

**MICHIGAN DEPARTMENT OF  
ENVIRONMENTAL QUALITY**

**presents**

**THE MICHIGAN CLEAN DIESEL GRANT PROGRAM'S  
2011-2012 REQUEST FOR PROJECTS COMPETITION**



**September 16, 2011 – November 16, 2011**

Rick Snyder, Governor  
Dan Wyant, Director

[www.michigan.gov/deq](http://www.michigan.gov/deq)

Environmental Assistance Center: 800-662-9278

**MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY  
STATE CLEAN DIESEL GRANT PROGRAM  
2011-2012 REQUEST FOR PROJECTS COMPETITION**

**Grant Description**

The Michigan Department of Environmental Quality (MDEQ), is announcing a Request for Projects (RFP) grant application process for clean diesel engine activities under the Diesel Emissions Reduction Act (DERA), State Clean Diesel Grant Program. Given that inhalation of diesel exhaust fumes can lead to a number of public health problems, including increased risk of premature mortality, cancer, cardiovascular disease, and respiratory illnesses such as asthma, the MDEQ is giving priority to projects that reduce diesel emissions from on-road, stationary, and non-road diesel engines.

The 2011-2012 State Clean Diesel Grant Program, RFP Competition has three purposes:

1. To implement a variety of statewide clean diesel projects to reduce diesel engine particulate matter (PM<sub>2.5</sub>) and ozone (O<sub>3</sub>) emissions by encouraging pollution reduction and fuel efficiencies through cost-share cooperative partnerships across the state.
2. To assist the MDEQ in reaching or maintaining attainment under the federal National Ambient Air Quality Standards (NAAQS) for PM<sub>2.5</sub> and O<sub>3</sub>.
3. To provide increased health and welfare benefits for populations in areas of the state where the air quality is affected by diesel engine emissions from nearby stationary or mobile emission sources.

Eligible applicants may propose a variety of projects that include retrofit technologies, repowers, and certified vehicle and equipment replacements. This solicitation highly encourages the formation of projects that focus on non-road, high use, continuously operated or location-specific diesel engines (such as stationary equipment). Projects that can be implemented within the following municipal communities of Southeast Michigan: Allen Park, Dearborn, Detroit, Ecorse, Lincoln Park, Melvindale, River Rouge, Southgate, Taylor, and Wyandotte are of environmental significance to the MDEQ.

**Funding Source**

The federal government has made approximately \$49.9 million available nationally under the U.S. Environmental Protection Agency's (U.S. EPA) DERA and National Clean Diesel Program. Of these funds, approximately 30% is being made available for state clean diesel grant programs.

**Funding Availability**

Approximately **\$775,000** is available for Michigan's 2011-2012 State Clean Diesel Grant Program's RFP Competition. All grant project activities and costs must be between \$50,000 (the minimum) and \$250,000 (the maximum) to be accepted for further evaluation. The above limitations do not include an applicant's matching funds.



### **Funding Type**

All state clean diesel projects are funded as pass through **reimbursement** grants. This means that grantees must initially assume all costs and then request reimbursement from the MDEQ for project activities. All projects will be implemented through grant contracts with award recipients (also known as the grantees). **Administration of the grant contract is the responsibility of the grantee and cannot be contracted out.**

### **Deadlines for Submittal**

Applications for proposed projects will be accepted from **Friday, September 16, 2011, through Wednesday, November 16, 2011, 5 p.m. EST. The deadline will not be extended.** Project proposals must be received by this date and time in order to be considered (see page 12 for "Submission Requirements and Methods"). Proposals submitted outside of this timeframe will not be considered for funding. **Proposals will not be accepted by fax.**

**Project Period:** The project period begins upon execution of a grant contract by the MDEQ and ends August 31, 2012.

### **Eligible Applicants**

Eligible applicants in all 83 counties in Michigan may apply. All applicants for the 2011-2012 RFP Competition must be based and doing business in the state of Michigan. All of the following are eligible applicants:

- Cities, townships, and villages.
- County government agencies.
- Port authorities.
- Public school districts.
- Private schools that are designated as tax exempt under 501(c)(3) of the Internal Revenue Code.
- Other non-profit organizations or institutions that have the promotion of transportation or air quality as their focus and are designated as tax exempt under 501(c)(3) of the Internal Revenue Code.
- Metropolitan Planning Organizations (MPOs).
- Private business and industry.

A single applicant may submit only one application. Each application may contain one or more partners. All applicant and partner entities must have continuous and ongoing business operations that include a permanent physical location in Michigan.

### **Eligible Projects**

Eligible vehicles and equipment for the 2011-2012 RFP competition include diesel engine: buses, medium or heavy duty trucks, marine engines, and non-road engines used in: the construction industry, at a port operations, in the agricultural or mining industries, or for energy production (limited to stationary generators and pumps). Both eligible vehicles and equipment used in the 2011-2012 RFP competition require the grantee and subsequent partners to enter into a contractual agreement with the MDEQ to continue operating of the vehicles and equipment in Michigan for a period of five years after the end date of the MDEQ grant agreement.



### Eligible Technologies

Projects funded under this RFP must use diesel emissions reduction solutions that are listed on the Verified U.S. EPA, the SmartWay Transport Partnership, or California Air Resources Board (CARB) technology lists, the Verified U.S. EPA Idle Reduction list, or a U.S. EPA certified engine configuration. Verified or certified means that the equipment or vehicle, along with the technology or engine to be used in the project, are specifically identified on one of these lists by vehicle/equipment type or use, manufacturer, engine type, and engine model year.

- I. Verified Retrofit Technologies:** A “retrofit” project is defined broadly to include any technology, device, fuel, or system that when applied to an existing diesel engine achieves emission reductions beyond what is currently required by U.S. EPA regulations at the time of the engine’s certification. A list of U.S. EPA verified technologies is available at [www.epa.gov/cleandiesel/verification/verif-list.htm](http://www.epa.gov/cleandiesel/verification/verif-list.htm). A list of CARB verified technologies is available at [www.arb.ca.gov/diesel/verdev/vt/cvt.htm](http://www.arb.ca.gov/diesel/verdev/vt/cvt.htm).

*Note: technologies on the “Previously Verified” lists are not eligible for funding.*

Verified retrofit technologies include:

- **Exhaust Controls:** Exhaust Controls include pollution control devices installed in the exhaust system (such as oxidation catalysts and particulate matter filters), or systems that include crankcase emission control (like a closed crankcase filtration system). **This funding can cover 100% of the cost (labor and equipment) for an exhaust control** that is verified by the U.S. EPA or CARB.
- II. Verified Idle Reduction Technologies:** An idle reduction project is generally defined as the installation of a technology or device that (a) is installed in one or more of the following vehicle(s) or equipment: a bus, medium-duty or heavy-duty truck, marine engine, non-road engine or vehicle used in construction, handling of freight (including at a port), agriculture, mining, or energy production, or is installed in the ground; (b) reduces unnecessary idling of the main drive engine of such vehicles or equipment; and/or (c) is designed to provide services (such as heat, air conditioning, and/or electricity) to vehicles and equipment that would otherwise require the operation of the main drive engine while the vehicle is temporarily parked or remains stationary. The reduction in idling must also lower emissions. The U.S. EPA has verified a number of categories of idle reduction technologies: (a) auxiliary power units (APUs)\* and generator sets; (b) battery air conditioning systems; (c) thermal storage systems; (d) fuel operated heaters; (e) shore connection systems and alternative maritime power; and (f) automatic shutdown/start-up systems. **Although electrified parking spaces (truck stop electrification) is a verified U.S. EPA idle reduction technology, this grant cannot be used to fund this type of idle reduction technology.** The MDEQ is particularly interested in projects that combine idle reduction technologies with verified retrofit technologies which will further reduce emissions, e.g., through the addition of exhaust controls such as a diesel particulate filter, diesel oxidation catalyst or crankcase emission control. **This funding can cover 50% of the cost (labor and equipment) for an idle reduction technology. Participating fleet owners are expected to pick up the remaining 50% costs associated with the purchase and installation of the idle reduction technology.** A list of U.S. EPA verified idle reduction technologies is available at [www.epa.gov/smartway/technology/idling.htm](http://www.epa.gov/smartway/technology/idling.htm).

*\* This RFP will fund the purchase and installation of APUs only for vehicles listed on the SmartWay Transportation verified list that are engine model year 2006 or older. APUs on vehicles with an engine model year 2007 or newer will not be funded.*

**II. Verified Aerodynamic Technologies:** To improve fuel efficiency, long haul Class 8 trucks can be retrofitted with aerodynamic trailer fairings or the fairings can be provided as new equipment options. **This funding can cover up to 50% of the cost (labor and equipment) for aerodynamic trailer fairings – either individually or in combination with one another (e.g., skirt & either gap reducer or rear fairings).** Participating fleet owners are expected to pick up the remaining 50% costs associated with the purchase and installation of the aerodynamic technology. A list of U.S. EPA verified aerodynamic technologies is available at [www.epa.gov/smartway/technology/aerodynamics.htm](http://www.epa.gov/smartway/technology/aerodynamics.htm), and includes: (a) gap fairings that reduce the gap between the tractor and the trailer to reduce turbulence, (b) trailer side skirts that minimize wind under the trailer, and (c) trailer rear fairings that reduce turbulence and pressure drop at the rear of the trailer.

*Note: Advanced aerodynamic technologies are not eligible for funding if installed on trucks that have NOx exhaust controls, such as Selective Catalytic Reduction (SCR).*

**III. Verified Low Rolling Resistance Tires:** Certain tire models can provide a reduction in NOx emissions and fuel savings, relative to the "best selling" new tires for Class 8 trucks, when used on all three axles. **This funding can cover up to 50% of the costs (labor and equipment) for low rolling resistance tires.** Participating fleet owners are expected to pick up the remaining 50% costs associated with the purchase and installation of the low-rolling resistance tire technology. A list of U.S. EPA verified low rolling resistance tires is available at: [www.epa.gov/smartway/technology/tires.htm](http://www.epa.gov/smartway/technology/tires.htm), and includes both dual tires and single wide tires (single wide tires replace the double tire on each end of a drive or trailer axle, in effect turning an "18" wheeler into a "10" wheeler). Low rolling resistance tires can be used with lower-weight aluminum wheels to further improve fuel savings; however, aluminum wheels are not eligible for funding under this RFP. Low rolling resistance tires may only be installed on long haul vehicles.

**Low-Rolling Resistance Tire Disposal Criteria:** The original tires must be scrapped according to MDEQ disposal requirements under [Part 169 of P.A. 451 of 1994, as amended](#). Information on the state's tire disposal requirements is available at: [www.michigan.gov/DEQwaste](http://www.michigan.gov/DEQwaste). Select "Laws and Rules" in the middle of the page and then "Scrap Tire Laws." For a list of [scrap tire facilities](#), visit [www.michigan.gov/DEQwaste](http://www.michigan.gov/DEQwaste) and select under "Information" in the middle of the page, "Lists of Scrap Tire Facilities." In addition to disposal, tires may also be salvaged for reuse or retreading. Any salvaged value of the original tires must be treated as program income and reinvested back into the overall project.

*Note: Low rolling resistance tires are not eligible for funding if installed on trucks that have nitrogen oxides (NOx) exhaust controls, such as Selective Catalytic Reduction (SCR), or in the case where low rolling resistance tires have already been installed on the truck*

**IV. Certified Engine Repowers:** Repower refers to the removal of an existing engine and its replacement with a newer or cleaner engine that is certified to a more stringent set of engine emission standards. For non-road equipment, a certified engine repower means that the engine meets a higher U.S. EPA "Tier" standard. Repower includes, but is not limited to, diesel engine replacement with an engine certified for use with a cleaner fuel and/or the replacement of a nonroad engine with a highway engine. In order for a repower to be eligible, the repowered

vehicle, engine or equipment must continue to perform the same function as before the repower. The MDEQ is particularly interested in projects that combine engine repower with verified technologies which will further reduce emissions, e.g., through the addition exhaust controls such as a diesel particulate filter, diesel oxidation catalyst or crankcase emission control. **This funding can cover 50% of the cost of an engine repower, which includes labor and equipment. Participating fleet owners are expected to pick up the remaining 50% cost of the purchase and installation of the certified engine repower to assist the MDEQ to determine the cost effectiveness of a repower project. Applicants must provide at least one estimate of how much a similar piece of equipment of vehicle would cost if purchased as a new equipment of vehicle.** A list of U.S. EPA certified engine configurations is available at [www.epa.gov/otaq/certdata.htm](http://www.epa.gov/otaq/certdata.htm).

**Repower Criteria:** Repower projects are eligible for funding on the condition that the following criteria are satisfied:

- The engine being replaced will be scrapped or rendered permanently disabled or returned to the original engine manufacturer for remanufacturing to a certified cleaner emission standard within 90 days of engine installation. Drilling a hole in the engine block and manifold while retaining possession of the engine is an acceptable scrapping method. Other methods may be considered and will require prior MDEQ approval. If scrapped or salvaged engines are to be sold, grantees must keep any proceeds generated from the sale of these items and must apply the proceeds to purchase additional clean diesel technologies, equipment or vehicles as program income to the project (see “Other Requirements/Restrictions for Funding Eligibility” for additional criteria).
- Evidence of appropriate disposal, including the engine serial number, and evidence of the new engine’s certification (i.e. presentation of the U.S. EPA’s or CARB’s Certificate of Conformity) and new engine emission levels is required in the final report submitted to the MDEQ by the grantee.

**V. Certified Vehicle and Equipment Replacements:** Non-road and highway diesel vehicles and equipment can be replaced under this program with newer, cleaner vehicles and equipment that operate on diesel or alternative fuels and meet a more stringent set of engine emissions standards. Replacement projects can include the replacement of diesel vehicles/equipment with newer, cleaner diesel or hybrid or alternative fuel vehicles/equipment. The replacement vehicle/equipment must be of the same type and similar gross vehicle weight rating or horsepower as the vehicle/equipment being replaced (e.g., a 300 horsepower bulldozer is replaced by a bulldozer of similar horsepower). The replacement vehicle/equipment must perform the same function as the vehicle/equipment that is being replaced (e.g., an excavator used to dig pipelines would be replaced by an excavator that continues to dig pipelines). These projects can also include the replacement of non-road vehicles/equipment with highway models if the highway models are capable of performing the same functions as the nonroad models. The MDEQ encourages the replacement of older vehicles/equipment containing engines that were manufactured prior to the implementation of emissions standards. This funding covers the incremental costs of new vehicles and equipment to assist the MDEQ to determine the cost effectiveness of a replacement project. **Applicants must provide an explanation of why the vehicle/engine could not be repowered. Incremental costs are defined as 25% of the cost of the new vehicle or equipment (except for school buses or other publicly-owned and operated diesel engine vehicles and equipment—see provision below). Participating fleet owners are expected to pick up the remaining 75% cost for the purchase of the vehicle/equipment replacement.**



- A. Replacements of School Buses and Other Publicly-owned and Operated vehicles/equipment:** Funding levels will cover up to 25% or 50% of the cost of a replacement school bus or other publicly-owned vehicles/equipment, depending on the engine emission certification levels of the replacement vehicle or equipment.
- 1. Twenty-five percent level:** This funding will cover 25% of the replacement cost for school buses or publicly-owned and operated diesel engine vehicles or equipment with engines manufactured in model years 2007, 2008 or 2009. These vehicles or equipment must be powered by an engine certified to the 2010 or newer model year standards for highway heavy duty engines, or the engine meets U.S. EPA Tier 3 or higher emission standards for non-road vehicles/equipment. **Participating fleet owners are expected to pick up the remaining 75% cost for the replacement of a school bus or publicly owned diesel engine vehicles.**
  - 2. Fifty percent level:** This funding will cover 50% of the replacement cost for school buses and publicly-owned and operated diesel engine vehicles with engines manufactured in model years 2006 or older, if replaced with a model year 2010 emissions-compliant engine for on-road vehicles, or the engine meets U.S. EPA Tier 3 or higher emission standards for non-road vehicles/equipment. **Participating fleet owners are expected to pick up the remaining 50% cost for the replacement of a school bus or publicly owned diesel engine vehicles.**
- B. Replacement Criteria:** Replacement projects are eligible for funding on the condition that the following criteria are satisfied:
1. The vehicle/equipment being replaced will be scrapped and the engine rendered permanently disabled or returned to the original engine manufacturer for remanufacturing to a certified cleaner emission standard within 90 days of engine installation. Drilling a hole in the engine block and manifold and disabling the chassis while retaining possession of the vehicle/equipment is an acceptable scrapping method. Other methods may be considered and will require prior MDEQ approval. Equipment and vehicle components that are not part of the engine or chassis may be salvaged from the unit being replaced (e.g. plow blades, shovels, seats, tires, etc.) If scrapped or salvaged engines are to be sold, grantees must keep any proceeds generated from the sale of these items and must apply the proceeds of their project to purchase additional clean diesel technologies, equipment or vehicles (see "Other Requirements/Restrictions for Funding Eligibility" for additional criteria).
  2. Evidence of appropriate disposal, including engine serial number and vehicle identification number (VIN), along with evidence of the new engine's certification (i.e. presentation of the U.S. EPA's Certificate of Conformity) and new engine emission levels is required in the final grantee report submitted to MDEQ.

**Administrative Qualifications, Previous Project History and Eligible Reimbursement Allowance**

**1. Staff Expertise and Qualifications**

Applicants are asked to provide information on the staff and organization's experience for timely and successful administration of the grant's objectives, tasks and timelines outlined in this



project proposal. Staff expertise and qualifications should be focused on the experience, knowledge and resources available to the applicant in order to successfully achieve the goals of the proposed project. Examples include detailing the previous grant administration experience of the grant manager, or the automotive experience of an in-house mechanic for equipment installation.

## 2. Resources and Previous Project History

Given the nature of the grant period funding, past performance capability, progress toward achieving anticipated results, and timely reporting history of the applicant will be evaluated by the MDEQ.

## 3. Cost Reimbursement Limitation

Administrative costs for staff overseeing grant activities are allowed under this grant. Reimbursables include: salary, fringe benefits, indirect costs, and travel associated with the administration and implementation of the grant project. Fringe benefits are reimbursable at the grantee's actual rate, up to a maximum of 40% of salary applied to the grant project. Indirect charges are limited to the grantee's actual rate, up to a maximum of 20% of all salary and fringe benefits charged off to the grant project.

### Project Clarification/Revisions

During the grant review process, applicants may be contacted for clarification and for the purpose of negotiating changes in project activities, timetable, and grant amounts. The MDEQ reserves the right to award grants for amounts other than what is requested and/or to request changes to or clarification of a proposed work plan.

### Content for Project Proposal

Project proposals for the 2011-2012 RFP Competition must not exceed a total of 10 single-spaced typewritten pages. **Proposals in excess of the 10-page limit or not adhering to the Project Proposal Format (see page 14) will not be considered.** Supporting materials such as letters of support, the Budget form and the fleet description spreadsheet can be submitted as attachments and are not included in the 10-page limit.

Proposals must be developed in Microsoft Word software while fleet descriptions and the Budget Form are to be documented in Microsoft Excel software. Electronic copies of the Content for Project Proposals, the Budget Form, and the Fleet Description Spreadsheet for the 2011-2012 RFP Competition are available on the Michigan Clean Diesel Initiative (MiCDI) Web site at [www.michigan.gov/deqair](http://www.michigan.gov/deqair). Under "Spotlight" in the middle of the page, select, "Clean Diesel Initiative in Michigan."

Each project proposal will include: a Cover Sheet, Work Plan, a Budget Form, a Fleet Description Spreadsheet. The Work Plan will include a commitment by the applicant to U.S. EPA, regional Midwest (and Michigan) Clean Diesel Initiative and the MDEQ's Air Quality Programmatic Priorities; a description of Administrative Abilities, Staff Expertise and Previous Project History; a Timeline and a Description of Tasks/ Milestones; and the Anticipated Outputs and Outcomes for the project. The instructions for completing the grant application and its respective components are available beginning on page 14 of this document.



## **Partnership and Match Requirements**

### **Letters of Support**

The MDEQ is looking for the formation of strong partnerships for each grant project proposal, and encourages grant applicants to bundle various types of fleets and various diesel emission reduction solutions into one application. For clean diesel applications in which the vehicles/equipment to be used in the project are not directly owned by the applicant, **a current and dated signed letter of support from the owners of the vehicles/equipment is required to be submitted. The letter must certify approval and permission to have the fleet participate in the proposed project, and include a commitment statement to maintain and operate the vehicles/equipment in the partner fleet for a period of 5 years after the close of the MDEQ's project.** For projects in which the applicant is the owner of the vehicles/equipment, additional letters of support for each grant project proposal are optional, but highly recommended.

### **Financial or In-Kind Match**

There is a mandatory cost-share requirement for projects that involve vehicle/equipment replacements, engine repowers, aerodynamic technologies, low-rolling resistance tires, and idle reduction technology. Outside of the cost-share component for these projects, a match is not required. However, grant applicants who can demonstrate the cost-effectiveness of their clean diesel solution(s) by offering additional financial leverage will receive greater consideration during the grant evaluation and selection process. Cost-effectiveness can be determined by dividing the total grant funding request by the amount of lifetime tons of PM<sub>2.5</sub> emissions reduced. To determine lifetime PM<sub>2.5</sub> reductions (in \$/ton or \$/lb), see the "Outputs and Outcomes" section of the grant application instructions on page 16.

### **Sources of Match**

Match is a financial commitment made by the grant recipient and other partnering agencies to help implement the project. Labor, in-kind services, and materials can count as match. All grant recipients that use a match component in the grant project proposal must adhere to the following:

1. Whatever match is included in the application will become part of the contractual obligation, if the project is selected for full funding. Therefore, any match that is committed must be realistic in order to be met.
2. Match activities will be held to the same commitment standards as grant-funded activities.
3. Match cannot be applied until the starting date of a contract signed by both parties.
4. Note that the audit/review requirements in the Section VII - Budget (page 19) require grantees to document match earned by providing letters of documentation from partner agencies, verifying the work completed, and the value of that work. Therefore, it is important that the match commitment made by the applicant be realistic.

## **Evaluation and Selection Criteria**

Project proposals for the 2011-2012 RFP Competition will be evaluated based on how thoroughly the applicant addresses the following selection criteria:

1. Diesel Engine Emissions Reduction Outputs and Outcomes, and overall cost effectiveness.



2. Linkage to National (U.S. EPA) and Regional (Midwest Clean Diesel Initiative) and State (MDEQ) clean air and clean diesel priorities (described on page 15). In particular, project activities and projects associated with:
  - a. High population and diesel emissions density.
  - b. The presence of health and welfare disparities of populations or communities in the project area.
  - c. Activities that promote sustainability of diesel engine emissions reductions and awareness of the health effects of diesel engine emissions.
3. Ability to carry out the project as demonstrated by the applicant's staff expertise, experience, and qualifications in grant administration, meeting deadlines, and participation in other diesel engine emission reduction projects.
4. A well developed and clear project narrative, work plan, timeline, budget, including a detailed, thorough and complete targeted fleet description, and overall diesel emissions reduction solution and approach.
5. Budget and resource match that exceeds the cost share requirement as specified for this project. Higher match amounts contributed toward equipment, engines or technology purchases are strongly encouraged.

### **Award Administration**

Successful applicants will be notified by letter. Each successful applicant will sign a grant contract with the MDEQ in order to begin implementation of the proposed project. Activity undertaken prior to the grant contract's execution will not be eligible for reimbursement under this grant. **Grantees must procure all clean diesel vehicles, equipment, and technologies through an open and competitive bid procurement process.**

### **Reporting Requirements**

Grantees will be required to submit project status and financial reports to the MDEQ 30 days after the close of each quarter during the project period.

### **Other Requirements/Restrictions for Funding Eligibility**

1. Applicants may submit only one request for funding under this RFP. Each grant will be awarded to a single entity.
2. Repower and Replacement Restrictions: The following are not covered under Repowers and Replacements:
  - a) The repower and replacement of vehicles and equipment, that would have occurred through normal attrition, are considered to be the result of normal fleet turnover and are not eligible for funding under this program. Normal attrition is generally defined as a replacement or repower that is scheduled to take place between now and the end of the project period. Normal attrition is typically defined by the vehicle or fleet owner's budget plan, operating plan, standard procedures, or retirement schedule. For example, if a school bus fleet typically retires vehicles after 7 years, a bus that is currently in its 6<sup>th</sup> or 7<sup>th</sup>



year of service is not eligible for replacement. A bus that is currently in its 5<sup>th</sup> year of service and has at least 2 years of useful life remaining is eligible for replacement.

**Applicants must demonstrate that vehicles and equipment to be used in the project qualify for early repower or replacement.** Demonstration can be made in the form of by providing the MDEQ with documentation showing the useful life left in the vehicle/equipment, as well as a fleet characterization, showing fleet age ranges and average turnover rates per vehicle, or the fleet owners' budget plan, operation plan, standard procedures or retirement schedule. **This supporting evidence must be included with the initial application.**

- b) The purchase of new vehicles or equipment to expand a fleet is not covered by this program.
- 3. Ineligible costs and equipment
  - a) Items/installation/labor executed before a grant contract is signed.
  - b) Engine repowers or vehicle/equipment replacements if the replacement would have occurred as a result of normal fleet turnover.
  - c) Disposal costs for engine replacements or any devices removed from a vehicle/equipment.
  - d) Optional accessories that are in addition to the basic unit (verified technology or certified engine) required for this project.
- 4. Non-duplicative funding
  - a) Direct or pass-through federal or state funding, from separate programs other than DERA, cannot be used as a financial or in-kind match for this project.
- 5. Program income generated from scrappage:
  - a) Must be added to funds committed to the project, and must be used to further eligible projects or program objectives. The program income must be used for the purposes and under the conditions of the grant contract.
  - b) Requires that the grantee maintain records adequate to document the extent to which transactions generate program income and the disposition of program income.
  - c) Requires that program income be used before requesting additional payments for work completed under this grant project.
- 6. Educational components of a project such as public relations, promotional events or for staff training are ineligible activities for grant funding or match.

### **Acceptance Criteria**

Successful applicants will be required to enter into a grant project contract with the MDEQ. A grant project contract consists of standard "boilerplate" language, the applicant's work plan, timetable, budget information, and detailed fleet description. Successful applicants will be required to review the grant award contract with the MDEQ staff prior to final contract acceptance.

The MDEQ reserves the right to offer partial funding for any grant proposal.



**Confidentiality**

All information and materials submitted for this RFP and subsequent grant awards are subject to the state's Freedom of Information Act (FOIA). This includes information about activities undertaken under the 2011-2012 RFP Competition including grant project summaries, a description of fleet types and technologies utilized in a project, contractor awards for each project, project status, and financial reports.

**Submission Requirements and Methods**

All grant project proposals must follow the outlined "Content for Project Proposal" listed on page 9 and the Project Proposal Format available in the grant application on page 14. **Failure to adhere to the Project Proposal Format, page length requirements, and submittal method will void your grant application.**

1. **Submission Requirements:** **Four (4) hard (paper) copies of the project proposal must be submitted to the MDEQ Lansing office** (see below), **along with electronic copies** of the Cover Sheet and Project Proposal (completed in Microsoft Word software), Budget Form, Fleet Description Spreadsheet (completed in Microsoft Excel software), and letters of support. An electronic copy of the entire proposal including the Cover Sheet, Work Plan, Budget, Fleet Description Spreadsheet, and Letters of Support must accompany the hard copy proposal on Compact Disk (CD). **Projects must be received by the MDEQ no later than Wednesday, November 16, 2011, by 5 p.m. EST.**
2. **Submission Methods:** Projects may be submitted by e-mail, postal mail, overnight, or hand-delivered to the MDEQ office in Lansing. **No project proposals will be accepted by facsimile machine (fax).**

**SUBMIT PROJECT PROPOSALS TO:**

**Deq-oea-grants@michigan.gov**

**(by email)**

**Michigan Department of Environmental Quality  
Office of Environmental Assistance  
Attention: Donna Davis  
P.O. Box 30457  
Lansing, MI 48909**

**(by postal mail)**

**Michigan Department of Environmental Quality  
Office of Environmental Assistance  
Attention: Donna Davis  
525 W. Allegan, 1 North  
Lansing, MI 48933**

**(by overnight mail or  
hand-delivery)**



**Where to Go for Assistance**

The following are program contacts for the State Clean Diesel Grant Program and 2011-2012 RFP Competition.

*Note: Program contacts cannot provide pre-submittal reviews, or comment on draft grant project proposals that are intended to be submitted at a later date. However, program contacts can provide guidance to applicants to ensure accurate and complete submittal of a project proposal by the deadline.*

Donna Davis, State Clean Diesel Grant Program Manager  
Michigan Department of Environmental Quality  
Office of Environmental Assistance  
P.O. Box 30457  
Lansing, MI 48909  
(517) 335-2784  
[davisd8@michigan.gov](mailto:davisd8@michigan.gov)

Teresa Cooper  
Michigan Department of Environmental Quality  
Air Quality Division  
P.O. Box 30260  
Lansing, MI 48909  
(517) 335-2247  
[coopert@michigan.gov](mailto:coopert@michigan.gov)



**Michigan Department of Environmental Quality  
State Clean Diesel Grant Program  
2011-2012 Request for Projects Competition**

**INSTRUCTIONS FOR COMPLETING GRANT APPLICATION  
COVER SHEET AND PROPOSAL**

**Project Proposal Format**

The entire project proposal for the 2011-2012 RFP Competition must not exceed a total of 10 single-spaced typewritten pages, and must follow the Project Proposal Format. Proposals must be typed in Arial 11 pt. font and have top, bottom, left and right margins no wider or smaller than 1" in size.

**Proposals in excess of the 10-page limit or not adhering to the Project Proposal Format will not be considered.** Supporting materials such as letters of support, budget form and fleet descriptions can be submitted as attachments and are not included in the 10-page limit. Applications for proposed projects will be accepted from **Friday, September 16, 2011 through Wednesday, November 16, 2011, 5 p.m. EST.**

Proposals must be developed in Microsoft Word software while fleet descriptions and budget detail are to be documented in Microsoft Excel software. Electronic copies of the Content for Project Proposals, the Budget Form, and the Fleet Description Spreadsheet for the 2011-2012 RFP Competition are available on the [Michigan Clean Diesel Initiative \(MiCDI\)](http://www.michigan.gov/air) Web site at [www.michigan.gov/air](http://www.michigan.gov/air). Under "Spotlight" in the middle of the page, select "Clean Diesel Initiative in Michigan." A sample application, Budget Form and Fleet Sheet is available online as a guidance document for applicants.

**WORK PLAN**

**I. Overview**

Explicitly describe how the project meets the goals, objectives and guidelines of the RFP. Include a detailed project description of what is to be done during the project period, how it will be done and the anticipated outcome of the project. The description should incorporate the following information:

- A. The way in which the project will achieve a significant reduction in diesel emissions.
- B. The reason why the project's area is being targeted for this project (i.e. air quality status, demonstrated health disparities, high diesel engine traffic and roadways, etc.).
- C. An overview of the type of fleet identified for the project along with the verified technologies or certified engines that will be used, and the total number of vehicles, equipment or engines to be used in this project.
- D. The roles and responsibilities of the applicant organization and any other project partners.
- E. Information on whom or what organization(s) will retain ownership of any vehicles, engines and/or equipment purchased with funding from this project.

Applicants are asked to carefully review Sections II and III and affirm that the proposed project meets the priorities outlined under the U.S. EPA, the Midwest Clean Diesel Initiative, and the Michigan Department of Environmental Quality (MDEQ's), Air Quality Program. If the proposed



project meets each Section's priorities, check the box, and copy each statement to the appropriate section in the project proposal's application.

## II. Commitment to the U.S. EPA, regional Midwest (and Michigan) Clean Diesel Initiative and the MDEQ's, Air Quality Programmatic Priorities

### A. U.S. EPA National Program Priorities

1. Maximize public health benefits – **applicants should describe any disproportionate health disparities in the area.** Research data on health disparities can be found from some of the following resources: 1.) A local school district's annual health survey – contact school district for more information. 2.) The local/county health department. 3.) the Michigan Department of Community Health 4.) University or federal research or other academic white papers.
2. Are the most cost-effective – applicants should include an estimate of project costs and the cost-effectiveness of emission reductions (see page 18 for more information on cost-effectiveness);
3. Are in areas with high population density, with poor air quality (including areas with toxic air pollutant concerns) - **applicants should include a description of the air quality of the area affected by the project.** Descriptive information about Michigan's air quality is available on the MDEQ, Air Quality Division web site at [www.michigan.gov/air](http://www.michigan.gov/air). Select "Assessment and Planning" from the left-hand menu under "Air," and then "Attainment/Nonattainment." Information on whether the various areas of the state are meeting the federal National Ambient Air Quality Standards (NAAQS) is located here. Demographic information, to show population densities, types of populations, ages of populations, social and other economic data, may be obtained from the U.S. Census Bureau, the Michigan Department of Community Health (from the left hand menu select "Statistics & Reports" and then "Population Trends") or from the Michigan Department of Technology Management and Budget (under the "Office of Shared Solutions", select "Census and Demographic Data").
4. Are in areas that receive a disproportionate quantity of air pollution from diesel fleets, including truck stops, ports, rail yards, terminals, and distribution centers, or that use a community-based multi-stakeholder collaborative process to reduce toxic emissions – applicants should include information on the quantity of air pollution produced by the diesel fleets in the area affected by the project;
5. Include a certified engine configuration or verified technology that has a long expected useful life - applicants should include a description of any certified engine configurations or verified technologies to be used or funded by the project;
6. Maximize the useful life of any certified engine configuration or verified technology used or funded by the applicant; and
7. Conserve diesel fuel.

### B. Midwest (and Michigan) Clean Diesel Initiatives' Regional Program Priorities

1. To reduce emissions from diesel-powered engines in U.S. EPA Region V by implementing operational changes, technological improvements and use of cleaner fuels.
2. To participate and support the activities of both the U.S. EPA's Midwest Clean Diesel Initiative (MCDI) and the Michigan Clean Diesel Initiative's (MiCDI) state coalition.



C. Michigan, Department of Environmental Quality, Air Quality Program Priorities

3. Improve the general populace's understanding of the PM<sub>2.5</sub> and O<sub>3</sub> NAAQS, including helping identify the contribution of emission source types that contribute to source regions' PM<sub>2.5</sub> and O<sub>3</sub> levels.
4. Create a greater awareness among residents of the health and welfare impacts of PM<sub>2.5</sub> and O<sub>3</sub> in areas of Michigan located within close proximity to an ongoing exposure to diesel engine emissions.
5. Track the progress of emissions' solutions towards bettering PM<sub>2.5</sub> and O<sub>3</sub> levels in Michigan, and assess the effectiveness of emission reduction programs.

***If you agree to meet these priorities, check the box, and copy the statement below to your project proposal application under this Section II's heading.***

This certifies that my organization is committed to helping the U.S. EPA, the Midwest and Michigan Clean Diesel Initiatives, and the MDEQ achieve clean diesel programmatic priorities as outlined in the "Instructions" section of this document and the project proposal.

**III. Description of Administrative Abilities, Staff Expertise and Previous Project History**

Provide, in narrative form, a list of organizational staff and staff from associated partners that will be involved with the project, their role and responsibility with the project, their expertise/qualifications, knowledge and the resources that will be used to assist in the successful completion of the project.

Name of Project Staff	Title of Staff	Affiliated Organization	Role/Responsibility with the Project
<u>Example:</u> Joe Schmoe	Transportation Director	ABC School District	Grant Administrator

Please provide a list of the any federal or state grants, or funding agreements that the applicant or organization has received in the last 3 years using the following format:

Name of Grant Project	Start and End Dates of Grant	Name of Grantor/ Agency	Grant Project Number
<u>Example:</u> The ABC School District's First Engine Project	10/1/08 – 4/30/09	U.S. EPA	0001-22-00567

**IV. Timeline and a Description of Tasks/ Milestones**

Using the following table format, provide a month and year and a detailed timeline of specific tasks and milestones, such as bidding, procurement and installation, to be achieved during the grant period. Begin the timeline with January 2012.

Anticipated Timeline for Completion	Task or Milestone to Achieve
<u>Example:</u> February 1, 2011	Review fleet needs and develop procurement documents



	for equipment purchases for ABC and DEF School District.
--	--

**V. Anticipated Outputs and Outcomes**

Identify the expected project’s environmental outputs and outcomes. Briefly specify how progress will be made toward achieving environmental outputs as well as how progress will be tracked, measured and reported, and how environmental outcomes will be calculated or determined. Outcomes should be measured by examining short-, medium- and long-term results. Report outputs and outcomes using the following table format.

**A. Outputs**

The term “output” means an environmental activity, effort and/or associated products related to an environmental goal or objective that will be produced or provided over a period of time or by a specific date. Outputs may be quantitative or qualitative, but must be measurable during the grant funding period. Anticipated **outputs** from the projects to be funded under this solicitation include, but are not limited to, the following:

- Amount of funds expended on the project
- Evaluation of the completion status of the project
- Amount of funds dispersed to sub-recipients.
- Status of Vendor selection(s) (initiated or completed)
- Status of procurements or bids (initiated or completed)
- Number of purchased or retrofitted engines/vehicles/equipment

**Outputs - Types of Vehicles and Technologies Used in Project – Example**

<b>Applicant Name:</b> ABC School District		<b>City:</b> City of ABC		<b>County:</b> Ingham	
Fleet Type	Fleet Owner	Industry	Technology	Total Number of Vehicles/Eq.	Total Number of Engines Affected
Example: School Bus	ABC School District	Public School	Diesel Oxidation Catalysts	15	15
Example: School Bus	DEF School District	Public School	Heater	3	3
Example: Heavy Duty Truck	ABC School District	Public School	Engine Repower	1	1

**B. Outcomes**

The term “outcome” means the result, effect or consequence that will occur from carrying out an environmental program or activity that is related to an environmental or programmatic goal or objective. Outcomes may be environmental, behavioral, health-related or programmatic in nature, but must be quantitative. Proposals must include a description of how the applicant will track and measure their progress towards achieving the expected environmental outcomes of the project throughout the grant period and must include a description of project outcomes resulting from the project outputs. Expected **outcomes** from projects funded under this solicitation may include but are not limited to the following:



1. **Examples of Short-term outcomes. Describe how each will be achieved.**
  - a) An increased understanding of the environmental effectiveness of the implemented technology. Indicate how this will be achieved.
  - b) Dissemination of the increased knowledge via list serves, web sites, journals, and outreach events. Indicate how this will be accomplished.
2. **Examples of Medium-term outcomes. Describe how each will be achieved.**
  - a) Widespread adoption of the implemented technology.
  - b) Annual pounds or tons of fine particulate matter (PM<sub>2.5</sub>) and NO<sub>x</sub> reduced.
  - c) Greenhouse gases (GHG) or CO<sub>2</sub> and/or volatile organic compound (VOCs) reduced.
  - d) Cost effectiveness of project (in \$/ton or \$/lb).
  - e) Health benefits achieved (health benefits may be measured by numbers of illnesses, health care costs, or missed work/school days avoided).
  - f) Annual gallons of diesel fuel saved.
3. **Examples of Long-term outcomes. Describe how each will be achieved.**
  - g) The level of health benefits achieved. Health benefits may be measured by numbers of illnesses (e.g. reductions in the number of children with asthma, health care costs, or missed work/school days avoided).
  - h) Documented improved ambient air quality, including antidotal testimony from populations of concern.
  - i) The applicant, or their partner's investment in transportation, environmental protection and other activities that will provide long-term environmental and health benefits.

To estimate some of the anticipated environmental outputs of your application, (e.g. pollution reduced), the MDEQ and U.S. EPA encourages you to use the Diesel Emissions Quantifier found at: <http://cfpub.epa.gov/quantifier/index.cfm?action=fleet.edit> If you are having trouble getting started, please check out the step-by-step instructions at: [www.epa.gov/cleandiesel/quantifier/stepbystep.htm](http://www.epa.gov/cleandiesel/quantifier/stepbystep.htm). Most of the questions that users have can be answered by reading the users' guide for the quantifier found on the quantifier Web site at: [www.epa.gov/cleandiesel/documents/420b10033.pdf](http://www.epa.gov/cleandiesel/documents/420b10033.pdf).

Another tool for quantifying emission reductions is the National Mobile Inventory Model ([www.epa.gov/otaq/nmim.htm](http://www.epa.gov/otaq/nmim.htm)). This tool must be used for State Implementation Plan calculations. For technical assistance regarding this tool, please email [mobile@epa.gov](mailto:mobile@epa.gov).

### **Cost Effectiveness Calculation**

Project cost effectiveness is a programmatic priority for this grant. Each application must include a cost effectiveness calculation for the Annual Amount of Emissions Reduced and the Lifetime Amount of Emissions Reduced for each of the following pollutants: NO<sub>x</sub>, PM, HC, CO, and CO<sub>2</sub>, where applicable.

Each applicant is encouraged to use the Diesel Emissions Quantifier to make this calculation. The quantifier provides estimates of both the Annual Amount of Emissions Reduced and the Lifetime Amount of Emissions Reduced. If you are unable to use these models, **please describe your methodology for estimating or determining outcomes in detail**. For example, equipment and vehicle vendors may have engine-specific data that was provided to the U.S. EPA to certify the engine's emission levels.



Each emission reduction estimate and measurements for a verified technology should be based on demonstrated emissions reductions and emission factors listed on the U.S. EPA or CARB's verified technology list. Pre-retrofit and post-retrofit emissions testing and/or monitoring is not required nor is it an eligible use of grant funds under this grant.

Once the Annual and Lifetime Amount (of Emissions) Reduced are calculated, the cost effectiveness of a diesel emissions reduction project is determined by dividing the total amount of funding for the project (which includes equipment/vehicle costs, installation costs, administrative costs, travel costs, fees, etc that are funded by the grant) by the Lifetime Amount (of Emissions) Reduced for each pollutant. Cost effectiveness values reflect the lifetime of the project, which is based on the remaining life of your fleets.

The Annual and Lifetime Emissions reductions as well as cost effectiveness of the project can be reported using the table below.

**Outcomes - Cost Effectiveness Calculations**

Type of Pollutant	Annual Emission Reductions (tons/yr)	Lifetime Emissions Reductions (tons/yr)	Total Grant Cost Effectiveness
NOx	0.00	0.00	\$0.00
PM	4.56	60,719.39	\$2.29
HC	23,360	311,155.32	\$0.45
CO	85,263.11	1,135,704.69	\$0.12
CO2	0.00	0.00	\$0.00
<b>Amount of Grant Funding Used for Project Activities: \$138,992.50</b>			

Source: U.S. EPA Diesel Emissions Quantifier

**II. Budget Form**

**A. Financial or In-Kind Match**

Identify what additional financial or in-kind resources will be used in this project and who or what organization is providing them (i.e. the applicant, a partner, etc.). Indicate how the financial or in-kind match will complement the grant project and its activities and the overall efforts and mission of the organization to provide cleaner diesel vehicles/equipment in the area served by that fleet.

**B. Audits**

All applicants must **include with their proposal a letter from a certified public accountant documenting that the organization has undergone a successful financial audit or financial review within the last 24 months.** The letter must also include the dates and scope of the successful financial audit or review. This information is necessary to assure that the applicant has in place a financial accounting system that operates in accordance with generally accepted accounting principles.

**C. How to Complete the Budget Form**

The Budget Form is a separate document to be completed in Microsoft Excel software. A copy of the Budget Form can be obtained from the MiCDI Web site at [www.michigan.gov/air](http://www.michigan.gov/air) (select "Clean Diesel Initiative in Michigan" under **Spotlight** in the center of the page.)



When entering estimated project costs in the spreadsheet's Column B (Hours) and C (Rate), the spreadsheet will automatically record the amounts in the spreadsheet's Column E (Local Match Amount), and will automatically reduce the amount in Column E by the amount that is manually keyed into Column D (Grant Amount).

	A	B	C	D	E	F
1	MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY					
2	OFFICE OF ENVIRONMENTAL ASSISTANCE					
3						
4	PROJECT BUDGET FORM					
5	(Authorized by 1994 P.A. 451)					
6						
7	Applicant Name:		ABC School District			
8	Project Name:		ABC School District's Engine Project			
9	Tracking Code Number:					
10	<b>STAFFING</b>					
11	NAME & TITLE	HOURS	RATE	GRANT AMOUNT	LOCAL MATCH AMOUNT	TOTAL

The numbering and lettering listed below corresponds to section numbers and column letters on the spreadsheet's Budget Form.

**1. Staffing**

- In Column A, list each staff person by name and title (project manager, senior analyst, clerical, etc.), the estimated number of hours each person will work on the project, and his/her hourly rate. Place the costs for each staff person (number of hours times hourly rate) in Columns B and C.
- Each staff person listed under Personnel should also be included and accounted for in Section III of the application (Description of Administrative Abilities, Staff Expertise and Previous Project History).
- Personnel costs for staff in agencies other than the grant recipient should be budgeted under Contractual.

	A	B	C	D	E	F
10	<b>STAFFING</b>					
11	NAME & TITLE	HOURS	RATE	GRANT AMOUNT	LOCAL MATCH AMOUNT	TOTAL
12	Joe Schmoe, Transportation Director	500.00	\$ 21.00	\$ 5,250.00	\$ 5,250.00	\$ 10,500.00
13	Mary Lou Smith, Accountant	100.00	\$ 12.00	\$ 600.00	\$ 600.00	\$ 1,200.00
14					\$ -	\$ -
15					\$ -	\$ -
16			\$ -		\$ -	\$ -
17			\$ -	\$ -	\$ -	\$ -
18			\$ -	\$ -	\$ -	\$ -
19			\$ -	\$ -	\$ -	\$ -
20			\$ -	\$ -	\$ -	\$ -
21			\$ -	\$ -	\$ -	\$ -
22	<b>STAFFING Subtotal</b>			\$ 5,850.00	\$ 5,850.00	\$ 11,700.00

**2. Fringe Benefits**

Fringe benefits can include insurance; FICA; federal, state, and local taxes; vacation and sick time; and workers' compensation.

- Most agencies have set fringe benefit rates. Use your agency's fringe benefit rate; it cannot exceed 40 percent.
- In Column A, list each staff person. In Column C, enter the fringe rate.



- The MDEQ reserves the right to request applicants to supply information indicating how their fringe benefits were calculated.
- Verify subtotals.

	A	B	C	D	E	F
23	<b>FRINGE BENEFITS (not to exceed 40%)</b>					
24	NAME & TITLE	RATE				
25	Joe Schmoe, Transportation Director		25.00%	\$ 1,312.50	\$ 1,312.50	\$ 2,625.00
26	Mary Lou Smith, Accountant		25.00%	\$ 150.00	\$ 150.00	\$ 300.00
27	0			\$ -	\$ -	\$ -
28	0			\$ -	\$ -	\$ -
29	0			\$ -	\$ -	\$ -
30	0			\$ -	\$ -	\$ -
31	0			\$ -	\$ -	\$ -
32	0			\$ -	\$ -	\$ -
33	0			\$ -	\$ -	\$ -
34	0			\$ -	\$ -	\$ -
35	FRINGE BENEFITS Subtotal			\$ 1,462.50	\$ 1,462.50	\$ 2,925.00
36	STAFFING AND FRINGE BENEFITS Subtotal			\$ 7,312.50	\$ 7,312.50	\$ 14,625.00

### 3. Contractual Services

Contractual costs are services or materials provided by a contractor, a partner or agencies other than the grant recipient. Because direct administration of this grant cannot be contracted out, contractual services are limited to reimbursement of work time, benefits, travel costs, and the procurement of eligible equipment or vehicles. The State of Michigan reserves the right to approve all contractors used in conjunction with this project, and reserves the right to require the grant recipient to replace a contractor found to be unacceptable. Vendors who may provide equipment or installation for your project are not listed here.

In Column A, list all costs associated with the grant recipient's contractual agreement. Put estimated amounts in Columns B and C.

- Any partnership services included here and attributed to partnership agreements should also be cited in Section III of the application (Description of Administrative Abilities, Staff Expertise and Previous Project History).
- Verify subtotal of contractual costs.

	A	B	C	D	E	F
37	<b>CONTRACTUAL SERVICES</b>					
38	NAME	HOURS or UNITS	RATE or TOTAL			
39	Bob Ryan, ABC School Dist. Install Mechanic - DOCs	30.00	\$ 20.00	\$ 300.00	\$ 300.00	\$ 600.00
40	Kevin King, DEF School Dist Install Mechanic - DPFs	30.00	\$ 20.00	\$ 300.00	\$ 300.00	\$ 600.00
41	Heater Vendor - Installation for DEF School District	9.00	\$ 80.00	\$ 360.00	\$ 360.00	\$ 720.00
42	Engine Repower Vendor - Install for ABC School District	20.00	\$ 300.00	\$ 3,000.00	\$ 3,000.00	\$ 6,000.00
43				\$ -	\$ -	\$ -
44				\$ -	\$ -	\$ -
45				\$ -	\$ -	\$ -
46				\$ -	\$ -	\$ -
47				\$ -	\$ -	\$ -
48				\$ -	\$ -	\$ -
49	CONTRACTUAL SERVICES Subtotal			\$ 3,960.00	\$ 3,960.00	\$ 7,920.00



**4. Project Equipment, Supplies, and Materials (Purchased by Grantee)**

**4a. Project Equipment**

- Equipment is defined as an article of non-expendable, tangible personal property having a useful life of more than one year.
- Grant funds can be used to purchase equipment and may require a cost share by the applicant. Vehicle or equipment purchases will require the grantee to enter into a five-year commitment with the MDEQ to continue maintenance and operation of the equipment after the end date of the grant agreement.
- Itemize and list multiple pieces of equipment under “Supplies and Materials” on the Budget Form and explain any cost that may appear out of the ordinary. If partners are involved in the project, specify which partner will be getting which piece of equipment or which vehicle.

	A	B	C	D	E	F
50	<b>SUPPLIES, MATERIALS AND EQUIPMENT</b>					
51	<b>SUPPLIES &amp; MATERIALS (itemize)</b>	<b>QUANTITY</b>	<b>COST</b>			
52	Diesel Oxidation Catalysts - ABC School District	15.00	\$ 1,200.00	\$ 18,000.00	\$ -	\$ 18,000.00
53	Diesel Particulate Filters - DEF School District	15.00	\$ 4,000.00	\$ 60,000.00	\$ -	\$ 60,000.00
54	Engine Repower and Parts - ABC School District	1.00	\$50,000.00	\$ 25,000.00	\$ 25,000.00	\$ 50,000.00
55	Idle Reduction Heater and Parts - DEF School District	3.00	\$ 1,600.00	\$ 2,400.00	\$ 2,400.00	\$ 4,800.00
56	Vehicle Replacement - ABC School District	1.00	\$89,000.00	\$ 22,250.00	\$ 66,750.00	\$ 89,000.00
57			\$ -	\$ -	\$ -	\$ -
58			\$ -	\$ -	\$ -	\$ -
59			\$ -	\$ -	\$ -	\$ -
60			\$ -	\$ -	\$ -	\$ -
61			\$ -	\$ -	\$ -	\$ -
62	<b>SUPPLIES AND MATERIALS Subtotal</b>			\$ 127,650.00	\$ 94,150.00	\$ 221,800.00
63	<b>EQUIPMENT (any item over \$1000)</b>					
64			\$ -		\$ -	\$ -
65			\$ -		\$ -	\$ -
66	<b>EQUIPMENT Subtotal</b>				\$ -	\$ -
67	<b>SUPPLIES, MATERIALS AND EQUIPMENT Subtotal</b>			\$ 127,650.00	\$ 94,150.00	\$ 221,800.00

**4b. Project Supplies and Materials**

- For supplies and materials, specify the type of supplies and materials charged against the grant in Column A. Most supplies are covered under your indirect costs, however there may be parts or supplies that are needed to install the technology in order for it to operate. Supplies that can be used or reused for other projects should not be listed on the Budget Form. Explain any cost that may appear out of the ordinary.
- Place corresponding costs of supplies and materials in Columns B and C.
- Verify subtotal of equipment, supplies, and materials.

**5. Travel Costs (For Grantee)**

- Show mileage separate from lodging and meals in Column A.
- Mileage costs should be shown in Columns B and C as number of miles times mileage rate (\$.55 per mile is the highest allowable rate.)
- Under “Other” on the Budget Form include travel, other than mileage, to conferences and anticipated hotel/motel costs as separate line items. Conference and other training fees should also be included here.



- Verify subtotal of travel costs.

**6. Indirect Costs**

Indirect costs have been referred to as the cost of doing business. Typical indirect costs are associated with, but not limited to: office space, telephones, office equipment rental and usage, utilities, and general office supplies.

- Most agencies have set an indirect rate based on an analysis of reasonable overhead costs. Use your agency's indirect rate, up to 20 percent of staff salary and fringe benefits.
- In Column C, indicate the percentage rate at which indirect costs are being calculated and the resulting indirect costs.
- Detail the indirect costs are in the "Summary of Indirect Charges" in Column A at the bottom of the spreadsheet.

**7. Sources of Match**

- Name and list the source(s) that will be used to supply either the cost-share and/or additional match required for the project (i.e. ABC private industry funding, City of ABC funding, ABC County dedicated fee funding, ABC school district funding, etc.).

	A	B	C	D	E	F
89	<b>SOURCES OF MATCH:</b>			<b>DOLLAR VALUE COMMITTED:</b>		
90	Organization			In Kind	Cash	Total
91	ABC School District Local School Funds			\$ 10,612.50	\$ 91,750.00	\$ 102,362.50
92	DEF School District Local School Funds			\$ 300.00	\$ 2,760.00	\$ 3,060.00
93						\$ -
94				\$ -	\$ -	\$ -
95				\$ -	\$ -	\$ -
96				\$ -	\$ -	\$ -
97				\$ -	\$ -	\$ -
98				\$ -	\$ -	\$ -
99				\$ -	\$ -	\$ -
100				\$ -	\$ -	\$ -
101			Subtotal	\$ 10,912.50	\$ 94,510.00	
102	Total Match Must Equal Amount in Budget Sheet Above					\$ 105,422.50

*Note: The combined totals of "Grant" and "Match" at the bottom of the Budget Form should be the same as those on page 2 of the Grant Proposal Cover Sheet, Grant Information Section.*

	A	B	C	D	E	F
83	<b>TOTAL GRANT AND MATCH BUDGET</b>			\$ 138,922.50	\$ 105,422.50	\$ 244,345.00
84	<b>Project Percentage Split</b>			56.86%	43.14%	
85						

**III. Fleet Description**

A. Briefly describe the type(s) of vehicles/equipment to be used in the project including:

1. The number, typical uses, and ownership of the vehicles or equipment engines targeted in this project for emissions reductions (e.g. two medium duty Class 6 trucks used for refuse hauling and 10 school buses). The ownership and type of fleet(s) may differ, depending on whether the project is administered by the actual owner of the fleet(s) or a secondary (partnership) organization.



2. **The age and supporting evidence of expected useful life of the vehicles, engines and/or equipment targeted in this project for emissions reductions. For vehicle/equipment replacements and repowers, supporting evidence that the repower or replacement activity is an “early repower or replacement” activity include:**
    - a) **Fleet characterization showing fleet age ranges and average turnover rates per vehicle.**
    - b) **Fleet owner’s budget plan, operating plan, standard procedures or retirement schedule.**
- B. Complete the Fleet Description Spreadsheet (see Appendix B) and attach to the proposal.**
1. Resources to assist in completing the spreadsheet and in determining diesel engine emission levels based on type of vehicle/equipment, on road or off road status and model year of engine:
    - a) DieselNet: [www.dieselnet.com/standards/](http://www.dieselnet.com/standards/)
    - b) U.S. EPA’s Emissions Standards Reference Guide: <http://www.epa.gov/otaq/standards/heavy-duty/index.htm>
    - c) U.S. EPA’s Engine Certification Data for Heavy Duty Trucks, Buses and Engines: [www.epa.gov/otaq/certdata.htm](http://www.epa.gov/otaq/certdata.htm)

#### **IV. Letters of Support**

Letters of support for each grant project proposal are optional, but highly recommended. For clean diesel applications in which the vehicles/equipment to be used in the project are not directly owned by the applicant, **a current signed letter of support from the owners of the vehicles/equipment is required to be submitted that certifies approval and permission to have the fleet participate in the proposed project.** If the vehicle/equipment owner is supplying a financial match, commitment to the specific match amount should be stated in the letter of support. Attach the letter(s) of support as Appendix C of the proposal. See sample letter of support on the MiCDI Web site at [www.michigan.gov/degair](http://www.michigan.gov/degair) (see additional Web directions on page 9).

#### **Submission Requirements**

Grant applications may be submitted by electronic mail (e-mail) and must arrive at the MDEQ Lansing office by Wednesday, November 16, 2011, by 5 pm EST. E-mails that arrive after this time will not be considered for funding therefore the MDEQ encourages applicants to not wait until the last minute to send in their applications. All grant application submissions must also be accompanied by four hard (paper) copies of the project proposal, which may be sent by postal or overnight mail to the MDEQ Lansing office (see below). A completed application includes: Cover Sheet and Project Proposal (completed in Microsoft Word), Budget Form (completed in Microsoft Excel), Fleet Description Spreadsheet (completed in Microsoft Excel) and Letters of Support. An electronic copy of the proposal must accompany the hard copy proposal on Compact Disk (CD). **Projects must be submitted and received by the MDEQ no later than Wednesday, November 16, 2011 by 5 p.m. EST.**

#### **Submission Methods**

Projects must be sent through postal mail, overnight delivery, or hand-delivered to the MDEQ office in Lansing. **No project proposals will be accepted by e-mail or by facsimile (fax).**



**SUBMIT PROJECT PROPOSALS TO:**

[deg-oea-grants@michigan.gov](mailto:deg-oea-grants@michigan.gov)

(by email)

Michigan Department of Environmental Quality  
Office of Environmental Assistance  
Attention: Donna Davis  
P.O. Box 30457  
Lansing, MI 48909

(by postal mail)

Michigan Department of Environmental Quality  
Office of Environmental Assistance  
Attention: Donna Davis  
525 W. Allegan, 1 North  
Lansing, MI 48933

(by overnight mail or  
hand-delivery)

**Where to Go for Assistance**

The following are program contacts for the State Clean Diesel Program and 2011-2012 RFP Competition.

*Note: Program contacts cannot provide pre-submittal reviews, or comment on draft grant project proposals that are intended to be submitted at a later date. However, program contacts can provide guidance to applicants to ensure accurate and complete submittal of a project proposal by the deadline.*

Donna Davis, State Clean Diesel Grant Program Manager  
Michigan Department of Environmental Quality  
Office of Environmental Assistance  
P.O. Box 30457  
Lansing, MI 48909  
(517) 335-2784  
[david8@michigan.gov](mailto:david8@michigan.gov)

Teresa Cooper  
Michigan Department of Environmental Quality  
Air Quality Division  
P.O. Box 30260  
Lansing, MI 48909  
(517) 335-2247  
[coopert@michigan.gov](mailto:coopert@michigan.gov)

**Michigan Department of Environmental Quality  
State Clean Diesel Grant Program  
The 2011-2012 Request for Projects Competition  
GRANT PROPOSAL COVER SHEET**

(This is page 1 of your proposal)

**APPLICANT/ORGANIZATION INFORMATION**

Project Name: \_\_\_\_\_  
Applicant/Organization's Name: \_\_\_\_\_  
Address (physical location): \_\_\_\_\_  
Address (mailing address): \_\_\_\_\_  
City: \_\_\_\_\_ State: Michigan Zip Code: \_\_\_\_\_  
County: \_\_\_\_\_  
Applicant/Organization Telephone Number: \_\_\_\_\_  
Applicant/Organization Fax Number: \_\_\_\_\_  
Applicant/Organization's Federal ID #: \_\_\_\_\_

**PROJECT CONTACT INFORMATION**

Project Manager's Name and Title: \_\_\_\_\_  
Address (if different than above): \_\_\_\_\_  
City: \_\_\_\_\_ State: Michigan Zip Code: \_\_\_\_\_  
Project Manager's Telephone Number  
(if different from the above) \_\_\_\_\_  
Project Manager's E-mail Address: \_\_\_\_\_

Project Location(s) -city, township, village or county.  
If more than one, list all

\_\_\_\_\_

**GRANT INFORMATION**

Grant Funding Amount Requested: \$ \_\_\_\_\_  
Value of Additional Match: \$ \_\_\_\_\_  
Total Project Costs: \$ \_\_\_\_\_

Please check the most appropriate box for applicant type:

- Michigan city, township or village
- Michigan county
- Port authority
- Public school district(s)
- Private school (non-profit only)
- Other non-profit

Type: \_\_\_\_\_

Private fleet owner/operator  
Type: \_\_\_\_\_



**GRANT PROPOSAL COVER SHEET**  
*(continued)*  
**(This is page 2 of your proposal)**

Please check the most appropriate box(es) for the types of fleets represented in the application

- School bus(es)
- Municipal bus(es)
- Medium-duty truck(s)
- Long Haul truck(s)
- Heavy duty truck(s), not elsewhere specified
- Marine vessel(s)
- Non-road equipment – construction/material handling
- Non-road equipment – port/rail/material handling
- Non-road equipment - mining
- Non-road equipment - agricultural
- Energy production equipment

Please check the most appropriate box(es) for the type of technology represented in the application

- Shut down/start up system
- Auxiliary power (APU)
- HVAC battery-power system
- Fuel operated heater
- Generator set
- Solar storage & transfer
- Thermal storage & transfer
- Diesel oxidation catalyst
- Diesel particulate filter
- Certified engine, repower
- New vehicle with certified engine, type: \_\_\_\_\_
- Other: \_\_\_\_\_

**GRANT ACCEPTANCE**

Name of Person with Grant Acceptance Authority:

Title of Person:

Signature: \_\_\_\_\_

Title of Signatory \_\_\_\_\_

\_\_\_\_\_ Date

**Michigan Department of Environmental Quality  
State Clean Diesel Grant Program  
The 2011-2012 Request for Projects Competition  
GRANT PROJECT PROPOSAL FORMAT**

(This information begins the 3<sup>rd</sup> page of your proposal)

Project Name:	
Applicant/Organization's Name:	
City:	
County:	

**I. Work Plan**

**II. Commitment to the U.S. EPA, regional Midwest Clean Diesel Initiative and the MDEQ's Programmatic Priorities**

- This certifies that my organization is committed to helping the U.S. EPA, the Midwest and Michigan Clean Diesel Initiatives and the Michigan Department of Environmental Quality achieve clean diesel programmatic priorities as outlined in the "Instructions" section of this document and the project proposal.

**III. Description of Administrative Abilities, Staff Expertise and Previous Project History**

Staff and Partner Roles and Responsibilities

Name of Project Staff	Title of Staff	Affiliated Organization	Role/Responsibility with the Project

Previous (Grant) Project Experience

Name of Grant Project	Start and End Dates of Grant	Name of Grantor/ Agency	Grant Project Number

**IV. Timeline and a description of Tasks/ Milestones**

Anticipated Timeline for Completion	Task or Milestone to Achieve



**V. Anticipated Outputs/Outcomes**

**Outputs – Type of Fleet -Vehicles and Technologies Used in Project**

Applicant Name:		City:		County:	
Fleet Type	Fleet Owner	Industry	Technology	Total Number of Vehicles/Eq.	Total Number of Engines Affected

**Outcomes – Short, Medium and Long-Term**

- Short Term Outcomes:
  
- Medium Term Outcomes:
  
- Long Term Outcomes:

**Outcomes - Cost Effectiveness Calculations**

Type of Pollutant	Annual Emission Reductions (tons/yr)	Lifetime Emissions Reductions (tons/yr)	Total Grant Cost Effectiveness
NOx			
PM			
HC			
CO			
CO2			
<b>Amount of Grant Funding Used for Project Activities:\$</b>			

Source of Cost Effectiveness Calculations:

- VI. Budget** (for financial or in-kind match), **Audit/Review Letter** and **Budget Form** (Appendix A of the proposal)
  
- VII. U.S. EPA Fleet Description Spreadsheet** (Appendix B of the proposal)
  
- VIII. Letters of Support** (Appendix C of the proposal)



**Michigan Department of Environmental Quality  
State Clean Diesel Grant Program  
The 2011-2012 Request for Projects Competition**

**CHECKLIST FOR GRANT SUBMISSION**

- Grant Proposal Cover Sheet (pages 1 and 2 of the proposal)
  - Signed by Grant Acceptance Authority
- Grant Project Proposal Format (pages 3-10 of the proposal)
  - Work Plan
- Budget Detail and Budget Form (Appendix A of the proposal)
  - A letter from a certified public accountant documenting that the organization has undergone a successful financial compilation, review or audit within the last 24 months.
- U.S. EPA Fleet Description Spreadsheet, including additional **supporting evidence indicating that repower or replacement activity is an “early replacement or repower.”** (Appendix B of the proposal)
- Repower vs.Replacement Demonstration
  - Documentation showing the **cleaner emission levels for the new engine** for equipment/vehicle replacements or repowers.
  - A detailed **comparison showing the cost differential** between repowering an equipment/vehicle and replacing a similar equipment/vehicle, or the cost differential between replacing a piece of equipment/vehicle vs. repowering a similar piece of equipment/vehicle.
- Letters of Support (Appendix C of the proposal)
- Four hard (paper) copies** of the entire proposal, appendices and letters of support,**along with a CD** of the documents, sent by postal or overnight delivery mail or hand delivery. The electronic CD should be sent along with the hard paper copies of the proposal.
- Electronic copies of the following on CD. **Proposals will not be accepted by fax.**
  - Grant Proposal Cover Sheet (pages 1 and 2 of the proposal)
  - Grant Project Proposal Format (pages 3-10 of the proposal)



- Budget Form (Appendix A of the proposal)
- U.S. EPA Fleet Description Spreadsheet (Appendix B of the proposal)
- Letters of Support (Appendix C)