

**OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY
FISCAL YEAR 2018 ALTERNATIVE FUEL SCHOOL BUS PROGRAM
FUNDING OPPORTUNITY ANNOUNCEMENT
REQUEST FOR PROPOSAL (RFP)**

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I. FUNDING OPPORTUNITY DESCRIPTION

A. Summary

The Oklahoma Department of Environmental Quality (DEQ) is soliciting proposals for projects that reduce nitrogen oxide (NOx) emissions from diesel engines. Potential projects include the replacement of diesel school buses throughout Oklahoma with all-electric or alternative fuel school buses, or the repower of diesel school buses with all-electric or alternative fuel technologies. Applicants from all school districts within the State of Oklahoma are eligible for funding, and project applications will be ranked and selected based on the priorities within the Oklahoma Beneficiary Mitigation Plan (BMP). For more information on selection criteria, please see Section V of this document and Appendix A.

The Alternative Fuel School Bus Program is funded by the Volkswagen Trust and is operated in accordance with the Volkswagen Environmental Mitigation Trust Agreement for State Beneficiaries and the Oklahoma BMP. More information on the Agreement and associated programs within Oklahoma can be found at: <http://www.deq.state.ok.us/aqdnew/vwsettlement/>

B. Funding

The total funding available for this announcement is approximately \$4,184,000. DEQ will be administrating the funding assistance agreements for projects resulting from this announcement. The anticipated number of awards is variable due to the number and type of applications received. Projects will be capped at \$300,000 per award. There is also a per-item cap. Caps are discussed in Section III.C and Table 1 of this document.

Funding will be in the form of reimbursements. Each successful applicant must enter into a grant agreement in the form of a Memorandum of Agreement (MOA) with DEQ. More details on funding structure and match requirements can be found in Sections III.B and III.C of this document.

C. Funding Closing Date

Applications will be accepted until close of business (5:00 p.m. CST) on December 20, 2018; all projects must be completed and all paperwork submitted by September 1, 2021. If funds are not fully awarded after the initial selection process, DEQ may elect to extend the application deadline, or to roll excess funds into the Reserve Flex Fund as described in page 4 of the Oklahoma BMP.

II. ELIGIBILITY INFORMATION

A. Eligible Entities

The Alternative Fuel School Bus program will be open to all school districts within the State of Oklahoma that transport pre-Kindergarten through grade 12 students.

B. Additional Eligibility Criteria

Program eligibility, as indicated in this announcement, must be demonstrated within the application. A successful application must meet all of the requirements below. Applications which fail to meet one or more of the following requirements will be disqualified and will not be scored.

1. Applications must be received on or before close of business (5:00 p.m. CST) December 20, 2018.
2. Applications must be complete, including any attachments and price estimates as necessary.
3. Projects must be located within the state of Oklahoma.
4. Applications must describe the applicant's capability to complete the project in a timely manner.
5. Project applicants must meet eligibility requirements listed in II.A of this document.
6. Projects must meet all eligibility requirements listed in Section III.A.1 and III.A.2 of this document.
7. The project timeline must reflect a project closing date on or before September 1, 2021. By this date, the project must be complete, all paperwork required for reimbursement must be submitted to DEQ, and all other requirements as listed in the MOA must have been met. Any extensions of this deadline must be based on demonstrated need and approved in writing by DEQ prior to September 1, 2021. Requests for extension must be submitted by August 1, 2021.

III. PROJECT INFORMATION

A. Eligible Projects

Applications containing projects that will achieve NOx emission reductions through all-electric or alternative fuel school bus replacements, or all-electric or alternative fuel repowers, will be considered. Potential projects are described below in items III.A.1 through III.A.4.

1. Eligible Buses to be replaced or repowered must meet all of the following:
 - a. a diesel school bus or buses with engine model year (EMY) 2009 or older,
 - b. a diesel school bus or buses with a Gross Vehicle Weight Rating (GVWR) that falls within the Federal Highway Administration Vehicle Classes 4-8, and
 - c. a diesel school bus or buses in current, active service primarily within the State of Oklahoma as of the time this document is released. A vehicle in active service is considered to be a vehicle which was driven at least 3,000 miles within the past year.

Please Note: Eligible Buses to be replaced, and engines of eligible buses to be repowered, must be scrapped per Section VI.F of this document.

2. Eligible Replacement or Repower projects must include all of the following:
 - a. a school bus or buses operating on one of the following fuel types: All-electric, electric hybrid, propane (LPG), or natural gas (LNG or CNG),
 - b. a replacement school bus or buses and/or repowered engines with EMY 2018 or newer,
 - c. a bus or buses with GVWR Class 4-8 of the same or lesser GVWR than the Eligible Bus, or engines to repower a vehicle of GVWR Class 4-8, and
 - d. a bus or buses which operate primarily within the State of Oklahoma

3. Optional project cost may include:
 - a. Repowers may include the cost of installation, and/or
 - b. All-electric vehicle repowers and replacements may include the cost of charging infrastructure and charging infrastructure installation, subject to a per-item cap.

Please Note: Requesting reimbursement for the cost of installation or charging infrastructure may reduce project cost-effectiveness and therefore reduce overall application ranking.

4. Optional right-sizing:

An Eligible Bus of any size may be replaced with a bus of smaller size, and/or lower GVWR. If an Eligible Bus is replaced with a new bus of lower GVWR, this will be considered “right-sizing” and points will be given to the application during the ranking process.

B. Match Requirements

In order to be eligible for an award, all applicants will be required to provide matching funds according to guidelines listed below. Any project income, such as money from the sale of scrap, may be applied towards match requirements. If applicable, the costs of charging infrastructure and labor for repower or infrastructure installation may also be applied towards match requirements.

For all projects, applicants who offer a higher percentage of matching funds on their application will be more likely to receive awards than other applicants offering lower percentages of matching funds.

Awarded funds will be provided in the form of reimbursements after the project has been completed, all necessary support documents have been submitted, and all requirements met.

1. For non-government owned school buses, beneficiaries may be reimbursed in the amount of:
 - a. Up to 40% of the cost of a repower with a new alternative fueled (natural gas (CNG, LNG), propane (LPG), and/or electric hybrid) engine, including the costs of installation of such engine, not to exceed the per-item cap.
 - b. Up to 25% of the cost of a new alternative fueled (natural gas (CNG, LNG), propane (LPG), and/or electric hybrid) vehicle, not to exceed the per-item cap.
 - c. Up to 50% of the cost of a repower with a new all-electric engine, including the costs of installation of such engine, and charging infrastructure associated with the new all-electric engine, not to exceed the per-item cap.
 - d. Up to 50% of the cost of a new all-electric vehicle, including charging infrastructure associated with the new all-electric vehicle, not to exceed the per-item cap.

2. For government owned eligible school buses, beneficiaries may be reimbursed in the amount of:
 - a. Up to 50% of the cost of a repower with a new alternative fueled (natural gas (CNG, LNG), propane (LPG), and/or electric hybrid) engine, including the costs of installation of such engine, not to exceed the per-item cap.
 - b. Up to 50% of the cost of a new alternative fueled (natural gas (CNG, LNG), propane (LPG), and/or electric hybrid) vehicle, not to exceed the per-item cap.
 - c. Up to 50% of the cost of a repower with a new all-electric engine, including the costs of installation of such engine, and charging infrastructure associated with the new all-electric engine, not to exceed the per-item cap.
 - d. Up to 50% of the cost of a new all-electric vehicle, including charging infrastructure associated with the new all-electric vehicle, not to exceed the per-item cap.

C. Total Project and Per-Item Maximum Caps

A per-item funding cap has been set for many common bus types and for electric charging infrastructure. In addition to per-item caps, each project is also subject to a cap of \$300,000. Per-item and project caps are viewable in Table 1 of this document.

If an applicant wishes to undertake a project or vehicle type **not** listed in Table 1 but still eligible under Section III.A of this document, a project price quote must be submitted as part of the application package. If DEQ can verify the quoted project cost and eligibility, the project will then be eligible to compete for an award for the project percentages listed in Section III.B.1 and/or III.B.2 of this document, as applicable. Quotes are subject to the following qualifications:

1. If the quote is for a vehicle replacement project, the quote must be from a vendor and for a basic vehicle model.
2. If the quote is for a repower project, the quote must be itemized and include both the cost of the new engine and installation costs.
3. 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.

Table 1: Maximum Reimbursement Caps*

Per-Vehicle Replacement Reimbursement Caps						
School Bus Type	Government-Owned			Non-Government Owned		
	LPG	CNG	Electric	LPG	CNG	Electric
Type A, up to 20 passengers	\$33,783	\$43,783	\$150,000	\$16,891	\$21,891	\$150,000
Type A, 21-28 passengers	\$33,882	\$43,882	\$150,000	\$16,941	\$21,941	\$150,000
Type A, 29-36 passengers	\$34,794	\$44,794	\$150,000	\$17,397	\$22,397	\$150,000
Type C, up to 39 passengers	\$43,751	\$53,751	\$175,000	\$21,875	\$26,875	\$175,000
Type C, 40-42 passengers	\$43,902	\$53,902	\$175,000	\$21,951	\$26,951	\$175,000
Type C, 43-48 passengers	\$44,054	\$54,054	\$175,000	\$22,027	\$27,027	\$175,000
Type C, 49-54 passengers	\$44,205	\$54,205	\$175,000	\$22,103	\$27,103	\$175,000
Type C, 55-59 passengers	\$44,764	\$54,764	\$175,000	\$22,382	\$27,382	\$175,000
Type C, 60-65 passengers	\$45,322	\$55,322	\$175,000	\$22,661	\$27,661	\$175,000
Type C, 66-71 passengers	\$45,418	\$55,418	\$175,000	\$22,709	\$27,709	\$175,000
Type C, 72-77 passengers	\$45,917	\$55,917	\$175,000	\$22,959	\$27,959	\$175,000
Type D, 70-90 passengers	\$60,000	\$70,000	\$175,000	\$30,000	\$35,000	\$175,000
Electric Bus Charger Reimbursement Caps						
Charger Only			Charger with installation			
\$350			\$1,100			
TOTAL Project Reimbursement Cap						
\$300,000						

Please Note: Table 1 is not inclusive of all project types. For project categories not listed in Table 1, please refer to Section III.C.

IV. PROJECT PERIOD

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

All projects should begin as soon as possible after execution of the MOA. Vehicles should be replaced and/or repowered and all required paperwork submitted by September 1, 2021; extensions to this deadline will only be granted based on a demonstrated need and must be approved in writing by DEQ prior to the project deadline. Requests for extension must be submitted to DEQ by August 1, 2021.

V. Award Selection and Ranking Criteria

Final selection will be based on a group of evaluation criteria selected to achieve demonstrable reductions of NOx emissions, and to reduce impacts of such emissions on Oklahoma populations. Scoring guidelines are included in Appendix A to this document. Each application will be ranked according to the following evaluation criteria, in no particular order.

- A.** Priority will be given to projects within counties that are in potential non-attainment of National Ambient Air Quality Standards (NAAQS), counties with the highest mobile-source NOx emission rankings for Oklahoma as provided in the 2014 National Emissions Inventory (2014 NEI), and counties containing greater than 1% of the State's registered Volkswagen settlement Subject Vehicles. These counties include Canadian, Cleveland, Comanche, Creek, Grady, Garfield, Garvin, Lincoln, Logan, McClain, Oklahoma, Okmulgee, Osage, Pawnee, Payne, Rogers, Tulsa, Wagoner, and Washington.
- B.** Projects achieving greater emissions reductions per dollar will receive priority over projects with lesser emissions reductions. Emissions reductions must be calculated using one of the following free online tools:
 - 1. AFLEET: https://greet.es.anl.gov/afleet_tool
 - 2. Argonne Heavy-Duty Vehicle Emissions Calculator: <https://afleet-web.es.anl.gov/hdv-emissions-calculator/>
 - 3. Diesel Emission Quantifier: <https://cfpub.epa.gov/quantifier/>
 - 4. GREET: <https://greet.es.anl.gov/>
- C.** 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.
- D.** Projects affecting older Eligible Buses receive priority over projects with newer Eligible Buses.
- E.** Projects that are right-sizing a vehicle will receive priority over other projects. Details can be found in section III.A.4 of this document.
- F.** Applications providing thorough explanations and relevant details of the project may be scored higher.

- G. Projects that are **not** located in counties of concern as listed in Section V.A of this document may receive points if they are located in general proximity to areas that have proportionately higher than average traffic from diesel engines. These areas include:
 - 1. The I-40, I-35, and I-44 traffic corridors
 - 2. Truck stops
 - 3. Ports
 - 4. Rail yards
 - 5. Terminals of freight or passenger lines
 - 6. Construction sites
 - 7. Bus Depots/yards
 - 8. Distribution centers
- H. Projects affecting a greater number of Eligible Buses will receive priority over projects affecting a lesser number of Eligible Buses.
- I. Projects affecting an Eligible Bus or Buses with more annual miles travelled will receive priority over Eligible Bus or Buses with fewer annual miles travelled.
- J. Projects to initiate first-time alternative fuel use within a fleet (fleets that currently have no other alternative fuel vehicles in their inventory) will receive priority over projects affecting other fleets.

VI. Additional Requirements for Reimbursement

The following requirements need not be in place at the time of application, but must be met prior to project reimbursement and receipt of award funds.

A. Idle Reduction Policy

Successful applicants shall implement a fleet-wide idle reduction policy. Unnecessary vehicle idling pollutes the air, wastes fuel, and causes excess engine wear. Reduced idling saves money for fleets. 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 provide a copy of the idle reduction policy and/or thoroughly describe the specifics of the policy.

B. Competitive Bidding

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 2 CFR¹ Parts 200 and 1500, as applicable, as well as any regulations covered by state, local, or internal procurement requirements. To the maximum extent practicable, applicants must conduct contracting and purchasing of equipment in a manner that promotes free and open competition. 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. Naming a specific contractor or consultant in the application does not relieve the applicant of the obligation to comply with competitive procurement requirements and any regulations covered by federal, state, local, or internal procurement

¹ Code of Federal Regulations

requirements, should the application be approved. Applicants should describe their competitive bid process in the application.

C. Reporting

Semiannual reporting will be required from the project start date until the project is completed and project funds are received. More information on semiannual reporting, including deadlines and report templates, will be provided to recipients after award notification.

D. Memorandum of Agreement (MOA)

Upon awarding the grants, the recipient must enter into an MOA with DEQ committing to the terms of the award. This agreement will establish project timelines, the reimbursement process, reporting requirements, ensure the grant recipient will adhere to the competitive bid/procurement process, and other applicable information.

E. SAM and DUNS Registration

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

F. Scrappage Requirements

All Eligible Buses for replacement must be scrapped and proof of scrappage must be supplied as part of the reimbursement paperwork. "Scrapped" is defined as having a greater than three-inch hole drilled through the engine block and cutting both frame rails. Other methods of scrappage may be considered on a case-by-case basis. Any other method of scrappage must be approved in writing by DEQ prior to scrappage, must occur within the project period, and must completely disable the body and engine of the Eligible Bus. All eligible engine repowers must also be scrapped. For repowers, "scrappage" is defined as having a greater than three-inch hole drilled through the engine block.

VII. FUNDING INFORMATION

A. Amount of Funding Available

DEQ has approximately \$4,184,000 available under this announcement.

B. Project Funding Cap

There is a total project cap per award of \$300,000.

C. Funding Structure

Funding will be in the form of reimbursement upon receipt of invoice(s) from the subgrantee. The applicant must have been awarded the funding via an executed MOA with DEQ in order to receive reimbursement.

Recipient must execute the MOA with DEQ and receive a work commencement notification before beginning any work on the project. Any funds spent by the recipient before official notification will not be reimbursed.

The applicant is responsible for financing the project and will be reimbursed for the award amount specified in the signed MOA with DEQ. Without a fully executed MOA in place, the applicant assumes all costs for the purchases and installation.

In order to be reimbursed with award monies, selected applicants must complete the entire project using their own capital, submit all required supporting documents to DEQ, and fulfill any other requirements as listed in their MOA. DEQ staff will do a review to ensure that requirements have been met before submitting the approved reimbursement request for payment. After reimbursement has been approved, it may take up to 45 days for DEQ to process the payment.

D. Partial Funding

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

F. Matching Funds from Other Programs

Volkswagen settlement funds awarded pursuant to this RFP can be used as a match for another funding assistance program, such as a federal grant, if specifically allowed under the other funding assistance program. If an applicant intends to use federal grants or any other funding assistance program monies as a match for this funding opportunity, such intent must be stated on their project application. In addition, the applicant must provide confirmation that the other funding assistance monies are allowed to be used as a match for Volkswagen settlement funds as an attachment to the project application. Volkswagen settlement funds must be specifically named in the provided confirmation. Acceptable forms of written confirmation are official documents supporting the other funding assistance program, such as FAQs, RFPs, or guidance documents.

VIII. APPLICATION AND SUBMISSION INFORMATION

Applicants may submit their application by either hardcopy submission to the address below, or electronically via email to vwsettlement@deq.ok.gov. Submitting an application package does not guarantee funding.

Oklahoma Department of Environmental Quality
Air Quality Division
ATT: Alternative Fuel School Bus Program
707 N. Robinson
P.O. Box 1677
Oklahoma City, OK 73101-1677

Applications can be found at: www.deq.state.ok.us/aqdnew/vwsettlement/altfuelbus

For questions on the application, RFP, or associated concerns, contact:

VWSettlement@deq.ok.gov
(405) 702-4100

THIS REQUEST FOR PROPOSALS WAS PREPARED ON: October 17, 2018

THIS REQUEST FOR PROPOSALS WAS MODIFIED ON: November 27, 2018

This Request for Proposals was modified on November 27, 2018 to extend the original application deadline from December 3, 2018 to December 20, 2018.

Appendix A
Project Scoring Guidelines

Note: If more than one Eligible Bus is affected by a single project application, points given in any criteria category will be based on an average calculated from all Eligible Buses.

CRITERIA	PRIORITY	MAXIMUM POINTS POSSIBLE
<u>Cost Effectiveness</u> : NOx/award \$ <i>(Greater NOx/award dollar will receive more points)</i>	Highest	50
<u>Cost Effectiveness</u> : Leveraged/Matching funds <i>(Greater percentage of matching funds will receive more points)</i>	High	40
<u>BMP Target Area</u> : County is Prioritized in BMP <i>(See Section V.A of RFP)</i>	Moderate	30
<u>BMP Target Area</u> : Areas receiving disproportionately high diesel traffic as listed in Section V.G of RFP may receive points ONLY IF points are not given above for being located in a prioritized county.	Moderate	30
Age of Eligible Bus/Buses <i>(Older Eligible Bus/Buses will receive more points)</i>	Low	20
Annual Miles Traveled of Eligible Bus/Buses <i>(More annual miles traveled will receive more points)</i>	Low	20
Right-Sizing <i>(See Section III.A.4 of RFP)</i>	Low	20
First-time use of alternative fuel <i>(Projects funding the first alt. fuel bus in a fleet will receive more points)</i>	Slight	10
Project Size <i>(Projects affecting a greater number of buses will receive more points)</i>	Slight	10
Excellent Detail and Completeness <i>(More complete applications may receive more points)</i>	Slight	10