

## 2017-18 GRANT SOLICITATION

# FINANCING ASSISTANCE FOR LOWER-INCOME CONSUMERS (FINANCING ASSISTANCE PILOT PROJECT)

Mobile Source Control Division  
California Air Resources Board  
November 1, 2018



California Air Resources Board

**FINANCING ASSISTANCE PILOT PROJECT**

**Table of Contents**

<b>I.</b>	<b>SUMMARY</b> .....	<b>1</b>
<b>II.</b>	<b>BACKGROUND</b> .....	<b>1</b>
<b>III.</b>	<b>AVAILABLE FUNDING</b> .....	<b>3</b>
<b>IV.</b>	<b>ADVANCE PAY</b> .....	<b>3</b>
<b>V.</b>	<b>OPTION FOR NEW GRANT AGREEMENT FOR FY 2018-19 and FY 2019-20</b> ..	<b>3</b>
<b>VI.</b>	<b>PROJECT TIMELINE</b> .....	<b>3</b>
<b>VII.</b>	<b>ELIGIBILITY</b> .....	<b>4</b>
<b>VIII.</b>	<b>ELIGIBLE ADVANCED TECHNOLOGY</b> .....	<b>4</b>
<b>IX.</b>	<b>SCOPE OF WORK</b> .....	<b>6</b>
<b>X.</b>	<b>DEFINITIONS</b> .....	<b>12</b>
<b>XI.</b>	<b>APPLICATION INSTRUCTIONS</b> .....	<b>14</b>
<b>XII.</b>	<b>APPLICANT TELECONFERENCE</b> .....	<b>15</b>
<b>XIII.</b>	<b>REQUIRED ELEMENTS</b> .....	<b>15</b>
<b>XIV.</b>	<b>EVALUATION AND SCORING</b> .....	<b>16</b>
<b>XV.</b>	<b>ADMINISTRATION</b> .....	<b>21</b>

**Appendices**

<b>APPLICATION</b> .....	<b>Appendix A</b>
<b>Attachment 1: Applicant Qualifications and Resources</b>	
<b>Attachment 2: Proposed Estimated Budget</b>	
<b>Attachment 3: Project Implementation Plan</b>	
<b>Attachment 4: Outreach and Education Strategy</b>	
<b>Attachment 5: Applicant Resources to Implement the Project</b>	
<b>Attachment 6: Conflict of Interest Declaration</b>	
<b>Attachment 7: Confidentiality Statement</b>	
<b>Attachment 8: Confidentiality Agreement</b>	
<b>Attachment 9: STD. 204 Payee Data Record</b>	
<b>SAMPLE GRANT AGREEMENT</b> .....	<b>Appendix B</b>
<b>Exhibit A: Grant Provisions</b>	
<b>Exhibit B: General Grant Provisions</b>	
<b>Exhibit C: Work Statement</b>	
<b>Exhibit D: Solicitation</b>	
<b>Exhibit E: Application Package</b>	
<b>Exhibit F: Sample Consumer Survey</b>	
<b>Exhibit G: Budget</b>	
<b>ACRONYMS</b> .....	<b>Appendix C</b>

## I. SUMMARY

The California Air Resources Board (CARB or Board) is soliciting for one Grantee to implement and administer the Financing Assistance Pilot Project funded from the Fiscal Year (FY) 2017-18 Funding Plan for Clean Transportation Incentives (Funding Plan)<sup>1</sup>. The current funding available for this Project is up to \$18 million. Of the \$18 million, \$8 million is from FY 2017-18 Low Carbon Transportation Investments and \$10 million from Volkswagen (VW) Settlement funds for Zero-Emission Vehicle (ZEV) aspects of vehicle replacement in AB 97. One award will be selected from this competitive solicitation and awarded the grant.

The Financing Assistance Pilot Project is intended to encourage and accelerate the adoption of on-road light duty zero and near zero-emission vehicles in lower-income households. Zero-Emission Vehicle (ZEV) technologies include hydrogen fuel cell electric vehicles (FCEV) and plug-in electric vehicles, which include both pure battery electric vehicles (BEV) and plug-in hybrid electric vehicles (PHEV). The higher cost of advanced technology clean vehicles can be a significant barrier to vehicle ownership for many lower-income consumers. The goal of this project is to help improve access to affordable financing mechanisms for lower-income consumers throughout California to purchase or lease these vehicles by providing low cost loans and vehicle price buy-down grants. Vehicles eligible currently include: FCEVs, BEVs, PHEVs, and hybrid electric vehicles (HEVs). Due to the distances driven and the more remote area consumers may reside, HEVs are considered a bridging technology to ZEVs and is an eligible vehicle technology.

This project helps California meet its air quality and climate goals by reducing greenhouse gas (GHG) emissions and achieving co-benefit criteria pollutant emission reductions through the introduction of advanced technology clean vehicles to lower-income consumers and disadvantaged communities. This project will be administered and implemented through a partnership between CARB and a Grantee, selected via this competitive CARB Grant solicitation. Applications are due to CARB no later than **5:00 p.m. (PST), Monday December 3<sup>rd</sup>, 2018.**

## II. BACKGROUND

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

In 2012, the legislature passed and Governor Brown signed into law three bills – AB 1532 (Pérez, Chapter 807), Senate Bill (SB) 535 (de León, Chapter 830), and SB 1018 (Budget and Fiscal Review Committee, Chapter 39) – that established the Greenhouse Gas Reduction Fund (GGRF) to receive Cap-and-Trade auction proceeds and to

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<sup>1</sup> [https://www.arb.ca.gov/msprog/aqip/fundplan/proposed\\_1718\\_funding\\_plan\\_final.pdf](https://www.arb.ca.gov/msprog/aqip/fundplan/proposed_1718_funding_plan_final.pdf)

provide the framework for how the auction proceeds will be administered to further the purposes of AB 32. Cap-and-Trade auction proceeds have been appropriated to CARB for Low Carbon Transportation projects that reduce GHG emissions, with an emphasis on investments that benefit the State's disadvantaged communities.

Senate Bill 1275 (SB 1275) (De León, Chapter 530, Statutes of 2014), one of the laws guiding CARB's light-duty vehicle investments, requires CARB to include a long-term plan. The plan must include: a three-year forecast of funding needs to support the goals of technology advancement, market readiness, and consumer acceptance of advanced technology clean vehicles; a market and technology assessment; and an assessment of when a self-sustaining market is expected.

In the AB 97 Budget Act of 2017, the Legislature appropriated \$25 million to CARB. During 2017, CARB entered into several consent decrees with Volkswagen to resolve claims against the company for equipping its diesel vehicles with illegal defeat devices. The second California partial consent decree for 3.0-liter VW engines included direction for the funding to support the expansion of ZEV-related aspects of vehicle replacement programs.

These investments are being administered through the framework of annual funding plans. The FY 2017-18 Funding Plan for Clean Transportation Incentives include several pilot projects for light-duty vehicles, including the Financing Assistance Pilot Project, that are focused on the deployment of advanced technologies that provide immediate benefits in disadvantaged communities.

The Financing Assistance Pilot Project, as well as the other equity projects in the Funding Plan, follow SB 535's direction that some investments must benefit California's disadvantaged communities as defined by California Environmental Protection Agency (CalEPA) based on geographic, socio-economic, public health, and environmental hazard criteria. These communities are identified by the CalEPA's California Communities Environmental Health Screening Tool (CalEnviroScreen 3.0) <sup>2</sup> that assesses all census tracts in the State to identify areas disproportionately burdened by and vulnerable to multiple sources of pollution. Using this tool, the project will help CARB meet its AB 1550 targets for projects located in disadvantaged communities, low-income communities, and low-income households. This project will also provide reduced GHG, criteria pollutant, and toxics emissions. Important co-benefits of this project includes improved public health from reduced pollution exposure, transportation-cost savings, increased household economic stability, increased connectivity to destinations, reduced traffic congestion, and increased environmental sustainability.

This project also incorporates the findings of CARB's *SB 350 Low-Income Barriers Study: Overcoming Barriers to Clean Transportation Access for Low-Income Residents*<sup>3</sup> (SB 350 Report). This study identifies barriers that lower-income residents and disadvantaged communities face in accessing clean transportation and mobility options,

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<sup>2</sup> [www.calepa.ca.gov/EnvJustice/GHGInvest/](http://www.calepa.ca.gov/EnvJustice/GHGInvest/)

<sup>3</sup> [https://www.arb.ca.gov/msprog/transoptions/sb350\\_final\\_guidance\\_document\\_022118.pdf](https://www.arb.ca.gov/msprog/transoptions/sb350_final_guidance_document_022118.pdf)

and specific recommendations to address them. Among these recommendations is the need to provide help to lower-income consumers and disadvantaged community residents: afford clean vehicles, install home chargers, or participate in mobility options such as ride sharing, car sharing, vanpooling, ride-hailing, bike sharing, and other clean transportation options.

### **III. AVAILABLE FUNDING**

In December 2017, the Board approved the FY 2017-18 Funding Plan, providing up to \$20 million in funding for the Financing Assistance Pilot Project. This funding was split between Low Carbon Transportation Investments and VW Settlement for the ZEV Aspects of Vehicle Replacement Programs. Of the \$10 million from FY 2017-18 Low Carbon Transportation funding, \$2 million went towards expansion of the local Financing Assistance Pilot Project. The current funding available for this Project is up to \$18 million. Of the \$18 million, \$8 million is from FY 2017-18 Low Carbon Transportation Investments and \$10 million from VW Settlement funds for ZEV aspects of vehicle replacement in AB 97.

This solicitation is for a statewide Financing Assistance Pilot Project or expansion to an already existing Financing Assistance Pilot Project that adheres to the 2018 Funding Guidelines of California Climate Investments<sup>4</sup>.

There is no minimum match funding requirement, but voluntary match or in-kind funding will be considered in scoring the application. Funding from other public or private sources may be combined with CARB funds and must be identified in a project budget.

### **IV. ADVANCE PAY**

Consistent with the Legislature's direction to expeditiously disburse grants, CARB may provide advance payments of grant awards to support project initiation and implementation with a focus on mitigating the constraints of modest reserves and potential cash flow problems. Recognizing that appropriate safeguards are needed to ensure grant monies are used responsibly, CARB has developed grant conditions to establish control procedures for advance payments, as stated in Section J. Fiscal Administration in Appendix B: Sample Grant Agreement.

### **V. OPTION FOR NEW GRANT AGREEMENT FOR FY 2018-19 and FY 2019-20**

CARB, in its sole discretion, may award a new Grant Agreement each following year for FY 2018-19 and FY 2019-20, under the same terms and conditions. The Grantee understands and agrees that there is no guarantee that the subsequent FY 2018-19 and FY 2019-20 Grant Agreements will be awarded.

### **VI. PROJECT TIMELINE**

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<sup>4</sup> <https://ww2.arb.ca.gov/resources/documents/cci-funding-guidelines-administering-agencies>

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 loan has been fully repaid. For example, the applicant must include the term of the loan or in the case of a loan loss reserve the associated loan that utilizes the loan loss reserve as a financing instrument, the term of the agreement is until the final payment under the consumer loan is repaid. At CARB's sole discretion, alterations may be required to the project budget and the administration plan timeline.

Although, this pilot project will evaluate the feasibility of program(s) that provide financing assistance to lower-income consumers to purchase advanced technology clean vehicles in the short-term, the grantee must include a description in their Project Implementation Plan of their long-term vision or goals to sustain the program in future years. Long-term goals of the program must promote the purchase or lease of advanced technology clean vehicles.

## **VII. ELIGIBILITY**

This competitive solicitation is open to federal, state or local government entities or agencies, and California nonprofit organizations<sup>5</sup> with expertise implementing a financing assistance program, a grant program, and general knowledge of CARB's clean vehicle programs. Specific requirements for the Grantee are described in this solicitation and the Financing Assistance Pilot Project Draft Sample Grant Agreement for FY 2017-18 (Sample Grant Agreement) (Appendix B).

Eligible applicants must meet all applicable requirements of State laws and regulations, the AQIP Guidelines, the FY 2017-18 Funding Plan, and this solicitation. To be considered for the grant award, applicants must fully complete the 2017-18 Application (Appendix A) and demonstrate that they meet the Required Elements (see Section XI of this solicitation). The applicant must be in good standing with the Franchise Tax Board and Internal Revenue Service. CARB may request clarification regarding application responses during the application review process.

## **VIII. ELIGIBLE ADVANCED TECHNOLOGIES**

The Grantee must confirm the vehicle being purchased or leased meets the following vehicle eligibility criteria. Eligible vehicles for the purpose of this Financing Assistance Pilot Project solicitation include used and new light-duty passenger vehicles that are a HEV, PHEV, BEV or FCEV.

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<sup>5</sup> California-based non-profit organizations must at all times be registered with and in active/good standing with the California Secretary of State.

For used vehicles the model years must be eight years old or newer with a U.S. Environmental Protection Agency (U.S. EPA) combined fuel economy rating of at least 25 miles per gallon of fuel or more depending on the model year. Combined fuel economy ratings requirements are described in Table 1: Minimum U.S. EPA Combined Fuel Economy Rating by Model Year. The minimum U.S. EPA Combined Fuel Economy Rating changes by model year and will be updated in future years for fuel economy on newer model years.

**Table 1: Minimum U.S. EPA Combined Fuel Economy Rating by Model Year**

Model Year	Minimum U.S. EPA Combined Fuel Economy Rating
2011	25
2012	28
2013	29
2014	30
2015	31
2016	32
2017	37
2018	38
2019	40
2020	42

Any advance technology clean vehicle selected must have less than 75,000 original miles. This pilot project excludes neighborhood electric vehicles and zero-emission motorcycles.

Additional vehicle requirements:

1. A chassis that has been modified with aftermarket parts or equipment to create a BEV, PHEV or HEV is not eligible.
2. No modifications to the vehicle’s emission control systems, hardware, software calibrations, or hybrid system (California Vehicle Code (CVC) section 27156).
3. Vehicle title cannot be salvaged (as defined in CVC section 544).
4. Vehicle inspection must be completed by a licensed automotive mechanic.
5. Vehicle history to be provided and attached to the financing assistance paperwork.

The Grantee must provide a mechanism to allow financial assistance in the form of a grant of up to \$2,000 for the purchase and installation of Electric Vehicle Supply Equipment (EVSE) or related infrastructure for consumers purchasing or leasing a

BEV/PHEV. This may also include subsidized solar power systems. If infrastructure cannot be installed at consumer's residence, a portion of the funding may go toward subsidizing cost of electricity from public charging stations. The applicant must provide a description of the process for funding EVSE and issuing EVSE funds in the implementation plan. At CARB's discretion, the vehicle eligibility criteria may change during the term of this project.

## **IX. SCOPE OF WORK**

The Grantee is responsible for on-the-ground project implementation of distributing vehicle price buy-down grants for eligible vehicles and facilitating access to loans for the purchase or lease of an advanced technology clean vehicle, including, but not limited to the following tasks. Any requirements identified below are minimum requirements and are not comprehensive:

- A. Throughout the grant term and in consultation with CARB, develop, update and finalize both the Terms and Conditions and the Project Implementation Plan.
- B. Provide eligible lower-income consumers all of the following:
  - 1. A low interest loan; the project sets an eight percent annual percentage rate cap on loans;
  - 2. Provide a vehicle price buy-down grant: up to \$2,500 for a HEV and up to \$5,000 for a FCEV, BEV or PHEV. If the price of the vehicle is less than a vehicle price buy-down, the price buy-down cannot exceed the price buy-down amount minus \$1,000. At CARB's discretion, the types of eligible vehicles or grant amounts may change during the term of the project;
  - 3. For a BEV/ PHEV purchaser, allow up to \$2,000 in the form of a grant for the purchase and installation of EVSE or related infrastructure expenses, such as electrical panel updates or solar power systems. If infrastructure cannot be installed at consumer's residence, a portion of the funding may go toward subsidizing cost of electricity from public charging stations. Funding amounts may be changed at CARB's discretion;
  - 4. Education and Outreach: provide the consumer with financial and vehicle technology familiarization training (See Table 2), and provide customers with vehicle purchasing assistance.



**Table 2: Fiscal and Vehicle Technology Familiarization Training**

Subject	Topics include but are not limited to the following:
Financial	<p>Money Smart Adult Financial Education Curriculum similar to the Federal Deposit Insurance Corporation modules found at: <a href="https://www.fdic.gov/consumers/consumer/moneysmart/mscbi/mscbi.html">https://www.fdic.gov/consumers/consumer/moneysmart/mscbi/mscbi.html</a></p> <ul style="list-style-type: none"> <li>• Introduction to bank services</li> <li>• Introduction to credit</li> <li>• Rights as a consumer</li> <li>• How your credit history will affect your credit future</li> <li>• Know what your borrowing before you buy</li> <li>• Vehicle expenses (payments, insurance, fuel, maintenance, battery replacement costs)</li> </ul>
Vehicle	<ul style="list-style-type: none"> <li>• Basic auto maintenance</li> <li>• Vehicle safety (tire, proper maintenance) and care</li> <li>• Fluid level check</li> <li>• Electrical System</li> <li>• Lubrication System</li> <li>• Fuel System</li> <li>• Advanced technologies including: battery technology, useful life, warning indicators, charging needs</li> </ul>
Infrastructure	<ul style="list-style-type: none"> <li>• Charging infrastructure options</li> </ul>

- C. Grantee must coordinate administration of the program with CARB's other transportation equity projects including, but not limited to, Enhanced Fleet Modernization Program (EFMP) Plus-up/Clean Cars 4 All, Clean Vehicle Rebate Project (CVRP), Clean Mobility Options/Car Sharing projects, One-Stop-Shop and other ZEV and ZEV infrastructure incentive programs. The additional resources required for alignment with these may require additional funds that must be taken into account in the budget.
- D. Prepare outreach and educational materials that are clear and effective, in consultation with CARB, and conduct statewide public outreach necessary for the project to be successful. Outreach should target lower-income consumers with an emphasis in disadvantaged and low-income communities, as well as California tribes. Grantee must also coordinate outreach efforts with the administrators of EFMP Plus-up/Clean Cars 4 All, CVRP, Clean Mobility Options/Car Sharing projects, and One-Stop-Shop. The Grantee shall clearly identify an outreach plan that contains, at a minimum:
1. The types of outreach planned, printed materials, web-based content, multimedia tools, video, et cetera. Outreach materials must be approved by CARB prior to use.
  2. A strategy to support organizations and groups that are representative of

disadvantaged and low-income communities. These groups, tribes, and organizations should be connected to a network of similar organizations, culturally-relevant institutions, community service providers, regional or centralized community based-organizations, local air districts, utility groups, or community colleges, to provide education, technical assistance, ride and drive opportunities, et cetera.

3. An approximate number of community events and geographic locations that will be attended to promote the financing assistance pilot project and educate the public on advanced technology clean vehicles.
4. A strategy to engage lower-income consumers through activities relevant to the communities being served. This should include the use of language-specific and culturally-appropriate outreach and education materials.
5. A strategy to align outreach efforts and coordinate messaging between EFMP Plus-up/Clean Cars 4 All, CVRP and One-Stop-Shop. The goal is for the consumer to have clear messaging of how these complimentary programs can get them into an advanced technology vehicle.

E. Grantee must facilitate the selection and purchase/lease of the advanced technology clean vehicle:

1. New or used advanced technology clean vehicle with 75,000 original miles or less.
2. Model year must be eight years or newer with minimum U.S. EPA Combined Fuel Economy Rating by Model Year (See Table 1).
3. Ensure vehicle inspection is completed by a licensed automotive mechanic and is provided to the consumer prior to purchase.
4. As part of consumer protection, ensure vehicle has no outstanding recall notices. If there is a recall notice(s), the vehicle must be fixed before the vehicle can be purchased (see: <http://www.recalls.gov/nhtsa.html>).
5. Distribute vehicle price buy-down payments to the dealership for consumer's purchase or lease transaction.
6. Offer an option for ZEV purchases, if available, an extended vehicle warranty, a battery warranty, or a battery replacement option if necessary.

F. Grantee must ensure the consumer meets all applicable Financing Assistance Pilot Program requirements:

1. Consumer must have a household income less than or equal to 400 percent

of the Federal Poverty Level (FPL). The FPL guidelines (U.S. Department of Health and Human Services, Office of Assistant Secretary for Planning and Evaluation: <https://aspe.hhs.gov/poverty-guidelines>) on income thresholds are updated annually and vary by household size.

2. Consumer must reside in California.
  3. Consumer must complete a financial and vehicle technology familiarization training prior to receiving financial assistance.
  4. Consumer must have a minimum loan or down payment of \$1,000. If participating in EFMP Plus-up/Clean Cars 4 All, consumer would meet this requirement through the scrapping of their old vehicle. If a consumer participates in the grant or rebate portion of the EFMP Plus-up/Clean Cars 4 All, or CVRP programs they are not eligible for the price buy-down in the Financing Assistance Pilot Project. Appropriate documentation to verify participation is required.
  5. Consumer must possess a valid California Class C driver's license.
- G. Grantee must work with CARB to determine income verification requirements to align with and complement other programs such as EFMP Plus-up/ Clean Cars 4 All, CVRP, One-Stop-Shop, and local financing assistance projects.
- H. Grantee must work with CARB to administer additional consumer requirements once the vehicle is purchased:
1. Consumer must register the vehicle in California.
  2. Consumer must purchase and maintain minimum required automotive insurance. In California, drivers must carry liability insurance of \$15,000 for injury/death to one person, \$30,000 for injury/death to more than one person and \$5,000 for damage to property.
  3. Consumer must reside in California for the term of the loan or lease or 30 months, whichever is longer.
  4. Consumer must agree to complete a survey annually.
- I. Ongoing Grantee responsibilities:
1. Establish and maintain project records that include consumer details (Federal Poverty Level, address, census tract, disadvantaged community designation, etc.) and assistance details (vehicle type, loan amount, interest rate, term, price buy-down amount, EVSE, training, etc.),

2. Survey the consumer annually for the term of the loan and at the end of the loan, or at 30 months, whichever is longer. Provide a summary of responses which includes survey statistics.
  3. Establish a process to track and enforce measures for defaulted loans or returned vehicles, cancellations, et cetera.
  4. For a direct loan model: track status of each loan throughout loan term, defaults, and transactions.
  5. For a loan loss reserve (LLR) model: track premiums, defaults and transactions associated with LLR account. For a LLR, CARB requires the LLR premiums up to twenty percent of the loan amount. Note that in a LLR account project, once all loans guaranteed by the LLR account have been repaid, the Grantee must return to CARB the premium contributions funded in the lender's LLR accounts made on behalf of the borrower and lender.
  6. Track and report vehicle and consumer information, track expenditures by grant award, fiscal year, and funding sources.
  7. Track and report interest earned on grant funds.
  8. Provide CARB with access to all pilot project records including, but not limited to, loan, consumer information, vehicle price buy-down, and EVSE documentation. For vehicle price buy-down, provide vehicle details (make, model, model year, mileage at purchase, et cetera) and access to the financial assistance checks, upon request.
- J. Develop program related user-friendly public webpages or a CARB-approved third party webpage with the ability to integrate and/or communicate with the One-Stop-Shop platform. In addition, must be tailored to address barriers in SB 350 Report. Webpages must include, at a minimum:
1. List of types of eligible vehicles and each vehicle type's vehicle price buy-down amount.
  2. Contact information and applicable documents and forms related to the project.
  3. Links to other CARB incentive programs (i.e. EFMP Plus-up/Clean Cars 4 All, CVRP, Clean Mobility Options/Car Sharing projects, local financing assistance).
- K. Develop an Implementation Manual that includes policies and procedures and flow chart that describes the Grantee's administrative action for conducting financial and vehicle familiarization training, processing consumer paperwork and

the loan approval process. CARB may at any time require the Grantee to update their Implementation Manual to reflect any changes made since the plan was last approved. This Manual will provide necessary definitions, explanations, and processes associated with the project's minimum requirements, and may be periodically updated as needed to clarify project requirements and improve project effectiveness.

- L. 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 third year of record retention, the Grantee must submit all project records to CARB. Hardcopy of electronic records are suitable. Acceptable forms of electronic media include hard drives, CDs, DVDs, and flash drives. Other forms of electronic media may be allowed based on prior written concurrence from CARB.
- M. Maintain copies of all disapproved applications.
- N. Develop and maintain accounting procedures to track expenditures by grant award and all Financing Assistance Pilot Project funding sources.
- O. Establish a process for returned award funds as a results of uncashed checks, prorated returns, cancellations, etc.
- P. Track vehicle price buy-down per funding source issued in lower-income and disadvantaged communities.
- Q. Respond to public inquiries regarding the Financing Assistance Pilot Project.
- R. Provide a Quarterly Status Reports to CARB documenting project fund expenditures (including match and in-kind funds), vehicles funded, outreach efforts, implementation challenges, and achievements.
- S. Provide CARB with project Final Report that summarizes and evaluates total fund expenditures (including match and in-kind funds); vehicles funded, outreach efforts, implementation challenges, and recommended potential program improvements.
- T. Upon request, provide CARB with all project records including but not limited to copies of vehicle price buy-down and EVSE checks.
- U. Develop a project transfer plan in a manner directed by CARB that includes, but is not limited to, the following tasks:
  - 1. Loans processed and record of vehicle price buy-down for all project consumers.

2. Complete all tasks associated with closeout.
  3. Process for completing the current applications for loans and vehicle price buy-down for up to three months after closeout, to ensure a smooth transition to another administrator.
  4. If applicable, transfer Financing Assistance Pilot Project data and website to a new Grantee/administrator selected by CARB according to the agreed upon transfer plan.
- V. All information, data, and webpages received or generated under this solicitation are the property of CARB. No information or data received or generated under this agreement shall be released without CARB's approval. See the Sample Grant Agreement (Appendix B) for a more complete description of the duties and responsibilities of the Grantee and CARB.
- W. Assess the influence of incentives on the used clean vehicle market.
- X. Establish a waiting list if the project becomes oversubscribed and CARB determines a waiting list is appropriate.

## **X. DEFINITIONS**

Descriptions offered below are for the purposes of this solicitation only.

**“Battery Electric Vehicle (BEV)”** means any vehicle that operates solely by use of a battery or battery pack, or that is powered primarily through the use of an electric battery or battery pack but uses a flywheel or capacitor that also stores energy produced by the electric motor or through regenerative braking to assist in vehicle operation.

**“Confidentiality”** means 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.

**“Consumer Protections”** means any method, provision, or requirement designed to ensure that Financing Assistance Pilot Project consumers accrue the full benefit of the financing assistance offered through the program.

**“Electric Vehicle Supply Equipment (EVSE)”** means a portable, pedestal-mounted, or wall-mounted unit that delivers electricity to BEVs or PHEVs, also referred to as electric vehicle infrastructure. EVSEs establish two-way communication with the on-board charger in the car.

“**Federal Poverty Level (FPL)**” means the income level published in the poverty guidelines which are updated periodically in the Federal Register by the U.S. Department of Health and Human Services under the authority of 42 U.S.C. 9902(2).” See Federal Poverty guideline website for the current poverty levels, <https://aspe.hhs.gov/poverty-guidelines>.

2018 POVERTY GUIDELINES FOR THE 48 CONTIGUOUS STATES AND THE DISTRICT OF COLUMBIA		
PERSONS IN FAMILY	HOUSEHOLD POVERTY GUIDELINE	400% HOUSEHOLD POVERTY GUIDELINE
1	\$12,140	\$36,420
2	\$16,460	\$49,380
3	\$20,780	\$62,340
4	\$25,100	\$75,300
5	\$29,420	\$88,260
6	\$33,740	\$101,220
7	\$38,060	\$114,180
8	\$42,380	\$127,140

\*Grantee must update this table annually

“**Financing Assistance**” means a financing mechanism that assists a low income individual in the purchase or lease of a vehicle. This may include one or more of the following: vehicle price buy-down grant; direct loan; Loan Loss Reserve for a lender to reduce risk on loan; interest rate by down; or purchase or lease assistance.

“**Fuel Cell Electric Vehicle (FCEV)**” means any vehicle that receives propulsion energy from both an on-board fuel cell power system and either a battery or a capacitor. FCEV is equivalent to “hybrid fuel cell vehicle.”

“**Hybrid Electric Vehicle (HEV)**” means any vehicle that can draw propulsion energy from both of the following on-vehicle sources of stored energy: 1) a consumable fuel and 2) an energy storage device such as a battery, capacitor, or flywheel.

“**Lending Models**” may include one or more of the following, direct consumer loan, LLR, or other lending product that facilitates the purchase of an advanced technology clean vehicle.

“**Lower-income**” for the purposes of this project means a household income less than or equal to 400 percent of the Federal Poverty Level.

“**Plug-in Hybrid Electric Vehicle (PHEV)**” means a vehicle having the capacity to charge a battery from an off-vehicle electric energy source that cannot be connected or coupled to the vehicle in any manner while the vehicle is being driven. PHEV is equivalent to “off-vehicle charge-capable hybrid electric vehicle.”

“**Price buy-down**” means a grant provided directly to the dealer from the administrator to pay down the vehicle price for a pre-qualified consumer purchasing or leasing an advanced technology clean vehicle.

“**Zero-Emission Vehicle (ZEV)**” means any vehicle certified to zero-emission standards, which includes both FCEVs and BEVs.

## **XI. APPLICATION INSTRUCTIONS**

This application packet (Appendix A) contains the forms and information necessary for submittal of a complete application. CARB will select a Grantee in compliance with the AQIP Guidelines, applicable State law, and the scoring criteria identified in this solicitation.

If you need this document in an alternate format or language, please contact Ms. Kathryn Canepa at (916) 324-1729 or [Kathryn.Canepa@arb.ca.gov](mailto:Kathryn.Canepa@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 disk (CD) of the application and all required documents. In place of a CD an applicant can email an electronic copy of the application documents to Ms. Kathryn Canepa [Kathryn.Canepa@arb.ca.gov](mailto:Kathryn.Canepa@arb.ca.gov) ; however an original signed hardcopy and copies must be submitted by mail or in person. Applications submitted by U.S. Postal Service must be postmarked no later than **Monday December 3<sup>rd</sup>, 2018**. Items delivered in person or by another delivery service provider (other than U.S. Postal Service) must be received by CARB no later than **Monday December 3<sup>rd</sup>, 2018** (delivery service provider tracking number may be used to verify date of receipt).

Mail to or submit in person to the following address:

Kathryn Canepa  
California Air Resources Board  
Mobile Source Control Division  
1001 I St.  
Sacramento, California 95812

Please send an email to Kathryn Canepa, [Kathryn.Canepa@arb.ca.gov](mailto:Kathryn.Canepa@arb.ca.gov), confirming the application has been mailed or hand-delivered to CARB. CARB will send a confirmation email to the applicant once the hard-copy of the application has been received. Please note applications will not be accepted at the El Monte office.

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 XI 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\***

<b>Key Actions</b>	<b>Dates</b>	<b>Time (PDT)</b>
Public Release of Solicitation	Thurs, Nov 1 <sup>st</sup> 2018	N/A
Applicant Question Deadline	Mon, Nov 12 <sup>th</sup> 2018	No later than 5:00 p.m.
Applicant Teleconference	Wed, Nov 14 <sup>th</sup> , 2018	
Application Deadline	Mon, Dec 3 <sup>rd</sup> , 2018	No later than 5:00 p.m.
Posting of Executive Summaries	December 2018	
Preliminary Grantee Selection	December 2018/January 2019	
Return of Signed Grant to CARB	Within 10 calendar days of receipt	

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

**XII. APPLICANT TELECONFERENCE**

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

Date: Wednesday, November 14, 2018  
 Time: 1:30 p.m. to 3:30 p.m. (PST)  
 Phone Number: 888-722-9581  
 Passcode: 24213

The Applicant Teleconference will be open to all interested entities. The intent of the Applicant Teleconference is to provide potential project applicants with an opportunity to ask clarifying questions regarding general application requirements or terminology definitions. Written questions submitted before the Applicant Teleconference will be given priority. Questions may be emailed to [Kathryn.Canepa@arb.ca.gov](mailto:Kathryn.Canepa@arb.ca.gov). Questions may be submitted up to 5 p.m. one day prior to the Applicant Teleconference.

The questions and answers from the Applicant Teleconference and any questions received via email will be posted on the CARB website, <https://www.arb.ca.gov/msprog/aqip/solicitations.htm>, no later than 5:00 p.m. on November 21<sup>st</sup>, 2018; this date may be extended or the solicitation may be re-solicited at CARB's sole discretion. CARB will not answer questions regarding this solicitation before and after the Applicant Teleconference. Any verbal communication with a CARB employee concerning this solicitation is not binding on the State and shall in no way alter a specification, term, or condition of the solicitation.

**XIII. REQUIRED ELEMENTS**

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

Appendix A: 2017-18 Application

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

Letters of support are optional and should be submitted as a part of the applicant's proposal.

#### **XIV. EVALUATION AND SCORING**

CARB will evaluate each application based on the criteria described below. The maximum score is 100 points. The qualified applicant with the highest overall score will be selected as the Grantee. The selected applicant will be required to sign a Grant Agreement with CARB to fulfill the duties as Grantee (see Appendix B for a Sample Grant Agreement). CARB reserves the right, in its sole discretion, to cancel this solicitation and re-solicit for a Financing Assistance Pilot Project Grantee or to direct funding to another project listed in the most current Funding Plan, or not fund any projects.

##### **A. Applicant Qualifications (Appendix A, Attachment 1) – Maximum- 20 points**

Scoring will be based upon the applicant's ability to successfully act as the Grantee based upon its experience/expertise administering financing assistance programs (which includes, but not limited to, lending institutions, banks, credit unions, or community development financial institutions), grant programs, and direct community outreach and education to lower income consumers.

<b>Application Characteristics</b>	
Applicant lacks experience/expertise applicable to the project requested and/or lacks relevant experience handling similarly sized funding projects.	<b>0 – 5 points</b>
Applicant demonstrates experience/expertise to complete the tasks required of the Financing Assistance Pilot Project Grantee and/or has some relevant experience successfully running similarly sized funding programs.	<b>6 – 12 points</b>
Applicant demonstrates extensive and strong experience/expertise required to effectively and successfully complete the tasks of the Financing Assistance Pilot Project Grantee and significant relevant experience successfully running similarly sized funding programs.	<b>13 – 20 points</b>

**B. Budget and Match and/or In-Kind Contributions (Appendix A, Attachment 2)  
– Maximum- 25 points**

Applicants must identify a clear and concise project budget for completing the tasks of the Financing Assistance Pilot Project, consistent with the Sample Grant Agreement, a Project Implementation Plan (included as part of the application), and the requirements of this solicitation. The budget must include a cost breakdown per vehicle loan and incorporate all project funds needed to complete the tasks outlined in the scope of work (outreach, implementation, prevailing wages, insurance, etc.). If selected for funding, the project budget will be incorporated by reference as part of the Grant Agreement. Changes in the project budget, re-definition of deliverables, or extension of the project schedule may not be possible and should be avoided. In cases where minor changes are allowed, they must be approved in advance and in writing by CARB and may require a grant amendment. Costs associated with project implementation detailed in the Application must consider the time frame of the proposed project and may cover an increase in costs that take into account inflation or planned cost of living increases.

Match funding refers to funds contributed by the Grantee to the Financing Assistance Pilot Project to provide loans to eligible vehicles, vehicle price buy-down, EVSE grants, or other finance enhancement tool providing financial assistance to a lower-income consumer in purchasing or leasing an advanced technology clean vehicle. In-kind services refer to goods or services contributed by the Grantee but not charged to the Financing Assistance Pilot Project, but which help to more effectively and efficiently meet the goals of the pilot project. No minimum match funding is required, but voluntary match or in-kind funding will be considered in scoring the application. Funding from other public or private sources may be combined with CARB funds and must be identified in a project budget.

Application Characteristics	Points Earned
Budget is unclear and inconsistent with the applicant's Project Implementation Plan and the requirements of this solicitation, or is insufficient to successfully complete the project. No or limited match funding, or no or limited in-kind support is committed.	<b>0 – 5 points</b>
Budget is relatively clear, detailed, and consistent with the applicant's Project Implementation Plan and the requirements of this solicitation, and is adequate to complete the project. Costs are represented clearly. The applicant's commitment for match and/ or in-kind support will enable the program to be marginally more effective and efficient.	<b>6 – 15 points</b>
Budget is very clear, detailed, and consistent with the applicant's Project Implementation Plan, and the requirements of this solicitation, and is adequate to complete the project. Costs are represented clearly, and are appropriate for the level and quality of work to be performed. The applicant's commitment for match and/or in-kind support will enable the program to be significantly more effective and efficient.	<b>16 – 25 points</b>

**C. Project Implementation Plan (Appendix A, Attachment 3) – Maximum- 25 points**

Applicants will be evaluated based on the completeness of their plan for implementing the Financing Assistance Pilot Project, and the ability to complete the work in a timely manner. The Project Implementation Plan must address how the applicant will implement all of the tasks under the Scope of Work (see Section IX of this solicitation).

Tasks described under the Scope of Work and other tasks required by applicant's financing program may include, but is not limited to the following:

1. Narrative that presents a clear and concise description of financing design and how key tasks and project flow will be completed.
2. Budget properly aligns with implementation plan.
3. Project schedule with dates for each major task, necessary subtask, and milestones by which progress can be measured and payments made from inception through project completion.
4. Plan for education (financial, vehicle and EVSE familiarization, and consumer protections) to project participant.
5. Outreach plan targeting lower-income consumers including multilingual options when appropriate.
6. Data the project will collect from initial and on-going project consumer surveys, financing assistance information (for example, loan and terms of

loan, price buy-down amounts, etc.), demonstration of educational requirements being met, identify consumers census tract, identifying if consumer is located in a disadvantaged community, and how this data will be reported to CARB.

7. Number of advanced technology clean vehicles purchases or leases projected and a cost per loan or transaction.
8. For BEV consumers, process for issuing financial assistance of up to \$2,000 for EVSE purchase and installation and estimated projection number of EVSE units to be purchased by the project.
9. Describe the long-term vision or goals to sustain the program in the future.
10. Policies and procedures.
11. Flow charts of administering processes.
12. Process to track and enforce measures for defaulted loans, returned vehicles, or cancellations.
13. Reporting- quarterly status and final reports.
14. Developing and maintaining accounting procedures to track expenditures.
15. Coordination with other CARB incentive programs (EFMP Plus-up/Clean Cars 4 All, CVRP, One-Stop-Shop).
16. Plan for record retention and project transfer plan.

<b>Application Characteristics</b>	<b>Points Earned</b>
Project Implementation Plan is unclear and/or does not provide the highest impact for the funding provided.	<b>0 – 5 points</b>
Project Implementation Plan is complete, provides sound recommendations for effective and efficient project development, implementation and administration, and considers the budget.	<b>6 – 15 points</b>
Project Implementation Plan is sound and well organized, tailors recommendations creatively and appropriately to successfully implement the Financing Assistance Pilot Project, provides recommendations for effective and efficient project development, implementation and administration, and recommends high-impact activities that maximize the budgets.	<b>16 – 25 points</b>

**D. Outreach and Education Strategy – Maximum- 20 points (Appendix A, Attachment 4)**

Please provide your proposed outreach plan that adheres to the requirements listed in the Scope of Work (see Section IX of this solicitation).

<b>Application Characteristics</b>	<b>Points Earned</b>
The applicant does not have a clear, creative, or complete outreach plan (as identified in the Project Implementation Plan). Applicant does not demonstrate understanding and experience for effective collaboration with community based organizations. Applicant does not exhibit ability to develop partnerships.	<b>0 – 5 points</b>
The applicant has a relatively clear, creative, and complete outreach plan (as identified in the Project Implementation Plan) that demonstrates an understanding of consumers and the tools necessary to promote and further ZEV adoption goals. Applicant’s plan marginally demonstrates adequate understanding of collaboration with community based organizations to provide outreach tools for exposure and adoption of ZEVs in disadvantaged communities. Applicant marginally exhibits ability to develop a range of partnerships.	<b>6 – 10 points</b>
The applicant has a very clear, creative, and complete outreach plan (as identified in the Project Implementation Plan) that demonstrates an understanding of consumers and the tools necessary to promote and further ZEV adoption goals. Applicant’s plan demonstrates understanding and experience in collaborating with community based organizations to provide appropriate outreach and tools for exposure and adoption of ZEVs and charging infrastructure in lower-income and disadvantaged communities. Applicant exhibits ability to develop a broad range of partnerships, including participation with local or regional, state, and/or national campaigns.	<b>11 – 20 points</b>

**E. Applicant Resources to Implement the Project (Appendix A, Attachment 5)  
– Maximum- 10 points**

Scoring will be based upon the applicant’s ability to successfully act as Grantee based upon demonstrable staffing, infrastructure, funding, and other available resources.

<b>Application Characteristics</b>	<b>Points Earned</b>
Applicant lacks sufficient staff, expertise, infrastructure and/or funding resources to effectively and successfully implement the Financing Assistance Pilot Project.	<b>0 – 3 points</b>
Applicant demonstrates sufficient staff, expertise, infrastructure and/or funding resources to effectively and successfully implement the Financing Assistance Pilot Project	<b>4 – 6 points</b>
Applicant clearly demonstrated sufficient staff, expertise, infrastructure and/or funding resources to effectively and successfully implement the Financing Assistance Pilot Project	<b>7– 10 points</b>

## **XV.ADMINISTRATION**

### **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 this solicitation, the applicant shall immediately notify CARB of such error in writing and request modification or clarification of the document. CARB shall not be responsible for failure to correct errors.

### **C. Immaterial Defect**

CARB may waive any immaterial defect or deviation contained in an applicant's 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 a part of the property of the State and public record.

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

This solicitation contains the instructions governing the requirements for funding projects submitted by interested applicants, including the format in which the information is to be submitted, the material to be included, the requirements that must be met to be eligible for consideration, and applicant responsibilities. Applicants must take the responsibility to carefully read the entire solicitation, ask appropriate questions

in a timely manner, submit the application with all required responses in a complete manner by the required date and time, and make sure that all procedures and requirements of the solicitation are followed and appropriately addressed.

#### **F. Agreement Requirements**

The content of this solicitation and each grant recipient's application shall be incorporated by reference into the final agreement.

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 funding agreement with an applicant, CARB, at its sole discretion, reserves the right to withdraw the pending award and fund the next highest ranked eligible project. This does not limit CARB's ability to withdraw a proposed award for other reasons, including for no cause.

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

No agreement between CARB and the successful applicant is in effect until the agreement is signed by the recipient and signed by the authorized CARB representative. Costs are only subject to 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, 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.

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

All applicants must read and pay particular attention to Appendix B, Sample Grant Agreement, Exhibit B (22) entitled "Prevailing wages and labor compliance." Prevailing wage rates can be significantly higher than non-prevailing wage rates. Failure to pay legally-required prevailing wage rates can result in substantial damages and financial penalties, termination of the grant agreement, disruption of projects, and other complications.

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

CARB reserves the right to do any of the following:

- 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.

## **K. Insurance Requirements**

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

### **1. General Provisions**

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

- g. Inadequate Insurance – Inadequate or lack of insurance does not negate the Grantee’s obligations under the grant.
  - h. Use of Subcontractor – In the case of the Grantee’s utilization of subcontractors to complete the grant scope of work, the Grantee shall include all subcontractors as insured’s under the Grantee’s insurance or supply evidence of the subcontractor’s insurance to the State equal to policies, coverages, and limits required of the Grantee.
2. Grant Insurance Requirements – The Grantee shall display evidence of the following on a certificate of insurance. After the solicitation is awarded, failure to provide the certificate upon request will result in the termination of the grant. The following coverages must be evidenced on the certificate of insurance:
- a. Commercial General Liability – The Grantee shall maintain general liability on an occurrence form with limits not less than \$1,000,000 per occurrence for bodily injury and property damage liability combined with a \$2,000,000 annual policy aggregate. A “per project aggregate” endorsement is required. The policy shall include coverage for liabilities arising out of premises, operations, independent Grantees, products, completed operations, personal and advertising injury, and liability assumed under an insured contract or grant. This insurance shall apply separately to each insured against whom claim is made or suit is brought subject to Grantee’s limit of liability. **The policy must name the State of California, its officers, agents, and employees as additional insured, but only with respect to work performed under the grant.**
  - b. Automobile Liability – If the Grantee will be using vehicles to complete the project or driving a vehicle onto State property, automobile liability insurance is required. The Grantee shall maintain motor vehicle liability with limits of not less than \$1 million per accident. Such insurance shall cover liability arising out of a motor vehicle including owned, hired, and non-owned motor vehicles. At the request of CARB, the Grantee must show proof of automobile liability. Failure to provide proof upon request will result in the termination of the grant. The policy must name the State of California, its officers, agents, and employees as additional insured, but only with respect to work performed under the grant.
  - c. Workers’ Compensation and 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 grant. In addition, employer’s liability limits of \$1,000,000 are required. **A Waiver of Subrogation or Right to Recover endorsement in favor of the State of California must be attached to the certificate.**