

**OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY
OKLAHOMA CLEAN DIESEL GRANT PROGRAM – GRANT ANNOUNCEMENT**

I. FUNDING OPPORTUNITY DESCRIPTION

A. Funding Summary

The Oklahoma Department of Environmental Quality (DEQ) is soliciting applications to fund projects that reduce diesel emissions from public school buses and refuse trucks in the state of Oklahoma. Funding is available throughout the state in the form of reimbursements for the purchase and installation of 2009 NO₂ compliant Environmental Protection Agency (EPA) and/or California Air Resources Board (CARB) verified diesel emission retrofit technology, limited to diesel oxidation catalysts (DOCs), diesel filters (Levels 1 - 3), and crankcase ventilation systems (CCVs). Funding is also available in the form of partial funding for repowers and replacements of older school buses outside the Oklahoma City and Tulsa metropolitan areas. Funds will be awarded pursuant to the DEQ/EPA agreement DS-96685301-0, "Oklahoma State Clean Diesel Grant Program" effective October 1, 2008.

B. Funding Closing Date

The closing date and time for submission and/or receipt of applications will remain open until all available funding has been awarded. See Section IV for submission information.

C. Eligible Entities and Projects

Eligible entities are Oklahoma public school districts with district-owned school buses and Oklahoma municipalities with city-owned refuse trucks.

Eligible projects include retrofitting school buses and refuse trucks with EPA or CARB verified crankcase ventilation systems (CCVs) that meet the 2009 NO₂ requirements, diesel oxidation catalysts (DOCs) and/or levels 1-3 diesel particulate filters (DPFs), replacing older school buses with new 2007 or 2010 emission standard school buses and repowering older school buses with 2007 or 2010 emission standard engines. These verified retrofit technologies can be found on EPA's website (<http://www.epa.gov/otaq/retrofit/verif-list.htm>) and CARB's website (<http://www.arb.ca.gov/diesel/verdev/vt/cvt.htm>).

D. Measuring Environmental Results: Outputs/Outcomes

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. Applicants should describe how the project will reduce diesel emissions and local/regional pollution in the environmental "outputs" and "outcomes" (described below) in their proposed work plan.

- 1. Outputs:** The term "output" means an activity, effort and/or product that is produced or provided by a specific date as a result of this funding. Outputs may be quantitative or qualitative but must be measurable during the funding period.

Applicants must describe how they will track and measure progress towards the environmental goal throughout the grant period.

Outputs from the individual projects funded under this grant may include (but are not limited to) the following:

- a. number of retrofitted, replaced, and/or repowered engines
- b. percentage or annual pounds of fine particulate matter (PM2.5), nitrogen oxides (NOx), greenhouse gases (GHG) and/or volatile organic compound (VOCs) reduced (dependent on the technology chosen); and
- c. fuel saved via idle reduction policy

Please describe in detail how you will estimate or determine “outputs” in detail. Estimates and measurements of emission reductions for a verified technology should be based on demonstrated reductions and emission factors listed on EPA or CARB’s verified technology list.

2. **Outcomes:** The term “outcome” means the measurable impacts or results of the grant work. Outcomes may be environmental, behavioral, health-related or programmatic in nature, but must be quantitative. They may not necessarily be achievable within the funding period.

Outcomes from projects funded under this program may include (but are not limited to) the following:

- a. increased understanding of the environmental effectiveness or health benefits of the retrofits installed or the idling program implemented
- b. documented reductions of diesel emissions from retrofits; and
- c. documented improved ambient air quality

II. AWARD INFORMATION

A. Amount of Funding Available

DEQ has approximately \$244,248 remaining funds available under this announcement for grants. Funding amounts are limited to \$75,000 per award.

B. Funding Type/Percentage

Funding will be in the form of reimbursement upon receipt of invoice(s) from the grantee. Grantees must have a prior executed agreement with DEQ to receive reimbursements. Funding for diesel school bus and refuse truck retrofits will be reimbursed at 100%. Funding for diesel school bus repowers will be reimbursed up to 75%. Funding for diesel school bus replacements will be reimbursed up to 50%.

C. Project Duration/Timeline

Equipment should be installed / purchased within 90 days of signing the final agreement with DEQ; extensions of this 90 day requirement must be based on a demonstrated need and approved in writing by DEQ. The retrofit equipment and repowered engines should be maintained on the vehicle for 5 years. Reporting will be required quarterly through 2010 and semi-annually thereafter.

D. Partial Funding

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

III. ELIGIBILITY INFORMATION

A. Eligible Entities

Eligible entities are Oklahoma public school districts with district owned school buses and Oklahoma municipalities with city-owned refuse trucks.

B. Eligible Projects

Eligible projects include:

- The purchase and installation of 2009 NO₂ compliant EPA or CARB verified diesel emission retrofit technology for public school buses and municipality-owned refuse trucks. Retrofit technology is limited to diesel oxidation catalysts (DOCs), diesel filters (Level 1-3), and crankcase ventilation systems (CCVs) that meet the 2009 NO₂ requirements. These verified technologies can be found on EPA's website (<http://www.epa.gov/otaq/retrofit/verif-list.htm>) and CARB's website (<http://www.arb.ca.gov/diesel/verdev/vt/cvt.htm>).
- Repowering pre-2000 model year diesel school bus engines in Oklahoma (excluding the Oklahoma City and Tulsa metropolitan areas) with 2007 or 2010 emissions standard engines.
- Replacing pre-2000 model year diesel school buses in Oklahoma (excluding the Oklahoma City and Tulsa metropolitan areas) with new 2007 or 2010 emissions standard school buses.

Some retrofit technologies, specifically diesel particulate filters, may not be appropriate for all duty cycles and vehicles; data logging of some vehicles by vendors must take place in order to ensure that filters are an appropriate application for the particular fleet. The purpose of data logging is to determine which technology will work; the applicant should provide information about plans for data logging if filters are the chosen technology. Data logging is routinely provided by vendors and should not be included in the project budget. It is imperative that applicants discuss the appropriateness of technologies with the verified manufacturers when assembling their applications.

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 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.

Additionally, 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. Additionally, if applicants have named a specific contractor or consultant in the application DEQ approves, it does not relieve you of your obligations to comply with competitive procurement requirements as well as any regulations covered by federal, state, local, or internal procurement requirements. Please describe the competitive bid process in the application.

C. Eligibility Screening Requirements: Threshold Criteria

Applications must demonstrate eligibility as indicated in Section I, Part C of this Announcement. Additionally:

1. Applications must support Goal 1 of EPA’s 2006-2011 Strategic Plan, Clean Air and Global Climate Change as indicated in Section I, Part C, Subpart 1 of this Announcement.
2. Applications must be received on or before the closing date and time as discussed in Section I, Part B of this Announcement.
3. Applications must substantially comply with the application and submission information as outlined in Section IV of this Announcement, specifically content of applications.
4. Projects must be located within the state of Oklahoma.
5. Applications must include a Fleet Information Table (Appendix A).
6. Strategies to be considered under this program are limited to diesel emission retrofit technologies as specified in Section III, Part B of this Announcement. Retrofit technologies must be either verified under EPA’s Retrofit Program or verified by the California Air Resources Board (CARB) and must be compliant with the 2009 NO₂ requirements. Technologies that EPA has verified are listed on EPA’s Verified Technologies List <http://www.epa.gov/otag/retrofit/verif-list.htm>. CARB listed technologies may be found at <http://www.arb.ca.gov/diesel/verdev/vt/cvt.htm>.

IV. APPLICATION AND SUBMISSION INFORMATION

A. 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

Applications can be found at the following urls:

Word format –

<http://www.deq.state.ok.us/aqdnew/cleandiesel/DERA10Application.doc>

PDF format –

<http://www.deq.state.ok.us/aqdnew/cleandiesel/DERA10Application.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.

B. Application Communications and Assistance

In accordance with EPA's Competition Policy of January 11, 2005 (EPA Order 5700.5A1), DEQ staff will not meet with individual applicants to discuss draft applications, provide informal comments on draft applications, or provide advice to applicants on how to respond to ranking criteria. Applicants are responsible for the contents of their applications.

V. Evaluation Criteria

A. Selection Criteria

Each eligible application will be evaluated according to the criteria below using the corresponding point values listed. Please make sure your application addresses each criterion. Each application will be rated under a points system, with a total of 100 points possible.

1. Sufficient level of detail and completeness: 10 pts.

Applications must contain all the required information, signatures, and attachments. The budget figures and work plan, as well as all other documents in the application package, should be consistent. For example, the total in the summary and the detailed budget must be the same, including matching amount and leveraged resources (if applicable). The work plan should explain the applicant's planned activities and should provide detailed cost estimates.

2. Eligible Projects and Use of Funds: 10 pts.

Under this criterion, applicants will be evaluated on the extent to which the proposed project will fund the costs of an eligible retrofit technology that

significantly reduces emissions on a public school bus or refuse truck. Projects must also include programs that reduce idling.

3. Clear Description of the Target Fleet: 5 pts.

Describe the fleet in detail and its history. The following information must be provided, or if not provided, a reasonable explanation should be included: number of buses in the targeted fleet(s), annual miles traveled, annual fuel usage, the number of students riding the fleet (if applicable), the number of students in the entire district (if applicable), the number of households served by the refuse service (if applicable), the fleet replacement rate, the general type of retrofit technology that may be used, and the number of vehicles that may be retrofitted. Also, indicate what entity owns the buses, operates the fleet, and maintains the fleet, and any other general information about the fleet and its history. Attach Appendix A – Fleet Information Spreadsheet.

4. Coherent Plan for Project: 15 pts.

Under this criterion, applicants will be evaluated on the degree to which the project plan shows a logical path for successful completion, including a budget, reasonable timeline, technology applicability and fleet information. Discuss how you plan to implement the proposed project. Describe the tasks and activities that will be conducted to accomplish the objective of the project. The budget should provide appropriate costs for the purchase and installation of emission retrofit technology.

5. Timeline/Communication Plan: 10 pts.

Evaluation will assess the degree to which the applicant has clear milestones with appropriate deadlines. Include a timeline or schedule with expected target dates and milestones to achieve specific tasks and accomplishments during the budget and project period (e.g., bid, ordering and installation phases, as well as any other events that impact the overall application). Outreach or communications should lead to effective learning and/or adoption of new practices, as well as a plan to measure long-term results

6. Environmentally Significant Outputs and Quantifiable Outcomes: 10 pts.

Under this criterion, applicants will be evaluated on the degree to which the project:

- a. has a clearly defined goal or objective that will result in substantial immediate as well as future estimated diesel emissions reductions. Include an evaluative component to the project including an estimation of anticipated emissions reductions (PM, NO_x, CO and/or VOCs) in percentages or pounds/year through retrofits, and anticipated fuel savings resulting from idle reduction policy. Include the system for tracking progress towards achieving the outputs and outcomes of the project.
- b. is cost-effective (in \$/lb or \$/ton. Cost effectiveness of the project will be calculated by DEQ using the fleet and emission reduction information provided and will be used in the selection criteria);
- c. maximizes the useful life of the engines or technology that will be used in the project; and
- d. aligns with EPA's Strategic Plan as described in Section I, Part C, Subpart I of this announcement.

7. Sensitive Populations: 15 pts.

Under this criterion, applicants will be evaluated on the degree to which the project will:

- a. reduce environmental risks to sensitive populations
- b. reduce environmental risks to economically-disadvantaged and other populations with disproportionately high and adverse human health or environmental impacts.

8. Air Quality: 15 pts.

Under this criterion, applicants will be evaluated on the air quality where the project will be located. Priority will be given to projects in areas that are at risk of nonattainment of national ambient air quality standards for a criteria pollutant; Federal Class I areas; or areas with toxic air pollutant concerns and/or affect an area that is in non-attainment for ozone or particulate matter (PM) standards. Note local conditions such as nearby power plants, interstates, large number of truck stops, concentrated animal feeding operations (CAFOs), etc.

9. Funding Contribution: 5 pts.

Though a match is not required to receive the award, additional funding contributions from applicants will be given priority consideration. If applicable, please describe the amount and source of any funding contribution.

10. Programmatic Capability: 5 pts.

Under this criterion, applicants will be evaluated based on their ability to successfully complete and manage the proposed project while taking into account how their experience, knowledge, qualifications and organizational resources will allow them to successfully achieve the goals of the proposed project including a plan for timely and successfully achieving the objectives of the proposed project.

If applicable, applicants may choose to include any past performance in successfully completing and managing grants similar in size, scope, and relevance to the proposed project performed.

B. Review and Selection Procedures

Each application will be evaluated by DEQ staff chosen for their knowledge of air quality, diesel retrofits and engineering.

C. Conflict of Interest

Reviewers will be required to sign a disclosure of conflict of interest form and will be removed from the review of applications if an actual or potential conflict of interest (that cannot be mitigated) exists.

VI. Award Administration Information

A. Award Notices

DEQ will notify both successful and unsuccessful applicant(s) in writing.

Upon selection and final approval of work plans, successful applicants will be required to agree to terms and conditions of the grant award.

DEQ reserves the right to negotiate appropriate changes in work plans after the selection and before the final award, consistent with EPA's Competition Policy (EPA Order 5700.5A1, Section 11). The notification, which advises that the applicant's application has been tentatively selected and is being recommended for award, is not an authorization to begin performance. The executed agreement between DEQ and the awardee is the authorizing document.

B. Reimbursement Requirements

Upon installation of the retrofit equipment, completion of repower, or delivery of new bus subgrantees must invoice DEQ for reimbursement, and include all required documentation specified in the grant award.

C. Reporting Requirements

Successful applicants will be required to submit quarterly progress reports to DEQ through 2010 and semi-annually thereafter. Progress reports must contain a complete reporting spreadsheet and responses to narrative questions as provided by DEQ in the award document.

D. Disputes

Assistance agreement competition-related disputes will be resolved in accordance with the dispute resolution procedures published in 70 FR (Federal Register) 3629, 3630 (January 26, 2005) which can be found at: <http://www.epa.gov/ogd/competition/resolution.htm>.

VII. Agency Contacts

For additional general information about this announcement contact: Brian McKibben at (405)702-4100 or brian.mckibben@deq.ok.gov.

Please visit the Oklahoma Clean Diesel Grant Program website for information.
<http://www.deq.state.ok.us/AQDNew/cleandiesel/dera1.html>

VIII. Additional Resources

<http://www.epa.gov/otag/schoolbus/antiidling.htm>
www.epa.gov/otag/retrofit/verif-list.htm
www.arb.ca.gov/diesel/verdev/vt/cvt.htm
<http://www.census.gov/hhes/www/saipe/saipe.html>