

**OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY  
2009 OKLAHOMA CLEAN DIESEL SCHOOL BUS PROGRAM  
FOR LARGE SCHOOLS IN POTENTIAL NON-ATTAINMENT AREAS**

**ANNOUNCEMENT OF GRANT EXTENSION AND AVAILABILITY OF REMAINING  
GRANT FUNDS**

**NEW TO THIS ANNOUNCEMENT: 100% Reimbursement for Auxiliary Heaters and  
the Potential for a Second Award Under this Grant**

**I. FUNDING OPPORTUNITY DESCRIPTION**

**A. Funding Summary**

In the summer of 2009, the Oklahoma Department of Environmental Quality (DEQ) was awarded \$1,854,672 in funding for an expansion of the Oklahoma Clean Diesel School Bus Program through the American Recovery and Reinvestment Act of 2009 (Recovery Act). As of the date of this announcement (September 15, 2010), the DEQ has over \$450,000 in funding not yet awarded and still available for additional projects. To that end, the DEQ is soliciting applications to fund projects that reduce diesel emissions from public school buses owned by large school districts in the Combined Statistical Areas (CSAs) that include the Tulsa and Oklahoma City metropolitan areas. (A list of those counties is presented in Section II.A Eligible Entities. See below.) Funding will be in the form of reimbursements for school bus replacements and retrofits. Old school buses may be replaced with new 2007-2010 emissions standard school buses. Retrofits will be limited to Environmental Protection Agency (EPA) and/or California Air Resources Board (CARB) verified diesel oxidation catalysts (DOCs), closed-crankcase ventilation systems (CCVs), diesel particulate filters (DPFs), and auxiliary heaters. The approved technologies are listed on EPA's Verified Technologies List at <http://www.epa.gov/otaq/retrofit/verif-list.htm> and CARB verified technologies can be found at <http://www.arb.ca.gov/diesel/verdev/vt/cvt.htm>. Funds will be awarded pursuant to the DEQ/EPA agreement 2A-96695801, "Oklahoma Clean Diesel School Bus Program for Large Schools in Potential Non-Attainment Areas".

**B. Funding Extended Closing Date**

Eligible school districts are encouraged to submit applications by November 1, 2010, the closing date for this extended solicitation. This includes districts which have not yet received awards under this grant program as well as those which have already received grants. School districts which have not yet received awards will be given priority and partial grants may be awarded based on demand and funds remaining. All projects must be completed and all monies must be spent and reimbursed by June 30, 2011.

## II. ELIGIBILITY INFORMATION

### A. Eligible Entities

Eligible entities are public school districts with district-owned diesel school buses. Funding is available for large school districts in the Tulsa and Oklahoma City metropolitan areas. School districts serving students living in counties in the Combined Statistical Areas (CSAs) for Tulsa and Oklahoma City will be eligible to apply for grants under this program. The Oklahoma City-Shawnee CSA includes the following counties: Canadian, Cleveland, Grady, Lincoln, Logan, McClain, Oklahoma and Pottawatomie. The Tulsa-Bartlesville CSA includes the following counties: Creek, Okmulgee, Osage, Pawnee, Rogers, Tulsa, Wagoner, and Washington.

### B. Eligible Projects

Eligible projects are limited to the replacement and/or retrofit of school buses. Specifically:

- New 2007 emission standard diesel school bus -- reimbursed at 25%. To be eligible for replacement, a bus must include an engine with a pre-1998 model year.
- Purchase and installation of EPA or CARB verified DOCs, CCVs, and/or DPFs -- reimbursed at 100%. To be eligible for a retrofit, a bus must include an engine with a model year in the 1998-2006 range. In addition to the parts and labor, the grant will reimburse districts for the purchase of one additional replacement filter for each item installed which uses removable/disposable filters.
- Purchase and installation of auxiliary heaters -- reimbursed at 100%. To be eligible for a retrofit, a bus must include an engine with a model year in the 1998-2010 range. The use of auxiliary heaters to reduce bus idling is discussed here: <http://www.epa.gov/cleanschoolbus/antiidling.htm>.

### C. Special Requirements for Eligibility

- Successful applicants must agree to implement a fleet-wide idle reduction policy. Unnecessary vehicle idling pollutes the air, wastes fuel, and causes excess engine wear. Reducing idling saves fleets' money. For example, if a fleet has 30 vehicles that reduce idling time by 30 minutes per vehicle per day, using a half gallon of diesel fuel per hour of idling at \$3.75 per gallon of diesel fuel saves 1,350 gallons of diesel and \$5,062 over 180 days. Idling should be limited to the engine manufacturer's recommendation (generally no more than five minutes). Applicants should specify the policy to be implemented including (but not limited to) idling time limits, idling exceptions, expected fuel savings, etc. For applicants with an idle reduction policy already in place, please thoroughly describe the specifics of the policy.

- Successful applicants must use a competitive process for obtaining contracts for products and services and conduct cost and price analyses to the extent required in 40 CFR Parts 30 or 31, as applicable, as well as any regulations covered by state, local, or internal procurement requirements. All contracts and the purchase of equipment must be conducted in a manner providing free and open competition, to the maximum extent practicable. As such, applicants should refrain from mentioning specific technology producers in their applications unless they are sole source providers. Applicants are not required to identify contractors or consultants in the application. If applicants have named a specific contractor or consultant in the application DEQ approves, it does not relieve the applicant of obligations to comply with competitive procurement requirements as well as any regulations covered by federal, state, local, or internal procurement requirements. Applicants should describe their competitive bid process in the application.
- Grant recipients will be required to keep the replacement and/or retrofit in good working order for a minimum of five years and report annually of such. Notification will be required if the vehicle is replaced, sold or transferred.
- Upon awarding the grants, the recipient must enter into a grant agreement or Memorandum of Agreement (MOA) committing to the terms of the award. This agreement will establish project timelines, the reimbursement process, reporting requirements (minimum of quarterly reports) and ensure the grant recipient will adhere to the competitive bid/procurement process and other applicable information.

#### **D. Evaluation Criteria**

Applications must demonstrate eligibility as indicated in this Announcement. Additionally:

1. Applications must support Goal 1 of EPA's 2006-2011 Strategic Plan, Clean Air and Global Climate Change. Because this funding originated from EPA, projects funded with this grant money must support Goal 1 of EPA's 2006-2011 Strategic Plan, Clean Air and Global Climate Change; Objective 1.1: Healthier Outdoor Air, which states, "Through 2011...EPA will...protect human health and the environment by attaining and maintaining health-based air-quality standards and reducing the risk from toxic air pollutants." Specifically, the grant projects funded under this program must reduce emissions from diesel fleets, thereby reducing local and regional air pollution.
2. Applications must be complete.
3. Projects must be located within the Tulsa or Oklahoma City metropolitan areas.

4. Applications must include an updated Fleet Information Table (Appendix A).
5. Applications must describe how the project will stimulate Oklahoma's and America's economy and/or create and preserve jobs.
6. Applications must describe applicant's capability to complete the project in a timely manner.

### **III. AWARD INFORMATION**

#### **A. Amount of Funding Available**

The DEQ was originally awarded \$1,854,672. As of the date of this announcement (September 15, 2010), the DEQ has over \$450,000 in unallocated funds remaining. Funding amounts are limited to \$250,000 per award. Applicants who have received one round of funding under this award, may apply for a second round of funding. However, priority will be given to districts that have not yet received an award under this program. The DEQ reserves the right to fund partial awards depending on the number and type of applications received (see below).

#### **B. Funding type**

Funding will be in the form of reimbursement upon receipt of invoice(s) from the subgrantee. Subgrantees must have a prior executed agreement with DEQ to receive reimbursements.

#### **C. Start Date/Project Duration/Timeline**

All projects should be started as soon as possible. All projects must be completed and all reimbursements made by June 30, 2011. The retrofit equipment must be maintained on the vehicle for 5 years. Quarterly reporting will be required from the project start date through 5 years after the installation of the retrofit and/or the delivery of the new bus.

#### **D. Partial Funding**

Partial funding may be offered to applicants as deemed applicable and necessary when making the awards.

### **IV. APPLICATION AND SUBMISSION INFORMATION**

#### **How to Apply**

Applicants may submit their application by either hardcopy submission or electronically via email.

Oklahoma DEQ – Air Quality Division  
Attn: DERA Grant  
707 N. Robinson  
P.O. Box 1677  
Oklahoma City, OK 73101-1677

or

[DERAGrant@deq.ok.gov](mailto:DERAGrant@deq.ok.gov)

Applications can be found at the following urls:

Word format –

<http://www.deq.state.ok.us/aqdnew/resources/diesel/DERA30Application.doc>

PDF format –

<http://www.deq.state.ok.us/aqdnew/resources/diesel/DERA30Application.pdf>

Submitting an application package does not guarantee that funding will be awarded. The applicant must have been awarded the funding via an executed agreement with DEQ in order to receive reimbursement. The applicant is responsible for expending its own monies first, and then is reimbursed for the award amount specified in the signed agreement with the DEQ. Without a fully executed agreement in place, the applicant assumes all costs for the purchases and installation.

## **SUPPLEMENTAL INFORMATION**

### **Eligible Diesel Emissions Reduction Solutions:**

**Verified Retrofit Technologies:** For the purpose of this grant, the only technologies that are eligible are DOCs, CCVS, DPFs, and auxiliary heaters. In addition, only buses equipped with engines with model years in the 1998-2006 range are eligible to receive retrofits with DOCs, CCVs, and DPFs. Buses with model years 1998-2010 are eligible to receive auxiliary heaters. This funding can cover up to 100% of the cost (labor and equipment) for any of these technologies as long as they have been verified by EPA or the CARB. A list of EPA verified technologies is available at <http://www.epa.gov/otaq/retrofit/verif-list.htm>. A list of CARB verified technologies is available at <http://www.arb.ca.gov/diesel/verdev/vt/cvt.htm>. The use of auxiliary heaters to reduce bus idling is discussed here: <http://www.epa.gov/cleanschoolbus/antiidling.htm>.

**Certified School Bus Replacements:** School buses can be replaced under this program with newer, cleaner buses that operate on diesel and meet a more stringent set of engine emissions standards. Only buses equipped with a pre-1998 model year engine will be eligible for replacement. The replacement bus must be of the same type and similar gross vehicle weight rating or horsepower as the bus being replaced. The

replacement bus must perform the same function as the bus that is being replaced. The replacement of older buses containing engines that were manufactured prior to the implementation of emissions standards is encouraged.

Funding levels will cover up to 25% of the cost of a replacement school bus.

**Twenty-five percent level:** This funding will cover up to 25% for diesel school buses with engines manufactured in model years 2007, 2008, 2009, **or** 2010 that are particulate filter equipped and satisfy regulatory requirements for school bus engines manufactured in that model year and do not exceed the limits of particulate matter (PM) at 0.01, nitrogen oxides (NOx) at 2.0, and nonmethane hydrocarbons (NMHC) at 0.40 (expressed in grams per brake horsepower hour, g/BHP-hr).

Replacement projects are eligible for funding on the condition that the following criteria are satisfied:

1. The bus being replaced will be scrapped or rendered permanently disabled or returned to the original engine manufacturer for remanufacturing to a certified cleaner emission standard. Drilling a hole in the engine block and manifold and disabling the chassis while retaining possession of the bus is an acceptable scrapping method. Other methods may be considered and will require prior EPA approval. Equipment and vehicle components that are not part of the engine or chassis may be salvaged from the unit being replaced. If scrapped or salvaged bus parts are to be sold, program income requirements apply.
2. Evidence of appropriate disposal, including engine serial number and vehicle identification number (VIN), is required in a final assistance agreement report submitted to EPA.

**Replacement Restrictions:** The following are not covered under Replacements: Emission reductions that would have occurred through normal attrition are considered to be the result of normal fleet turnover and are not eligible for funding under this program. Normal attrition is generally defined as a replacement that is scheduled to take place between now and the end of the project period (June 30, 2011). Normal attrition is typically defined by the vehicle or fleet owner's budget plan, operating plan, standard procedures, or retirement schedule. For example, if a school bus fleet typically retires vehicles after 7 years, a bus that is currently in its 6th or 7th year of service is not eligible for replacement. A bus that is currently in its 5th year of service and has 2 years of useful life remaining is eligible for replacement.

The purchase of new buses to expand a fleet is not covered by this program.