



**OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY
FISCAL YEAR 2021 OKLAHOMA CLEAN DIESEL GRANT PROGRAM
GRANT SOLICITATION**

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I. FUNDING OPPORTUNITY DESCRIPTION

A. Summary

The Oklahoma Department of Environmental Quality (DEQ) is soliciting proposals for projects that reduce emissions from and improve fuel efficiency of school buses. Only school buses are eligible for replacement. Potential projects include the replacement of diesel school buses throughout Oklahoma with new diesel, gasoline, all-electric, propane (LPG), or natural gas (LNG or CNG) school buses. The grant funds will be for the purchase of school buses certified by the Environmental Protection Agency (EPA). While projects from the entire state will be accepted, special consideration will be given to projects in counties that are in potential non-attainment for one or more of the National Ambient Air Quality Standards (NAAQS), counties with toxic air pollutant concerns as identified from the National Air Toxics Assessment (NATA) data, and counties containing Federal Class I areas. Priority will be given to projects that will result in the greatest decrease in emissions. See section II.D.7 of this document for more information on selection criteria.

B. Funding

The total funding for this competitive opportunity is \$734,342. DEQ will award the assistance agreements for projects resulting from this announcement. The anticipated number of awards is variable due to the number and type of applications received as well as available funding, but based on past experience, DEQ anticipates replacing approximately 25 buses. Funding will be in the form of cooperative agreements; each successful subgrant recipient must enter into a grant agreement in the form of a Memorandum of Agreement (MOA) with DEQ. Funding will be paid out as reimbursements after the applicant has initially expended funds from another funding source.

C. Funding Closing Date

Applications will be accepted until close of business (4:30 p.m. CST) on **December 10, 2021**. Additionally, applications submitted by 4:30 p.m. CST on **November 26, 2021** will be screened for completeness; more information on application screening is listed in Section II.D. All projects (except for all-electric vehicle replacement projects) must be completed and all monies must be spent by September 1, 2022. All-electric vehicle projects must be completed and all monies must be spent by September 1, 2023. If funds are not fully awarded after the closing date and initial selection process, DEQ may elect to extend the application deadline.

II. ELIGIBILITY INFORMATION

A. Eligible Entities

The Fiscal Year 2021 Oklahoma Clean Diesel grant program will be open to all school districts that transport students in grades pre-Kindergarten through 12.

B. Eligible Projects

Applications containing projects that will achieve emissions reductions through school bus replacements will be considered. Potential projects are described below.

Vehicle Replacements

Types A-D diesel school buses are eligible to be replaced with newer, cleaner school buses that operate on diesel, gasoline, all-electric, LPG, or CNG and meet a more stringent set of engine emission standards certified by EPA. The following restrictions apply:

- i. Eligible Buses to be replaced must meet all the following:
 - a. must be identified with the words “School Bus” and be painted National School Bus Glossy Yellow.
 - b. must be diesel fueled.
 - c. must be fully operational.
 - d. must be owned and operated by participating fleet owner for the two years prior to upgrade.
 - e. must have at least three years of remaining life at the time of upgrade.
 - i. Remaining life is the fleet owner’s estimate of the number of years until the unit would have been retired from service.
 - f. must have accumulated at least 7,000 miles/year during the two years prior to upgrade, or during calendar year 2019.
 - g. must have an engine model year (EMY) 2009 or older, if being replaced with a bus that has an engine certified to meet EPA emissions standards.
 - h. must have an EMY 2016 or older, if being replaced with a zero emission vehicle or with a bus that has an engine certified to meet CARB low-NOx emission standards.
 - i. must be School Bus Type A, B, C, or D.
- ii. Eligible Replacement Projects must include all of the following:
 - a. a new school bus or buses operating on one of the following fuel types: diesel, gasoline, all-electric, LPG, or LNG/CNG.
 - b. a new replacement school bus or buses with EMY 2019 or newer.
 - c. bus or buses with a Type A, B, C, or D that is the same Type as the Eligible Bus to be replaced.
 - d. The new replacement vehicle must not be of a larger class of Gross Vehicle Weight Rating (GVWR) than the existing vehicle.
 - i. Class 5: 16,001 – 19,500 lbs GVWR
 - ii. Class 6: 19,501 – 26,000 lbs GVWR
 - iii. Class 7: 26,001 – 33,000 lbs GVWR

- iv. Class 8: 33,001 lbs GVWR and over
- e. the new bus or buses must meet EPA’s heavy-duty highway engine emission standards, CARB’s Low-NOx emission standards, or be a zero emissions vehicle. More information on emissions standards are below.

EPA’s annual certification data for vehicles, engines, and equipment may be found at: www.epa.gov/compliance-and-fueleconomy-data/annual-certification-data-vehicles-engines-and-equipment. EPA’s engine emission standards may be found at: www.epa.gov/emission-standards-reference-guide/allepa-emission-standards. Engines certified by CARB may be found by searching CARB’s Executive Orders for Heavy-duty Engines and Vehicles, found at: www.arb.ca.gov/msprog/onroad/cert/cert.php. Please see the Low-NOx Engine fact sheet found at <https://www.epa.gov/sites/production/files/2021-01/documents/420f21002.pdf> for guidance on identifying engines certified to meet CARB’s Optional Low NOx Standards. All-electric vehicles qualify as zero emission vehicles and do not need to be CARB or EPA certified.

The replacement vehicle must perform the same function and be of the same type and similar gross vehicle weight rating (GVWR) or horsepower as the vehicle that is being replaced; vehicle right-sizing is not permitted under this grant. The new replacement vehicle should resemble the replaced vehicle in form and function. The cost of optional components or “add-ons” that significantly increase the cost of the vehicle may not be eligible for funding under the grant.

All eligible replacement projects must be early attrition projects. Early attrition refers to a project where a vehicle is replaced before that vehicle is scheduled to be replaced. For the purposes of this grant, any vehicle that is due to be replaced, scheduled to be replaced, or has a life expiration date before September 30, 2024 is considered to be normal attrition and therefore not eligible for FY 2021 Oklahoma Clean Diesel Grant Program.

The vehicle being replaced must be scrapped within 90 days, and proof of scrappage must be provided to DEQ prior to reimbursement. “Scrapped” is defined as having a greater than three-inch hole drilled through the engine block and cutting both frame rails.

C. Special Requirements for Eligibility

1. Successful subgrant recipients shall already have or shall implement a fleet-wide idle reduction policy. Unnecessary vehicle idling pollutes the air, wastes fuel, and causes excess engine wear. Reducing idling saves money for fleets. Idling should be limited to the engine manufacturer’s recommendation (generally no more than five minutes). Subgrant recipients should specify the policy to be implemented, including (but not limited to) idling time limits, idling exceptions, expected fuel savings, etc. For subgrant recipients with an idle reduction policy already in place, please thoroughly describe the specifics of the policy in the application or include a copy of the policy. Failure to either have or to instate an idle reduction policy is cause for disqualification; an idle reduction policy is required for all applicants.
2. Subgrant recipients will be required to provide matching funds according to the guideline listed below. For all projects, subgrant recipients who offer higher matching funds on their application

will be more likely to receive awards than other subgrant recipients offering lower matching funds.

a. Reimbursement amounts:

- i. Oklahoma may fund up to 25% of the cost of a new replacement vehicle powered by a 2019 model year or newer engine certified to EPA emission standards. Highway engine emission standards are available at: <https://www.epa.gov/emission-standards-reference-guide/epa-emission-standards-heavy-duty-highway-engines-and-vehicles>. (**Application Tip:** *Currently, all diesel school buses fall in the category for 25% reimbursement.*)
- ii. Oklahoma may fund up to 35% of the cost of a new replacement vehicle powered by a 2019 model year or newer engine certified to meet CARB's Optional Low-NOx Standards. For help identifying Low-NOx certified engines see <https://www.epa.gov/sites/production/files/2021-01/documents/420f21002.pdf>. A list of certified vehicles is available at: <https://www.arb.ca.gov/msprog/onroad/cert/cert.php>.
- iii. Oklahoma may fund up to 45% of the cost of a new 2019 model year or newer zero-emission (all-electric) replacement vehicle. Eligible cost can include the purchase and installation of one charging unit per vehicle, including the unit and charging cable, mount and/or pedestal.

3. Successful subgrant recipients must use a competitive process for obtaining contracts for products and services and conduct cost and price analyses to the extent required in Title 2 Code of Federal Regulations (C.F.R.) Part 200, 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, subgrant recipients should refrain from mentioning specific technology producers in their applications unless they are sole source providers. Subgrant recipients are not required to identify contractors or consultants in the application. If subgrant recipients have named a specific contractor or consultant in the application DEQ approves, it does not relieve the subgrant recipient of obligations to comply with competitive procurement requirements, as well as any federal, state, local, or internal procurement laws, regulations, or requirements. Subgrant recipients should describe their competitive bid process in the application. Two quotes are required in the application as either an attachment or described in detail. If the quote is for an all-electric vehicle and if the project cost or intended matching costs includes the cost of charging infrastructure, such charging infrastructure costs must be itemized on the quote.

Subgrant recipients have the option to purchase a vehicle as negotiated by OMES Division of Capital Assets Management/Central Purchasing, which can be found on their website ([https://www.ok.gov/DCS/Central_Purchasing/CP_Processes, Rules & Statutes/index.html](https://www.ok.gov/DCS/Central_Purchasing/CP_Processes,_Rules_&_Statutes/index.html)). If a subgrant recipient wishes to purchase from the list of state-approved vehicles or equipment, it is not required to engage in the competitive bidding process and does not need to provide vehicle quotes in the application.

4. Each replacement and/or modified vehicle must operate primarily in the state of Oklahoma for five years following project completion.

5. Subgrant recipients will be required to keep the replacement and/or modified vehicle in good working order for a minimum of five years. The recipient's fleet may be audited by DEQ for a period of up to five years to ensure equipment remains in service for the specified time.
6. Quarterly reporting will be required for one year from the project start date.
7. Upon awarding the grants, the subgrant recipient must enter into an MOA with DEQ committing to the terms of the award. This agreement will establish project timelines, establish the reimbursement process, establish reporting requirements (minimum of quarterly reports), ensure the subgrant recipient will adhere to the competitive bid/procurement process, and other applicable information. Failure to comply with the terms of the award outlined in the MOA may jeopardize subgrant recipient's reimbursement.
8. All subgrant recipients must have registered/renewed with the System for Award Management (SAM) (<https://www.sam.gov/SAM/>) and have a registered Data Universal Numbering System (DUNS) number (<http://fedgov.dnb.com/webform>).
9. Outstanding projects or late completion of projects previously awarded under the Oklahoma Clean Diesel Program may affect eligibility for this funding opportunity.

D. Evaluation Criteria

Program eligibility, as indicated in this announcement, must be demonstrated within the application. Additionally, a successful application must meet all of the requirements in items 1-6 below. Each application will be ranked according to the evaluation criteria in item 7 below.

1. Applications must support Goal 1 of EPA's 2018-2022 Strategic Plan, Addressing Climate Change and Improving Air Quality. Because this funding originated from EPA, projects funded with this grant money must support Objective 1.1, Improve Air Quality, which states, "work with states and tribes to accurately measure air quality and ensure that more Americans are living and working in areas that meet high air quality standards." Specifically, the grant projects funded under this program must reduce emissions from diesel fleets, thereby reducing local and regional air pollution.

The FY 2018-2022 EPA Strategic Plan may be found at:

<https://www.epa.gov/sites/production/files/2018-02/documents/fy-2018-2022-epa-strategic-plan.pdf>

2. Screening Deadline: Applications submitted by 4:30pm CST on November 26, 2021 will be screened for completeness by DEQ. A completeness screening includes, and is limited to, a confirmation by DEQ that any necessary attachments (listed at the end of the application) are included, all application questions are fully answered, and that the applicant has met the match and eligibility requirements. If an application turned in by the screening deadline is found to be incomplete, DEQ will contact the applicant by email and provide a list of findings. The applicants

will then have until December 10, 2021 to submit an amended application. **A finding of completeness through screening by DEQ does not guarantee funding or eligibility.**

3. Applications must be received by DEQ on or before December 10, 2021. DEQ may choose to extend the program application deadline if deemed necessary. If a deadline extension is granted, applications must be received on or before the new extended deadline.
4. Applications must be complete and with sufficient details.
5. Projects must operate primarily within the State of Oklahoma.
6. Applications must describe the applicant's capability to complete the project in a timely manner.
7. Final selection will be based primarily upon project type and which projects will achieve the greatest emissions reductions for the greatest population at the least cost in award monies. The following selection criteria apply, which are listed in general order of highest priority to lowest priority.
 - i. DEQ encourages the use of leveraged funds to enhance and expand proposed projects. Proposals with higher percentages of match funds will receive higher rankings during the evaluation process.
 - ii. Projects affecting counties that are potential non-attainment, are identified by NATA data, and/or contain Federal Class I areas will have priority over projects affecting other counties. These counties include Bryan, Canadian, Carter, Cleveland, Comanche, Creek, Grady, Lincoln, Logan, McClain, Oklahoma, Okmulgee, Osage, Pawnee, Rogers, Tulsa, and Wagoner.
 - a. Tulsa and Oklahoma counties are given additional priority as they are both NATA and potential non-attainment counties.
 - iii. Projects achieving greater emissions reductions will receive priority over projects with lesser emissions reductions. Emission reductions will be calculated by DEQ utilizing data compiled from the submitted application. The program used for calculation emissions is the Diesel Emissions Quantifier:
<https://cfpub.epa.gov/quantifier/index.cfm?action=main.home>
 - iv. Applications from public schools will receive priority over applications from private schools.
 - v. Projects affecting vehicles that will have longer working life expectancies will have priority over vehicles with shorter life expectancies.
 - vi. Projects with older fleets will receive priority over projects with newer fleets.
 - vii. Larger projects (i.e. projects with a larger number of vehicles) will receive priority over smaller projects.
 - viii. Projects with a greater number of affected households will receive priority over projects with fewer affected households.

- ix. Applications providing thorough explanations and relevant details of the project may be scored higher.
- x. Projects affecting areas that have proportionately higher than average traffic from diesel engines, such as (but not limited to) the I-40 and I-35 corridors, will have priority over other areas.

III. AWARD INFORMATION

A. Amount of Funding Available

DEQ has \$734,342 available under this announcement for grants.

B. Funding Type

Funding will be in the form of reimbursement upon receipt of invoice(s) from the subgrant recipient. The subgrant recipient is responsible for expending its own monies first and then is reimbursed for the award amount specified in the signed agreement with DEQ. Subgrant recipients must have a prior executed MOA with DEQ to receive reimbursements.

All subgrant recipients must have registered/renewed with the System for Award Management (SAM) (<https://www.sam.gov/SAM/>) and have a registered Data Universal Numbering System (DUNS) number (<http://fedgov.dnb.com/webform>).

C. Start Date/Project Duration/Timeline

All projects should be started as soon as possible after the MOA has been executed and subgrantee has received a Notice to Proceed. Vehicles should be replaced and/or equipment should be installed within 120 days of signing the final MOA with DEQ; extensions of this 120-day requirement must be based on a demonstrated need and approved in writing by DEQ. All projects must be completed and all invoices submitted by September 1, 2022. Vehicles and/or equipment must be maintained for five years. The recipient's fleet may be audited by DEQ for a period of up to five years to ensure equipment remains in service for the specified time. Quarterly reporting will be required for one year from the project start date.

D. Partial Funding

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

IV. PROJECT PERIOD

Upon selection of successful applicants, DEQ will announce funding recipients. These recipients will receive an award packet with documents necessary for the project such as the Memorandum of Agreement (MOA). The recipient will first need to read, initial, and sign the MOA, which must be returned to DEQ for final execution. Once DEQ finalizes the MOA, the recipient will receive a copy of the final MOA, a Purchase Order, and an official Notice to Proceed that signals the beginning of the project. Please note that until recipients receive this Notice to Proceed, they are not permitted to begin work on their approved project and any funds spent prior to official notification will not be reimbursed.

All projects should begin as soon as possible after receipt of the Notice to Proceed. Vehicles should be replaced and all required paperwork submitted by close of business, 4:30 pm CST, September 1, 2022, unless the new vehicle is an all-electric bus. The deadline for all-electric vehicle replacements is September 1, 2023. Deadline extensions will only be granted based on a demonstrated need and must be approved in writing by DEQ prior to the project deadline. All-

electric vehicle replacements may not be eligible for extension. Requests for deadline extension to other projects must be submitted to DEQ by close of business, 4:30 pm CST, August 1, 2022.

V. APPLICATION AND SUBMISSION INFORMATION

A. How to Apply

Applications can be found at the following website address:

PDF format <https://www.deq.ok.gov/air-quality-division/clean-diesel-dera/>

Applications must be received by DEQ on or before December 10, 2021 by 4:30 p.m. CST. Subgrant recipients may submit their applications by email or hardcopy submission to one of the following addresses:

Oklahoma Department of Environmental Quality
AQD - Clean Diesel Grant Program
707 N. Robinson
P.O. Box 1677
Oklahoma City, OK 73101-1677
cleandiesel@deq.ok.gov

Submitting an application package does not guarantee that funding will be awarded.

The subgrant recipient must have been awarded the funding via an executed MOA with DEQ in order to receive reimbursement. The subgrant recipient is responsible for expending its own monies first and then is reimbursed for the award amount specified in the signed agreement with DEQ. Without a fully executed MOA in place and receipt of Notice to Proceed, the subgrant recipient assumes all costs for the purchases and installation.

Subgrant recipient must execute the MOA with DEQ and receive a written work commencement notification before any work on the project is started. Any funds spent by the subgrant recipient before official notification will not be reimbursed.

For further questions, please visit the DEQ Clean Diesel webpage, <https://www.deq.ok.gov/air-quality-division/clean-diesel-dera/>, or contact Cecelia Kleman by email or phone at Cecelia.kleman@deq.ok.gov, (405)702-4166.