costs are used to document administration funds for the Trade-Up Pilot Project, the Grantee must describe how these costs are determined.
- b.** The above documentation, records, and referenced materials must be made available for review during monitoring visits and audits by CARB, or its designee. These records must be retained for a minimum of three years after completion of the grant.
- c.** The above documentation must be provided to CARB in Quarterly Reports and included in the Final Report.

7. Earned Interest

“Earned interest” means any interest generated from Trade-Up Pilot Project funds provided to the Grantee and held in an interest-bearing account.

- a.** Interest earned by the Grantee on project funds must be reported to CARB. All interest income on the Trade-Up Pilot Project, including both project funds and administration funds, must be reinvested in the Trade-Up Pilot Project to fund additional eligible equipment. The Grantee is responsible for reporting to CARB on equipment funded with interest earned on the Trade-Up Pilot Project funds.
- b.** The Grantee must maintain accounting records (e.g. general ledger) that tracks interest earned and expended on the Trade-Up Pilot Project funds, as follows:

- i. The calculation of interest must be based on an average daily balance or some other reasonable and demonstrable method;
 - ii. The methodology for tracking earned interest must ensure that it is separately identifiable from interest earned on non-Trade-Up Pilot Project funds;
 - iii. The methodology for calculating earned interest must be consistent with how it is calculated for the Grantee's other fiscal programs; and
 - iv. Earned interest must be fully expended or returned to CARB by completion of the project, or by **May 1, 2019**, whichever comes first.
- c. Documentation of interest earned on the Trade-Up Pilot Project funds and expenditure made on those funds or returned to CARB must be:
- i. Retained for a minimum of three years after it is generated; and
 - ii. Provided to CARB in Quarterly Status Reports and Final Report.

8. Match Funding

The Grantee is required to match a minimum of \$750,000 (25 percent) of the total grant amount in the following manner:

- a. Cash Match: A minimum of \$300,000 (10 percent of the Grant total funding) must be a cash commitment by the Grantee (exclusive of providing in-kind contributions). "Cash match" for the purposes of the Trade-Up Pilot Project means funds contributed by the Grantee to fund the purchase or servicing of equipment, or other aspects of the project; and
- b. In-Kind Match: A minimum of \$450,000 (15 percent of the Grant total funding) must be in-kind contributions committed by the Grantee (exclusive of providing cash match). "In-kind contributions" for the purposes of the Trade-Up Pilot Project means resources or services contributed by the Grantee to manage the project, but not charged to the Trade-Up Pilot Project (e.g., staff time, infrastructure, etc.).

Federal, State (non-AB 118), local, or private funding may be leveraged as either cash match or in-kind contributions, but not both, and will only be considered in the project scoring if the funding results in a direct benefit to the Trade-Up Pilot Project. Match contributions must be identified in the proposed project budget.

G. PROJECT MONITORING

1. Meetings with CARB

- a. Project kick-off meeting: A one-time kick-off meeting will be held between the Grantee's key project personnel and CARB project management staff. The purpose of this meeting is to discuss items such as the proposed work plan, details of task performance, identify equipment transaction data of interest for reporting, select parameters for a survey of participants' satisfaction with new and used equipment acquired from trade-up transactions, and issues needing clarification or resolution prior to initiating work. The Grantee will coordinate with the CARB Project Liaison on the agenda and presentation materials.

- b. Ongoing coordination and review meetings: Ongoing Grantee coordination and review meetings with the CARB Project Liaison to discuss project status will be held as often as needed, but typically monthly. A final meeting, or conference call pending CARB Project Liaison approval, will be held at the conclusion of the project. Additional meetings may be scheduled at the discretion of the CARB Project Liaison. These meetings may be conducted by phone if deemed appropriate by the CARB Project Liaison. Project coordination and review meetings are the responsibility of the Grantee and should contain:
 - Agenda for the meeting with conference call information;
 - Project status update;
 - Discussion of any difficulties encountered since the last project update meeting;
 - Discussion of project milestones and upcoming deliverables;
 - Notification of any pending disbursement requests; and
 - Scheduling the next project update meeting.

- c. Site visits: Site visits may be established by the CARB Project Liaison during the term of this grant.

2. Technical Monitoring

- a. Any changes to the scope of work or timeline for the project requires the prior written approval of the CARB Project Liaison, and, depending on the scope and extent of the changes, may require a written Grant Agreement Amendment. As a pilot project, technical monitoring may be necessary or adjustments to the pilot project scope or requirements may need to be made.

- b. The Grantee must notify the CARB Project Liaison and Grant Coordinator immediately, in writing, if any circumstances arise (technical, economic, or otherwise), which might jeopardize completion of the Trade-Up Pilot Project, or if there is a change in key project personnel.

- c. In addition to Quarterly Reports (see Section I, Reporting, of this Grant Agreement), the Grantee must provide information requested by the CARB 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 CARB Project Liaison and approved by CARB, in its sole discretion. Such changes may require a written Grant Agreement Amendment.

H. DOCUMENTING 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 Quarterly Reports submitted at least every three months to CARB and a Final Report submitted after all Trade-Up Pilot Project funds have been expended.

I. REPORTING

1. Quarterly Reports

The Grantee must submit quarterly status reports to CARB beginning three months after full grant execution and continuing through the end of the project. These reports may also be used to accompany grant disbursement requests. Reports may be submitted electronically and, at a minimum, must include:

- a. Project Status Report number, title of project, name of Grantee, date of submission, and project grant number;
- b. Summary of work completed and in progress since the last progress report, noting progress toward completion of tasks and milestones identified in the work plan;
- c. Summary of completed equipment transactions (format and data parameters to be discussed during project kick-off meeting);
- d. Identified problems or concerns and proposed solutions, if applicable;
- e. Grant funds remaining and expended; and
- f. Itemized invoice showing all project and administrative expenses for which reimbursement is being requested.

2. Final Report

The Grantee must submit a draft Final Report by March 1, 2019 and the Final Report by April 1, 2019. At a minimum, the Final Report must include the following:

- a. Accounting summary of funds expended (grant and match funding for project and administrative costs);
- b. Overview of the Trade-Up Pilot Project from inception through project end, including background, partnerships, funding sources, outreach efforts, challenges, successes, and suggestions moving forward;
- c. Summary and description of each trade-up equipment transaction (new equipment purchase and used equipment acquisition);
- d. Participant survey on satisfaction with equipment;
- e. Evaluation of incentive feasibility and cost effectiveness;
- f. Recommended program implementation guidelines;
- g. Table of milestones and narrative of how the milestones have been met; and
- h. Other data and analysis as developed in coordination with CARB.

J. PROJECT RECORDS

As further described below, records include, but are not limited to, Grantee, financial and project records, including Trade-Up Pilot Project participant data. All project records must be retained for a period of three years after final payment under this Grant. All project records are subject to audit pursuant to Exhibit A, Grant Provision (4) of this Grant Agreement. Upon completion of the third year of record retention, the Grantee must submit all project records to CARB.

1. Grantee Record:

The Grantee must retain all Trade-Up Pilot Project files containing:

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

- d. Project document and records pertaining to equipment and participant eligibility, where Grantee must identify confidential information and develop measures to maintain this data safely and securely.

2. Financial Record:

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 Trade-Up Pilot Project which must adequately document all significant actions relative to the pilot project;
 - b. Establish separate accounts which will adequately and accurately depict all amounts received and expended on the Trade-Up Pilot Project;
 - c. Establish separate accounts which will adequately and accurately depict all income received which is attributable to the Trade-Up Pilot Project; and
 - d. Establish an accounting system which will adequately depict final total costs of the Trade-Up Pilot Project, including both direct and indirect costs.
3. Other project records include all deliverables required under Exhibit B, Attachment III, of this Grant Agreement.

K. OVERSIGHT AND ACCOUNTABILITY

The Grantee must comply with all oversight responsibilities identified herein.

- 1. CARB or its designee may recoup AQIP funds which were received based upon misinformation or fraud, or for which a Grantee or its subcontractor(s), or a participant in the Trade-Up Pilot Project is in significant or continual non-compliance with the terms of this Grant Agreement or State law. CARB also reserves the right to prohibit any entity from participating in the Trade-Up Pilot Project due to non-compliance with project requirements.
- 2. If the Grantee detects any actual and/or potentially fraudulent activity by project participant, it must notify CARB as soon as possible and work with CARB to determine an appropriate course of action.
- 3. CARB or its designee reserves the right to audit at any time during the duration of this grant the Grantee's costs of performing the grant and to refuse payment of any reimbursable costs or expenses that in the opinion of CARB or its designee are unsubstantiated or unverified. The Grantee shall cooperate with CARB or its designee including, but not limited to, promptly providing all information and documents requested, such as all financial records, documents, and other

information pertaining to reimbursable costs, and any matching costs and expenses.

4. The Grantee shall retain all records referred to above and provide them for examination and audit by the State for three years after final payment under this grant.
5. The Grantee shall develop and maintain accounting procedures to track reservation and expenditures by grant award, fiscal year, and of all funding sources.
6. The Grantee shall store all records in a secured and safe storage facility that maintains confidentiality and provides fire and natural disaster protection (see Section M in the Sample Grant Agreement). Files must be retained during the term of the Grant Agreement plus three years.
7. CARB or its designee may recoup funds that were received based upon misinformation or fraud, or for which a Grantee, manufacturer (including truck or bus manufacturer), technology provider, or vehicle purchaser is in significant or continual non-compliance with the terms of this grant or State law. CARB also reserves the right to prohibit any entity from participating in the Pilot Commercial Deployment Projects, due to non-compliance with project requirements.

L. INTELLECTUAL PROPERTY

Any webpage(s), software, databases, pilot project data, or other intellectual property developed or purchased by the Grantee with Grant funding for the sole purposes of administering or implementing the Trade-Up Pilot Project are the property of CARB. The Grantee will maintain ownership of any pre-existing webpage(s), software, database, or other intellectual property used to administer the Trade-Up Pilot Project, including, but not limited to, changes or modifications to the Grantee's existing programs or databases. Should a different grantee be selected in subsequent funding years, the Grantee will be responsible for turning over this property and information to CARB and the new grantee and provide all reasonable and necessary assistance needed to ensure a smooth transfer.

M. 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 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 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 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. CARB 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 CARB in writing of any potential new conflicts of interest throughout the grant term.

- 9. 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.
- 10. 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.
- 11. Fiscal management systems and accounting standards:** The Grantee agrees that, at a minimum, its fiscal control and accounting procedures will be sufficient to track grant funds to a level of expenditure adequate to establish that such funds have not been used in violation of State law or this Grant Agreement. Unless otherwise prohibited by State or local law, the Grantee further agrees that it will maintain separate Project accounts in accordance with generally accepted accounting principles.
- 12. 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.
- 13. 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.
- 14. 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.

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, must act in an independent capacity and not as officers, employees or agents of CARB.

17. Nondiscrimination: During the performance of this Grant Agreement, the Grantee and its third party entities 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 its third party entities shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. The Grantee and its third party entities 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 third party entities 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 this Grant 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 CARB. No information, data, documents, intellectual property received or generated under this Grant may be released without CARB's approval.

20. Personally Identifiable Information: Information or data, including, but not limited to, records that personally identifies an individual or individuals is

confidential in accordance with California Civil Code sections 1798, et seq. and other relevant State or Federal statutes and regulations. The Grantee must safeguard all such information or data which comes into their possession under this agreement in perpetuity, and must not release or publish any such information, data, or financing assistance records.

- 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 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.
- 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 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 immediately return vehicle retirement and replacement funds to CARB.
- 25. Timeliness:** Time is of the essence in this Grant Agreement. Grantee must 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 must not be considered a waiver of rights with respect to any other default or matter. Any rights and remedies of the State provided for in this Grant Agreement are in addition to any other rights and remedies provided by law.

Work Statement

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

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Budget Summary

Grantee:
Project: Trade-Up Pilot Project

Grant No.:

Total Costs & Funding

Costs	Grant	Applicant Match Funding		Total
	Cash	Cash	In-Kind	
Project Funds	\$	\$	\$	\$
Administrative Funds ¹	\$	\$	\$	\$
Total	\$	\$	\$	\$

¹Administrative funds may not exceed 10 percent of the total project cost and only 10 percent of CARB-awarded funds may be used for administrative purposes.

Exhibit B, Attachment II

Project Milestones and Disbursement Schedule

Grantee:

Grant No.:

Project: Trade-Up Pilot Project

Task	Milestone Description	Scheduled Payment of Grant Funding	
		Project Funds	Administrative Funds
1	Execute Grant Agreement	No Payment Associated	
2	Conduct Project Kick-Off Meeting	No Payment Associated	
3	Implement Trade-Up Transactions		
4	Continuing Quarterly Reporting		
5	Project Completion and Submittal of Draft Final Report to CARB (no later than March 1, 2019)		
6	Submittal of Final Report to CARB (no later than April 1, 2019)		Remaining 10% upon CARB approval
Grant Total Funding Amount		\$3,000,000	

Project Schedule

Grantee:

Grant No.:

Project: Trade-Up Pilot Project

Detailed Scope of Work and Timeline Schedule

Work Task	Start Date	Completion Date
Task 1 – Grant Agreement Execution		
Task 2 – Project Kick-Off Meeting		
Task 3 – Implement Trade-Up Transactions		
Task 4 – Continuing Quarterly Reporting		
Task 5 – Project Completion and Draft Final Report		
Task 6 – Final Report		

Key Project Personnel

Grantee:

Grant No.:

Project: Trade-Up Pilot Project

Name	Position	Duties

Trade-Up Pilot Project Solicitation

EXHIBIT C

Application Package

EXHIBIT D