



2021
VOLKSWAGEN ENVIRONMENTAL MITIGATION TRUST
COMBUSTION FREIGHT AND MARINE PROJECTS
STATEWIDE PROGRAM ANNOUNCEMENT (PA)
PA2021-07

Funding is now available from the Volkswagen Environmental Mitigation Trust for the Combustion Freight and Marine Projects category (hereafter “VW Mitigation – Combustion Category”). This program will provide incentive funds on a first-come, first-served basis to vehicle/equipment owners operating in the State of California to replace or repower Class 7 and 8 freight and drayage trucks, waste haulers, dump trucks, concrete mixers, switcher locomotives, and repower ferries, tugboats, or towboats with the cleanest commercially available California Air Resources Board (CARB) certified or approved technologies.

In the preparation of this Program Announcement, the words “Applicant,” “Contractor,” and “Consultant” are used interchangeably.

SECTION 1 – OVERVIEW

PURPOSE

The purpose of this Program Announcement (PA) is to solicit project applications for the first installment of available funds for the VW Mitigation – Combustion Freight and Marine Projects category. **The available funding for this PA will be approximately \$26 million from the Volkswagen Environmental Mitigation Trust (VW Trust) and is available to fleets operating throughout the State of California.**

INTRODUCTION

The VW Trust was established as part of a settlement with Volkswagen (VW) for their role in utilizing illegal defeat devices in certain 2.0 and 3.0-liter vehicles that resulted in excess NOx emissions. The VW Mitigation program is intended to fully mitigate the excess NOx emissions caused by these VW vehicles.

CARB is the designated lead agency acting on the State’s behalf as beneficiary to implement California’s allocation of the mitigation funds. On May 25, 2018, CARB approved the Beneficiary Mitigation Plan (BMP) for California which contains the eligible mitigation actions (EMA) or project funding categories that are eligible for funding from the states \$423 million allocation of the VW Trust. The BMP designated five project categories for funding that will be administered and implemented as a statewide program by three local air districts, for which the South Coast AQMD is the statewide project administrator for two of the five project categories including: Combustion Freight and Marine Projects, and Zero-Emission Class 8 Freight and Port Drayage Trucks. For the purposes of this PA, South Coast AQMD will hereafter be referred to as the Project Administrator.

Previously, South Coast AQMD opened a competitive solicitation totaling \$30 million in project funds for the Combustion Freight and Marine Projects category. That solicitation closed undersubscribed with



approximately \$3.98 million in awarded projects. This PA is for the first installment, second solicitation of the VW Mitigation funds available for the Combustion Category, which includes a total of approximately \$26 million. All applications will be evaluated for eligibility on a first-come, first-served basis. This PA was prepared based on the latest version of the BMP, which is available online at: <https://ww2.arb.ca.gov/resources/documents/californias-beneficiary-mitigation-plan>. The Frequently Asked Questions (FAQs) can be found at: <https://xappprod.aqmd.gov/vw/resources.html>.

This PA will identify key eligibility criteria to qualify for funding under this solicitation for the VW Mitigation – Combustion Category. The detailed requirements for projects can be found in the BMP.

Applicants are encouraged to review this PA for general eligibility information and funding limitations that may apply to certain types of projects.

The requirements and project eligibility criteria set forth in this PA and the BMP may be more stringent than those within the Consent Decree (as described on Page 9). As such, the more stringent requirements and project eligibility criteria will prevail.

GENERAL PROGRAM INFORMATION

- All applications must be submitted through the web-based application portal. No paper applications will be accepted.
- The applicant must be the legal owner of the vehicle/equipment/engine or an engine manufacturer applying on behalf of the legal owner of the vehicle/equipment/engine. The applicant may use a third party to assist in completing the online application; however, the application must be signed by the applicant, and no contracts will be executed with a third party.
- Applications may contain funding requests for multiple vehicle/equipment/engine units; however, fleets will be limited to no more than ten percent of the total available first installment of funds (i.e., up to \$3 million, 10% of \$30 million) per Entity (Applicant), as determined by Tax ID. If insufficient applications are received to expend the available VW Mitigation funds for this PA, the Project Administrator reserves the right to issue additional contracts beyond the stated limit.
- Funding through this PA will be limited to entities that have been legally operating the subject vehicle/equipment/engine for at least 75 percent of the time within the State of California for at least the previous 12-month period.
- For on-road vehicles only: Out-of-state International Registration Plan (IRP) registration may be allowed if the registration documentation shows that the vehicle was operated for at least 75 percent of the time within California.
- Solicitation is first-come, first-served. The Project Administrator will evaluate all applications received for completeness and eligibility and contract with those entities with qualifying applications meeting all applicable requirements including but not limited to: eligibility, project specifications and documentation, in the order the applications are received.
- It is expected that multiple awards will be granted under this PA.
- All proposals will be evaluated based on criteria set forth in this PA. Furthermore, the Project Administrator reserves the right to adjust awards based on the subsequent verification of information received.



IMPORTANT PROGRAM INFORMATION

- Applicants must ensure that the vehicle/equipment/engine to be purchased/repowered is compliant with all applicable federal, state, and local air quality rules and regulations and that it will maintain compliance for the full contract term.
- Any associated tax obligation from receiving grant funds from the Project Administrator is the responsibility of the applicant.
- Pre, post, and destruction inspection of the vehicle/equipment/engine approved for funding will be conducted by the Project Administrator or their designee.
- Applicants may not receive funds exceeding actual project costs.
- Applicants shall not apply for funding for the same vehicle/equipment/engine with any other funding source which claims the same emission reductions.
- All projects must be operational by the date specified in their contract.

FUNDING CATEGORIES & ELIGIBILITY

Below is the specific project category identified for funding under this PA:

- Class 7 and 8 freight and drayage trucks, waste haulers, dump trucks, and concrete mixers
- Freight Switcher Locomotives
- Ferries, tugboats, and towboats

General Eligibility Requirements

- Projects must implement the cleanest commercially available technologies that are certified or verified by CARB or the U.S. Environmental Protection Agency (EPA), as specified in this PA and CARB's BMP
- Vehicle/equipment/engine must be in service within 18 months of contract execution, unless otherwise approved by the Project Administrator
- Applicants must demonstrate that they are in full compliance with all applicable state, federal, and local rules and regulations
- The existing (old) equipment/engine must be scrapped
- The existing (old) vehicle must be scrapped by a California licensed dismantler
- The replacement (new) vehicle/equipment/engine must be new
- The replacement (new) vehicle/equipment/engine funded through this program must be operated in California for a minimum of three years

Class 7 and 8 Freight Trucks

Below are the key eligibility requirements for on-road vehicle projects:

- Vehicle Type:
 - Class 7 and 8 only
 - Freight and drayage trucks
 - Waste haulers

- Dump trucks
- Concrete mixers
- Project Types:
 - Replacement
 - Repower
- Old Vehicle/Engine:
 - Internal combustion engine with a 1992 to 2012 engine model year
 - Freight and drayage trucks, dump trucks, and concrete mixers must demonstrate a minimum annual usage of 20,000 miles
 - Waste haulers must demonstrate a minimum annual usage of 10,000 miles
- New Vehicle:
 - Low NOx standard of 0.02 g/bhp-hr
- Compliance
 - See *Regulatory Compliance* section below.

Freight Switcher Locomotives

Below are the key eligibility requirements for freight switcher projects:

- Equipment Type
 - Freight switcher locomotive
- Project Type:
 - Replacement
 - Repower
- Old Equipment/Engine
 - Engine: Pre-Tier 1
 - Horsepower: 1,006 to 2,300
 - Operation: 1,000 hours annually or more
- New Equipment/Engine
 - Engine: Tier 4
 - Horsepower: 1,006 to 2,300

Ferries/Tugboats/Towboats

Below are the key eligibility requirements for ferry, tugboat, and towboat projects:

- Vessel Type:
 - Ferry, tugboat, and towboat
- Project Type:
 - Repower only
- Old Vessel/Engine:
 - Engine: Pre-Tier 3 (in compliance with Commercial Harbor Craft Regulation)
- New Vessel/Engine:
 - Engine: Tier 4 or hybrid with Tier 4 equivalent NOx emissions
- Vessel must serve a dedicated purpose



REGULATORY COMPLIANCE

All applicants must be fully compliant with applicable rules and regulations to be eligible for consideration for VW Mitigation – Combustion Category funding. Reference is made to CARB’s rule webpages that provide detailed information on compliance with these regulations. Please see *Section VI: Staff Contacts and Additional Resources* below for links to these webpages.

PROJECT REQUIREMENTS

The following application/supplemental documentation items will be needed to determine project eligibility:

Class 7 and 8 freight and drayage trucks, waste haulers, dump trucks, and concrete mixers

- Applicant must demonstrate compliance with applicable CARB rules or regulations, which may include, but is not limited to:
 - TRUCRS Fleet Compliance for each project application
 - Drayage Truck Registry Compliance for each project application
 - Compliance with the Solid Waste Collection Regulation for each project application
 - Compliance with Fleet Rule for Public Agencies and Utilities
- Applicants must provide the CARB Executive Order for the old and new vehicle
- Applicant must provide a copy of the vehicle’s title (must be a clean title with no active lienholders)
- Applicant must provide a vendor price quote for the new vehicle dated within 90 days of application submittal, or for government entities provide documentation for a bid process which includes the cost of each individual replacement purchase
- Applicant must provide twelve months of vehicle registration documentation
- Applicant must provide twelve months of vehicle insurance documentation, or for government agencies who are self-insured, documentation certifying self-insurance.
- Applicant must provide twelve consecutive months of usage records (e.g. mileage records, maintenance reports or other documentation)
- Applicants must demonstrate a minimum usage of 20,000 miles within the previous twelve-month period, unless the vehicle is a waste hauler
- Waste hauler only: Applicants must demonstrate a minimum usage of 10,000 miles within the previous twelve-month period
- Applicants must provide photos of existing vehicle/engine including:
 - Entire front of vehicle
 - Entire side of vehicle
 - Vehicle license plate number and unit number/identifier (if any)
 - Vehicle Identification Number (VIN)
 - Entire Gross Vehicle Weight Rating (GVWR) label
 - Entire engine tag (with engine model year, serial number, engine family name, and horsepower rating clearly identified)



Freight Switcher Locomotives:

- Applicants must provide the CARB/U.S. EPA Executive Order for the old and new engine
- Applicant must provide a vendor price quote for the new equipment dated within 90 days of application submittal
- Applicants must provide twelve months of ownership documentation
- Applicants must provide twelve consecutive months of usage records (e.g., hour meter logs or fuel logs)
- Applicants must provide photos of:
 - Entire front and side of switcher
 - Switcher unit number and/or any other identifier
 - Entire engine tag (with engine model year, serial number, engine family name, and power rating clearly identified)

Ferries/Tugboats/Towboats:

- Applicants must provide a U.S. EPA Certificate of Conformity for the old and new engine
- Applicant must provide a vendor price quote for the new engine dated within 90 days of application submittal
- Applicants must provide twelve months of ownership documentation
- Applicants must provide twelve consecutive months of usage records (e.g., hour meter logs)
- Applicants must provide photos of:
 - Entire front and side of marine vessel
 - Vessel name
 - Entire engine tag (with engine model year, serial number, engine family name, and power rating clearly identified)

MAXIMUM ELIGIBLE FUNDING

The maximum eligible funding caps are summarized below in Table 1: Combustion Category Funding & Eligibility.

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Table 1: Combustion Category Funding & Eligibility

Baseline Equipment Category	Baseline Technology	Replacement Technology	Project Type	Ownership Category	Maximum Percentage (%) of Funding (of cost)	Maximum Funding Up To
Class 7 & 8 Freight & Drayage Trucks, Waste Haulers, Dump Trucks, & Concrete Mixers	Engine Model Years 1992 - 2012*	Low NOx (certified 0.02 g/bhp-hr)	Replacement	Non- Government	25% (or 50% for Class 8 Port Drayage)	\$85,000
				Government	100%	
			Repower	Non- Government	40%	\$35,000
				Government	100%	\$50,000
Freight Switcher Locomotives	Pre-Tier 1	Tier 4	Replacement	Non- Government	25%	\$1,350,000
				Government	100%	
			Repower	Non-Government	40%	
				Government	100%	
Ferries, Tugboats, & Towboats	Pre-Tier 3	Tier 4, or Hybrid w/ Tier 4 equivalent NOx emissions	Repower	Non- Government	40%	\$1,000,000
				Government	100%	

*Must comply with all applicable rules and regulations until time of replacement.

REPORTING AND MONITORING

All participants in the VW Mitigation – Combustion Category will be required to keep appropriate records during the full contract period, which will include a minimum of three years during the contract term, plus three years after the contract term. All vehicle/equipment/engine must operate in the state of California at least 75 percent of the time for the full contract term. The records will contain the following, at a minimum, as applicable:

- DMV registration records (for on-road vehicles)
- U.S. Coast Guard Certificate of Documentation (for marine vessels)
- Insurance certificate(s) or documentation certifying self-insurance for government agencies that are self-insured



- Records of annual usage – including odometer or hour meter readings
- Operational and maintenance issues encountered and how they were resolved
- Self-certification of where the vehicle/equipment/engine was operated
- Self-certification of compliance with labor laws

Contractors will be required to submit annual reports containing the above information to the Project Administrator for the three-year term of the contract. Records must be retained and updated throughout the contract term plus three years and made available for the Project Administrator, CARB, or their designee for review upon request.

PROGRAM ADMINISTRATION

The VW Mitigation – Combustion Category will be administered by the South Coast AQMD through the Technology Advancement Office.

PROJECT EVALUATION/AWARDS

The Project Administrator will evaluate all submitted project applications for completeness and eligibility, and select projects on a first-come, first-served basis. Projects will also be evaluated to determine if the project qualifies as benefiting a disadvantaged or low-income community.

DEFINITIONS

1. Alternative Fuel
Alternative fuels include compressed natural gas (CNG), liquefied natural gas (LNG), methanol, ethanol, and propane (LPG).
2. Beneficiary Mitigation Plan (BMP)
Document that contains the eligible mitigation actions (projects) for California that the California Air Resources Board (CARB or Board) will fund from the State's \$423 million allocation of the Environmental Mitigation Trust.
3. CARB Certified
Vehicle or engine that has been certified and issued an Executive Order by CARB.
4. Class 4-7 Local Freight Trucks (Medium Trucks)
Trucks, including drayage trucks, and commercial trucks, used to deliver cargo and freight (e.g., courier services, delivery trucks, box trucks moving freight, waste haulers, dump trucks, concrete mixers) with a Gross Vehicle Weight Rating (GVWR) between 14,001 and 33,000 lbs.

5. Class 8 Local Freight, and Port Drayage Trucks (Eligible Large Trucks)
Trucks with a Gross Vehicle Weight Rating (GVWR) greater than 33,000 lbs. used for port drayage and/or freight/cargo delivery (including waste haulers, dump trucks, concrete mixers).
6. Concrete Mixer (or cement mixer)
On-road vehicle used for transporting and mixing concrete.
7. Consent Decree
The First Partial Consent Decree in 'IN RE: Volkswagen "Clean Diesel" Marketing, Sales Practices, and Products Liability Litigation', MDL No. 2672 CRB (JSC) (Dkt. No. 2103-1), and the Second Partial Consent Decree in that case (Dkt. No. 3228-1). The Consent Decree is available online at: <https://ww2.arb.ca.gov/resources/documents/vw-settlement-consent-decrees>
8. Contract Term
Contract term is the duration for which the contract is valid. It encompasses both the project completion and project implementation periods.
 - (i) Project completion period is the first part of the Contract term starting with the effective date of the Contract by both parties to the date the project post-inspection confirms that the project has become operational, and the destruction inspection confirms the old vehicle/engine has been destroyed.
 - (ii) Project implementation period is the second part of the Contract term and equals the project life.
9. Drayage Trucks
Trucks hauling cargo to and from ports and intermodal rail yards.
10. Dump Truck
On-road vehicle used for the transportation of bulk material and that has a body which tilts to dump its contents.
11. Eligible Mitigation Action
Any of the actions listed in Appendix D-2 of the Environmental Mitigation Trust.
12. Environmental Mitigation Trust
The Trust funded with Mitigation Trust Payments according to the terms of the First Partial Consent Decree and the Second Partial Consent Decree (jointly, the "Consent Decree").
13. Ferry
Any self-propelled vessel or boat owned, controlled, operated, or managed for public use in transportation of carrying passengers, property or vehicles on scheduled services. A ferry is not an excursion or research vessel.

14. Freight Switcher

A locomotive that moves rail cars around a rail yard as compared to a line-haul engine that moves freight long distances.

15. Freight Truck

Trucks, including commercial trucks, used to deliver cargo and freight (e.g., courier services, delivery trucks, box trucks moving freight, waste haulers, dump trucks, concrete mixers).

16. Garbage-packer vehicle

A vehicle specially designed to collect and compact residential or commercial solid waste on the vehicle for purposes of transportation and disposal. These include but are not limited to vehicles commonly referred to as front loader, rear loader, and automated and semi-automated side loaders.

17. Garbage-roll off vehicle

A vehicle that is designed to drop off and pick up open boxes or other containers that are commonly used to collect residential and commercial solid waste at a site.

18. Generator Set

A switcher locomotive equipped with multiple engines that can turn off one or more engines to reduce emissions and save fuel depending on the load it is moving.

19. Government

State or local government agency (including a school district, municipality, city, county, special district, transit district, joint powers authority, or port authority, owning fleets purchased with government funds), and a tribal government or native village. The term "State" means the several States, the District of Columbia, and the Commonwealth of Puerto Rico.

20. Gross Vehicle Weight Rating (GVWR)

The maximum weight of the vehicle, as specified by the manufacturer. GVWR includes total vehicle weight plus fluids, passengers, and cargo.

Class 1: < 6,000 lb.

Class 2: 6,001-10,000 lb.

Class 3: 10,001-14,000 lb.

Class 4: 14,001-16,000 lb.

Class 5: 16,001-19,500 lb.

Class 6: 19,501-26,000 lb.

Class 7: 26,001-33,000 lb.

Class 8: > 33,000 lb.

21. Hybrid

A vehicle that combines an internal combustion engine with a battery and electric motor.

22. Incremental Cost

Incremental cost is the portion or percent of actual cost that is eligible for funding.

23. Intermodal Rail Yard

A rail facility in which cargo is transferred from drayage truck to train or vice-versa.

24. New Vehicle

A vehicle constructed entirely from new parts that has never been the subject of a retail sale, or registered with the Department of Motor Vehicles, or registered with the appropriate agency or authority of any other state, District of Columbia, territory or possession of the United States, or foreign state, province, or country.

25. Project Life

Project life is the period of the contract term during which the repowered or replacement vehicle/equipment/engine is operated, and the contractor must report annual usage. It is used to calculate the cost effectiveness and funding amount for a particular project.

26. Replacement Project

Replacement project is the purchase of a new vehicle/equipment/engine to replace an existing vehicle/equipment/engine.

27. Repower Project

Repower project is the replacement of an old engine of an existing vehicle/equipment with a newer engine certified to lower emission standards by the U.S. Environmental Protection Agency (EPA) and, if applicable, CARB.

28. Residential or commercial solid waste

All putrescible and non-putrescible solid, and semisolid wastes, including garbage, trash, refuse, rubbish, ashes, yard waste, recyclable materials, industrial wastes, demolition and construction wastes, abandoned vehicles and parts thereof, discarded home and industrial appliances, manure, vegetable or animal solid and semisolid wastes, and other discarded solid and semisolid wastes originating from single-family or multiple family dwellings, stores, offices, and other commercial sources, and construction and demolition projects in residential and commercial zones, not including hazardous, radioactive, or medical waste.

29. Scrapped

To render inoperable and available for recycle, and, at a minimum, to specifically cut a three-inch hole in the engine block for all engines. If any eligible vehicle will be replaced as part of an eligible project, scrapped also includes the disabling of the chassis by cutting the vehicle's frame rails completely in half.

30. Tier 0, 1, 2, 3, and 4

Refers to corresponding U.S. EPA engine emission classifications for nonroad, locomotive, and marine engines.

31. Towboat

Any self-propelled vessel engaged in or intending to engage in the service of pulling, pushing, or hauling alongside barges or other vessels, or any combination of pulling, pushing, or hauling alongside barges or other vessels.

32. Tugs

Dedicated vessels that push or pull other vessels in ports, harbors, and inland waterways (e.g., tugboats and towboats).

33. Waste Hauler

An on-road vehicle that is a "garbage-packer vehicle" or a "garbage-roll off vehicle".

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ALL APPLICATIONS MUST BE RECEIVED ELECTRONICALLY THROUGH THE ONLINE WEB-BASED APPLICATION PORTAL UNTIL THERE IS NO MORE FUNDING AVAILABLE FOR THE SECOND SOLICITATION OF THE COMBUSTION FREIGHT AND MARINE PROJECTS CATEGORY

Only electronic submissions are allowed using the Grant Management System (GMS) available upon this solicitation opening at: www.agmd.gov/vw.

Paper proposals will not be accepted. Any resubmission done by the applicant will utilize the new submittal date.

The Project Administrator may issue subsequent solicitations if insufficient applications are received in the initial solicitation.

All information submitted in applications is a public record and subject to Public Records Act requests.

STATEMENT OF COMPLIANCE

Government Code Section 12990 and California Administrative Code, Title II, Division 4, Chapter 5, require employers to agree not to unlawfully discriminate against any employee or applicant because of race, religion, color, national origin, ancestry, physical handicap, medical condition, marital status, sex, or age. A statement of compliance with this clause will be included in the contract with the Program Administrator.

COMPLIANCE WITH LABOR LAWS

If an application is deemed eligible, the applicant will be required to provide any labor violations that have occurred within the last three years to be further considered for an award. If awarded, the contractor will be required to notify the Program Administrator in writing if they have been found by a court or federal or state agency to have violated labor laws. The contractor will complete a yearly certification in which they will either state that they have not been found by a court or federal or state agency to have violated labor laws or, if such violations have been found, the contractor will give the Program Administrator details about those violations in the certification. If the contractor has previously provided that information to the Program Administrator, they will be required to reattach that previous notification to the certification and provide any additional details about those violations that have not previously been provided. The contractor's yearly certification will be due at the same time as the annual progress reports. The Program Administrator reserves the right to terminate the contract with a contractor that has been found to have violated labor laws, and the contractor may be required to return any and all contract funds, as determined by the Program Administrator. The contractor will also ensure that these requirements are included in all subcontracts.

SECTION II: WORK STATEMENT/DELIVERABLES

All applicants that are selected for funding awards must complete the *Work Statement* and *Deliverables* described below as part of the contracting process. Development of these materials for the initial application is NOT required; however, applicants must digitally sign the application indicating their understanding of the requirements for submittal of additional project information to finalize a contract



and that all vehicle/equipment/engine must be in operation no later than the date specified within the contract.

WORK STATEMENT

The scope of work involves a series of tasks and deliverables that demonstrate compliance with the requirements of the VW Mitigation – Combustion Category as administered by CARB and the Program Administrator.

At a minimum, any proposed project must meet the following criteria:

- Emission reductions must be surplus to any existing regulatory requirements
- The old and new vehicle/equipment/engine must meet all eligibility requirements
- All replacement (new) vehicle/equipment/engine must be in operation by the in-service date specified in the contract
- Replacement (new) vehicle/equipment/engine must operate in-service for the full contract term
- Appropriate annual records must be kept and reported to the Project Administrator during the contract term of three years (e.g., odometer or hour meter readings) and must be retained for three additional years after the term of the contract
- All applicants must be fully compliant with applicable rules and regulations to be eligible for consideration for VW Mitigation – Combustion Category funding
- If requested, a contractor must provide a financial statement and bank reference, or other evidence of financial ability to fulfill contract requirements

DELIVERABLES

The contract will describe how the project will be monitored and what type of information will be included in the annual reports. At a minimum, the Project Administrator expects to receive an annual report throughout the contract term, which provides:

- DMV registration (for on-road vehicles)
- U.S. Coast Guard Certificate of Documentation (for marine vessels)
- Insurance certificate(s) or documentation certifying self-insurance for government agencies that are self-insured
- Records of annual usage – including odometer or hour meter readings
- Operational and maintenance issues encountered and how they were resolved
- Self-certification of where the vehicle/equipment/engine was operated
- Self-certification of compliance with labor laws

The Project Administrator reserves the right to verify the information provided.

SECTION III: PROPOSAL SUBMITTAL REQUIREMENTS

Applicants must complete the appropriate application forms committing that the information requested in *Section II, Work Statement/Deliverables*, will be submitted if the Applicant's project is selected for funding.



In addition, *Conflict of Interest* and *Project Cost* information, as described below, must also be submitted with the application. It is the responsibility of the applicant to ensure that all information submitted is accurate and complete.

CONFLICT OF INTEREST

Applicant must address any potential conflicts of interest with other clients affected by actions performed by the firm on behalf of the Program Administrator. Although the applicant will not be automatically disqualified by reason of work performed for such firms, the Program Administrator reserves the right to consider the nature and extent of such work in evaluating the proposal. Conflicts of interest will be screened on a case-by-case basis by the General Counsel's Office for the Program Administrator. Conflict of interest provisions of the state law, including the Political Reform Act, may apply to work performed pursuant to this contract. Please discuss potential conflicts of interest on the application form entitled "Campaign Contributions Disclosure".

PROJECT COST

Applicants must provide cost information that specifies the amount of funding requested and the basis for that request by providing a vendor price quote as part of the application. Applicants need to inform the vendor of the time frame of the award process so that they can accurately quote costs based on the anticipated order/purchase date. Quotes must be dated within 90 days of the application submittal date. For government agencies obtaining vehicle/equipment/engine through a bid process, bid process documentation must be provided indicating cost of each individual vehicle/equipment/engine to be purchased.

Note that no physical work can be performed for any project awarded under this PA until after the contract has been fully executed. Note that any orders placed or payments made in advance of an executed contract with the Project Administrator are done at the risk of the applicant. The Project Administrator has no obligation to fund the project until a contract is fully executed by both parties.

All project costs must be clearly indicated in the application. In addition, applicants must identify any sources of co-funding and the amount of co-funding from each source in the application. Funding from the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP) may not be used as co-funding with VW Mitigation funds. In addition, co-funding may not be from any state funding sources or funding sources where any portion of NOx reductions could be double-counted, including but not limited to the Carl Moyer Program, AB 923 or AB 617.

PROPOSAL SUBMISSION

All proposals must be submitted according to specifications set forth herein.

Application Forms

All applications must be submitted through the web-based application portal. Applicants may submit multiple units per single application. An application checklist is provided as an attachment (Attachment A) to this PA to assist applicants in completing their applications. Required documents (e.g., pictures of



existing vehicle, usage records, Disadvantaged Business Certification, etc.) requested in the application and discussed in this PA need to be uploaded prior to submittal. Paper proposals will not be accepted.

Certifications and Representations (Attachment B)

The online application will contain five business forms of which four must be completed and submitted with the online application.

- Business Information Request
- W-9 Request for Taxpayer Identification Number and Certification
- Form 590 Withholding Exemption Certificate
- Campaign Contribution Disclosure
- Direct Deposit Form (not required for application submittal)

Methods of Delivery

The applicant must submit their application using the web-based application portal or Grant Management System (GMS), available at: www.aqmd.gov/vw. This online system allows applicants to submit their application electronically to the Project Administrator during the solicitation period. All required documents must be uploaded to the online system. First-time users must register as a new user.

Grounds for Rejection

An application may be immediately rejected if:

- It is not prepared in the format described
- It is not signed by the vehicle/equipment/engine owner
- Does not include required documents requested in the application or discussed in this PA
- Does not meet eligibility requirements as stated in this PA

Disposition of Applications

The Project Administrator reserves the right to reject any or all applications based on the above criteria. All responses become the property of the Project Administrator.

Modification or Withdrawal

Once submitted, applications cannot be altered without the prior written consent of the Project Administrator.

Schedule

Release solicitation:	Friday, June 4, 2021
Applications accepted beginning:	Tuesday, June 22, 2021, at 1:00 pm PT
All applications due by:	Closes when all funds are expended
Evaluation period:	Ongoing as applications are submitted
Contract issued:	Once application is approved and all required documentation is provided



SECTION IV: PROPOSAL EVALUATION/CONTRACTOR SELECTION CRITERIA

The Project Administrator will evaluate all submitted project applications for completeness and eligibility. Funding will be awarded for each eligible vehicle/equipment/engine unit until all funds have been awarded.

SECTION V: PAYMENT TERMS

For all projects, payment will be made upon the submittal of a complete and valid invoice for the reimbursement of costs paid by the Contractor for the new vehicle/equipment/engine, and verification that the vehicle/equipment/engine meets the program requirements and was placed into regular operating service. Proof of destruction of the old vehicle/equipment/engine is also required prior to payment of VW Mitigation funds. The Project Administrator will pay a percentage of the invoice as described in this PA or the contract maximum amount, whichever is less.

SECTION VI: STAFF CONTACTS AND ADDITIONAL RESOURCES

For additional information, the Project Administrator has posted responses to Frequently Asked Questions (FAQs), which can be found at the Project Administrator’s VW website at: <https://xappprod.aqmd.gov/vw/resources.html>.

If you have any additional questions regarding the content or intent of this PA, procedural matters, application support, etc., please contact the Project Administrator team members assigned to the VW Mitigation – Combustion Category below:

Table 2: VW Mitigation - Combustion Category Staff Contacts

Contact Name	Phone Number	Email
VW Funds Hotline	(833) 894-7267	vwfunds@aqmd.gov
Alicia Martinez	(909) 396-3165	amartinez@aqmd.gov
Charlize Li	(909) 396-2576	cli@aqmd.gov
Ping Gui	(909) 396-3187	pgui@aqmd.gov

WEBSITE LINKS

Truck and Bus Regulation at: <http://www.arb.ca.gov/msprog/onrdiesel/onrdiesel.htm>

Drayage Truck Regulation at: <https://www.arb.ca.gov/msprog/onroad/porttruck/porttruck.htm>

Public/Utility Fleet Rule at: <http://www.arb.ca.gov/msprog/publicfleets/publicfleets.htm>

Solid Waste Collection Vehicle Regulation at: <https://ww3.arb.ca.gov/msprog/swcv/swcv.htm>



ATTACHMENT A

**VW Mitigation Program – Combustion Freight and Marine Projects
Class 7 and 8 Freight and Drayage Trucks, Waste Haulers, Dump Trucks, and Concrete Mixers**

Application Checklist

1.		Truck Identifier (the name used by applicant to identify the unit)
2.		Truck Information: <ul style="list-style-type: none"> • Truck Class: 7 and 8 only • Vocation (freight truck, drayage truck, concrete mixer, dump truck, or waste hauler)
3.		Truck domiciled address (physical location address of the vehicle)
4.		Truck Ownership Information
5.		Truck Activity Information: <ul style="list-style-type: none"> • Odometer readings: Documenting mileage for the previous 12 months • Odometer readings: Current
6.		Existing Truck Information: <ul style="list-style-type: none"> • Vehicle Identification Number (VIN) • License plate number • Gross Vehicle Weight Rating (GVWR) • Truck model year
7.		Existing Engine Information: <ul style="list-style-type: none"> • Fuel type • Engine Family Name (EFN) • Engine Executive Order number (EO) • Engine model year • Engine make, model, serial, and horsepower (hp)
8.		Replacement (New) Truck Information (not applicable for repowers): <ul style="list-style-type: none"> • Gross Vehicle Weight Rating (GVWR) • Truck make, model, model year
9.		Replacement (New) Engine Information: <ul style="list-style-type: none"> • Fuel type • Engine Family Name (EFN) • Executive Order number (EO) • Model year
10.		Total Cost: <ul style="list-style-type: none"> • If replacement: Cost of truck and associated taxes • If repower: Cost of engine, parts and materials, associated taxes, and labor



**VW Mitigation Program – Combustion Freight and Marine Projects
Class 7 and 8 Freight and Drayage Trucks, Waste Haulers, Dump Trucks, and Concrete Mixers**

Supplemental Documentation Checklist

1.		<p>Photos for Existing Truck:</p> <ul style="list-style-type: none"> • Front of truck • Full side view of truck • Truck license plate number • VIN and GVWR tag(s) - entire VIN and GVWR must be visible • Engine tag (with make, model, year, serial number, horsepower (hp), and family name) • Current odometer reading
2.		<p>Copy of compliance documentation (in its entirety) indicating that the existing truck and fleet is in compliance with applicable rules and regulations which may include, but not limited to, the following:</p> <ul style="list-style-type: none"> • Compliance certificate (TRUCRS or DTR) • Picture of compliance sticker • Compliance status printout • Truck information printout • Company information printout
3.		Copy of truck’s clean title (no lienholders listed)
4.		12 months of vehicle registration documentation
5.		12 months of insurance documentation
6.		<p>Copy of Executive Order for:</p> <ul style="list-style-type: none"> • Existing engine • Replacement (new) engine
7.		12 consecutive months of usage records (odometer readings with date of readings required)
8.		<p>Vendor Quote (dated within 90 days of application) and must include:</p> <ul style="list-style-type: none"> • Quoted date • Total cost (including associated taxes and fees) - itemized • Repower Only: Total cost (including associated taxes, fees, parts and materials, and labor) - itemized • Warranty information • Government agencies with bid processes only – Bid documentation with cost breakdown of each individual unit



**VW Mitigation Program – Combustion Freight and Marine Projects
Freight Switcher Locomotives**

Application Checklist

1.		Equipment Identifier (the name used by applicant to identify the unit)
2.		Switcher locomotive domiciled address (physical location address of the unit)
3.		Existing Switcher Locomotive Information: <ul style="list-style-type: none"> • Make, model, model year, and serial number • Total number of main engines • Total number of auxiliary engines
4.		Existing Engine Information: <ul style="list-style-type: none"> • Fuel type • Engine Family Name (EFN) • Engine Executive Order number (EO) or US EPA Certificate of Conformity number • Engine model year • Engine make, model, serial, horsepower (hp)
5.		Switcher Locomotive Activity Information: <ul style="list-style-type: none"> • 12 months of fuel usage records, and an estimate of the annual hours of operation for the previous 12 months
6.		Replacement Switcher Locomotive Information (not applicable for repower): <ul style="list-style-type: none"> • Make, model, model year, and serial number • Total number of main engines • Total number of auxiliary engines
7.		Replacement (New) Engine Information: <ul style="list-style-type: none"> • Fuel type • Engine Family Name (EFN) • Engine Executive Order number (EO) or US EPA Certificate of Conformity number • Engine model year • Engine make, model, serial, and horsepower (hp)
8.		Total Cost: <ul style="list-style-type: none"> • If Replacement: Cost of switcher locomotive and associated taxes • If Repower: Cost of engine, parts and materials, associated taxes, and labor

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**VW Mitigation Program – Combustion Freight and Marine Projects
Freight Switcher Locomotives**

Supplemental Documentation Checklist

1.		Photos for Existing Switcher Locomotive: <ul style="list-style-type: none"> • Front of switcher • Full side view of switcher • Engine tag, correctly labeled for every applicable engine (with make, model, year, serial number, hp, and family name)
2.		Copy of Executive Order or US EPA Certificate of Conformity for: <ul style="list-style-type: none"> • Existing engine • Replacement (new) engine
3.		12 consecutive months of fuel usage records
4.		Vendor Quote (dated within 90 days of application) and must include: <ul style="list-style-type: none"> • Quoted date • Total (including taxes and state fees) - itemized • Repower only: Cost of parts and materials, and labor - itemized • Warranty information

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**VW Mitigation Program – Combustion Freight and Marine Projects
Marine Projects**

Application Checklist

1.		Equipment Identifier (the name used by applicant to identify the unit)
2.		Marine vessel domiciled address (physical location address of the unit): <ul style="list-style-type: none"> Including port and berth/slip information
3.		Marine Vessel Information: <ul style="list-style-type: none"> Make, model, model year, and serial number Total number of main engines Total number of auxiliary engines US Coast Guard number
4.		Existing Engine Information: <ul style="list-style-type: none"> Fuel type Engine Family Name (EFN) Engine Executive Order number (EO) or US EPA Certificate of Conformity number Engine model year Engine make, model, serial, horsepower (hp), tier, number of cylinders, displacement
5.		Marine Vessel Activity Information: <ul style="list-style-type: none"> 12 months of usage records with hour meter readings
6.		Replacement (New) Engine Information: <ul style="list-style-type: none"> Fuel type Engine Family Name (EFN) Engine Executive Order number (EO) or US EPA Certificate of Conformity Number Engine model year Engine make, model, serial, horsepower (hp), engine tier, number of cylinders, displacement
7.		Total Cost: <ul style="list-style-type: none"> Cost of engine, parts and materials, associated taxes, and labor - itemized

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**VW Mitigation Program – Combustion Freight and Marine Projects
Marine Projects**

Supplemental Documentation Checklist

1.		Photos for Marine Vessel: <ul style="list-style-type: none"> • Name of vessel • Full front view of vessel • Full side view of vessel • Engine tag, correctly labeled for every applicable engine (with make, model, year, serial number, horsepower (hp), engine tier, and family name)
2.		Copy of US EPA Certificate of Conformity for: <ul style="list-style-type: none"> • Existing engine • Replacement (new) engine
3.		12 consecutive months of hour meter records
4.		Vendor Quote (dated within 90 days of application) and must include: <ul style="list-style-type: none"> • Quoted date • Total Costs: Including associated taxes and fees, parts and materials, and labor - itemized • Warranty information

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