

Clean Transportation Incentives

2017-2018 GRANT SOLICITATION

Clean Off-Road Equipment Voucher Incentive Project

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



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California Air Resources Board
Clean Transportation Incentives

Clean Off-Road Equipment Voucher Incentive Project

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I. Summary

The California Air Resources Board (CARB or the Board) is soliciting a Grantee to implement the Clean Off-Road Equipment Voucher Incentive Project (CORE). The Fiscal Year (FY) 2017-18 Funding Plan for Clean Transportation Incentives (FY 2017-18 Funding Plan)¹, approved by the Board in December 2017, allocated \$40 million in funding for this project to encourage California fleets to purchase or lease currently commercialized zero-emission off-road freight equipment. CORE, analogous to the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP), will provide vouchers for specified types of zero-emission freight equipment on a first-come, first-served basis, with increased incentives for equipment located in disadvantaged communities. CORE accelerates the deployment of cleaner off-road equipment and benefits the citizens of California by providing immediate criteria pollutant and greenhouse gas emission reductions and supporting California's long-term air quality and climate change goals.

CORE will be implemented through a partnership between CARB and a Grantee, selected via this competitive solicitation. The grant term ends on March 30, 2021, and final disbursement requests must be received by such date to ensure adequate time for processing prior to the end of the fiscal year. Eligible applicants wishing to apply for the role of project administrator must submit an application via mail or in person to the following address no later than 5:00 p.m. (PST) Monday, March 18, 2019:

California Air Resources Board
Mobile Source Control Division
9480 Telstar Avenue, No. 4
El Monte, California 91731
Attention: Eloy Florez

More information regarding the application process can be found in Section VIII, Application Instructions, of this solicitation.

CORE is funded by California Climate Investments (CCI), a statewide program that puts Cap-and-Trade dollars to work reducing Greenhouse Gas (GHG) emissions, strengthening the economy, and improving public health and the environment, particularly in disadvantaged communities. The Cap-and-Trade program also creates a financial incentive for industries to innovate and invest in clean technologies. CCI projects include affordable housing, renewable energy, public transportation, zero-emission vehicles, environmental restoration, more sustainable agriculture, recycling, and much more. At least 35 percent of these investments are located within and benefiting residents of disadvantaged communities, low-income communities, and low-income households across California. For more information, visit the CCI website at: www.caclimateinvestments.ca.gov.

¹ The approved Fiscal Year 2017-18 Funding Plan for Clean Transportation Incentives is available at <https://www.arb.ca.gov/msprog/aqip/fundplan/fundplan.htm>

Project funds come from Cap-and-Trade auction proceeds deposited into the Greenhouse Gas Reduction Fund (GGRF) as part of CCI. The project will fund commercialized zero-emission off-road freight technologies, facilitate GHG emission reductions, and further the purposes of Assembly Bill (AB) 32 (Nunez, Chapter 488, Statutes of 2006), the more recent Senate Bill (SB) 32 (Pavley, Chapter 249, Statutes of 2016), which codified a 2030 GHG emissions reduction target of 40 percent below 1990 levels, SB 1 (Beall, Chapter 5, Statutes of 2017), and related statutes. This competitive solicitation is open to federal, state, or local governmental entities or agencies; local air districts; and California-based non-profit organizations that demonstrate the requisite administrative and technical expertise.

To date, CARB has had three public work group meetings (December 2017, February 2018, and July 2018) to discuss the development of CORE. Additionally, CARB staff has met individually with manufacturers, industry representatives, stakeholders and internal staff to further develop the project. Appendix B: Implementation Manual Framework, was made available for public review and comment on November 7, 2018 and has been modified based on relevant stakeholder comments. However, further public feedback will be encouraged in developing the project requirements after a project administrator has been selected.

II. Background

In 2007, AB 118 created the Air Quality Improvement Program (AQIP), a voluntary incentive program implemented by CARB, to fund clean vehicle and equipment projects, air quality research, and workforce training. Subsequently, in 2012, AB 1532 (Pérez, Chapter 807), SB 535 (De León, Chapter 830), and SB 1018 (Budget and Fiscal Review Committee, Chapter 39) established GGRF to receive auction proceeds from California's Cap-and-Trade Program and to provide the framework for how the auction proceeds are administered in furtherance of the purposes of AB 32 (Nunez, Chapter 488, 2006), supporting long-term, transformative efforts to improve public health and develop a clean energy economy. The suite of implementing legislation also offers strong direction for investing a portion of the auction proceeds to benefit disadvantaged communities, including specific allocation requirements in SB 535 and bolstered by AB 1550 (Gomez, Chapter 369, Statutes of 2016).

Given the consistency between California's goals for the investment of GGRF monies and the established objectives of AQIP, and based on the past success of the existing AQIP process, staff combined the two funding sources (AQIP and Low Carbon Transportation GGRF Investments) into one funding plan. Each fiscal year, CARB staff submits a proposed funding plan to the Board for approval that serves as the blueprint for expending GGRF and AQIP funds appropriated to CARB in the State budget. The annual funding plan establishes CARB's priorities for the funding cycle, describes the projects CARB intends to fund, and sets funding targets for each project. Each funding plan identifies projects that both provide immediate emission reductions from the vehicles and/or equipment directly funded and sets the stage for greater, indirect reductions in the future by accelerating large-scale market penetration and technology

transfer to other sectors. Funding is provided for projects that support evolution through three phases of technology advancement: demonstration, commercialization, and transition to widespread deployment.

In 2017, Governor Brown signed into law AB 134, which appropriated up to \$140 million from GGRF for advanced freight equipment demonstrations and pilot commercial deployments. The FY 2017-18 Funding Plan, approved by CARB in December 2017, allocated \$40 million of the \$140 million appropriation to CORE, which will establish a streamlined voucher process for fleets ready-to-purchase specified zero-emission equipment to receive funding to offset the higher cost of such technologies.

CORE is intended to accelerate deployment of cleaner off-road technologies and benefit the citizens of California by providing immediate criteria pollutant and GHG emission reductions. Additionally, the project deploys and advances the critical technologies necessary in order for California to meet its long-term air quality and climate change goals. CORE is also supportive of Executive Order B-32-15, which directed the development of the California Sustainable Freight Action Plan. This action plan was released July 29, 2016, and includes three main targets:

- Improve freight system efficiency 25 percent by increasing the value of goods and services produced from the freight sector, relative to the amount of carbon that it produces by 2030;
- Deploy over 100,000 freight vehicles and equipment capable of zero-emission operation and maximize near zero-emission freight vehicles and equipment powered by renewable energy by 2030; and
- Establish a target(s) for increased state competitiveness and future economic growth within the freight and goods movement industry.

III. Available Funding

The anticipated total funding available through this solicitation is \$40 million to implement CORE and provide vouchers for eligible zero-emission off-road equipment. If additional funding is provided for CORE for FY 2017-18, these funds will be administered under this solicitation.

The majority of these funds will be utilized as vouchers for eligible zero-emission off-road freight pieces of equipment, but up to 7 percent of the total funding available can be utilized as project implementation costs. For more information on project implementation costs, see Appendix C: Sample Grant Agreement.

IV. Advance Pay

Consistent with the Legislature's direction to expeditiously disburse grants, CARB may provide advance payments of grant awards. The purpose of providing advance payments is to support project initiation and implementation by mitigating the constraints of modest reserves and facilitating cash flow. Appropriate safeguards are reflected in grant conditions in Appendix C: Sample Grant Agreement establishing control procedures for advance payments. CARB is in the process of promulgating additional advance payment regulations, and the Grant Agreement may be reopened and modified to comply with those regulations once finalized, as appropriate. It should also be noted that a recipient of a CARB advanced payment may not advance pay any other entity.

V. Project Timeline

A project budget and a Project Implementation Plan must identify the project timeline, including a project completion date, anticipated by the applicant. Grant monies from FY 2017-18 must be encumbered by June 30, 2019 and expended by June 30, 2021; therefore, projects applying to this solicitation must plan to be completed by February 30, 2021 with final reporting submitted and approved by March 30, 2021.

Applicants need to be aware that the length of the project timeline depends on the project, grant agreement execution, and the date the last CORE voucher has been fully paid. At CARB's sole discretion, alterations may be required to the project budget and the Project Implementation Plan timeline.

The grantee must also include a description in their Project Implementation Plan of their long-term vision or goals to sustain the project in future years. Long-term goals of the project must promote the purchase or lease of advanced-technology off-road equipment.

VI. Eligibility

This solicitation is open to federal, state, or local government entities or agencies; local air districts; and non-profit organizations with California off-road equipment, vehicle incentive project, and/or air quality expertise. Zero-emission off-road equipment manufacturers and dealers are not eligible for this solicitation. Specific requirements for the Grantee are described in Appendix B: Implementation Manual Framework and in Appendix C: Sample Grant Agreement.

Eligible applicants must meet all applicable requirements of State law, the FY 2017-18 Funding Plan, and this solicitation. To be considered for the grant award, applicants must fully complete Appendix A: Solicitation Application and demonstrate that they meet all requirements set forth in Section X, Required Elements, of this solicitation. CARB may request clarification regarding application responses during the application review process.

If the applicant is anticipating subcontracting, the applicant and subcontractor(s) relationships must be disclosed in the Application. If subcontractor(s) are subject to a public process for approval, that process must be fully disclosed in the Project Implementation Plan, including who must approve contracts, the process for approval, and the anticipated timelines for approvals.

VII. Scope of Work

The Grantee's responsibilities encompass three phases to ensure the efficient and effective distribution of vouchers for eligible pieces of equipment: project development, project implementation, and project administration (including reporting). With CARB approval, these phases are to be completed according to the timeframe that is provided in the applicant's project schedule for implementation.

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

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

- D. Conduct statewide public outreach to equipment dealers, fleets, and communities where potential purchasers reside for the project to be successful. Outreach could include on-site dealer trainings, public question-and-answer sessions, and entail the following:
1. Target outreach in areas that are classified as extreme nonattainment of the federal 8-hour ozone standard (i.e., the South Coast and San Joaquin Valley Air Basins), and disadvantaged communities (based on CalEnviroscreen 3.0²); and
 2. Develop and implement a strategy to engage lower-income and disadvantaged communities through activities relevant to the community being served. Bring communities together with equipment dealers to foster greater communication between sellers and customers and increase overall program awareness.
- E. Develop/maintain a user-friendly public website that may be hosted by CARB, the Grantee, or a CARB-approved third party. The website must include, at a minimum:
1. General project information and instructions on how to participate;
 2. A list of eligible equipment models and each piece of equipment's eligible voucher amount;
 3. Voucher request and voucher redemption forms, which include terms and conditions to which purchasers must attest or commit;
 4. Provide real-time voucher statistics, including vouchers issued, dollars awarded by funding source, available and expended funds, location of voucher, and other statistics as defined by CARB;
 5. Ability to provide information on CORE vouchers based upon query parameters such as equipment type, location, and vocation;
 6. Ability to provide a visual representation of where vouchers are being requested and/or disbursed with a mapping tool;
 7. Ability to provide user survey data to display information such as demographics, dealer experience, motivations to purchase, decision-making process, etc., upon request by CARB; and
 8. Applicable documents and forms related to the project.
- F. Develop, make available, and distribute language-specific and culturally appropriate materials, to be determined by CARB, which will be used for the effective implementation of CORE. Language-specific materials must include, but are not limited to, the following:
1. Outreach and education materials;
 2. Webpage(s);
 3. Owner requirements;
 4. Terms and conditions agreement forms;
 5. Frequently asked questions; and

² The CalEnviroscreen 3.0 mapping tool is available at <https://oehha.ca.gov/calenviroscreen/report/calenviroscreen-30>

6. Contact information.

- G. Train and approve equipment dealers for participation in CORE based upon eligibility criteria identified in Appendix B: Implementation Manual Framework.
- H. Develop a policies and procedures document and flow chart that describes the Grantee's administrative action for processing vouchers. Examples include details on acceptable supporting documentation and protocols for recording CARB case-by-case approvals.
- I. Establish and maintain voucher records (see Appendix C: Sample Grant Agreement Section L.3.).
- J. Utilize best practices to store all records in a safe and secure storage facility that maintains confidentiality and provides fire and natural disaster protection. Files shall be retained during the term of the Grant Agreement plus three years. Upon completion of the required record-retention period, the Grantee must submit all project records to CARB. Hardcopy or electronic records are suitable. Acceptable forms of electronic media must be approved based on prior written concurrence from CARB.
- K. Develop a systematic process and schedule to back-up the CORE database(s) each day, at a minimum.
- L. Develop and enforce security measures to safeguard the CORE database(s).
- M. Ensure participating equipment manufacturers, dealers, purchasers, and lessees meet all applicable CORE requirements.
- N. Support three-year ownership and lease-term requirements by identifying and reporting voucher recipients to CARB who are at risk of not meeting the requirements.
- O. Track and report equipment resale inquiries to CARB.
- P. Develop, in coordination with CARB, an annual equipment user survey/questionnaire (Questionnaire) that evaluates equipment usage, operational business changes implemented by the fleet user, and user satisfaction with equipment purchased through CORE. Grantee will, at a minimum:
 - 1. Develop and implement an effective mechanism for equipment operators to respond to the Questionnaire annually for three years from the equipment purchase date;
 - 2. Conduct quality control for Questionnaire data and provide data to CARB as part of the monthly CORE status reports (see Appendix C: Sample Grant Agreement, for more information on status reports); and

3. Provide a mechanism, which should be outlined in the Grantee's transfer plan, for potential subsequent Grantees to continue collecting such data from fleets for a three-year period after voucher redemption.
- Q. With input from equipment manufacturers, the Grantee will develop and maintain a mechanism, such as a database, website, or data-access portal, for equipment manufacturers to transmit key telematics data to the Grantee (more information on telematics data in Section R below). The Grantee is responsible for ensuring the data are stored appropriately, making the data available to CARB or its future designee upon request for a period of three years from the equipment delivery date, and ensuring subsequent Grantees can continue to utilize the mechanism to collect and store the data. The equipment manufacturers are responsible for uploading the key telematics data to the Grantee, CARB, or CARB's designee using the mechanism developed by the Grantee at a frequency to be determined by CARB and the Grantee.
- R. Acquire key telematics data from CORE-funded equipment, except military pieces of equipment, for a minimum of three years from the equipment delivery date. Grantee must provide a mechanism for subsequent Grantees to continue collecting such data from the equipment manufacturers for a three-year period after voucher redemption. Grantee must ensure the following data are collected by the equipment manufacturers and transmitted to the database that is maintained by the Grantee. Telematics data must include, at a minimum, the following information:
1. Load*;
 2. Motor Speed*;
 3. Equipment Speed*;
 4. Global Positioning System (GPS) data (when applicable)*;
 5. Idle (On with no movement and no work being done)*;
 6. Equipment mileage/hours;
 7. Location and time of first key on and last key off of the work day;
 8. Charging/refueling events and duration ;
 9. Cumulative charging time and energy charged;
 10. State of charge/fuel capacity at beginning and end of charging/refueling events;
 11. Battery cycle life or cycle count;
 12. Battery state of health (as defined by the manufacturer);
 13. Hours (and miles, if applicable) and percentage of total time when the equipment is operating (key on) within and outside of a disadvantaged community (when applicable); and
 14. Service, repair, and maintenance events.
- (* Monitoring frequency and data format to be determined)
- S. The Grantee will prepare annual reports presenting the data collected (noted in Section R above). The report will include analyses based on the requirements of CORE (e.g., operating time within a disadvantaged community). This may include fleet information associated with use, power consumption, and disadvantaged

community activity. The report may also include information on performance anomalies, recommendations for future data collection activities, and recommendations to streamline the collection, storage, and analysis of future data sets. Should CARB identify a concern, additional or more frequent reports may be required beyond a single annual report.

- T. Once the term of the CORE grant agreement has ended, the Grantee shall deliver the collected data to CARB or the subsequent Grantee in a format approved by CARB.
- U. Contact CORE voucher purchasers that have sold, or will potentially sell their equipment early and inform them of the requirements with which they must comply in order to sell early and the options available to them.
- V. Inspect required documentation prior to voucher redemption. Documents include, but are not limited to, the following:
 - 1. Signed Final Invoice – must show the final purchase price less the voucher amount and any other additional incentive funding. It must also provide line items listing:
 - a. Equipment base price.
 - b. Price of equipment upgrades (i.e., non-standard features).
 - c. Price of charging equipment [such as electric vehicle supply equipment (EVSE)].
 - d. Voucher discount, including all voucher enhancements itemized.
 - e. All applicable taxes and fees.
 - 2. Financing/Lease Documentation – copy of check, money transfer receipt, financing/loan agreement identifying the lien holder, and/or lease contract indicating terms of lease.
 - 3. For equipment that is required by DMV to be registered, DMV Registration documentation, which includes:
 - a. California Registration.
 - b. California License plate number.
 - 4. Delivery Bill of Lading – must be signed and dated at delivery location.
 - 5. Line Setting Ticket (Factory Build Sheet) – manufacturer issued.
 - 6. Digital photos of equipment showing:
 - a. Equipment from left side – showing completed equipment, with numbering if applicable;
 - b. Serial number for the piece of equipment; and
 - c. Hour Meter.
 - 7. When a purchaser is requesting an infrastructure enhancement through CORE: site plans, cost documentation, and any other relevant documentation needed as justification for the infrastructure enhancement (for more details on infrastructure enhancements see Appendix B: Implementation Manual Framework).
 - 8. CORE Equipment Inspection signed by authorized dealer or Grantee representative. The piece of equipment must have no more than 500 hours

of usage at time of the equipment inspection. Vouchers for pieces of equipment with more than 500 hours of usage may be redeemed on a case-by-case basis with sole approval of the CARB Project Liaison with sufficient evidence or explanation justifying such mileage.

- W. Use the criteria in the Implementation Manual to review and approve or disapprove voucher requests and document this process in each project file.
- X. Require the purchaser/lessee and dealer to sign and date the CORE Voucher Request Form currently in use.
- Y. Establish safeguards to ensure CORE participants (i.e., equipment manufacturers and purchasers) conform to all applicable terms and conditions set forth in the Implementation Manual.
- Z. If necessary, the Grantee shall support CARB's enforcement efforts, including the recapturing of funds, by providing CARB with any fleet information, purchaser information, documents, data, or other material needed to investigate or carry out such efforts.
- AA. Issue voucher payments to equipment dealers for eligible equipment purchases.
- BB. The Grantee will develop a mechanism to notify the electric utility for the service area of the vehicle operator of any plug-in equipment purchase plans, based on the details of voucher requests. The utility will be able to determine if there are any infrastructure requirements and upgrades needed to successfully utilize the additional zero-emission equipment. The Grantee will facilitate coordination between the utility/energy provider and the purchaser to ensure the necessary infrastructure installation or upgrades take place successfully.
- CC. Develop and maintain accounting procedures to track funding reservations and expenditures by grant award, fiscal year, projects (CORE), and funding source.
- DD. Establish a process for returned voucher funds as a result of uncashed voucher checks, prorated returns, cancellations, etc.
- EE. For all vouchers issued, track and report metrics, such as, but not limited to: information regarding if the equipment is domiciled and benefitting a disadvantaged or low-income population; GHG emission reductions; and project cobenefits. Tracking and reporting will be done at an agreed upon length of duration and frequency to CARB. The Grantee will utilize the CCI quantification materials located here: CCI Quantification, Benefits, and Reporting Material³. A quantification tool will be developed by CARB specifically for the CORE program,

³ <https://ww2.arb.ca.gov/resources/documents/ci-quantification-benefits-and-reporting-materials>

but an example of what the quantification tool might look like is located here: FARMER Quantification Tool⁴.

- FF. Establish and maintain a waiting list if the project becomes oversubscribed and CARB determines a waiting list is appropriate.
- GG. Provide data updates to CARB upon request, which could include all voucher records.
- HH. Provide periodic data summaries to the public via a method approved by CARB.
- II. Respond promptly to legislative and public requests regarding CORE.
- JJ. Provide information to CARB upon request. Information requested by CARB may include, but not limited to, the following:
 - 1. Status of the off-road market;
 - 2. Barriers and potential solutions;
 - 3. Recommendations to improve the effectiveness of CORE investments;
 - 4. Recommendations to improve CORE and for other off-road incentive projects; and
 - 5. Role of incentives and how incentive programs can complement near-term regulatory measures.
- KK. Develop and execute a project transfer plan, as part of the Grantee's closeout duties, to ensure a complete and timely transfer of data and website to the next potential Grantee for CORE. The project transfer plan, which will be approved by CARB, includes at a minimum the following tasks:
 - 1. Process vouchers for all of FY 2017-18;
 - 2. Complete all tasks associated with the FY 2017-18 CORE closeout (See Appendix C: Sample Grant Agreement Section J.2.);
 - 3. Process vouchers from next (subsequent) funding allocation, for up to three months; and
 - 4. If applicable, transfer CORE to new Grantee selected by CARB (See Appendix C: Sample Grant Agreement Section M).
- LL. Provide information, upon request, to individuals or organizations that wish to appeal a voucher denial to CARB.
- MM. Meet all applicable requirements of statutes; all applicable Funding Plans; CARB's Funding Guidelines⁵; this solicitation; Appendix C: Sample Grant Agreement; Appendix B: Implementation Manual Framework; the final Grant Agreement; the CORE Implementation Manual including any future updates and/or revisions issued during the grant term. The Grantee must also ensure its subcontractors meet all

⁴https://www.arb.ca.gov/cc/capandtrade/auctionproceeds/carb_farmer_tool_final_110918.xlsx?_ga=2.170544352.1341289681.1544123961-992858175.1464282797

⁵ CARB, 2018; <https://ww2.arb.ca.gov/resources/documents/cci-funding-guidelines-administering-agencies>

the aforementioned requirements, as applicable. CARB's Funding Guidelines and Funding Plan are available at: www.arb.ca.gov/msprog/aqip/aqip.htm.

- NN. Ensure that the most current equipment eligibility list is being used.
- OO. Support and help inform CARB's determination of appropriate base voucher amounts for eligible pieces of equipment and voucher enhancement amounts for infrastructure, bulk deployments, extended warranties, and any other voucher enhancements outlined in the Implementation Manual.
- This will include gathering and providing cost information to help support CARB's determination of the estimated aggregated cost of new conventionally-fueled pieces of equipment that could perform the same function as the zero-emission pieces of equipment for which manufacturers seek eligibility. This information will be used to calculate the incremental cost for each manufacturer's equipment models seeking eligibility. This will be performed for each eligible equipment category outlined in the Implementation Manual, and reviewed periodically as market shifts take place. This cost will be determined on an equipment-specific basis and informed by discussions with fleets and other stakeholders, market data, and/or other relevant information.
- PP. Work with equipment manufacturers to create and maintain a list of dealerships authorized to receive CORE vouchers.
- QQ. Provide monthly status reports to CARB detailing vouchers awarded for ordered equipment and redeemed for delivered equipment (see Appendix C: Sample Grant Agreement Section J.1.).
- RR. Provide CARB with a Final Report that summarizes and evaluates total fund expenditures (including match, interest earned, and in-kind services), total equipment funded, outreach efforts, data collected through telematics (see Scope of Work, Section R of this solicitation), implementation challenges per source of funding, and recommendations for potential project improvements (See Appendix C: Sample Grant Agreement Section J.2.).
- SS. Provide CARB with all webpage(s), databases, computer software, or other intellectual property developed or purchased by the Grantee for the purposes of administering or implementing CORE, if requested (See Appendix C: Sample Grant Agreement Section M).

All information, data, and webpages received or generated under this solicitation is the property of CARB. No information or data received or generated under this agreement shall be released without CARB's approval. See Appendix C: Sample Grant Agreement, for a more complete description of the duties and responsibilities of the Grantee and CARB.

VIII. Application Instructions

Appendix A: Solicitation Application contains the forms and information necessary for submittal of a complete application. CARB will select a Grantee based upon the scoring criteria identified in Section XI of this solicitation. All information and data submitted as a response to this solicitation are the property of CARB and will become a public record. If no qualified proposal is submitted, CARB will not award a grant and will consider other options, such as reevaluating this solicitation or resoliciting for applications.

If you need the Solicitation Application in an alternate format or language, please contact Eloy Florez at (626) 350-6525 or eloy.florez@arb.ca.gov. TTY/TDD/Speech to Speech users may dial 711 for the California Relay Service.

An application package consists of one signed original, four copies, and one compact disc (CD) or digital versatile disc (DVD) of the Solicitation Application and all required documents. Applications submitted in person or via a delivery service provider (United States Postal Service, United Parcel Service, Fedex, etc.) must be delivered to CARB no later than 5:00 p.m. (PDT) on March 18, 2019.

No grant applications may be submitted by fax or email.

Mail to or submit in person to the following address:

California Air Resources Board
Mobile Source Control Division
9480 Telstar Avenue, No. 4
El Monte, California 91731
Attention: Eloy Florez

Once the application is mailed or delivered in person, please send an email to Eloy Florez at Eloy.Florez@arb.ca.gov indicating that you have submitted an application. Sending this email informs CARB staff that your formal application is on the way and secures one of the 10 points provided for Application Completeness described in Section XI, Evaluation and Scoring, of this solicitation. A confirmation email will be sent within 24 hours to the applicant upon receipt of the hardcopy application.

CARB strongly encourages applications to be accurate, brief, and clear. Applications will be initially screened for completeness. Applications must include all of the required elements identified in Section X of this solicitation. An incomplete application will be rejected. **Please do not include in the application any personally identifiable information, such as project staff home addresses, personal phone numbers, or personal email addresses.**

Solicitation Timeline*

Key Actions	Dates	Time (Pacific)
Public Release of Solicitation	February 1, 2019	N-A
Question Deadline for Applicant Teleconference	February 11, 2019	5:00 pm
Applicant Teleconference	February 14, 2019	1:30 pm
Solicitation Application Submittal Deadline	March 18, 2019	5:00 pm
Preliminary Grantee Selection	April 12, 2019	5:00 pm
Execute Grant Agreement and Return to CARB**	May 31, 2019	5:00 pm

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

**Includes governing board resolution, if applicable.

IX. Applicant Teleconference

CARB will hold an Applicant Teleconference where staff will be available to answer questions potential applicants may have regarding eligibility, application completion, and other requirements.

The Applicant Teleconference will take place on the following date and time:

Date: February 14, 2019
 Time: 1:30 p.m. – 3:30 p.m. (Pacific Time)
 Place: California Air Resources Board
 9528 Telstar Avenue
 El Monte, California 91731

Teleconference Information:
 Call-in Phone Number: 1-800-779-9469
 International Number: 1-517-308-9104
 Passcode: 2420646

The Applicant Teleconference will be open to all interested entities, and the intent is to provide potential project applicants with an opportunity to ask clarifying questions regarding the general application, applicant requirements or terminology definitions. Written questions submitted prior to the Applicant Teleconference will be given priority. Questions should be emailed to Eloy Florez at eloy.florez@arb.ca.gov by 5:00 p.m. (Pacific Time), February 11, 2019. The questions and answers from the Applicant Teleconference, including those received via email, will be posted on CARB's website⁶ by **5:00 p.m. (Pacific Time) on March 1, 2019**. These dates may be extended at CARB's sole discretion. CARB will not answer questions regarding this solicitation outside of the Applicant Teleconference. Any verbal communication with a CARB

⁶ All information will be posted on CARB's external Low Carbon Transportation Investments and Air Quality Improvement Program (AQIP) website, available here: <https://www.arb.ca.gov/msprog/aqip/aqip.htm>

employee concerning this solicitation is not binding on the State and shall in no way alter a specification, term, or condition of the solicitation.

X. Required Elements

The application is included as Appendix A: Solicitation Application and includes the following required elements:

- Attachment 1: Applicant Qualifications
- Attachment 2: Proposed Project Budget
- Attachment 3: Project Implementation Plan
- Attachment 4: Project Schedule for Implementation
- Attachment 5: Applicant Resources to Implement the Project
- Attachment 6: Outreach and Education Plan
- Attachment 7: Responses to Supplemental Questions
- Attachment 8: Conflict of Interest Declaration
- Attachment 9: Confidentiality Statement
- Attachment 10: Confidentiality Agreement
- Attachment 11: STD. 204 Payee Data Record

XI. Evaluation and Scoring

CARB will evaluate each application based on the criteria described below. The maximum score is 150 points. The qualified applicant with the highest overall score will be selected as the Proposed Grantee. The selected applicant will be required to sign a Grant Agreement with CARB to fulfill the duties of Grantee (See Appendix C: Sample Grant Agreement). CARB reserves discretion to cancel this solicitation, resolicit for a CORE Grantee, direct funding to another project in the FY2017-18 Funding Plan, or reject any or all applications received in response to this solicitation. Pursuant to the 2018 Funding Guidelines⁷, CARB will also post basic information about all of the applications submitted for consideration (excluding personally identifiable information for any private individuals). The minimum items that must be posted include the name of the applicant and the amount of funding requested.

⁷ CARB, 2018; <https://ww2.arb.ca.gov/resources/documents/cci-funding-guidelines-administering-agencies>

Scoring Criteria	Total Points Possible
A. Qualifications	30
B. Proposed Project Budget	20
C. Project Implementation Plan	30
D. Project Schedule for Implementation	15
E. Applicant Resources to Implement the Project	10
F. Outreach and Education Plan	15
G. Application Completeness	10
H. Supplemental Questions	20
Total	150

A. Qualifications (Attachment 1 of Appendix A) – Maximum 30 points

A successful Grantee will have experience and expertise of working well with zero-emission off-road equipment manufacturers, dealers, fleets, potential purchasers, and other stakeholders and implementing projects similar to CORE. In addition, a successful Grantee will have the ability to create and maintain a CORE process that is user-friendly and well-coordinated for the various participants.

Applicant Qualifications	Points Earned
Applicant lacks experience or expertise successfully implementing large-scale air quality incentive projects or programs and working with zero-emission off-road equipment manufacturers, related supply chains dealers, fleets, and other key project stakeholders.	0 – 10 points
Applicant demonstrates moderate expertise and experience needed to successfully implement CORE, based on its history implementing other large-scale air quality incentive projects or programs and working with zero-emission off-road equipment manufacturers, related supply chains, dealers, fleets, and other key project stakeholders.	11 – 20 points
Applicant demonstrates extensive/strong expertise and experience needed to successfully implement CORE, based on its history implementing large-scale air quality incentive projects or programs and working with zero-emission off-road equipment manufacturers, related supply chains, dealers, fleets, and other key project stakeholders.	21 – 30 points

B. Proposed Project Budget (Attachment 2 of Appendix A) – Maximum 20 points

Applicants must identify their proposed project budget for completing the tasks of CORE, consistent with the Appendix B: Implementation Manual Framework, Appendix C: Sample Grant Agreement, their Project Implementation Plan (included as part of the application), and the requirements of this solicitation. The budget must include the total project implementation cost. For FY 2017-18 funding, this covers startup tasks, implementation tasks, closeout, and transferring all project data and website(s) to the next administrator. The proposed project budget shall include a description of any applicable commitments for in-kind services and match funding. The project implementation costs shall not exceed 7 percent of the total project funding. Applications with project implementation costs exceeding 7 percent will be rejected and not scored. For a complete description of project implementation costs, see Appendix C - Sample Grant Agreement, Section G.2.b.

In-kind contributions refer to goods or services contributed by the Grantee, but not charged to CORE, which effectively and efficiently facilitate the voucher process and the performance of the Grantee's obligations under the Grant Agreement.

Match funding refers to the Grantee's monetary contribution to the monies available to fund CORE-eligible equipment. The Applicant may propose that match funding be used to fund pieces of equipment as part of CORE in a specific California region (such as an air basin). Match funding may not include in-kind match (i.e., funding from other incentive projects, even if for similar vehicles or technologies).

See Attachment 2-1 of Appendix A: Solicitation Application, for a sample budget.

Proposed Project Budget Characteristics	Points Earned
<p>Proposed Project Budget is unclear and inconsistent with the Implementation Manual Framework, the Applicant's Project Implementation Plan, and the requirements of this solicitation, or appears insufficient to complete the project successfully. No or limited match funding or in-kind contributions committed, and the Applicant is requesting the maximum allowable funding for CORE project implementation funding.</p>	<p>0 – 7 points</p>
<p>Proposed Project Budget is relatively clear and detailed; consistent with the Implementation Manual Framework, the Applicant's Project Implementation Plan, and the requirements of this solicitation; and adequate to complete the project. Costs are clearly indicated. Applicant commits to provide match funding or forgo CORE project implementation funding to be used for eligible off-road equipment. The Applicant's commitment for in-kind contributions will enable the project to be moderately effective and efficient.</p>	<p>8 - 15 points</p>
<p>Proposed Project Budget is very clear and detailed; consistent with the Implementation Manual Framework, the Applicant's Project Implementation Plan, and the requirements of this solicitation; and adequate to complete the project. Costs are clearly indicated and appropriate for the expected level and quality of work. Applicant commits to provide match funding or forgo CORE project implementation funding, providing a significant amount of funding to be used to fund eligible off-road equipment (such as providing match funding exceeding \$1,000,000). The Applicant's commitment for in-kind contributions will enable the project to be significantly effective and efficient.</p>	<p>16 - 20 points</p>

C. Project Implementation Plan (Attachment 3 of Appendix A) – Maximum 30 points

The Applicant’s Project Implementation Plan for CORE must describe the Applicant’s ability to complete the work in a timely manner and how the Applicant will implement all of the tasks in the Scope of Work. (See Section VII of this solicitation.)

Project Implementation Plan Characteristics	Points Earned
Project Implementation Plan is unclear and/or does not provide the highest impact for the funding provided.	0 – 10 points
Project Implementation Plan is complete, provides sound recommendations for effective and efficient project implementation (including project development), and considers the budget.	11 – 20 points
Project Implementation Plan is sound and well organized; tailors recommendations creatively and appropriately to implement the project successfully; recommends high-impact, creative activities that maximize the budget; and includes effective recommendations to increase voucher demand and increase participation by public fleets. Project Implementation Plan also includes a firm commitment or detailed and viable plan to successfully leverage other public or private funding (such as federal or air district funds) to assist the accelerated deployment of targeted off-road equipment.	21 – 30 points

D. Project Schedule for Implementation – Maximum 15 points

The Applicant will provide a project schedule describing the expected timeline for development and tasks required to successfully launch the project. At a minimum, a tabular display is required. An addition of a graphic display (such as a Gantt chart) of the project schedule is preferred. Information must include task duration, start and completion dates, and expected time to secure materials and services. CORE voucher funds must be expended by the end of the grant term and a Final Report must be submitted and approved by March 30, 2021.

The project schedule should emphasize the following milestones:

- Submission of the Implementation Manual to CARB,
- Finalizing the CORE website,
- Timing and schedule for outreach and public engagement, and
- Expected first vouchers available to the public.

Project Schedule for Implementation Characteristics	Points Earned
The Applicant does not have a clear and reasonable project schedule. Applicant does not exhibit ability to complete the tasks in the necessary timeframe.	0 – 5 points
The Applicant has a relatively clear and reasonable project schedule that allows for successful implementation of CORE. The Applicant exhibits ability to complete the tasks.	6 – 10 points
The Applicant has a very clear, complete, and well thought out project schedule, including necessary steps to implement CORE successfully. The Applicant clearly demonstrates the ability to complete all tasks and in a timeframe ensuring successful CORE implementation.	11 – 15 points

E. Applicant Resources to Implement the Project (Attachment 4 of Appendix A) – Maximum 10 points

The Applicant’s ability to successfully act as Grantee based upon their demonstrable staffing, infrastructure, funding, and other available resources.

Available Resources	Points Earned
The Applicant has demonstrated the minimum resources needed to implement CORE.	0 – 5 points
The Applicant has clearly demonstrated sufficient staff, infrastructure, and/or funding resources to implement CORE successfully.	6 – 10 point

F. Outreach and Education Plan – Maximum 15 points

The Applicant’s Outreach and Education Plan should provide a clear and creative approach for planning and executing public outreach and education. The Applicant should target key stakeholders such as dealers, public fleets, small fleets, school districts, community groups, and/or equipment rental firms. The Outreach and Education Plan should also emphasize disadvantaged community and environmental justice outreach and provide a clear goal and pathway to engage with these communities. Metrics and reporting on performed outreach should also be part of the Outreach and Education Plan.

The Outreach and Education Plan should also emphasize what public engagement is planned for the task of developing and finalizing the Implementation Manual (see Section VII.C., Scope of Work).

Outreach and Education Plan Characteristics	Points Earned
The Applicant does not have a clear, creative, and complete Outreach and Education Plan targeting key stakeholders. Applicant does not exhibit ability to maximize available funding to ensure partnerships with key stakeholders, such as dealers, public fleets, small fleets, school districts, community groups, and/or equipment rental firms.	0 – 5 points
The Applicant has a relatively clear, creative, and complete Outreach and Education Plan (as identified in the Project Implementation Plan) targeting key stakeholders, such as dealers, public fleets, small fleets, school districts, community groups, and/or equipment rental firms. Applicant marginally exhibits ability to maximize available funding to ensure a range of partnerships.	6 – 10 points
The Applicant has a very clear, creative, and complete Outreach and Education Plan (as identified in the Project Implementation Plan) targeting key stakeholders, such as dealers, public fleets, small fleets, school districts, community groups, and/or equipment rental firms. Applicant's plan demonstrates understanding and experience in collaborating with all relevant stakeholders and providing appropriate outreach tools for exposure and adoption of zero-emission pieces of equipment. Applicant exhibits ability to maximize available funding to ensure a broad range of partnerships.	11 – 15 points

G. Application Completeness – Maximum 10 points

Application Completeness	Points Earned
The application is clear, concise, and includes all the required information. One point provided for emailing CARB a submitted application notification, as described in Section VIII, Application Instructions.	0 – 10 points

H. Supplemental Questions – Maximum 20 points

1. Describe how you plan to encourage and ensure high response rates to the annual equipment user survey/questionnaire that equipment operators are required to submit to the Grantee.
2. Identify the methods you plan to use to ensure voucher amounts (considering factors such as baseline cost estimates of equipment, incremental costs, voucher enhancement costs, etc.) are accurate and truly reflective of the real cost?
3. Discuss the means by which you propose to validate the data received through telematics that equipment manufacturers are required to report.
4. Detail the metrics of success you would use to show progress towards commercialization for each equipment type eligible under CORE.
5. Describe the plan for and the ability to target outreach in areas that are classified as extreme non-attainment of the federal 8-hour ozone standard (i.e., the South Coast and San Joaquin Valley Air Basins), disadvantaged communities, and low-income communities, as defined by CalEnviroScreen 3.0⁸.

Supplemental Questions Scoring Characteristics	Points Earned (per question)
Applicant responses are unclear, incomplete, or do not provide effective plans to address the outlined issues and topics.	0 points
Applicant responses are complete and provide sound recommendations for effective and efficient solutions to the outlined issues and topics.	1 – 2 points
Applicant responses are sound and well organized; tailors recommendations creatively and appropriately; and recommends high-impact activities that maximize the budget to address the outlined issues and topics.	3 – 4 points

XII. Administrative Requirements

A. Cost of Developing Application

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

B. Errors

If an Applicant discovers any ambiguity, conflict, discrepancy, omission, or other error in the solicitation, the Applicant shall immediately notify CARB of such error

⁸ The CalEnviroScreen 3.0 mapping tool is available at <https://oehha.ca.gov/calenviroscreen/report/calenviroscreen-30>

in writing and request modification or clarification of the document. CARB shall not be responsible for failure to correct errors.

C. Immaterial Defect

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

D. Disposition of Applicant's Documents

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

E. Applicant's Admonishment

This solicitation contains the instructions governing the CORE Grantee application process, including the required format of information and materials to be submitted, the eligibility criteria, and Applicant responsibilities. Applicants must take the responsibility to read the entire solicitation carefully, ask appropriate questions in a timely manner, submit a complete application with all required responses by the required date and time, and make sure that all procedures and requirements of the solicitation are followed and appropriately addressed.

F. Agreement Requirements

The content of this solicitation and each Grantee application shall be incorporated by reference into the final agreement.

CARB reserves the right to negotiate with Applicants to modify the project scope, the level of funding, or both. If CARB is unable to successfully negotiate and execute a Grant Agreement with an Applicant, CARB, at its sole discretion, reserves the right to withdraw the pending award and fund the next highest ranked eligible Applicant. This does not limit CARB's ability to withdraw a proposed award for other reasons, including for no cause.

G. No Agreement Until Signed

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

H. No Modifications to the General Provisions

Because time is of the essence, if an Applicant, at any time, including after Preliminary Grantee Selection, attempts to negotiate, or otherwise seeks modification of, the General Conditions set forth in Appendix C: Sample Grant Agreement, Section N, CARB may reject an application or withdraw a proposed

award. This does not alter or limit CARB's ability to withdraw a proposed award for other reasons, including for no cause.

I. Payment of Prevailing Wages

All Applicants must read and pay particular attention to Appendix C: Sample Grant Agreement, Section N.21 ("Prevailing wages and labor compliance"). Prevailing wage rates can be significantly higher. Failure to pay legally-required prevailing wage rates can result in substantial damages and financial penalties, termination of the Grant Agreement, disruption of projects, and other consequences

J. Remedies for Nonperformance

In the case of non-performance, remedies detailed in this section may be utilized at CARB's discretion. Examples of non-performance include, but are not limited to: misuse of funding for ineligible expenses; failure to comply with program guidelines or requirements; inability to meet performance requirements or schedule milestones; and failure to comply with the terms and conditions identified in legal agreements. Remedies may include:

- CARB may seek to resolve the dispute directly with the grantee, or involve a third-party mediator,
- CARB may issue a stop work order,
- CARB may terminate the agreement at its sole discretion,
- CARB may recover grant funds, spent and unspent, to the degree they have been spent or are being spent inappropriately,
- CARB may withhold funds from payment, and
- CARB may take civil actions.

K. Solicitation Cancellation and Amendments

CARB reserves the right to do any of the following:

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

L. Insurance Requirements

The Grantee must comply with all requirements outlined in the (1) General Provisions and (2) Insurance Requirements sections, below. No payments will be made under the Grant until the Grantee fully complies with all insurance requirements.

1. General Provisions

- a. Coverage Term – Coverage needs to be in force for the complete term of the grant. If insurance is set to expire 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 policy 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 policy.
 - d. Primary Clause – Any insurance required by the Grant Agreement shall be primary, and not excess or contributory, to any other insurance carried by the State.
 - e. Insurance Carrier Required Rating – All insurance policies must be underwritten by companies with an AM Best rating of at least an “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 Agreement’s 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 CARB, the Grantee must show proof of automobile liability insurance. Failure to provide proof upon request will result in the termination of the grant. The policy must name the State of California, its officers, agents, and employees as additional insured, but only with respect to work performed under the Grant Agreement.
- c. Workers' Compensation and Employer's 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 obligations set forth in the Grant Agreement. In addition, employer's liability limits of \$1,000,000 are required. **A Waiver of Subrogation or Right to Recover endorsement in favor of the State of California must be attached to the certificate.**
- d. Crime Insurance – Coverage shall provide limits of up to \$40 million as determined by CARB. 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 a loss payee, the State of California.