



MICHIGAN DEPARTMENT OF  
ENVIRONMENT, GREAT LAKES, AND ENERGY

## **Request for Proposals Fuel Transformation Program**

**Volkswagen State Mitigation Trust**

**Local Freight Vehicles**

**Port Drayage Vehicles**

**Shuttle Buses and Transit Buses**

**Freight Switchers**

**Great Lakes Ferries and Tugs**

**Great Lakes Shore Power**

**Airport Ground Support Equipment**

**Port Cargo Handling Equipment**

**Forklifts**

**[Michigan.gov/EGLE](https://www.michigan.gov/EGLE)**

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I. General Grant Information.....	5
<i>Grant Description and Background</i> .....	5
<i>Grant Objectives</i> .....	5
<i>Diesel Emission Impacts and Priority Area Information</i> .....	6
<i>Eligible and Ineligible Applicants</i> .....	7
<i>Grant Match</i> .....	8
<i>Expenses and Payment</i> .....	8
<i>Grant Recipient Project Monitoring and Reporting</i> .....	8
<i>Grant Application Evaluation</i> .....	9
<i>Project Clarifications and Revisions</i> .....	9
<i>Grant Agreement</i> .....	9
<i>Online Resources</i> .....	10
<i>Confidentiality</i> .....	10
II. PART 1.....	10
<i>Application Schedule</i> .....	11
<i>Eligible and Ineligible Vehicles, Definitions, and Required Documentation</i> .....	11
<i>Eligible Projects</i> .....	14
<i>Vehicle Disablement Requirements</i> .....	14
<i>Funding Percentages, Match Requirements, and Bidding Requirements</i> .....	15
<i>Project Partners</i> .....	15
<i>Project Narrative, Workplan, and Timeline</i> .....	16
<i>Note: Project timelines with completion dates through 2023 will be accepted to accommodate the longer delivery times from manufacturers of commercial vehicles.</i> .....	16
<i>Fleet Data Sheet</i> .....	16
<i>Information requested for new vehicle(s)</i> .....	17
<i>Emission Reduction Calculations</i> .....	18

<i>Part 1 Application Rounds and How to Submit Complete Application</i> .....	18
III. Part 2.....	19
<i>Application Schedule</i> .....	19
<i>Freight Switchers</i> .....	19
Eligible Freight Switchers, Definitions, and Required Documentation .....	19
Eligible Freight Switcher Projects.....	20
Ineligible projects include the following: .....	20
Freight Switcher Disablement Requirements.....	20
<i>Funding Percentages, Match Requirements, and Bidding Requirements</i> .....	21
<i>Project Partners</i> .....	22
<i>Project Narrative, Workplan and Timeline</i> .....	22
<i>Fleet Data Sheet</i> .....	22
<i>Emission Reduction Calculations</i> .....	23
<i>Great Lakes Ferries and Tugs</i> .....	23
Eligible Great Lakes Ferries and Tugs.....	23
Great Lakes Ferries and Tugs Disablement Requirements.....	23
<i>Funding Percentages, Match Requirements, and Bidding Requirements</i> .....	23
<i>Project Partners</i> .....	24
<i>Project Narrative, Workplan, and Timeline</i> .....	24
<i>Fleet Data Sheet</i> .....	25
<i>Emission Reduction Calculations</i> .....	25
<i>Great Lakes Vessels Shore Power</i> .....	25
Eligible Great Lakes Shore Power Projects .....	25
<i>Funding Percentages, Match Requirements, and Bidding Requirements</i> .....	26
<i>Project Partners</i> .....	26

<i>Project Narrative, Workplan and Timeline</i> .....	26
<i>Fleet Data Sheet</i> .....	27
<i>Emission Reduction Calculations</i> .....	27
<i>Part 2 Application Rounds and How to Submit Complete Application</i> .....	27
IV. Part 3 .....	28
<i>Part 3 Project Types: Airport Ground Support Equipment, Forklifts and Port Cargo Handling Equipment</i> .....	28
<i>Application Schedule</i> .....	28
Eligible Airport Ground Support Equipment Projects .....	29
Airport Ground Support Equipment Disablement Requirements .....	29
<i>Funding Percentages, Match Requirements, and Bidding Requirements</i> .....	29
<i>Project Partners</i> .....	30
<i>Project Narrative, Workplan and Timeline</i> .....	30
<i>Fleet Data Sheet</i> .....	31
<i>Emission Reduction Calculations</i> .....	31
<i>Forklifts and Port Cargo Handling Equipment</i> .....	31
Eligible Forklifts and Port Cargo Handling Equipment .....	31
Forklifts and Port Cargo Handling Equipment Disablement Requirements .....	31
<i>Funding Percentages, Match Requirements, and Bidding Requirements</i> .....	32
<i>Project Partners</i> .....	33
<i>Project Narrative, Workplan and Timeline</i> .....	33
<i>Fleet Data Sheet</i> .....	33
<i>Emission Reduction Calculations</i> .....	33
<i>Part 3 Application Rounds and How to Submit Complete Application</i> .....	33
V. Appendix A - Draft Grant Agreement Boilerplate .....	35
VI. Appendix B - Grant Application Templates .....	35

*Checklist for Grant Proposal Submission* ..... 35

*Grant Proposal Cover Sheet*..... 35

*Grant Proposal Template*..... 35

*Grant Proposal Budgets* ..... 35

*Fleet Data Sheet*..... 35

## **I. General Grant Information**

### **Grant Description and Background**

The Michigan Department of Environment, Great Lakes, and Energy (EGLE) is providing up to \$30 million in grants to assist with the repowering or replacement of diesel vehicles, vessels, and equipment, and the installation of shore power in three parts over the next three years. These grants are made available through Michigan's Fuel Transformation Program (FTP) and supported with Michigan's \$64.8 million allocation of Volkswagen settlement funds.

The settlement funds are pursuant to two partial consent decrees involving Volkswagen vehicles equipped with emissions testing defeat devices that resulted in increases in oxides of nitrogen (NOx) emissions, up to forty times the allowable amount, violating the federal Clean Air Act, Title 42 of the United States Code (U.S.C.), Section 7401 *et seq.* The increased NOx emissions have adverse impacts to air quality and contribute to the formation of ground-level ozone, which impact ecosystems and impair lung function and cardiovascular health. Projects selected for funding will help to mitigate NOx emissions and meet the grant objectives specified below.

Funding opportunities in this Request for Proposals (RFP) will be released in three parts:

Part 1 is open now and will offer up to \$16 million for vehicles, including medium- and heavy-duty trucks, port drayage vehicles, shuttle buses, and transit buses. School buses are not eligible in this RFP.

Part 2 is targeted to open in 2022 and will offer up to \$9 million for freight switchers, Great Lakes ferries and tugs, and shore power

Part 3 is targeted to open in 2023 and will offer up to \$5 million for airport ground support equipment, port cargo handling equipment, and forklifts.

Grantees will be required to provide match funds ranging from 30 percent to 75 percent of the eligible mitigation action, depending upon the technology selected and whether the grantee is a government or non-government entity.

Successful grant applicants will be selected on a rolling basis per Part, until all funds are awarded, or until the timeframe for the Part closes. See detailed application schedule for each Part below.

### **Grant Objectives**

The objectives of this grant are to:

- Reduce diesel emissions, particularly NOx and fine particulate matter (PM2.5).

- Improve air quality where vehicles, vessels, and equipment idle and operate, especially in heavily populated urban areas and ports.
- Increase protection of human health and the environment, with an emphasis on populations located in priority areas (areas designated as non-attainment and maintenance areas for the National Ambient Air Quality Standards, urban counties, high asthma burden areas, and Environmental Justice Areas).
- Increase the adoption of zero emission and alternate fuel vehicles and equipment.
- Support Governor Whitmer's [climate change mitigation goals](#).
- Support economic growth and innovation.

### **Diesel Emission Impacts and Priority Area Information**

Air pollution from diesel emissions has negative effects on human health and the environment. Diesel emissions can impact respiratory, cardiovascular, and neurological systems. Diesel exhaust also harms wildlife and the environment by contributing to the formation of smog, acid rain, and ground level ozone. Ground level ozone causes considerable damage to plants, agricultural crops, animals, habitat, and ecosystems. Breathing ozone can trigger a variety of health problems including chest pain, coughing, throat irritation, and airway inflammation. It also can reduce lung function, harm lung tissue, worsen bronchitis, emphysema, and asthma, leading to increased medical care.

There are ten counties in Michigan that are designated by the Michigan Department of Health and Human Services as high asthma burden areas. Michigan also has several areas, defined as counties (or partial counties), that are designated as non-attainment or maintenance for a National Ambient Air Quality Standard criteria pollutant. Additionally, diesel emissions have a considerable impact on urban counties. Urban counties are defined as counties containing an Urbanized Area (UA) of at least 50,000 people, or an area adjacent to a UA that has a substantial commuting interchange with a city of greater than 50,000 people. A UA is a statistical geographic entity consisting of a densely settled core created from census tracts or blocks and contiguous qualifying territory that together have a minimum population of at least 50,000 persons.

It is also important to recognize projects located in [Environmental Justice Areas](#) and applicants should self-identify when applicable.

See Table 1 below for specific counties that are designated as being in non-attainment or maintenance for ozone, those that are high asthma burden areas, and those that are defined as urban counties.



<b>Counties</b>	<b>Air Quality Non-Attainment (Ozone)</b>	<b>High Asthma Burden</b>	<b>Urban Counties (&lt;50K)</b>
Allegan	x		
Bay		x	x
Berrien	x		x
Calhoun			x
Clinton			x
Eaton		x	x
Genesee		x	x
Ingham			x
Jackson		x	x
Kalamazoo			x
Kent		x	x
Livingston	x		x
Lapeer			x
Macomb	x	x	x
Midland			x
Monroe	x		x
Muskegon	x		x
Oakland	x	x	x
Ottawa			x
Saginaw		x	x
St. Clair	x	x	x
Washtenaw	x	x	x
Wayne	x	x	x

Table 1.

**Eligible and Ineligible Applicants**

Applicants eligible to apply for this grant include government (public), and non-government (private) businesses and entities. Examples of eligible applicants include but are not limited to the following: non-profit organizations, colleges and universities, local, regional, and state governments, metropolitan planning organizations, transit agencies, port authorities, private business and industry, and tribal governments. Applicants requesting \$500,000 or more in grant dollars, must provide a copy of a full successful audit that was completed by a certified public accountant (CPA) within two years prior to application. Applicants requesting less than \$500,000 in grant funds are not required to submit a full audit or proof of a successful audit.

Entities or individuals that are currently suspended or debarred by the State of Michigan and/or the federal government are ineligible applicants. EGLE may also deem an applicant ineligible due to a compliance or enforcement issue, an outstanding financial liability with the state, or other legal concern.

## **Grant Match**

Grantees are responsible for and must commit to paying the project match, and any expenses not covered by the grant necessary to complete the project.

Match funds from sources other than the applicant are acceptable if there are no restrictions that prohibit their use.

Funds under this award cannot be used for matching funds in the Michigan Clean Diesel, Diesel Emissions Reduction Act (DERA) Program, or other state or federal grants where prohibited.

It is the grantee's responsibility to determine if any restrictions apply to match funds from other sources that would make them ineligible as match for this grant.

## **Expenses and Payment**

EGLE will direct Wilmington Trust, N.A., to reimburse the grantee for eligible costs upon completion of the approved project and after all required documentation has been received and approved by EGLE.

Any expenses incurred before the grant agreement is executed, including the grant applicant's expenses for preparing the application, are not eligible for reimbursement. Costs incurred from grant administration including staff costs and vehicle and engine disabling are not eligible for reimbursement.

## **Grant Recipient Project Monitoring and Reporting**

Grantees will be required to report biannually to EGLE on the status of their projects. Reporting shall follow the schedule outlined in the Grant Agreement and include a complete description of the status, development, implementation, and any modification of the project.

EGLE may also send a usage survey and questionnaire to grantees for completion as part of the grant agreement for up to five years after the grant agreement ends. Survey information may be used to monitor compliance with grant agreement requirements, report out on effectiveness of projects, and to formulate a future RFP.

Information requested may include, but is not limited to:

- Geographic area where the vehicle or equipment was used.
- Miles driven or hours of operation per year.
- Amount of fuel, electricity, or hydrogen used per month or year.
- Average vehicle miles per gallon or equivalent.
- Annual average maintenance costs.
- Problems with chosen technology.

- Attributes of chosen technology.

EGLE may conduct a site visit to inspect the new or repowered vehicle, vessel, or equipment for up to five years following the grant agreement end date.

### **Grant Application Evaluation**

Grant applications will be evaluated by a panel composed of state government staff, and final decisions will be made by EGLE. Grant applications will be evaluated based on several factors including:

- Total lifetime NOx and other greenhouse gas emissions reduced.
- Total grant cost effectiveness (total NOx emissions reduced, divided by the total amount of grant funds requested).
- Project location including priority counties, urban areas, high asthma burden areas, Environmental Justice Areas, and route details.
- Purchase of alternate fuel and/or zero emission vehicles.
- Ability to create a use case scenario for emerging technology or use of existing technology in a novel way.
- Support for economic growth.

Partnerships are encouraged that help to ensure success, form a larger project with greater emission reductions, or leverage project match beyond the minimum.

### **Project Clarifications and Revisions**

During the grant application review process, applicants may be contacted for clarification and for the purpose of negotiating changes in the project, the timeline, and grant amounts. EGLE reserves the right to award grants for amounts other than those requested and/or request changes to, or clarification of, the proposed work plan.

EGLE staff may perform a site visit to verify application accuracies before awarding grant dollars.

### **Grant Agreement**

Each grantee must formally enter into a grant agreement. The grant agreement will address the conditions of the award, including implementation of the project and grant deliverables. Once the grant agreement is signed, the grantee is expected to comply with all conditions of the agreement and shall provide a copy of the grant agreement to all partners. It is important that applicants read and understand all requirements in the RFP and the draft Grant Agreement Boilerplate.

Grantees purchasing new vehicles, vessels, engines, and equipment with grant dollars must:

- Abide by all local, state, and federal bidding and contracting laws, rules, and regulations.
- Operate the new vehicle, engine, vessel, or equipment in the same geographic area as the old vehicle, engine, vessel, or equipment.
- List the state of Michigan as a lien holder on the vehicle title.
  - EGLE retains a lien equal to its share in the purchase price of the fair market value on all vehicles purchased with VW Trust funds. Vehicle liens will be retained for five (5) years from the date the vehicle is titled. Grantees are expected to use grant funded vehicle(s) for at least five (5) years after purchase and delivery. After the five (5) year period, EGLE will submit a vehicle lien release request to MDOS. Grantees cannot sell, discard, transfer or dispose of equipment without formal lien release approval from EGLE.
- Insure and maintain the new vehicle, engine, vessel, or equipment according to the manufacturer's specifications.
- Title and register the new vehicle, engine, vessel, or equipment in the state of Michigan for at least five years after the grant agreement closes.
- Decommission the eligible engine, vehicle, or equipment as prescribed in the Grant Agreement.

## Online Resources

Below are websites that provide useful information and resources to aid in the development of a grant proposal:

- [California Air Resources Board](#)
- [Engine Family Name Locator](#)

This RFP is being issued by EGLE, Materials Management Division, Sustainable Development Unit. You may contact the Environmental Assistance Center at 800-662-9278 with questions about this RFP or check the FTP Website at [Michigan.gov/EGLEFTP](http://Michigan.gov/EGLEFTP) for more information and to find application materials.

## Confidentiality

All information and materials regarding this grant are subject to the Freedom of Information Act.

## **II. PART 1**

Part 1 Project Types: Class 4-8 Local Freight Trucks, Port Drayage Trucks, Shuttle and Transit Buses. School buses are not eligible. A chart with examples of vehicles by class size can be found [on our website](#).

Total grant amount available: \$16 million

Minimum grant request: \$50,000

Maximum grant request: \$3 million.

EGLE reserves the right to issue awards and award amounts supporting RFP grant objectives that may not meet the minimum or maximum grant request amounts listed above.

Up to \$16 million in grants will be awarded to assist with the replacement of eligible diesel local freight and port drayage trucks, shuttle buses, and transit buses with new diesel, alternate fueled, hybrid, or all-electric vehicles and charging equipment. Scrapping eligible diesel engines, trucks or buses is required to reduce emissions and ensure that they will not be put back on the road.

Part 1 Round Three funding will be exclusively for new all-electric and hydrogen fuel cell vehicles.

### **Application Schedule**

Applications for Part 1 will be accepted and evaluated in rounds according to the following schedule until all the funds for Part 1 are awarded. In the event that all \$16 million are awarded in the first or second round, there will not be an additional round(s).

Round 1: February 23, 2021 to April 22, 2021 (CLOSED).

Round 2: June 22, 2021 to August 20, 2021. (CLOSED)

Round 3: October 19, 2021 to December 17, 2021.

EGLE reserves the right to adjust the dates listed above, for whatever reason it deems appropriate.

### **Eligible and Ineligible Vehicles, Definitions, and Required Documentation**

Projects that are eligible will involve the replacement of Class 4-8 local freight vehicles and port drayage trucks with engine model years 1992-2009, and Class 4-8 shuttle buses and transit buses with engine model year 2009 or older with new all-electric, and hydrogen fuel cell vehicles and charging equipment.

Additionally, each vehicle must be operational and in service. The number of miles traveled or number of hours in use over a recent twelve-month period must be specified on the Fleet Data Sheet. . See definitions below.

“All-electric” shall mean powered exclusively by electricity provided by a battery, fuel cell, or the grid.

“Alternate fueled vehicle” is one that is powered by an engine that uses a fuel different from or in addition to diesel fuel (e.g., compressed natural gas, renewable natural gas, propane, diesel-electric hybrid, biodiesel).

“Bus” Shall mean either shuttle or transit bus, or both.

“Class 4-7” shall mean trucks with a gross vehicle weight rating (GVWR) between 14,001 and 33,000 pounds.

“Class 8” shall mean trucks with a GVWR greater than 33,000 pounds.

“Drayage Trucks” shall mean trucks hauling cargo to and from ports and intermodal rail yards.

“Hybrid” shall mean a vehicle that combines an internal combustion engine with a battery and electric motor.

“Intermodal Rail Yard” shall mean a rail facility in which cargo is transferred from drayage truck to train or vice-versa.

“Local”, shall mean a vehicle with a Michigan title and Michigan registration.

“Local Freight Trucks”, shall mean trucks, used to deliver cargo and freight (e.g., courier services, delivery trucks, box trucks moving freight, waste haulers, dump trucks, concrete mixers).

“Long haul” shall mean a vehicle travels further than a 150-mile radius from the transportation or service hub more than half the time.

“Recent twelve-month period” shall mean a period of twelve consecutive months that best represents the vehicle(s) most recent operational use (annual mileage or hours of operation), and best supports data entered in the fleet data sheet. If vehicle usage was severely impacted due to COVID-19, a consecutive twelve-month window prior to the impact is an acceptable timeframe. Records can be no older than October 1, 2018.

“Short haul” shall mean a vehicle travels within a 150-mile radius from the transportation or service hub more than half the time.

“Shuttle bus, or Transit bus” shall mean vehicles with a GVWR greater than 14001 lbs. used for transporting people.

“Trucks” shall mean either local freight trucks, port drayage trucks, or both.

“Vehicle” shall mean either local freight truck, port drayage truck, shuttle bus, or transit bus.

Trucks and buses must meet or exceed all State of Michigan and United States Department of Transportation motor vehicle safety standards applicable to the vehicles described above.

For a vehicle to be eligible for replacement, the following requirements must be met and verified with the specified documentation submitted with the application, as outlined in Table 2 below. Only under unique circumstances and with permission granted by EGLE shall deviations from some of these requirements be permitted.

Requirement for Existing Vehicles	Documentation Required for Existing Vehicles
<p>Shuttle and transit buses must be diesel and have an <i>engine</i> model year of 2009 or older.</p> <p>Freight and drayage trucks must be diesel and have an <i>engine</i> model year of 1992-2009.</p>	<p>Provide the United States Environmental Protection Agency (USEPA) engine family name by submitting images of the engine name plate, specifically the location of the name plate that clearly shows the USEPA engine family name. If the USEPA engine family name is illegible due to engine nameplate wear or destruction, still provide an image and attach a signed and dated statement justifying declared engine model year for that vehicle. Guidance on locating family name is available in the online resources section of this RFP.</p>
<p>The entity who will be purchasing the new vehicle(s) must be retiring an old truck or bus that has a Michigan title and registration and been owned and in operation by the entity for at least 24 months prior to the date the entity submits their application to EGLE.</p>	<p>A copy of the title and registration for the vehicle(s) being retired.</p>
<p>For vehicle(s) that will be retired, proof of miles driven, or hours operated must be provided. If vehicle usage was severely impacted due to COVID-19, records from a consecutive twelve-month window prior to the impact are acceptable. Records can be no older than October 1, 2018.</p>	<p>A copy of records that document miles driven or hours of operation, specific to each vehicle that will be disabled. Examples include records from fleet management software, odometer readings from maintenance records or gas receipts.</p>
<p>The old vehicle(s) must be currently operating and performing its intended function. Old vehicle(s) must have traveled in the geographic area described in this application and the new vehicle must continue to operate in this same geographic area.</p>	<p>Application cover sheet (provided with this RFP) with affidavit signed by entity, stating the mentioned requirements are and will be met.</p>

Requirement for Existing Vehicles	Documentation Required for Existing Vehicles
Complete Fleet Data Sheet	Complete Fleet Data Sheet. Applicants that fail to complete the Fleet Data Sheet may be deemed ineligible. See additional details below.

Table 2: Existing Vehicle and Documentation Requirements

### Eligible Projects

Eligible projects include the replacement of old eligible diesel trucks and buses, as described above with new trucks or buses powered by an engine model year in which the eligible mitigation action occurs, or one engine model year prior. New vehicles may be all-electric or hydrogen fuel cell vehicles. Technology changes may not be permitted after a proposal has been selected for funding. If technology compatibility issues arise, EGLE may elect to terminate the grant agreement, at which time any spent grant funds must be returned to the State Mitigation Trust.

New vehicles must continue to perform the same function and operation as the vehicle that is being replaced and have a similar gross vehicle weight rating as the old disabled truck(s) or bus(es) and serve the same geographic area for at least five years after the grant agreement ends. If there is a difference in gross vehicle weight rating that places the new bus or truck into a different gross vehicle weight rating class as compared to the old vehicle, it must be justified in the application.

Truck or bus owners who receive funds to purchase new vehicles through this grant must title and register the vehicle(s) in the state of Michigan and place the State of Michigan as a lien holder on the title.

Ineligible projects include the following:

- Gasoline powered engines.
- Repowered or repowering of vehicles.
- New vehicles purchased to expand a fleet.
- Replacing a truck or bus that is non-functional or non-operational.

### Vehicle Disablement Requirements

Eligible vehicles, as described above, must have their engines and chassis permanently disabled prior to requesting reimbursement for a new truck or bus. Permanently disabling the engine requires, at a minimum, cutting a three-inch hole in the engine block (the part of the engine containing the cylinders). Disabling the chassis may be completed by cutting through the frame/frame rails on each side at a point located between the front and rear axles. Engines and chassis may also be permanently disabled by other methods approved by EGLE. Permanently disabling the chassis and



disabling the engine while retaining possession of the bus/equipment is an acceptable scrapping method. Permanently disabled vehicles may also be sold for scrap.

A signed affidavit of destruction and digital photos of the disabled truck(s) or bus(es), including the vehicle identification number and engine name plate (specifically the location of the name plate that clearly shows the USEPA engine family name) destroyed engine block, and cut frame rails or other structural components are required. EGLE staff can provide assistance with verifying engine model year if the USEPA engine family name is illegible.

### **Funding Percentages, Match Requirements, and Bidding Requirements**

The maximum percent of grant funds allowed per new truck or bus varies depending on whether the truck(s) or bus(es) are publicly/government owned or privately/non-government owned. Grantees are responsible for and must commit to paying the project match and expenses not covered by the grant necessary to complete the project.

Funding amounts for privately/non-government owned vehicles will be:

- Up to 50 percent of the cost of a new all-electric or hydrogen fuel cell truck or bus and charging/fueling equipment.

Funding amounts for publicly/government owned vehicles will be:

- Up to 70 percent of the cost of a new all-electric or hydrogen fuel cell truck or bus and charging/fueling equipment.

Grantees will need to demonstrate that the new vehicle(s) have adequate fueling or charging infrastructure that is fully functional.

Grant applicants must explain how the price for the new vehicle will be established and must abide by all applicable local, state, and federal bidding, purchasing, and contracting laws and requirements. EGLE reserves the right to request copies of the grantee's bids and bid processes, and to fund projects at a lesser percent than requested.

### **Project Partners**

Grant applicants are encouraged to form partnerships to ensure success or develop higher quality projects or larger projects involving more than one vehicle that will result in greater emission reductions and reduce the cost per vehicle. However, partnerships are not required, and a single entity may apply and be eligible for grant funds. Note that while partnerships are encouraged, no single entity may submit individually and be a part of another application. Signed Letters of Commitment from the applicant and all

project partners on their organization's letterhead is required. Letters of Commitment that are not on their organization's letterhead will not be accepted.

## **Project Narrative, Workplan, and Timeline**

Applicants shall include in the project narrative and workplan an explanation of:

- How, when, and where the vehicle will be used, including a brief description of the vehicle's duty cycle and route.
- The percent of time per year the vehicle travels in Michigan. Whether the vehicle is short-haul (makes deliveries within a 150-mile radius more than half the time) or long-haul (makes deliveries greater than a 150-mile radius more than half the time).
- The availability of fuel or electric charging in the areas where the vehicle will operate.
- How the project will create a use case scenario for emerging technology or use of existing technology in a novel way.
- How the project will support positive economic growth.
- The technology and/or procedures they will use to track and verify the use and movements of the vehicle
- The technology and/or procedures the applicant will use to track and ensure that the vehicle will be maintained in accordance with manufacturers specifications.
- An explanation of the project funding source(s) and any project partners.

Applicants shall include in the project timeline:

- A timeline for project completion broken out by month(s) and year that includes a brief description of the task to be completed, who is responsible for completing that task and the deliverable is required.

**Note: Project timelines with completion dates through 2023 will be accepted to accommodate the longer delivery times from manufacturers of commercial vehicles.**

## **Fleet Data Sheet**

Applicants must complete the Fleet Data Sheet as part of their application. Applicants failing to provide required information in the Fleet Data Sheet will be ineligible for funds. The following is a guide to help complete the Fleet Data Sheet:

Information requested for existing (old) vehicle(s)

- Identify vehicle type, route type (long haul or short haul), and vocation type (vocation type will be selecting using a drop-down menu).
- Vehicle(s) make, model, and VIN number.
- Engine model year and engine family name (found on engine name plate).

- Vehicle class size (determined by GVWR the maximum weight of the vehicle, as specified by the manufacturer:
  - 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: > 33,001 lb.
- Michigan Vehicle Registration Number.
- Gallons of fuel consumed per year and miles driven per year (can be an estimate or actual).
- Estimated hours operated per year (only if miles driven per year is not applicable).
- Type of fuel and engine horsepower (horsepower is required if reporting vehicle hours of operation).
- Estimated years for early retirement (the fleet owner's estimate of the number of years until the unit would have been retired from service if the unit were not being replaced or scrapped. The remaining life estimate depends on the current age and condition of the vehicle at the time of replacement).

Information requested for new vehicle(s)

- Make, model, and engine model year.
- Type of fuel/energy source.
- Estimated miles to be driven per year (or estimated hours of operation per year).
- Estimated lifetime of new vehicle (years).

If a space on the fleet data sheet does not apply to your project, place "N/A" in the space. No space should be left blank.

## **Emission Reduction Calculations**

To calculate the emission reduction benefits from the replacement of old eligible trucks and buses with new vehicles, EGLE staff will use the Argonne National Laboratory Alternative Fuel Life-Cycle Environmental and Economic Transportation (AFLEET) Tool and information from the Fleet Data Sheet.

## **Part 1 Application Rounds and How to Submit Complete Application**

To complete an application, go to [Michigan.gov/EGLEFTP](https://Michigan.gov/EGLEFTP) to download and fill out the application checklist, cover sheet, template, budget form, and fleet data sheet. Include the documentation required to verify eligibility of vehicle, engine, or equipment being decommissioned. Applicants requesting \$500,000 or more in grant dollars, must provide a copy of a full successful audit that was completed by a CPA within two years prior to application.

Applications for Part 1 will be accepted and evaluated in rounds according to the following schedule until all the funds for Part 1 are awarded. In the event that all \$16 million are awarded in the first or second round, there will not be an additional round(s).

Round 1: February 23, 2021 to April 22, 2021. (CLOSED)

Round 2: June 22, 2021 to August 20, 2021 (CLOSED)

Round 3: October 19, 2021 to December 17, 2021.

EGLE reserves the right to adjust the dates listed above, for whatever reason it deems appropriate.

If a project does not meet the minimum criteria or sufficiently meet the grant objectives, it will not be funded. Applicants must also pass a due diligence compliance check. Applications that are not funded may reapply in the next round. In the event that the total request exceeds the amount of funds available in one round, the highest scoring applications will be funded.

Applications must be submitted electronically in one portable document format (PDF) file that contains the complete grant application and one Excel file of the Fleet Data Sheet with the subject line stating Part 1, Round Number, and the name of the applicant to [EGLE-FTP-VW@Michigan.gov](mailto:EGLE-FTP-VW@Michigan.gov).

Applications that are sent in more than one electronic file may be disqualified.

Applications greater than 15 pages in length (not including required attachments) may be disqualified.

### **III. Part 2**

Part 2 Project Types: Freight Switchers, Great Lakes Ferries and Tugs, and Great Lakes Vessels Shore Power.

Total grant amount available: \$9,000,000.

Minimum grant request: \$100,000.

Maximum grant request: \$5,000,000

EGLE reserves the right to issue awards and award amounts supporting RFP grant objectives that may not meet the minimum or maximum grant request amounts listed above.

Up to \$9 million is available for eligible projects involving freight switchers, Great Lakes Ferries and Tugs, and Great Lakes Vessels Shore Power. The specific requirements for each project type are described below.

#### **Application Schedule**

The following schedule provides target dates that applications for Part 2 will be accepted and evaluated until all the funds for Part 2 are awarded. In the event that all \$9 million are awarded in the first or second round, there will not be an additional round(s).

Round 1: February 23, 2022 to April 22, 2022

Round 2: June 21, 2022 to August 19, 2022.

Round 3: October 18, 2022 to December 16, 2022.

EGLE reserves the right to adjust the dates listed above, for whatever reason it deems appropriate. In the event that all dollars in Part 1 are awarded in the first or second Round, this schedule may be accelerated.

#### **Freight Switchers**

Eligible Freight Switchers, Definitions, and Required Documentation

A freight switcher is defined as a locomotive that moves rail cars around a rail yard, as compared to a line-haul engine that moves freight long distances. Freight switchers eligible for replacement or repower include pre-Tier 4 switcher locomotives that operate 1,000 or more hours per year.

“Repower” shall mean to replace an existing freight switcher engine with a new, cleaner engine or power source that is certified by the USEPA and, if applicable, CARB, to meet a more stringent set of engine emission standards. Repower includes, but is not limited to, diesel engine replacement with an engine certified for use with diesel or a clean alternate fuel, diesel engine replacement with an electric power source (e.g., grid, battery), diesel engine replacement with a fuel cell, and diesel engine replacement with an electric generator(s) (genset). All-electric and fuel cell repowers do not require a USEPA or CARB certification.

Documentation of the engine model year, proof of hours of operation per year (twelve consecutive months), and name of and contact number for the switcher owner must be provided with the application.

### Eligible Freight Switcher Projects

Eligible projects include the replacement or repower of eligible freight switchers, as described above with any new diesel, alternate fuel, fuel cell, or all-electric (including generator sets) freight switcher or engine that is certified to meet the applicable USEPA emissions standards as published in the Code of Federal Regulations for the engine model year in which the eligible freight switcher mitigation action occurs. A copy of the Certificate of Conformity is required for all engines except for those that are all-electric.

Technology changes may not be permitted after a proposal has been selected for funding. If technology compatibility issues arise, EGLE may elect to terminate the grant agreement, at which time any spent grant funds must be returned to the State Mitigation Trust.

New or repowered freight switchers must continue to perform the same function and operation as the one that is being replaced. Freight switcher owners who receive funds to purchase new or repower a freight switcher through this grant must register the freight switcher and operate it in the state of Michigan, in the geographic area specified in the application (i.e., the same geographic region as the freight switcher that is being repowered or replaced), for at least five years after the grant agreement ends.

Ineligible projects include the following:

- Gasoline powered engines.
- Electric rail car movers.
- Disabling a freight switcher that is non-functional or non-operational.

### Freight Switcher Disablement Requirements

Eligible freight switchers that are replaced must be scrapped and have their engines permanently disabled. Permanently disabling the engine requires, at a minimum, cutting a three-inch hole in the engine block (the part of the engine containing the

cylinders). Engines may also be permanently disabled by other methods approved by EGLE.

A signed certificate of destruction and digital photos of the engines, including the engine model year, road number or identification number, destroyed engine block, or other structural components is required.

### **Funding Percentages, Match Requirements, and Bidding Requirements**

The maximum percent of grant funds allowed per freight switcher varies depending on the type of technology selected and whether the freight switcher is publicly/government owned or privately/non-government owned. Grantees are responsible for and must commit to paying the project match and expenses not covered by the grant necessary to complete the project.

Funding amounts for repowering privately/non-government-owned freight switchers will be:

- Up to 40 percent of the cost of a repower with a new diesel or alternate fueled engine(s) (including generator sets), including the cost of installation of such engine(s).
- Up to 50 percent of the cost of a repower with a new all-electric engine(s), (including generator sets), including the cost of installation of such engine(s).

Funding amounts for new privately/non-government owned freight switchers will be:

- Up to 25 percent for a new diesel or alternate fueled freight switcher.
- Up to 60 percent of the cost of a new all-electric freight switcher.

Funding amounts for repowering publicly/government-owned freight switchers will be:

- Up to 60 percent of the cost of a repower with a new diesel or alternate fueled engine(s), (including generator sets), including the cost of installation of such engine(s).
- Up to 70 percent of the cost of a repower with a new all-electric engine(s), (including generator sets), including the cost of installation of such engine(s).

Funding amounts for new publicly/government owned freight switchers will be:

- Up to 60 percent the cost of a new diesel or alternate fueled freight switcher.
- Up to 70 percent the cost of a new all-electric freight switcher.

Grant applicants will need to demonstrate that adequate charging infrastructure is available for any all-electric projects.

Grant applicants must explain how the price for the repowered or new freight switcher will be established and must abide by all applicable local, state, and federal bidding, purchasing, and contracting laws and requirements. EGLE reserves the right to request copies of the grantee's bids and bid processes, and to fund projects at a lesser percent than requested.

### **Project Partners**

Grant applicants are encouraged to form partnerships to ensure success or develop higher quality or larger projects. However, partnerships are not required, and a single entity may apply and be eligible for grant funds. Note that while partnerships are encouraged, no single entity may submit individually and be a part of another application. Signed Letters of Commitment from the applicant and all project partners on their organization's letterhead is required. Letters of Commitment that are not on their organization's letterhead will not be accepted.

### **Project Narrative, Workplan and Timeline**

Applicants shall include in the project narrative and workplan an explanation of:

- How, when, and where the freight switcher will be used.
- The technology and/or procedures they will use to track and verify the use and movements of the freight switcher to ensure operation exclusively in Michigan.
- The technology and/or procedures the applicant will use to track and ensure that the freight switcher will be maintained in accordance with manufacturers specifications.
- For alternate fueled and electric freight switchers, the availability of the alternate fuel or electric charging in the areas where the freight switcher will operate.
- The applicant's funding source(s) or financial resources to cover the cost of the freight switcher repower or replacement until reimbursement is approved.

Applicants shall include in the project timeline:

- A timeline for project completion broken out by month(s) and year intervals that includes a brief description of the task to be completed and who is responsible for completing that task is required.

### **Fleet Data Sheet**

Applicants must complete the Fleet Data Sheet as part of their application. Use the tab titled "Locomotive" at the bottom of the form. Applicants should estimate the remaining life in years, of the engine(s) that will be disabled. This is the number of years the engine or freight switcher would have been used if not scrapped as part of this project. The remaining life depends on the current age and condition of the freight switcher engine at the time of upgrade or replacement. Applicants failing to provide the required information will be ineligible for grant funds.



## **Emission Reduction Calculations**

EGLE staff will use data from the Fleet Data Sheet to run the USEPA's Diesel Emission Quantifier [EPA.gov/Quantifier](https://www.epa.gov/quantifier).

## **Great Lakes Ferries and Tugs**

### Eligible Great Lakes Ferries and Tugs

Eligible Great Lakes ferries and tugs include those that operate in the Great Lakes, spend at least 60 percent of the time within Michigan's legal boundary, and have unregulated, Tier 1, or Tier 2 marine engines. Tugs are dedicated vessels that push or pull other vessels in ports, harbors, and inland waterways (e.g., tugboats and towboats).

Applicants must describe their routes of travel and approximate amount of time spent in Michigan Great Lakes waters and specific ports.

Eligible ferries and/or tugs may be repowered with any new Tier 4 diesel or alternate fueled engines, or with all-electric engines, or may be upgraded with a USEPA Certified Remanufacture System or a USEPA Verified Engine Upgrade to achieve a reduction in emissions. All electric and fuel cell repowers do not require a USEPA or CARB certification.

### Great Lakes Ferries and Tugs Disablement Requirements

Eligible ferry and/or tug engines that are replaced must be scrapped. Permanently disabling the engine requires, at a minimum, cutting a three-inch hole in the engine block (the part of the engine containing the cylinders). Engines may also be permanently disabled by other methods approved by EGLE.

A signed certificate of destruction and digital photos of the engines, including the engine model, model year and Hull Identification Number, destroyed engine block or other structural components is required.

## **Funding Percentages, Match Requirements, and Bidding Requirements**

The maximum percent of grant funds allowed per ferry/tug varies depends on the type of technology selected and whether the ferry/tug is publicly/government owned or privately/non-government owned. Grantees are responsible for and must commit to paying expenses not covered by the grant necessary to complete the project.

Funding amounts for repowering privately/non-government-owned ferries and/or tugs will be:

- Up to 40 percent of the cost of a repower with (a) new diesel or alternate fueled engine(s), including the cost of installation.

- Up to 50 percent of the cost of a repower with (a) new all-electric engine(s), including the costs of installation of such (an) engine(s).

Funding amounts for repowering publicly/government-owned ferries and/or tugs will be:

- Up to 60 percent of the cost of a repower with (a) new diesel or alternate fueled engine(s), including the cost of installation of such (an) engine(s).
- Up to 70 percent of the cost of a repower with a new all-electric engine(s) including the cost of installation of such (an) engine(s).

Grant applicants will need to demonstrate that adequate charging infrastructure is available for any all-electric projects.

Grant applicants must explain how the price for repowering ferry or tug will be established and must abide by all applicable local, state, and federal bidding, purchasing, and contracting laws and requirements. EGLE reserves the right to request copies of the grantee's bids and bid processes, and to fund projects at a lesser percent than requested.

### **Project Partners**

Grant applicants are encouraged to form partnerships to ensure success or develop higher quality or larger projects. However, partnerships are not required, and a single entity may apply and be eligible for grant funds. Note that while partnerships are encouraged, no single entity may submit individually and be a part of another application. Signed Letters of Commitment from the applicant and all project partners on their organization's letterhead is required. Letters of Commitment that are not on their organization's letterhead will not be accepted.

### **Project Narrative, Workplan, and Timeline**

Applicants shall include in the project narrative and workplan an explanation of:

- How, when, and where the repowered tug or ferry boat will be used.
- Technology and/or procedures the applicant will use to ensure that the repowered tug or ferry boat will be operated within Michigan at least 60 percent of the time.
- Technology and/or procedures the applicant will use to track and ensure that the repowered tug or ferry boat will be maintained in accordance with manufacturer specifications.
- For alternative-fueled and electric engines, the availability of the alternative fuel or electric charging in the areas where tug or ferry boat will most frequently operate.
- If the applicant has the financial resources to cover the cost of the repower of the tug or ferry boat until reimbursement from the grant is approved.

Applicants shall include in the project timeline:

- A timeline for project completion broken out in month(s) and year intervals that includes a brief description of the task to be completed and who is responsible for completing that task.

### **Fleet Data Sheet**

Applicants must complete the Fleet Data Sheet as part of their application. Use the tab titled “Marine” at the bottom of the form. Applicants should estimate the remaining life in years, of the engine(s) that will be repowered. This is the number of years the tug or ferry boat engine would have been used if not repowered as part of this project. The remaining life depends on the current age and condition of the tug or ferry boat engine at the time of repower. Applicants failing to provide the required information will be ineligible for grant funds.

### **Emission Reduction Calculations**

EGLE staff will use data from the Fleet Data Sheet to run the USEPA’s Diesel Emission Quantifier [EPA.gov/Quantifier](http://EPA.gov/Quantifier).

### **Great Lakes Vessels Shore Power**

Eligible Great Lakes Shore Power Projects

Eligible shore power includes equipment only for vessels that operate within the Great Lakes. Eligible shore power includes systems that enable a compatible vessel’s main and auxiliary engines to remain off while the vessel is at berth. Components of such systems eligible for reimbursement are limited to cables, cable management systems, shore power coupler systems, distribution control systems, and power distribution. Great Lakes shore power systems must comply with international shore power design standards (International Organization for Standardization (ISO)/ International Electrotechnical Commission (IEC)/ Institute of Electrical and Electronics Engineers (IEEE) 80005-1-2012 High Voltage Shore Connection Systems or the IEC/Publicly Available Specification (PAS) 80005-3:2014 Low Voltage Shore Connection Systems) and should be supplied with power sourced from the local utility grid.

Funding may support new installations, or expansions of existing shore power systems.

Applicants must demonstrate that the proposed system has the capacity, demand, and commitment to be used for more than 1,000 megawatt-hours per year. Smaller projects will be considered if the applicant can demonstrate cost effectiveness.

Due to the unique nature and custom design of marine shore power connection systems, EGLE will review and approve marine shore power connection systems on a case-by-case basis. If the project application is selected for funding, the final design of

the marine shore power connection system will require specific EGLE approval prior to purchase and installation.

Shore power capable vessels docked at a berth where shore power is available must be required to turn off the vessel's engines and use the shore power system, with limited exceptions for extreme circumstances.

### **Funding Percentages, Match Requirements, and Bidding Requirements**

The maximum percent of grant funds allowed for shore power systems varies depending on whether the system is publicly/government owned or privately/non-government owned. Grantees are responsible for and must commit to paying expenses not covered by the grant necessary to complete the project.

Funding amounts for privately/non-government-owned equipment will be:

- Up to 25 percent of the costs associated with the shore-side system, including cable, cable management systems, shore power coupler systems, distribution control systems, installation, and power distribution components.

Funding amounts for publicly/government-owned equipment will be:

- Up to 70 percent of the costs associated with the shore-side system, including cable, cable management systems, shore power coupler systems, distribution control systems, installation, and power distribution components.

Grant applicants must explain how the price for the shore power system will be established and must abide by all applicable local, state, and federal bidding, purchasing, and contracting laws and requirements. EGLE reserves the right to request copies of the grantee's bids and bid processes, and to fund projects at a lesser percent than requested.

### **Project Partners**

Grant applicants are encouraged to form partnerships to ensure success or develop higher quality or larger projects. However, partnerships are not required, and a single entity may apply and be eligible for grant funds. Note that while partnerships are encouraged, no single entity may submit individually and be a part of another application. Signed Letters of Commitment from applicant and all project partners on their organization's letterhead is required. Letters of Commitment that are not on their organization's letterhead will not be accepted.

### **Project Narrative, Workplan and Timeline**

Applicants shall include in the project narrative and workplan an explanation of:

- How, when and where the shore power will be used.
- Information about the fleet of vessels that has, or will have, the ability to use the shore-side connection system.
- The estimated annual number of ship visits to berth where the shore power system is to be installed.
- The average hoteling (or idling) time per visit.
- Technology and/or procedures the applicant will use to track shore power usage.
- Any documented commitment of visits and hours by the fleet of vessels that has, or will have, the ability to use the shore-side connection system.
- Technology and/or procedures the applicant will use to track and ensure that the shore power equipment will be maintained in accordance with manufacturer specifications.

Applicants shall include in the project timeline:

- A timeline for project completion broken out in month(s) and year intervals that includes a brief description of the task to be completed and who is responsible for completing that task.

### **Fleet Data Sheet**

Applicants must complete the Fleet Data Sheet as part of their application. Use the tab titled “Shore Power” at the bottom of the form. Applicants failing to provide the required information will be ineligible for grant funds.

### **Emission Reduction Calculations**

To calculate the emission reduction benefits from shore power projects, EGLE staff will use data from the Fleet Data Sheet to run the USEPA’s High Capacity Shore Power Emissions General Model.

### **Part 2 Application Rounds and How to Submit Complete Application**

To complete an application, go to [Michigan.gov/EGLEFTP](https://Michigan.gov/EGLEFTP) to download and fill out the application checklist, cover sheet, template, budget form, and fleet data sheet. Include all required documentation specific to the type of project (freight, marine or shore power). Applicants requesting \$500,000 or more in grant dollars, must provide a copy of a full successful audit that was completed by a CPA within two years prior to application.

The following schedule provides target dates that applications for Part 2 will be accepted and evaluated until all the funds for Part 2 are awarded. In the event that all \$9 million are awarded in the first or second round, there will not be an additional round(s).

Round 1: February 23, 2022 to April 22, 2022

Round 2: June 21, 2022 to August 19, 2022.

Round 3: October 18, 2022 to December 16, 2022.

EGLE reserves the right to adjust the dates listed above, for whatever reason it deems appropriate. In the event that all dollars in Part 1 are awarded in the first or second Round, this schedule may be accelerated.

If a project does not meet the minimum criteria or sufficiently meet the grant objectives it will not be funded. Applicants must also pass a due diligence compliance check. Applications that are not funded may reapply in the next round. In the event that the total request exceeds the amount of funds available in one round, the highest scoring applications will be funded.

Applications must be submitted electronically in one PDF file that contains the complete grant application with subject line stating Part 2, Round number, and the name of the applicant to [EGLE-FTP-VW@michigan.gov](mailto:EGLE-FTP-VW@michigan.gov).

Applications that are sent in more than one electronic file may be disqualified.

Applications greater than 15 pages in length (not including required attachments) may be disqualified.

#### **IV. Part 3**

##### **Part 3 Project Types: Airport Ground Support Equipment, Forklifts and Port Cargo Handling Equipment**

Total grant amount available: \$5,000,000

Minimum grant request: \$50,000

Maximum grant request: \$3,000,000

EGLE reserves the right to issue awards and award amounts supporting RFP grant objectives that may not meet the minimum or maximum grant request amounts listed above.

#### **Application Schedule**

The following schedule provides target dates that applications for Part 3 will be accepted and evaluated until all the funds for Part 3 are awarded. In the event that all \$5 million are awarded in the first or second round, there will not be an additional round(s).

Round 1: March 1, 2023 to May 5, 2023.

Round 2: July 11, 2023 to September 8, 2023.

Round 3: November 7, 2023 to January 12, 2024.

EGLE reserves the right to adjust the dates listed above, for whatever reason it deems appropriate. In the event that all dollars in Part 2 are awarded in the first or second Round, this schedule may be accelerated.

### Eligible Airport Ground Support Equipment Projects

Eligible airport ground support equipment are vehicles and equipment used at an airport to service aircraft between flights, such as aircraft tugs, baggage tugs, stair trucks, pushbacks, forklifts, man lifts, and belt loaders. Eligible airport ground support equipment includes Tier 0, Tier 1, or Tier 2 diesel powered airport ground support equipment; and uncertified or certified to 3 g/bhp-hr or higher emissions, spark ignition engine powered airport ground support equipment.

Eligible airport ground support equipment may be repowered with an all-electric engine or may be replaced with the same airport ground support equipment in all-electric form.

### Airport Ground Support Equipment Disablement Requirements

Eligible airport ground support equipment must be scrapped and have their engines permanently disabled. Permanently disabling the engine requires, at a minimum, cutting a three-inch hole in the engine block (the part of the engine containing the cylinders). Engines may also be permanently disabled by other methods approved by EGLE.

A signed certificate of destruction and digital photos of the engines, including the engine identification numbers, destroyed engine block or other structural components is required.

### **Funding Percentages, Match Requirements, and Bidding Requirements**

The maximum percent of grant funds allowed for airport ground support equipment varies depending on whether the airport ground support equipment is government owned or privately-owned. Grantees are responsible for and must commit to paying expenses not covered by the grant necessary to complete the project.

Funding amounts for repowering privately/non-government-owned airport ground support equipment will be:

- Up to 50 percent of the cost of a repower with new all-electric equipment and charging station.

Funding amounts for new privately/non-government owned airport ground support equipment will be:

- Up to 50 percent of the cost of new all-electric airport ground support equipment and charging station.

Funding amounts for repowering publicly/government-owned airport ground support equipment will be:

- Up to 70 percent of the cost of a repower with a new all-electric airport ground support equipment and charging station.

Funding amounts for new publicly/government owned airport ground support equipment will be:

- Up to 70 percent the cost of a new all-electric airport ground support equipment and charging station.

Grant applicants will need to demonstrate that adequate charging infrastructure is available for all-electric projects.

Grant applicants must explain how the price for the repowered or new airport ground support equipment will be established and must abide by all applicable local, state, and federal bidding, purchasing, and contracting laws and requirements. EGLE reserves the right to request copies of the grantee's bids and bid processes, and to fund projects at a lesser percent than requested

### **Project Partners**

Grant applicants are encouraged to form partnerships to ensure success or develop higher quality or larger projects. However, partnerships are not required, and a single entity may apply and be eligible for grant funds. Note that while partnerships are encouraged, no single entity may submit individually and be a part of another application. Signed Letters of Commitment from applicant and all project partners on their organization's letterhead is required. Letters of Commitment that are not on their organization's letterhead will not be accepted.

### **Project Narrative, Workplan and Timeline**

Applicants shall include in the project narrative and workplan an explanation of:

- How, when and where the airport ground support equipment will be used.
- Technology and/or procedures the applicant will use to track airport ground support equipment usage.



- Technology and/or procedures the applicant will use to track and ensure that the airport ground support equipment will be maintained in accordance with manufacturer specifications.

Applicants shall include in the project timeline:

- A timeline for project completion broken out in month(s) and year intervals that includes a brief description of the task to be completed and who is responsible for completing that task.

### **Fleet Data Sheet**

Applicants must complete the Fleet Data Sheet as part of their application. Use the tab titled “Off-road” at the bottom of the form. Applicants should estimate the remaining life in years, of the equipment that will be repowered or replaced. This is the number of years the airport ground support equipment would have been used if not repowered or replaced as part of this project. The remaining life depends on the current age and condition of the equipment at the time of repower. Applicants failing to provide the required information will be ineligible for grant funds.

### **Emission Reduction Calculations**

EGLE staff will use data from the Fleet Data Sheet to run the USEPA’s Diesel Emission Quantifier [EPA.gov/Quantifier](http://EPA.gov/Quantifier).

### **Forklifts and Port Cargo Handling Equipment**

#### Eligible Forklifts and Port Cargo Handling Equipment

Eligible port cargo handling equipment includes rubber-tired gantry cranes, straddle carriers, shuttle carriers, terminal tractors, yard hostlers, and yard tractors that operate within ports and intermodal facilities.

“Forklift” shall mean nonroad equipment used to lift and move materials short distances; generally, includes tines to lift objects. Eligible types of forklifts include reach stackers, side loaders, and top loaders. Eligible Forklifts includes forklifts with greater than 8000 pounds lift capacity.

Eligible forklifts and port cargo handling equipment may be repowered with an all-electric engine or may be replaced with the same equipment in all-electric form.

#### Forklifts and Port Cargo Handling Equipment Disablement Requirements

Eligible forklifts and port handling equipment must be scrapped and have their engines permanently disabled. Permanently disabling the engine requires, at a minimum, cutting a three-inch hole in the engine block (the part of the engine containing the

cylinders). Engines may also be permanently disabled by other methods approved by EGLE.

A signed certificate of destruction and digital photos of the engines, including the engine identification numbers, destroyed engine block or other structural components is required.

### **Funding Percentages, Match Requirements, and Bidding Requirements**

The maximum percent of grant funds allowed for forklifts and port cargo handling equipment varies depending on whether the equipment is government owned or privately-owned. Grantees are responsible for and must commit to paying expenses not covered by the grant necessary to complete the project.

Funding amounts for repowering privately/non-government-owned forklifts and port cargo handling equipment will be:

- Up to 50 percent of the cost of a repower with new all-electric equipment and charging station.

Funding amounts for new privately/non-government owned forklifts and port cargo handling equipment will be:

- Up to 50 percent of the cost of new all-electric forklift and port cargo handling equipment and charging station.

Funding amounts for repowering publicly/government-owned forklifts and port cargo handling equipment will be:

- Up to 70 percent of the cost of a repower with a new all-electric forklift and port cargo handling equipment and charging station.

Funding amounts for new publicly/government owned forklifts and port cargo handling equipment will be:

- Up to 70 percent of the cost of a new all-electric forklift and port cargo handling equipment and charging station.

Grant applicants will need to demonstrate that adequate charging infrastructure is available for all-electric projects.

Grant applicants must explain how the price for the forklifts and port cargo handling equipment will be established and must abide by all applicable local, state, and federal bidding, purchasing, and contracting laws and requirements. EGLE reserves the right to request copies of the grantee's bids and bid processes, and to fund projects at a lesser percent than requested.

## **Project Partners**

Grant applicants are encouraged to form partnerships to ensure success or develop higher quality or larger projects. However, partnerships are not required, and a single entity may apply and be eligible for grant funds. Note that while partnerships are encouraged, no single entity may submit individually and be a part of another application. Signed Letters of Commitment from the applicant and all project partners on their organization's letterhead is required. Letters of Commitment that are not on their organization's letterhead will not be accepted.

## **Project Narrative, Workplan and Timeline**

Applicants shall include in the project narrative and workplan an explanation of:

- How, when, and where the forklift or port handling equipment will be used.
- Technology and/or procedures the applicant will use to track equipment usage.
- Technology and/or procedures the applicant will use to track and ensure that the equipment will be maintained in accordance with manufacturer specifications.

Applicants shall include in the project timeline:

- A timeline for project completion broken out in month(s) and year intervals that includes a brief description of the task to be completed and who is responsible for completing that task.

## **Fleet Data Sheet**

Applicants must complete the Fleet Data Sheet as part of their application. Use the tab titled "Off-road" at the bottom of the form. Applicants should estimate the remaining life in years, of the equipment that will be repowered or replaced. This is the number of years the equipment would have been used if not repowered or replaced as part of this project. The remaining life depends on the current age and condition of the equipment at the time of repower. Applicants failing to provide the required information will be ineligible for grant funds.

## **Emission Reduction Calculations**

EGLE staff will use data from the Fleet Data Sheet to run the USEPA's Diesel Emission Quantifier [EPA.gov/Quantifier](http://EPA.gov/Quantifier).

## **Part 3 Application Rounds and How to Submit Complete Application**

To complete an application, go to [Michigan.gov/EGLEFTP](http://Michigan.gov/EGLEFTP) to download and fill out the application checklist, cover sheet, template, budget form, and fleet data sheet. Include all required documentation specific to the type of project (airport ground support equipment, forklifts, or port cargo handling equipment). Applicants requesting \$500,000

or more in grant dollars, must provide a copy of a full successful audit that was completed by a CPA within two years prior to application.

The following schedule provides target dates that applications for Part 3 will be accepted and evaluated until all the funds for Part 3 are awarded. In the event that all \$5 million are awarded in the first or second round, there will not be an additional round(s).

Round 1: March 1, 2023 to May 5, 2023.

Round 2: July 11, 2023 to September 8, 2023.

Round 3: November 7, 2023 to January 12, 2024.

EGLE reserves the right to adjust the dates listed above, for whatever reason it deems appropriate. In the event that all dollars in Part 2 are awarded in the first or second Round, this schedule may be accelerated.

If a project does not meet the minimum criteria or sufficiently meet the grant objectives it will not be funded. Applicants must also pass a due diligence compliance check. Applications that are not funded may reapply in the next round. In the event that the total request exceeds the amount of funds available in one round, the highest scoring applications will be funded.

Applications must be submitted electronically in one PDF file that contains the complete grant application with subject line stating Part 3, Round number, and the name of the applicant to [EGLE-FTP-VW@michigan.gov](mailto:EGLE-FTP-VW@michigan.gov).

Applications that are sent in more than one electronic file may be disqualified.

Applications greater than 15 pages in length (not including required attachments) may be disqualified.

V. **Appendix A - Draft Grant Agreement Boilerplate**

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**FUEL TRANSFORMATION PROGRAM  
VOLKSWAGEN STATE MITIGATION TRUST  
2021 GRANT AGREEMENT**

**BETWEEN THE  
MICHIGAN DEPARTMENT OF ENVIRONMENT, GREAT LAKES, AND ENERGY  
AND GRANTEE**

This Grant Agreement ("Agreement") is made between the Michigan Department of Environment, Great Lakes, and Energy, (EGLE), Materials Management Division, ("State"), and **GRANTEE** ("Grantee").

The purpose of this Agreement is to provide funding from the Volkswagen State Mitigation Trust (VSMT) in exchange for the eligible mitigation actions outlined below and in conformance with Appendix D-2 of the Environmental Mitigation Trust Agreement for State Beneficiaries. A copy of the Environmental Mitigation Trust Agreement for State Beneficiaries can be found on the Fuel Transformation Program website at [Michigan.gov/EGLEFTP](http://Michigan.gov/EGLEFTP). This Agreement is subject to the terms and conditions specified herein.

Project Name:

Project #:

Amount of grant (VSMT) funding: \$

Amount of grantee match (subject to change if VSMT funding is adjusted): \$

Project total: \$

Start Date (date executed by EGLE):

End Date:

**GRANTEE CONTACT:**

**STATE'S CONTACT:**

\_\_\_\_\_  
Name/Title

\_\_\_\_\_  
Organization

\_\_\_\_\_  
Address

\_\_\_\_\_  
Address

\_\_\_\_\_  
Telephone number

\_\_\_\_\_  
E-mail address

\_\_\_\_\_  
Name/Title  
Materials Management Division

\_\_\_\_\_  
Division  
P.O. Box 30241

\_\_\_\_\_  
Address  
Lansing, Michigan 48909-7741

\_\_\_\_\_  
Address

\_\_\_\_\_  
Telephone number

\_\_\_\_\_  
E-mail address

The individuals signing below certify by their signatures that they are authorized to sign this Agreement on behalf of their agencies and that the parties will fulfill the terms of this Agreement, including any attached appendices, as set forth herein.

**FOR THE GRANTEE:**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name/Title

\_\_\_\_\_  
Date

**FOR THE STATE:**

\_\_\_\_\_  
Signature  
Elizabeth M. Browne, Materials Management Division Director

\_\_\_\_\_  
Name/Title

\_\_\_\_\_  
Date

**I. PROJECT SCOPE**

This Agreement and its appendices constitute the entire Agreement between the State and the Grantee and may be modified only by written agreement between the State and the Grantee.

(A) The scope of this project is limited to the activities specified in Appendix A and such activities as are authorized by the State under this Agreement. Any change in project scope requires prior written approval in accordance with Section III, Changes, in this Agreement.

(B) By acceptance of this Agreement, the Grantee commits to complete the project identified in Appendix A within the time period allowed for in this Agreement and in accordance with the terms and conditions of this Agreement.

**II. AGREEMENT PERIOD**

Upon signature by the State, the Agreement shall be effective from the Start Date until the End Date on page 1. The State shall have no responsibility to provide funding to the Grantee for project work performed except between the Start Date and the End Date specified on page 1. Expenditures made by the Grantee prior to the Start Date or after the End Date of this Agreement are not eligible for payment under this Agreement.

**III. CHANGES**

Any changes to this Agreement shall be requested by the Grantee or the State in writing and implemented only upon approval in writing by the State. The State reserves the right to deny requests for changes to the Agreement or to the appendices. No changes can be implemented without approval by the State.

**IV. GRANTEE DELIVERABLES AND REPORTING REQUIREMENTS**

The Grantee shall submit deliverables and follow reporting requirements specified by the state below and in Appendix A of this Agreement.

(A) The Grantee must complete and submit semi-annual progress reports according to a form and format prescribed by the State. These reports shall be due according to the following:

<b>Reporting Period</b>	<b>Due Date</b>
May 1 to October 31	November 30
November 1 to April 30	May 31

The Grantee shall submit to the State semiannual reports in a format approved by the State describing the progress implementing each Eligible Mitigation Action during the six-month period leading up to the reporting date (including a summary of all costs expended on the Eligible Mitigation Action through the reporting date). Such reports shall include a complete description of the status (including actual or projected termination date), development, implementation, and any modification of each approved Eligible Mitigation Action. These reports shall be signed by an official with the authority to submit the report for the Grantee and must contain an attestation that the information is true and correct and that the submission is made under penalty of perjury.

Any reports or deliverables provided to the State shall be submitted to the State's contact at the [EGLE-FTP-VW@michigan.gov](mailto:EGLE-FTP-VW@michigan.gov).

(B) The Grantee shall provide a final project report in a format prescribed by the State. Additionally, the Grantee shall submit the financial status report, including all supporting documentation for expenses, along with the final project report and any other outstanding products within 30 days from

the End Date of the Agreement.

(C) The Grantee must provide one copy of all products and deliverables in accordance with Appendix A.

(D) All products shall acknowledge that the project was supported in whole or in part by the Fuel Transformation Program, per the guidelines provided by the program.

## **V. GRANTEE RESPONSIBILITIES**

(A) The Grantee agrees to abide by all applicable local, state, and federal laws, rules, ordinances, and regulations in the performance of this grant.

(B) All local, state, and federal permits, if required, are the responsibility of the Grantee. Award of this grant is not a guarantee of permit approval by the State.

(C) The Grantee shall be solely responsible to pay all applicable taxes and fees, if any, that arise from the Grantee's receipt or execution of this grant.

(D) The Grantee is responsible for the professional quality, technical accuracy, timely completion, and coordination of all designs, drawings, specifications, reports, and other services submitted to the State under this Agreement. The Grantee shall, without additional compensation, correct or revise any errors, omissions, or other deficiencies in drawings, designs, specifications, reports, or other services.

(E) The State's approval of drawings, designs, specifications, reports, and incidental work or materials furnished hereunder shall not in any way relieve the Grantee of responsibility for the technical adequacy of the work. The State's review, approval, acceptance, or payment for any of the services shall not be construed as a waiver of any rights under this Agreement or of any cause of action arising out of the performance of this Agreement.

(F) The Grantee acknowledges that it is a crime to knowingly and willingly file false information with the State for the purpose of obtaining this Agreement or any payment under the Agreement, and that any such filing may subject the Grantee, its agents, and/or employees to criminal and civil prosecution and/or termination of the grant.

## **VII. ASSIGNABILITY**

The Grantee shall not assign this Agreement or assign or delegate any of its duties or obligations under this Agreement to any other party without the prior written consent of the State. The State does not assume responsibility regarding the contractual relationships between the Grantee and any subcontractor.

## **VIII. SUBCONTRACTS**

The State reserves the right to deny the use of any consultant, contractor, associate, or other personnel to perform any portion of the project. The Grantee is solely responsible for all contractual activities performed under this Agreement. Further, the State will consider the Grantee to be the sole point of contact with regard to contractual matters, including payment of any and all charges resulting from the anticipated Grant. All subcontractors used by the Grantee in performing the project shall be subject to the provisions of this Agreement and shall be qualified to perform the duties required. The Grantee shall provide all sub-contractors or sub-grantees with a copy of this agreement.

## **IX. NON-DISCRIMINATION**



The Grantee shall comply with the Elliott Larsen Civil Rights Act, 1976 PA 453, as amended, MCL 37.2101 *et seq.*, the Persons with Disabilities Civil Rights Act, 1976 PA 220, as amended, MCL 37.1101 *et seq.*, and all other federal, state, and local fair employment practices and equal opportunity laws and covenants that it shall not discriminate against any employee or applicant for employment, to be employed in the performance of this Agreement, with respect to his or her hire, tenure, terms, conditions, or privileges of employment, or any matter directly or indirectly related to employment, because of his or her race, religion, color, national origin, age, sex, height, weight, marital status, or physical or mental disability that is unrelated to the individual's ability to perform the duties of a particular job or position. The Grantee agrees to include in every subcontract entered into for the performance of this Agreement this covenant not to discriminate in employment. A breach of this covenant is a material breach of this Agreement.

#### **X. UNFAIR LABOR PRACTICES**

The Grantee shall comply with the Employers Engaging in Unfair Labor Practices Act, 1980 PA 278, as amended, MCL 423.321 *et seq.*

#### **XI. LIABILITY**

(A) The Grantee, not the State, is responsible for all liabilities as a result of claims, judgments, or costs arising out of activities to be carried out by the Grantee under this Agreement, if the liability is caused by the Grantee, or any employee or agent of the Grantee acting within the scope of their employment or agency.

(B) Nothing in this Agreement should be construed as a waiver of any governmental immunity by the Grantee, the State, its agencies, or their employees as provided by statute or court decisions.

#### **XII. CONFLICT OF INTEREST**

No government employee, or member of the legislative, judicial, or executive branches, or member of the Grantee's Board of Directors, its employees, partner agencies, or their families shall benefit financially from any part of this Agreement.

#### **XIII. ANTI-LOBBYING**

Funds under this award cannot be used for lobbying, or intervention in state or federal regulatory or adjudicatory proceedings and cannot be used to sue the state or federal government or any other government entity. Likewise, a recipient may not use state or federal funds as matching funds for federal Supplemental Environmental Project Funds, or Supplemental Environmental Projects required under a consent order.

#### **XIV. DEBARMENT AND SUSPENSION**

By signing this Agreement, the Grantee certifies that it has checked the federal debarment/suspension list at [www.SAM.gov](http://www.SAM.gov) to verify that its agents, and its subcontractors:

- (1) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal department or the state.
- (2) Have not within a three-year period preceding this Agreement been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction, as defined in 45 CFR 1185; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery,

bribery, falsification or destruction of records, making false statements, or receiving stolen property.

- (3) Are not presently indicted or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses enumerated in subsection (2).
- (4) Have not within a three-year period preceding this Agreement had one or more public transactions (federal, state, or local) terminated for cause or default.
- (5) Will comply with all applicable requirements of all other state or federal laws, executive orders, regulations, and policies governing this program.

#### **XV. AUDIT AND ACCESS TO RECORDS**

The State reserves the right to conduct a programmatic and financial audit of the project, and the State may withhold payment until the audit is satisfactorily completed. The Grantee will be required to maintain all pertinent records and evidence pertaining to this Agreement, including grant and any required matching funds, in accordance with generally accepted accounting principles and other procedures specified by the State. The State or any of its duly authorized representatives must have access, upon reasonable notice, to such books, records, documents, and other evidence for the purpose of inspection, audit, and copying. The Grantee will provide proper facilities for such access and inspection. All records must be maintained for a minimum of five years after the final payment has been authorized by the State.

#### **XVI. INSURANCE**

(A) The Grantee must maintain insurance or self-insurance that will protect it from claims that may arise from the Grantee's actions under this Agreement.

(B) The Grantee must comply with applicable workers' compensation laws while engaging in activities authorized under this Agreement.

#### **XVII. OTHER SOURCES OF FUNDING**

The Grantee guarantees that any claims for reimbursement made to the State under this Agreement must not be financed by any source other than the VSMT under the terms of this Agreement. If funding is received through any other source, the Grantee agrees to delete from Grantee's billings, notify the State and immediately refund to Wilmington Trust, N.A., the total amount representing such duplication of funding.

#### **XVIII. COMPENSATION**

(A) A breakdown of costs allowed under this Agreement is identified in Appendix A. The State will pay the Grantee a total amount not to exceed the amount on page 1 of this Agreement, in accordance with Appendix A, and only for expenses incurred and paid. All other costs necessary to complete the project are the sole responsibility of the Grantee.

(B) Expenses incurred by the Grantee prior to the Start Date or after the End Date of this Agreement are not allowed under the Agreement,

(C) The State will approve payment requests after approval of reports and related documentation as required under this Agreement.

(D) The State reserves the right to request additional information necessary to substantiate payment requests.

(E) Payments under this Agreement will be processed by Electronic Funds Transfer (EFT) through Wilmington Trust, N.A. under the directive of the State.

(F) The Grantee is committed to the match percentage of funds on page 1 of the Agreement, in accordance with Appendix A.

**XIX. CLOSEOUT**

(A) A determination of project completion, which may include a site inspection and an audit, shall be made by the State after the Grantee has met mandatory match obligations, satisfactorily completed the activities, provided actual value of any in-kind or leverage match, and provided products and deliverables described in Appendix A.

(B) Upon issuance of final payment from the Wilmington Trust, N.A., the Grantee releases the State of all claims against the State arising under this Agreement. Unless otherwise provided in this Agreement or by State law, final payment under this Agreement shall not constitute a waiver of the State's claims against the Grantee.

(C) The Grantee shall immediately notify the State of any payments in excess of the costs allowed by this Agreement. The State reserves the right to require the Grantee to repay those costs to Michigan's account with Wilmington Trust, N.A.

**XX. CANCELLATION**

This Agreement may be canceled by the State, upon 30 days written notice, due to Executive Order, budgetary reduction, other lack of funding, upon request by the Grantee, or upon mutual agreement by the State and Grantee. The State may honor requests for just and equitable compensation to the Grantee for all satisfactory and eligible work completed under this Agreement up until 30 days after written notice, upon which time all outstanding reports and documents are due to the State and the State will no longer be liable to pay the grantee for any further charges to the grant.

**XXI. TERMINATION**

(A) This Agreement may be terminated by the State as follows.

(1) Upon 30 days written notice to the Grantee:

- a. If the Grantee fails to comply with the terms and conditions of the Agreement, or with the requirements of the VSMT, or other applicable law or rules.
- b. If the Grantee knowingly and willingly presents false information to the State for the purpose of obtaining this Agreement or any payment under this Agreement.
- c. If the State finds that the Grantee, or any of the Grantee's agents or representatives, offered or gave gratuities, favors, or gifts of monetary value to any official, employee, or agent of the State in an attempt to secure a subcontract or favorable treatment in awarding, amending, or making any determinations related to the performance of this Agreement.
- d. If the Grantee or any subcontractor, manufacturer, or supplier of the Grantee appears in the register of persons engaging in unfair labor practices that is compiled by the Michigan Department of Licensing and Regulatory Affairs or its successor.
- e. During the 30-day written notice period, the State shall withhold payment for any findings under subparagraphs a through d, above and the Grantee will immediately cease charging to the grant and stop earning match for the project (if applicable).

(2) Immediately and without further liability to the State if the Grantee, or any agent of the Grantee, or any agent of any subcontract is:

- a. Convicted of a criminal offense incident to the application for or performance of a State, public, or private contract or subcontract;
- b. Convicted of a criminal offense, including but not limited to any of the following: embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or attempting to influence a public employee to breach the ethical conduct standards for State of Michigan employees;
- c. Convicted under State or federal antitrust statutes; or
- d. Convicted of any other criminal offense that, in the sole discretion of the State, reflects on the Grantee's business integrity.
- e. Added to the federal or state Suspension and Debarment list.

(B) If a grant is terminated, the State reserves the right to require the Grantee to repay all or a portion of funds received under this Agreement to Michigan's account with Wilmington Trust, N.A.

## **XXII. IRAN SANCTIONS ACT**

By signing this Agreement the Grantee is certifying that it is not an Iran linked business, and that its contractors are not Iran linked businesses, as defined in MCL 129.312.

## **XXIII. DISCLOSURE OF INFORMATION**

All reports and other printed or electronic material prepared by or for the Grantee under the Agreement will not be distributed without the prior written consent of the State except for items disclosed in response to a Freedom of Information Act request, Court Order or subpoena.

The parties hereto understand and agree that it is the intent of the State to make all materials submitted as part of this project available to the public.

## **XXIV. CONFLICT OF INTEREST**

Grantees will notify the State's contact as identified on page 1 within 5 days of becoming aware of a conflict of interest. A conflict of interest is an actual or potential situation that undermines or may undermine, the impartiality of an individual or entity because their self-interest conflicts, or may conflict, with their duty and obligations in performing a grant. The term also includes situations that create, or may create, an unfair competitive advantage, or the appearance of such, for an applicant in competing for a grant.

## **XXV. DRUG FREE WORKPLACE**

Grantee agrees to comply with all applicable federal, state, and local laws regarding smoke-free and drug-free work places and shall make a good faith effort to ensure that none of its employees or permitted subcontractors engaged in the work being performed hereunder purchase, transfer, use, or possess alcohol, illegal drugs, or abuse prescription drugs in any way during the performance of this Agreement.

## **XXVI. VICTIM PROTECTION**

The Grantee certifies that the grantee, the grantee's employees, subrecipients under this award, and subrecipients' employees will not: a) engage in any form of trafficking in persons during the period of time that this award is in effect; b) procure a commercial sex act during the period of time that this award is in effect; or c) use forced labor in the performance of the award or sub awards under the award.

## **PROGRAM SPECIFIC BOILERPLATE REQUIREMENTS**

### **XXVII. VEHICLE, EQUIPMENT AND/OR ENGINE REQUIREMENTS**

The vehicle, equipment and/or engine being replaced must be fully operational and in current, regular service.

The Grantee shall decommission i.e., scrap/junk/salvage the eligible engine, vehicle, or equipment, and provide the specified documentation as prescribed below to EGLE.

Scrap shall mean to render inoperable and available for recycle, and, at a minimum, to specifically cut a 3-inch hole in the engine block for all engines. Vehicle, equipment and/or engines may be crushed only if preapproved by EGLE and the required documentation is obtained.

If any Eligible Vehicle will be replaced as part of an Eligible project, Scrapped shall also include the disabling of the chassis by cutting the vehicle's frame rails completely in half. Photographs of the disabled vehicle are required including those of the vehicle identification number (VIN), hole in engine block, and cut frame rails. If delivered to a scrap yard, a signed affidavit from the scrap yard including the date, business/dealer license number of the scrapping/recycling company, VIN of the scrapped vehicle(s) and statement that the 3-inch hole in the engine block was cut and the frame rails were cut is required. If the scrapped vehicle remains on site, a signed affidavit from the project manager, including the date, VIN of the scrapped vehicle(s), and statement that the 3-inch hole in the engine block was cut and the frame rails were cut is required.

The vehicle title must be scrapped/junked/salvaged, and grantee shall provide a copy of the scrapped title to EGLE.

Failure to comply with scrapping requirements may result in the forfeiture of grant funds.

The replacement vehicle, equipment and/or engine will continue to perform similar function and operation, and serve the same or similar geographic area as the vehicle, equipment and/or engine that is being replaced.

The replacement vehicle, equipment and/or engine will be of similar type and similar gross vehicle weight rating or horsepower as the vehicle, equipment and/or engine being replaced unless otherwise approved by EGLE.

The Grantee shall insure and maintain the new vehicle, engine, vessel, or equipment according to the manufacturer's specifications.

The Grantee shall title and register the new vehicle, engine, vessel, or equipment in the state of Michigan for at least five years after the grant agreement closes.

The Grantee shall list the State of Michigan as a lien holder on the vehicle title and send the title to EGLE using the Special Mailer form MDOS-TR114.

EGLE will retain a lien equal to its share in the purchase price of the fair market value on all vehicles purchased with grant funds. Vehicle liens will be retained for five (5) years from the date the new vehicle is titled in Michigan. Grantees are required to use grant funded vehicle(s) in Michigan for at least five (5) years after purchase and delivery. After the five (5) year period, EGLE will submit a vehicle lien release request and provide a lien release statement to the grantee upon request. Grantees cannot sell, discard, transfer or dispose of equipment without formal lien release approval from EGLE.