

# 2019-20 GRANT SOLICITATION

## Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP)

Mobile Source Control Division  
California Air Resources Board  
October 4, 2019



California Air Resources Board

Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project

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HYBRID AND ZERO-EMISSION TRUCK AND BUS  
VOUCHER INCENTIVE PROJECT (HVIP) SAMPLE  
GRANT AGREEMENT FOR FISCAL YEAR 2019-20

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## **I. SUMMARY**

The California Air Resources Board (CARB or the Board) is soliciting a Grantee to implement and administer the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP) for Fiscal Year (FY) 2019-20 with an option to renew for a new Grant Agreement for each of the following two years for FY 2020-21 and FY 2021-22. It is expected that between \$132 million and \$152 million will be allocated to HVIP for FY 2019-20. The final funding amount is pending Board approval in October 2019.

HVIP is intended to encourage and accelerate the deployment of zero-emission and other clean heavy-duty vehicle technology in California. HVIP provides vouchers for California purchasers and lessees for eligible vehicles on a first come, first-served basis. In addition, HVIP provides increased incentives for fleets purchasing zero-emission vehicles located in disadvantaged communities with a goal of at least 50 percent of HVIP funding supporting vehicles domiciled in disadvantaged communities.

HVIP stimulates the development, deployment, and commercialization of advanced vehicle technology. These technologies are critical to help California meet its near- and long-term air quality and climate change goals. Additionally, the project benefits the citizens of California by providing immediate air pollution and greenhouse gas emission reductions.

HVIP will continue to be administered and implemented through a partnership between CARB and a Grantee, selected via this complete solicitation. Eligible applicants wishing to apply for the role of project administrator must submit an application via mail or in person to CARB no later than 5:00 p.m. (PST) November 18, 2019. More information regarding the application process can be found in Section IX, Application Instructions of this solicitation.

## **II. BACKGROUND**

There are several key pieces of legislation that provide the overall policy framework and funding to support HVIP. 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 implemented by the CARB, to fund clean vehicle and equipment projects, air quality research, and workforce training.

As required in Health and Safety Code (HSC) Section 44274(a), the Board adopted regulatory guidelines in 2009 for AQIP. The Guidelines for the AB 118 Air Quality Improvement Program (Guidelines) define the overall administrative requirements, policies, and procedures for program implementation based on the framework established in statute.

In 2012, the legislature passed, and Governor Brown signed into law three bills – AB 1532 (Pérez, Chapter 807), SB 535 (de León, Chapter 830), and SB 1018 (Budget and Fiscal Review Committee, Chapter 39s) – that established the GGRF to receive Cap-and-Trade auction proceeds and to provide the framework for how the auction proceeds will be administered to further the purposes of Assembly Bill (AB) 32 (Núñez, Chapter 488, Statutes of 2006). Cap-and-Trade auction proceeds have been appropriated to CARB for Low Carbon Transportation projects that reduce greenhouse gas (GHG) emissions, with an emphasis on investments that benefit the State’s disadvantaged communities. Per statute these funds must be used to further the purposes of Assembly Bill 32 (AB 32; Núñez, Chapter 488, Statutes of 2006). The Low Carbon Transportation investments build upon and greatly expand existing advanced technology and clean transportation programs, which provide mobile source incentives to reduce criteria pollutant, air toxic, and GHG emissions.

Senate Bill (SB) 1403 (Lara, Chapter 370, Statutes of 2018) guides CARB’s heavy-duty vehicle investments funded with Cap-and-Trade auction proceeds. SB 1403 extended the California Clean Truck, Bus, and Off-Road Vehicle and Equipment Technology Program created under SB 1204 (Lara, Chapter 524, Statutes of 2014) that helps accelerate the introduction of the next generation of cleaner heavy-duty vehicles and engines with a priority on projects that benefit disadvantaged communities. SB 1403 requires that no less than 20 percent of truck funding be used to support early commercial deployment of existing zero- and near-zero-emission heavy duty truck technology. Additionally, SB 1403 directs CARB to develop an annual framework and plan to guide these investments. The Heavy-Duty Investment Strategy included in the annual Funding Plan is designed to help address this requirement.

The Board will provide final approval of the annual Funding Plan, and may direct policy changes that affects equipment or vehicles eligible under HVIP. The Board is scheduled to consider the Funding Plan on October 24, 2019.

### **III. AVAILABLE FUNDING**

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

For FY 2019-20, the Legislature appropriated \$485 million for the Low Carbon Transportation Program to continue and build on investments from previous years. The budget appropriation explicitly allocates \$182 million for clean trucks, buses, and off-road freight equipment including HVIP and advanced technology freight demonstration and pilot commercial deployment projects. The Board will determine how to split the

\$182 million between HVIP and demonstration and pilot projects on October 24, 2019. While FY 2019-20 funding has yet to be finalized, it is anticipated that the HVIP funding allocation will be between \$132 million and \$152 million. Staff will hold an Applicant Teleconference after the Board meeting to discuss the final HVIP budget to be administered under this solicitation and summarize any other policy changes enacted by the Board.

The majority of these funds will be utilized as vouchers for eligible vehicles and equipment, but up to 7 percent of the total funding available can be designated by the Grantee for voucher processing fees. For more information on voucher processing fees, see Appendix B: Sample Grant Agreement.

**IV. OPTION FOR NEW GRANT AGREEMENT FOR FY 2020-21 AND FY 2021-22 CARB,** in its sole discretion, may award a new Grant Agreement to the grantee selected in response to this solicitation each following year for FY 2020-21 and FY 2021-22, under the same terms and conditions. The Grantee understands and agrees that there is no guarantee that the subsequent FY 2020-21 and FY 2021-22 Grant Agreements will be awarded.

**V. 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 B: 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 amended to comply with those regulations once finalized, as appropriate. A recipient of a CARB advanced payment may not advance pay any other entity.

**VI. ELIGIBILITY**

This competitive solicitation is open to local air districts, other California-based public entities, or California-based non-profit organizations with California heavy-duty vehicle, vehicle incentive project, and/or air quality expertise. Specific requirements for the Grantee are described in this solicitation and in the Implementation Manual for HVIP<sup>1</sup> and Sample Grant Agreement (see Appendix B).

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<sup>1</sup> The current Implementation Manual and previous versions are available for review at <https://www.californiahvip.org/resources/#implementation-manuals>. A new implementation manual will be developed in coordination with the selected Grantee and will reflect any policy changes enacted at the October 24, 2019 Board Meeting.

To be considered for the grant award, applicants must fully complete the Application (Appendix A) and all elements set forth in Section XI, 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 is responsible for the on-the-ground project implementation of distributing vouchers for eligible vehicles, including, but not limited to the following tasks:

### **A. Program Planning and Development**

1. Finalize and update the Implementation Manual in consultation with CARB throughout the grant term.
2. 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 for voucher applications, process for voucher payments, fiscal procedures, protocols for recording CARB case-by-case approvals, and recordkeeping and audit procedures.
3. Assist CARB in updating the heavy-duty three-year plan on an annual basis starting with the FY 2020-21 Funding Plan by providing information to CARB upon request. Information requested by CARB may include, but not limited to, the following:
  - I. Status of the heavy-duty market
  - II. Market and technical analysis on commercialized and emerging vehicle and equipment and infrastructure to determine the state of technologies
  - III. Barriers and potential solutions
  - IV. Recommendations to improve the effectiveness of HVIP investments
  - V. Recommendations to improve HVIP and heavy-duty incentive programs
  - VI. Role of incentives and how incentive programs can complement near-term regulatory measures
  - VII. Review other heavy-duty incentive programs from CARB and other local, State and Federal agencies that support the commercialization and deployment of advanced clean heavy-duty

- vehicles and technologies
- VIII. Coordinate with heavy-duty vehicle technology providers and end user fleets, including school bus fleets, to forecast sales
  - IX. Document findings and update the three-year heavy-duty investment strategy as part of the annual AQIP Funding Plan
4. Meet all applicable requirements of statutes; all applicable Funding Plans; CARB's Funding Guidelines for Agencies Administering California Climate Investments<sup>2</sup>; this solicitation; Appendix B: Sample Grant Agreement; the final Grant Agreement; the HVIP Implementation Manual including any future updates and/or revisions issued during the grant term. The Grantee must also ensure its subcontractors meet all the aforementioned requirements, as applicable. CARB's Funding Guidelines and Funding Plan are available at: [www.arb.ca.gov/msprog/aqip/aqip.htm](http://www.arb.ca.gov/msprog/aqip/aqip.htm).
  5. Closely communicate with CARB to ensure that the most current vehicle eligibility list is being used.
  6. Support and help inform CARB's determination of appropriate base voucher amounts for eligible pieces of equipment and voucher enhancement amounts 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 vehicles or equipment that could perform the same function as the vehicles for which manufacturers seek eligibility. This information will be used to calculate the incremental cost. 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.

## **B. Education and Outreach**

1. Conduct statewide public outreach to vehicle dealers and fleets necessary for the project to be successful. Outreach could include on-site dealer trainings and public question and answer sessions.
  - a. Develop and implement outreach strategies to increase the awareness of fleets and dealers of the incentives to spur the adoption of advanced clean heavy-duty vehicles and equipment statewide;

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<sup>2</sup> CARB, 2018; <https://ww2.arb.ca.gov/resources/documents/cci-funding-guidelines-administering-agencies>

- b. Target outreach in disadvantaged communities (based on CalEnviroscreen 3.0<sup>3</sup>); and
    - c. Develop and implement a strategy to engage lower-income and disadvantaged communities through activities relevant to the community being served.
  2. Develop/maintain a user-friendly public website that may be hosted by CARB, the grantee, or a CARB approved third party. The website, and all content posted thereto must be ADA compliant in accordance with the Web Content Accessibility Guidelines 2.0, or a subsequent version, published by the Web Accessibility Initiative of the World Wide Web Consortium at a minimum Level AA success criteria. The website must include, at a minimum:
    - a. General project information and instructions on how to participate;
    - b. A list of eligible vehicles and equipment and associated voucher amount;
    - c. Voucher request and voucher redemption forms which include terms and conditions to which purchasers must attest or commit;
    - d. Real-time voucher statistics, including vouchers requested and vouchers redeemed, dollars awarded by funding source, available and expended funds, location of voucher, and other statistics as defined by CARB such as vehicle type, location, and vocation;
    - e. Ability to provide a visual representation of where vouchers are being requested and/or disbursed with a mapping tool;
    - f. 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;
    - g. Applicable documents and forms related to the project; and
    - h. Other information to support fleets including infrastructure funding information and links to other funding sources.
  3. 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 HVIP. Language-specific materials must include, but not limited to, the following:

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



- a. Outreach and education materials;
  - b. Website;
  - c. Owner requirements;
  - d. Terms and conditions agreement forms;
  - e. Frequently asked questions; and
  - f. Contact information.
4. Train and approve vehicle dealers for participation in HVIP based upon eligibility criteria identified in the Implementation Manual.
  5. Respond promptly to legislative and public requests regarding HVIP in coordination with CARB.
  6. Work with vehicle manufacturers to create a list of dealerships authorized to submit voucher requests and receive HVIP voucher payments.

### **C. Voucher Distribution and Processing**

1. Ensure participating equipment manufacturers, vehicle dealers, purchasers and lessees meet all applicable HVIP requirements.
2. 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.
3. Track and report vehicle resale inquiries to CARB.
4. Contact voucher recipients that have, or will potentially sell their vehicle early (See Section E[3] of the Implementation Manual).
5. Review required documentation prior to voucher redemption. Documents include, but are not limited to, the following:
  - a. 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:
    - I. Vehicle or equipment base price.
    - II. Price of equipment upgrades (i.e., non-standard features).
    - III. Sale price of any other equipment supported by HVIP.
    - IV. Voucher discount, including all voucher enhancements itemized.
    - V. All applicable taxes and fees.

- b. Financing/Lease Documentation – copy of check, money transfer receipt, financing/loan agreement identifying the lien holder, and/or lease contract indicating terms of lease.
- c. Department of Motor Vehicle Registration or application, which includes:
  - I. California registration.
  - II. Gross Vehicle Weight Rating (GVWR).
  - III. California License plate number.
- d. Delivery Bill of Lading – must be signed and dated at delivery location.
- e. Line Setting Ticket (Factory Build Sheet) – manufacturer issued indicating GVWR.
- f. Digital photos of vehicle showing:
  - I. Vehicle from left side – showing completed vehicle with applicable numbering.
  - II. Engine tag – with engine serial number (ESN) & Engine Family Number (EFN).
  - III. VIN tag.
  - IV. Odometer.
- g. HVIP Vehicle Inspection signed by authorized dealer or Grantee representative.
- h. Site plans and cost documentation for supporting infrastructure if requested by CARB.
- i. Vehicle must have no more than 3,500 miles at time of the vehicle inspection. Vouchers for vehicles with more than 3,500 miles may be redeemed on a case-by-case basis at the sole discretion of the CARB Project Liaison with sufficient evidence or explanation justifying such mileage.
- j. Verify there is a label placed on or in any zero-emission vehicle stating that no on-board fuel-fired heaters or auxiliary motors that emit any vehicle exhaust emissions or fuel-based evaporative emissions are present on the vehicle.
- k. Documentation to demonstrate that voucher applicants are in compliance with all applicable federal, state, and local air quality rules and regulations, including, but not limited to the CARB Truck and Bus Regulation (title 13,

California Code of Regulations (CCR), section 2025) and Innovative Clean Transit Regulation (title 13, CCR, section 2023 et.seq.).

- I. For voucher applicants proposing to use multiple grant or incentive funding sources, collect information on the name of the funding source, amount of funding requested, and what portions of the purchase will be covered by the funding. Follow the HVIP Implementation Manual and CARB's guidance to determine if co-funding is allowed with the proposed funding source.
  - m. Coordinate with other funding programs, including but not limited to, the Carl Moyer Memorial Air Quality Standards Attainment Program, Prop 1B Goods Movement Emission Program, Volkswagen Environmental Trust Funding, AB 617 Community Air Protection Program, and Funding Agricultural Replacement Measures for Emission Reductions (FARMER) Program funds, to ensure that fleets are not inappropriately accepting multiple funding sources.
6. Use the criteria in the Implementation Manual to review and approve or disapprove voucher requests and document this process in each project file.
7. Require the purchaser/lessee and dealer to sign and date the HVIP Voucher Request Form.
8. Establish safeguards to ensure HVIP participants (i.e., equipment manufacturers and purchasers) conform to all applicable terms and conditions set forth in the Implementation Manual.
9. Distribute voucher payments to vehicle and equipment dealers for eligible vehicle and equipment purchases.
10. 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.
11. Develop and maintain accounting procedures to track funding reservation and expenditures by grant award, fiscal year, and funding source.
12. Establish a process for returned voucher funds as a result of uncashed voucher checks, prorated returns, cancellations, etc.

13. Establish a waiting list if the project becomes oversubscribed and CARB determines a waiting list is appropriate.

#### **D. Recordkeeping and Reporting**

1. Establish and maintain voucher records (see Section M[3] of the Sample Grant Agreement).
2. 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.
3. Develop a systematic process and schedule to back-up HVIP database(s) each day, at a minimum.
4. Develop and enforce security measures to safeguard HVIP database(s).
5. Develop, in coordination with CARB, an annual vehicle user survey/questionnaire (Questionnaire) and mileage reporting tool, that characterizes vehicle usage and evaluates fleet user satisfaction with HVIP-funded vehicles. Grantee will, at a minimum:
  - a. Develop and implement an effective mechanism for vehicle operators to respond to the satisfaction and usage Questionnaire annually for three years from the vehicle purchase date;
  - b. Conduct quality control for Questionnaire data, and provide to CARB as part of the periodic HVIP Status Report; and
  - c. Provide a mechanism, which should be outlined in the Grantee's transfer plan, for subsequent Grantees to continue collecting such data from fleets for a three year period after voucher redemption.
6. Acquire key telematics data from HVIP-funded vehicles as required, except military vehicles for a minimum of three years from the vehicle purchase date collecting hours of operation and mileage within and outside of disadvantaged community census tracts. Grantee must provide a mechanism for subsequent Grantees to continue collecting such data from fleets for a three year period after voucher redemption (See Section C[1][k] of the Implementation Manual).

7. Track vouchers issued to vehicles domiciled in AB 1550 (Gomez, Chapter 369, Statutes of 2016) in a manner directed by CARB and outlined in the Implementation Manual.
8. Provide data updates to CARB upon request, which could include all voucher records
9. Provide periodic data summaries to the public via a method approved by CARB.
10. Provide monthly Status Reports to the CARB detailing vouchers approved for ordered vehicles and redeemed for purchased vehicles (See Section K[1] of the Sample Grant Agreement).
11. Provide information, upon request, to individuals or organizations that wish to appeal a voucher denial to CARB.
12. 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.
13. Support CARB efforts to track the distribution of State funds used to support the development, deployment, and commercialization of eligible vehicles and equipment.

#### **E. Transition**

1. Once the term of the HVIP grant agreement has ended, the Grantee shall deliver all project data to CARB or the subsequent Grantee in a format approved by CARB.
2. 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 administrator on a timely basis. The project transfer plan, which will be approved by CARB, includes at a minimum the following tasks:
  - a. Process vouchers for all of FY 2019-20;
  - b. Complete all tasks associated with the FY 2019-20 HVIP closeout (See Section K[2] of the Sample Grant Agreement);
  - c. Process vouchers for FY 2020-2021 for up to three months or until the subsequent Grantee is prepared to process vouchers; and

- d. If applicable, transfer HVIP to new Grantee/administrator selected by CARB (See Section N of the Sample Grantee Agreement).
3. Provide CARB with a Final Report that summarizes and evaluates total fund expenditures (including match, interest earned, and in-kind funds), vehicles funded, outreach efforts, and implementation challenges per source of funding and recommends potential program improvements (See Section K[2] of the Sample Grant Agreement).
4. Provide CARB with all webpage(s), databases, software or other intellectual property developed or purchased by the Grantee for the purposes of administering or implementing HVIP, if requested (See Section N of the Sample Grant Agreement).

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 B: Sample Grant Agreement, for a more complete description of the duties and responsibilities of the Grantee.

## **VIII. DEFINITIONS**

HVIP definitions are included in Section H of the Implementation Manual.<sup>4</sup>

## **IX. APPLICATION INSTRUCTIONS**

Appendix A: Solicitation Application contains the forms and information necessary for submittal of a complete application. The Grantee selection will be based upon the scoring criteria identified in 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 this document in an alternate format or language, please contact Andrea Morgan at (916) 323-6169 or [andrea.morgan@arb.ca.gov](mailto:andrea.morgan@arb.ca.gov). TTY/TDD/Speech to Speech users may dial 711 for the California Relay Service.

An application package consists of one (1) signed original, four (4) copies, and one (1) USB drive, including all the required documents.

Applications submitted via U.S. Postal Service, United Parcel Service (UPS), Express Mail, Federal Express, or another delivery service provider must be dispatched with

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<sup>4</sup> The current Implementation Manual and previous versions are available for review at <https://www.californiahvip.org/resources/#implementation-manuals>.

enough time so that they are received by CARB no later than 5:00 p.m. PST on November 18, 2019. Applications submitted via US Postal Service must be mailed to the following address:

Andrea Morgan  
California Air Resources Board  
Mobile Source Control Division  
Post Office Box 2815  
Sacramento, California 95812

Applications submitted in person or via another delivery service may be delivered to the following address and must be received no later than 5:00 p.m. PST on November 18, 2019:

Andrea Morgan  
California Air Resources Board  
Mobile Source Control Division  
1001 I Street  
Sacramento, California 95814

Please send an email to Andrea Morgan at [andrea.morgan@arb.ca.gov](mailto:andrea.morgan@arb.ca.gov) indicating that you have submitted an application once the application has been mailed. Sending this email lets CARB staff know that your formal application is on the way and secures one of the ten points provided for Application Completeness described in Section XII, Evaluation and Scoring. CARB will send a confirmation email to the applicant once the hardcopy of the application has been received.

**No applications may be submitted by fax or email.**

*Format Requirements*

CARB strongly encourages applications to be accurate, brief and clear. Applications will be initially screened for completeness. Applications must include all 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.**

**Fiscal Year 2019-20 HVIP Solicitation Timeline\***

<b><u>Key Actions</u></b>	<b><u>Dates</u></b>	<b><u>Time</u></b>
Public Release of Solicitation	October 4, 2019	N/A
Applicant Question Deadline for Teleconference 1	October 11, 2019	No later than 5:00 p.m. PST

<b><u>Key Actions</u></b>	<b><u>Dates</u></b>	<b><u>Time</u></b>
Applicant Teleconference 1	October 14, 2019	1:00 p.m. PST
Applicant Question Deadline for Teleconference 2	October 29, 2019	No later than 5:00 p.m. PST
Applicant Teleconference 2	October 30, 2019	11:00 a.m. PST
<b>Application Deadline</b>	<b>November 18, 2019</b>	<b>No later than 5:00 p.m. PST</b>
Review/Rating of Applications	November 19-December 6, 2019	N/A
Preliminary Grantee Selection	December 20, 2019	N/A
Return Signed Grant to CARB	Within 10 calendar days of receipt	

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

## **X. APPLICANT TELECONFERENCE**

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

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

### Applicant Teleconference 1

Date: October 14, 2019

Time: 1:00 p.m. PST

#### Teleconference Information:

\*Call-in Phone Number: 1-888-949-2618

\*Passcode: 3649164

### Applicant Teleconference 2

Date: October 30, 2019

Time: 11:00 a.m. PST

#### Teleconference Information:

\*Call-in Phone Number: 1-888-949-2618

\*Passcode: 3649164

\*Note: Call-in numbers and passcodes may change. Should a change occur, the new call-in number and passcode will be listed on CARB's webpage at <https://ww2.arb.ca.gov/our-work/programs/low-carbon-transportation-investments-and-air-quality-improvement-program/low-0>. Potential applicants are encouraged to confirm the call-in number and passcode by visiting the listed website prior to each teleconference.



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 or applicant requirements or terminology definitions. The second Applicant Teleconference will be held after the October 24, 2019, Board Meeting and CARB staff will summarize the final HVIP budget and any policy changes directed by the Board that impact the administration of HVIP. Written questions submitted before the Applicant Teleconference will be given priority. Questions may be emailed to Andrea Morgan at [andrea.morgan@arb.ca.gov](mailto:andrea.morgan@arb.ca.gov). Questions may be submitted up to 5 p.m. one business 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 no later than November 4, 2019; this date may be extended at CARB's sole discretion. CARB will not answer questions regarding this solicitation except during an Applicant Teleconference as specified in this solicitation. 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.

## **XI. REQUIRED ELEMENTS**

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

### Appendix A: Application

- Attachment 1: Applicant Qualifications
- Attachment 2: Proposed Budget
- Attachment 3: Project Implementation Plan
- Attachment 4: Applicant Resources to Implement the Project
- Attachment 5: Conflict of Interest Declaration
- Attachment 6: STD. 204 Payee Data Record

## **XII. 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 Proposed Grantee. The selected applicant will be required to sign a Grant Agreement with CARB to fulfill the duties of Grantee (See Appendix B: Sample Grant Agreement). CARB reserves the right in its sole discretion, to cancel this solicitation, re-solicit for a HVIP Grantee, direct funding to another project in the Funding Plan, or reject any or all applications received in response to this solicitation. Pursuant to the 2018 'Guidelines for Agencies Administering California Climate Investments' (Funding Guidelines)<sup>5</sup>, CARB will also post basic information about all of the applications submitted for consideration (excluding personally identifiable information for

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

any private individuals). The minimum items that must be posted include the name of the applicant and the amount of funding requested.

<b>Scoring Criteria</b>	<b>Total Points Possible</b>
A. Applicant Qualifications	<b>25</b>
B. Proposed Budget	<b>20</b>
C. Project Implementation Plan	<b>20</b>
D. Applicant Resources to Implement the Project	<b>15</b>
E. Ability to Promote Use of Eligible Vehicle Technology	<b>5</b>
F. Contribution to Disadvantaged Community Benefits	<b>5</b>
G. Application Completeness	<b>10</b>
<b>Total</b>	<b>100</b>

**A. Applicant Qualifications (Appendix A, Attachment 1) – Maximum 25 points**

Up to 25 points will be provided based upon the applicant’s ability to successfully act as Grantee based upon its experience/expertise in and history of successfully working with hybrid and zero-emission truck and bus manufacturers, dealers, fleets, and other stakeholders and implementing projects similar to HVIP, as well as the Grantee’s ability to build upon the existing successful HVIP in a way which is user-friendly and seamless for manufacturers, dealers, and fleets.

<b>Application Characteristics</b>	
Applicant lacks necessary experience or expertise successfully implementing large scale air quality incentive projects or programs and working with truck and bus manufacturers, dealers, fleets, and other key project stakeholders.	<b>0 – 5 points</b>
Applicant has demonstrated moderate expertise and experience needed to successfully implement HVIP, based on its history implementing large scale air quality incentive projects or programs and working with truck and bus manufacturers, dealers, fleets, and other key project stakeholders.	<b>6 – 15 points</b>
Applicant clearly has the expertise and experience needed to successfully implement HVIP, based on its history implementing large scale air quality incentive projects or programs and working with truck and bus manufacturers, related supply chains, dealers, fleets, and other key project stakeholders.	<b>16– 25 points</b>

## **B. Proposed Budget (Appendix A, Attachment 2) – Maximum 20 points**

Applicants must identify their proposed budget for completing the tasks of HVIP consistent with the Implementation Manual<sup>6</sup> and Sample Grant Agreement, for the FY 2019-20 HVIP, their Project Implementation Plan (included as part of the application) and the requirements of this solicitation. The budget must include the total voucher processing fee requested, which shall include costs to cover implementation of tasks for FY 2019-20, the closeout of FY 2019-20, the beginning of FY 2020-21, and costs to transfer all project data and website(s) to the next administrator. The voucher processing fee shall include a description of any applicable commitments for in-kind services and match funding. The voucher processing fee shall not exceed 7 percent of the total project funding (Note: any applications that are greater than 7 percent will be disqualified). For a complete description of voucher processing fees, see Section H(6) in Appendix B: Sample Grant Agreement.

In-kind services refer to goods or services contributed by the Grantee but not charged to HVIP, which help to more effectively and efficiently meet the goals of the program. Match funding refers to funds contributed by the Grantee to HVIP to fund eligible vehicles. An applicant may propose that match funding be used to fund vehicles as part of HVIP in a specific California region (such as an air district). Match funding does not include in-kind match (i.e. funding for other incentive projects, even if for similar vehicles or technologies).

See Appendix A, Attachment 2-1 for a sample budget.

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<sup>6</sup> The current Implementation Manual and previous versions are available for review at <https://www.californiahvip.org/resources/#implementation-manuals>.

<b>Application Characteristics</b>	<b>Points Earned</b>
<p>Budget is unclear, inconsistent with the Draft Implementation Manual, 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 and the applicant is requesting the maximum allowable funding for HVIP administration and outreach.</p>	<p><b>0 – 7 points</b></p>
<p>Budget is relatively clear, detailed, consistent with the Draft Implementation Manual, the applicant's Project Implementation Plan, and the requirements of this solicitation, and is adequate to complete the project. Costs are represented clearly. Applicant commits to provide match funding or forgo HVIP administration and outreach funding (in match or potential administration and outreach funding) to be used for eligible vehicles. The applicant's commitment for in-kind support will enable the project to be marginally more effective and efficient.</p>	<p><b>8 - 15 points</b></p>
<p>Budget is very clear, detailed, consistent with the Draft Implementation Manual, 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. Applicant commits to provide match funding or forgo HVIP administration and outreach funding, providing a total of over \$1,000,000 (in match or potential administration and outreach funding) to be used for eligible vehicles. The applicant's commitment for in-kind support will enable the project to be significantly more effective and efficient.</p>	<p><b>16 - 20 points</b></p>

**C. Project Implementation Plan (Appendix A, Attachment 3) – Maximum 20 points**

Applicants will be evaluated based on the completeness of their plan for implementing HVIP Incentives, 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 in the Scope of Work. (See Section VII of this solicitation.)

<b>Application Characteristics</b>	<b>Points Earned</b>
Plan is unclear and/or does not provide the highest impact for the funding provided.	<b>0 – 7 points</b>
Plan is complete, provides sound recommendations for effective and efficient project development, implementation, and administration, and considers the budget.	<b>8 – 15 points</b>
Plan is sound and well organized, tailors recommendations creatively and appropriately to successfully implement the project, provides recommendations for effective and efficient project development, implementation, and administration, and recommends high-impact, creative activities that maximize the budget, and effective recommendations to increase voucher demand and increase participation by public fleets. 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 help accelerate deployment of project vehicles.	<b>16 – 20 points</b>

**D. Applicant Resources to Implement the Project (Appendix A, Attachment 4) – Maximum 15 points**

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

<b>Application Characteristics</b>	<b>Points Earned</b>
The applicant has not demonstrated sufficient resources to successfully implement HVIP.	<b>0 points</b>
The applicant has demonstrated the minimum resources needed to implement HVIP.	<b>1 – 7 points</b>
The applicant has clearly demonstrated sufficient staff, expertise, infrastructure and/or funding resources to successfully implement HVIP.	<b>8 – 15 points</b>

**E. Ability to Promote Use of Eligible Vehicle Technology – Maximum 5 points**

<b>Application Characteristics</b>	<b>Points Earned</b>
The applicant has a clear and effective plan for public outreach (as identified in the Project Implementation Plan) to key stakeholders such as dealers, public fleets, small fleets, school districts, and/or vehicle rental firms.	<b>0 – 5 points</b>

**F. Contribution to Disadvantaged Community Benefits – Maximum 5 points**

<b>Application Characteristics</b>	<b>Points Earned</b>
The applicant has a plan for and the ability to target outreach in disadvantaged communities. This will be scored based upon the applicant’s response to Attachments 3 and 4 of the application.	<b>0 – 5 points</b>

**G. Application Completeness – Maximum 10 points\***

<b>Application Characteristics</b>	<b>Points Earned</b>
The application is unclear or is missing key information.	<b>0 – 5 points</b>
The application is clear, concise, and includes all the required information.	<b>6 – 10 points</b>

\*One point is provided for sending CARB an email notification of a submitted application, as described in Section IX, Application Instructions.

**XIII. 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 HVIP 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 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 Provisions (attached as Appendix B, Sample Grant Agreement Section O), 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 no cause.

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

All applicants must read and pay particular attention to Appendix B, Sample Grant Agreement Section O (21) 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 consequences.

## **J. Remedies for Non-performance**

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:

1. Cancel this solicitation.



2. Revise the amount of funds available under this solicitation.
3. Amend this solicitation as needed.
4. 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 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 Employers Liability – The Grantee shall maintain statutory worker’s compensation and employer’s liability coverage for all its employees who will be engaged in the performance of the grant. In addition, employer’s liability limits of \$1,000,000 are required. **A Waiver of Subrogation or Right to Recover endorsement in favor of the State of California must be attached to the certificate.**
  
- d. Crime Insurance – Crime insurance requirements are negotiable at CARB’s sole discretion. At a minimum, the maximum amount of funding that the Grantee will have on hand at any time should be covered. Coverage shall include but not be limited to employee dishonesty, theft, forgery or alteration, and inside/outside money and securities coverages including first and third party theft for state-owned or leased property in the care, custody, and/or control of the Grantee. The policy shall include as loss payee, the *State of California*.