



Michigan Department of Environmental Quality
www.michigan.gov/deq

Request for Proposal 2019 Michigan Clean Diesel Program

October 8, 2018

to

November 26, 2018

Rick Snyder, Governor
◆
C. Heidi Grether, Director

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I. GRANT INFORMATION

A. Grant Description

Competitive funding in the amount of \$425,000 is available through the 2019 Michigan Clean Diesel Program for the implementation of clean diesel projects. Clean diesel projects will include diesel emission reduction solutions that involve replacement of highway and non-road diesel vehicles and equipment with newer, cleaner vehicles and equipment. Replacement vehicles and equipment may be diesel, alternate fuel, hybrid, or all-electric. Financial support for this grant comes from a federal allocation under the Diesel Emissions Reduction Act (DERA) through the United States Environmental Protection Agency (U.S. EPA) Clean Diesel Program and the Michigan Department of Environmental Quality (DEQ).

B. Grant Objectives

The 2019 Michigan Clean Diesel Program, Request for Proposal (RFP) has the following objectives:

- To implement vehicle or equipment replacements that reduce diesel engine particulate matter (PM_{2.5}) and oxides of nitrogen (NO_x) emissions.
- To support the U.S. EPA and DERA National Program Priorities, the DEQ Air Quality Program, and Michigan Clean Diesel Program priorities.

1. U.S. EPA and DERA National Program Priorities

The U.S. EPA and DERA National Program priorities are:

- To achieve significant reductions in diesel emissions in terms of tons of pollution produced and reductions in diesel emissions exposure from vehicles, engines, and equipment operating in areas designated as having poor air quality.
- To support projects in priority areas that receive a disproportionate quantity of air pollution from diesel fleets, including: truck stops, ports, rail yards, terminals, construction sites, and school bus depots/yards.
- To support projects that show effectiveness at reducing diesel emissions, based on the vehicle's remaining useful life and annual hours of operation.
- To support projects that maximize public health benefits, use a community-based multi-stakeholder collaborative process to reduce toxic emissions, and conserve diesel fuel.

2. DEQ Air Quality Program and Michigan Clean Diesel Program Priorities

The DEQ Air Quality Program and Michigan Clean Diesel Program priorities are:

- To support the U.S. EPA and DERA national program priorities and expand awareness of the benefits of pollution prevention strategies that reduce diesel emissions.
- To reduce diesel emissions in areas with poor air quality and high population densities located next to sources of diesel emissions.
- To maintain or gain compliance with National Ambient Air Quality Standards (NAAQS) for a criteria pollutant and improve areas with toxic air pollutant concerns as identified from the National Air Toxics Assessment data.

- To create a greater awareness among residents of the health impacts of PM_{2.5} and ozone (O₃) in areas of Michigan located within close proximity to an ongoing exposure to diesel engine emissions.

C. Program Priority Areas

The 2019 Michigan Clean Diesel Program grant funding is available statewide; however, the DEQ is targeting projects in the following priority counties and areas:

- | | |
|--------------|-----------------------------|
| • Allegan | • Muskegon |
| • Berrien | • Oakland |
| • Genesee | • St. Clair |
| • Kent | • Washtenaw |
| • Livingston | • Wayne |
| • Macomb | • Isle Royale National Park |
| • Monroe | • Seney Wilderness Area |

The above counties and areas were identified as priority locations by the U.S. EPA and the DEQ because they are one or more of the following:

- In nonattainment or maintenance of NAAQS for a criteria pollutant.
- Areas with toxic air pollutant concerns as identified from the National Air Toxics Assessment data.
- Designated as a Federal Class I area.

D. Eligible Grant Activities

Eligible grant activities include the replacement of diesel vehicles and equipment. Projects may include, but are not limited to diesel emission reduction solutions from the following heavy-duty diesel emission source types:

- Buses^{1,2}
- Medium heavy-duty or heavy heavy-duty trucks³
- Nonroad engines, equipment, or vehicles used in:
 - Construction/demolition
 - Handling of cargo (including at a port, airport or train yard)
 - Agriculture
 - Industry
 - Energy production (including stationary generators and pumps)

Proposals for vehicle replacements must include documentation that the project involves an early replacement for the intended vehicle. Funds cannot be used for the

¹ Buses include school buses of Type A, B, C and D. To be eligible as a school bus, a vehicle must meet the definition of a school bus as defined by the National Highway Transportation Safety Administration. This definition includes, but is not limited to: 1) A bus that is used for purposes that included carrying students to and from school or related events on a regular basis; 2) Be identified with the words "School Bus"; and 3) Be painted National School Bus Glossy Yellow.

² For the purposes of this grant opportunity, buses include medium and heavy-duty transit buses (see footnote 3, below).

³ For the purposes of this grant opportunity, medium heavy-duty and heavy heavy-duty highway vehicles are defined as Class 5 – 8: Class 5 (16,001 -19,500 lbs GVWR); Class 6 (19,501 - 26,000 lbs GVWR); Class 7 (26,001 - 33,000 lbs GVWR); Class 8a (33,001 - 60,000 lbs GVWR); Class 8b (60,001 lbs GVWR and over).

purchase of vehicles, engines, or equipment to expand a fleet. The grantee and partners must agree to operate vehicles, engines, and equipment purchased with grant funds in Michigan for at least five years immediately after the grant closes. Activities involving education and outreach are not eligible under this grant.

E. Eligible Technologies

Projects funded under this RFP must use a U.S. EPA or California Air Resources Board (CARB) certified engine configuration. Certified means that the equipment or vehicle, along with the technology or engine to be used in the project, are specifically identified on one of these lists by vehicle/equipment type or use, manufacturer, engine type, and engine model year. Technology changes may not be allowed after a proposal has been selected for funding. If technology compatibility issues arise, the DEQ may elect to terminate the grant agreement, at which time the grant funds must be returned to the DEQ.

F. Eligible Diesel Emission Reduction Solutions

1. Vehicle and Equipment Replacement Funding Percentages

Nonroad, highway diesel, and drayage vehicles and equipment can be replaced under this program with newer, cleaner vehicles and equipment that are diesel, alternate fuel, hybrid, or all-electric (grid, battery or fuel cell⁴). All-electric (i.e., zero emission) vehicles and equipment do not require U.S. EPA or CARB certification. Marine vessels are not eligible for full replacement.

Nonroad Diesel Vehicles and Equipment

The DEQ will fund up to 25 percent of the cost of an eligible replacement vehicle or piece of equipment powered by a 2017 model year or newer engine certified to U.S. EPA emission standards. The DEQ will fund up to 45 percent of the cost of a new, all-electric nonroad vehicle or piece of equipment and charging station. Charging infrastructure costs other than the charging station will not be funded. Project applicants will need to demonstrate that adequate charging infrastructure is available for any all-electric projects. Nonroad engine emission standards are on the U.S. EPA's Website at: <http://www.epa.gov/emission-standards-reference-guide/epa-emission-standards-nonroad-engines-and-vehicles>.

Highway Diesel Vehicles and Buses (other than Drayage)

The DEQ will fund up to 25 percent of the cost of an eligible replacement vehicle powered by a 2017 model year or newer engine certified to U.S. EPA emission standards. Highway engine emission standards are on the U.S. EPA's Website at: <http://www.epa.gov/emission-standards-reference-guide/epa-emission-standards-heavy-duty-highway-engines-and-vehicles>.

Vehicles Meeting CARB's Optional Lox-NOx Standards

The DEQ will fund up to 35 percent of the cost of a replacement vehicle powered by a 2017 model year or newer engine certified to meet CARB's Optional Low-NOx

⁴ Hydrogen fuel cell vehicles and equipment are only eligible as replacements for eligible transit buses, drayage trucks, and, forklift, as defined in this Request for Proposal

Standards of 0.1 grams per brake horsepower-hour (g/bhp-hr), 0.05 g/bhp-hr, or 0.02 g/bhp-hr NOx. Engines certified to CARB's optional low NOx standards may be found by searching CARB's Executive Orders for Heavy-duty Engines and Vehicles, found at: www.arb.ca.gov/msprog/onroad/cert/cert.php.

All-Electric Vehicles

The DEQ will fund up to 45 percent of the cost of an all-electric replacement vehicle and charging station. Charging infrastructure costs other than the charging station will not be funded. Project applicants will need to demonstrate that adequate charging infrastructure is available for any all-electric projects.

Drayage Vehicles

The DEQ will fund up to 50 percent of the cost of eligible drayage trucks powered by a 2012 model year or newer certified engine. The definition of a "drayage truck" means any Class 8, in-use, on-road vehicle with a gross vehicle weight rating of greater than 33,000 pounds operating on, or transgressing through, port or intermodal rail yard property for the purpose of loading, unloading, or transporting cargo, such as containerized, bulk, or break-bulk goods. If a proposal for the replacement of drayage trucks is selected for funding, the grant recipient will be required to establish guidelines to ensure that any existing truck replaced with grant funds has a history of operating on a frequent basis over the prior year as a drayage truck, and to ensure any new truck purchased with grant funds is operated in a manner consistent with the definition of a drayage truck, as defined above. For an example of sample guidelines, see www.epa.gov/cleandiesel/clean-diesel-state-allocations.

2. Vehicle and Equipment Replacement Criteria

Pursuant to Title 42 of the U.S. Code, Chapter 149, Subchapter VII, Part F, Subsection 16132(d)(2), National Grant, Rebate, and Loan Programs, no funds awarded under this RFP shall be used to fund the costs of emission reductions that are mandated under federal law. Additionally, replacement projects are eligible for funding on the condition that the following criteria are satisfied:

- The replacement vehicle, engine, or equipment must perform the same function and operation as the vehicle, engine, or equipment that is being replaced.
- The replacement vehicle, engine, or equipment must be of the same type and similar gross vehicle weight rating or horsepower as the vehicle, engine, or equipment being replaced. Horsepower increases of more than 25 percent for nonroad vehicles, engines and equipment will require specific written approval by the DEQ and the U.S. EPA prior to purchase, and the grantee/subgrantee may have to pay the additional costs associated with the higher horsepower equipment.
- For highway replacements, the vehicle must not be in a larger weight class than the existing vehicle (Class 5, 6, 7, or 8). The engine's primary intended service class must match the replacement vehicle's weight class (i.e., a light

- heavy-duty diesel engine is used in a vehicle with GVWR 16,001 – 19,500 pounds, a medium heavy-duty diesel engine is used in a vehicle with a GVWR of 19,501 – 33,000 pounds, and a heavy heavy-duty diesel engine is used in a vehicle with a GVWR greater than 33,000 pounds). Exceptions may be granted for vocational purposes; however, the GVWR must stay within 10 percent of the engine's intended service class and any exceptions will require written approval by the DEQ prior to purchase.
- The engine being replaced will be scrapped or rendered permanently disabled within ninety days of the replacement. Permanently disabling the engine while retaining possession of the engine is an acceptable scrapping method. Permanently disabling the engine requires cutting a three inch by three inch hole in the engine block (the part of the engine containing the cylinders). Other acceptable scrapping methods may be considered and will require prior written approval from the DEQ. If scrapped engines are to be sold, program income requirements apply.
- The vehicle/equipment being replaced will be scrapped or rendered permanently disabled within ninety days of the replacement. Permanently disabling the chassis and disabling the engine while retaining possession of the vehicle/equipment is an acceptable scrapping method. How to permanently disable the engine is described above. 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. Other acceptable scrapping methods may be considered and will require prior written approval from the DEQ. Vehicle/equipment components that are not part of the engine or chassis may be salvaged from the unit being replaced (e.g., plow blades, shovels, seats, etc.). If scrapped or salvaged vehicle/equipment chassis or components are to be sold, program income requirements apply.
- A signed certificate of destruction and digital photos of the vehicle identification number, engine tag (showing serial number, engine family number, and engine model year), destroyed engine block, and cut frame rails or other structural components will be provided in a final grant agreement report submitted to the DEQ.
- If a Tier 3 nonroad vehicle, equipment and/or engine is replaced, the Tier 3 unit may be retained or sold if the Tier 3 unit will replace a similar Tier 2 or lower nonroad unit, and the Tier 2 or lower nonroad unit will be scrapped. The scrapped unit must currently be in service, operate more than 500 hours per year, and have a similar usage profile as the replaced unit. The scrapped unit must currently operate within the same project location(s) as the Tier 3 unit currently operates; however, alternative scenarios will be considered. All equipment must operate within Michigan. Under this scenario, a detailed scrapping plan must be submitted and will require prior DEQ approval.
- A vehicle replacement project must involve early attrition. Replacements that would have occurred through normal attrition are considered to be the result of normal fleet turnover and are not eligible for funding under this program. Normal attrition is generally defined as a replacement that is scheduled to take place within three years of the project start date. Normal attrition is typically

defined by the vehicle or fleet owner’s budget plan, operating plan, standard procedures, or retirement schedule. For example, if a school bus fleet typically retires vehicles after 20 years, a bus that is currently in its 18th or 19th year of service is not eligible for replacement. A bus that is currently in its 17th year of service and has three years of useful life remaining (as defined by the fleet’s retirement schedule) is eligible for replacement. Normal attrition does not include replacements that must occur due to a state or local mandate.

- The additional replacement technology restrictions described below must be met.

3. Replacement Technology Restrictions

The following activities are not eligible for funding under this RFP.

Highway Model Year

No funding under this grant shall be used to replace a transit bus, medium-duty, or heavy-duty highway vehicle with engine model year 1994 and older or 2010 and newer, or replace engine model year 2007-2009 with other than all-electric (zero-emission). Refer to Table 1 for further explanation.

Table 1: Medium and Heavy-Duty Trucks, Transit Buses, and School Buses Funding Restrictions

Current Engine Model Year	Vehicle or Engine Replacement: Engine Model Year 2017+ and 2012+ for Drayage Vehicles	Vehicle or Engine Replacement: All-Electric
1994 and older	No	No
1995 - 2006	Yes	Yes
2007 - 2009	No	Yes
2010 and newer	No	No

Nonroad Engine, Vehicles, and Equipment

No funding under this grant shall be used to replace a nonroad engine operates less than 500 hours per year. No funds awarded under this grant shall be used to replace nonroad engines with Tier 3 or lower engines.

No funding under this grant shall be used to replace a nonroad engine that is 50 horsepower (HP) or less and engine model year 2004 or older, or between 51-300 HP and engine model year 1994 or older, or 301 HP or greater and engine model year 1984 or older.

No funding under this grant shall be used to replace nonroad vehicles and equipment with vehicles/equipment powered by unregulated, Tier 1, or Tier 2 engines. Tier 3 and Tier 4 interim (4i) engines are allowed for vehicle/equipment replacement only when Tier 4 final is not yet available from OEM for 2017 model year equipment under the Transition Program for Equipment Manufacturers (TPEM). Refer to Table 2 for further explanation.

Table 2: Nonroad Engine Funding Restrictions

Current Engine Horsepower	Current Engine Model Year (EMY) and Tier	Vehicle/Equipment Replacement: EMY 2017+			
		Tier 0 - 2	Tier 3 - 4i ⁵	Tier 4	All-Electric
0-50	2005 and Newer; Unregulated – Tier 2	No	No	Yes	Yes
51-300	1995 and Newer; Tier 0 – Tier 2	No	Yes	Yes	Yes
51-300	1995 and Newer; Tier 3	No	No	Yes	Yes
301+	1985 and Newer; Tier 0 – Tier 2	No	Yes	Yes	Yes
301+	1985 and Newer; Tier 3	No	No	Yes	Yes
Current Engine Horsepower	Current Engine Model Year (EMY) and Tier*	Engine Replacement: EMY 2017+ ⁶			
		Tier 0 - 3	Tier 4	All-Electric	
0-50	2005 and Newer; Unregulated – Tier 2	No	Yes	Yes	
51-300	1995 and Newer; Tier 0 – Tier 3	No	Yes	Yes	
301-750	1985 and Newer; Tier 0 – Tier 3	No	Yes	Yes	
751+	1985 and Newer; Tier 0 – Tier 2	No	Yes	Yes	

⁵ Tier 3 and Tier 4 interim (4i) allowed for vehicle/equipment replacement only when Tier 4 final is not yet available from OEM for 2017 model year equipment under the Transition Program for Equipment Manufacturers (TPEM).

⁶ Previous engine model year engines may be used for engine replacement if the engine is certified to the same emission standards applicable to EMY 2017.

Marine Engine Tier

No funds awarded under the Program shall be used to replace Tier 3 or Tier 4 marine engines, or to replace marine engines with a Tier 2 or lower marine engine. Refer to Table 3 for further explanation.

Table 3: Marine Engines Funding Restrictions

Current Engine Tier	Engine Replacement: EMY 2017+ ⁷		
	Tier 1-2	Tier 3-4	All-Electric
Unregulated – Tier 2	No	Yes	Yes
Tier 3 - 4	No	No	No

G. Match Requirements

Funds under this award cannot be used for matching funds for other state or federal grants, 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 the 2019 Michigan Clean Diesel Program, federal Supplemental Environmental Project Funds, or Supplemental Environmental Projects required under a consent order.

H. Online Resources

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

- EPA Clean Diesel: www.epa.gov/cleandiesel
- California Environmental Protection Agency Air Resources Board: www.arb.ca.gov/diesel/diesel.htm
- Michigan Clean Diesel Program: www.michigan.gov/deqcleandiesel
- EPA Diesel Emission Quantifier: <https://cfpub.epa.gov/quantifier/index.cfm?action=main.home>

I. Evaluation and Selection Criteria

Project proposals for the 2019 Michigan Clean Diesel Program RFP will be evaluated based the following selection criteria:

- Diesel engine emissions reduction outputs, and outcomes, and cost effectiveness as calculated by the U.S. EPA Diesel Emissions Quantifier.
- Total cost of ownership for new vehicles and equipment.
- Linkage to national (U.S. EPA) and state (DEQ) clean air and clean diesel priorities.
- Relevant project partnerships as documented by letters of commitment.
- A successful financial full audit within 24 months prior to the RFP's closure date by a Certified Public Accountant.

⁷ Previous engine model year engines may be used if the engine is certified to the same emission standards applicable to EMY 2017.

- Ability to carry out the project as demonstrated by the applicant's staff expertise, experience, and qualifications, as demonstrated in grant administration and meeting of deadlines.
- Past performance on DEQ grants.
- A well developed and clear project narrative, work plan, timeline, and budget; a detailed, thorough, and complete targeted fleet description; and an overall diesel emissions reduction solution and approach.
- Projects that can be completed on time, according to the project schedule.
- Projects that will prevent pollution for the life of the affected engine.
- Larger projects that focus grant money on pollution prevention or emission reduction verses administrative costs.
- The amount of match money the applicant and its partners are willing to commit to the project.
- Financial stability of the grantee and partners.

J. Assistance

You may contact the Environmental Assistance Center at 800-662-9278 with questions about this RFP or check the Michigan Clean Diesel Program Website at www.michigan.gov/deqcleandiesel for details. All necessary grant forms may be downloaded from the Website, including the 2019 Michigan Clean Diesel Program proposal template.

K. Funding Sources and Availability

A total of \$425,000 is available for the 2019 Michigan Clean Diesel Program. All grant proposals should be between \$25,000 (the minimum) and \$425,000 (the maximum). The above limitations do not include an applicant's matching funds.

All state clean diesel projects are funded as pass through reimbursement grants. This means that grantees must initially assume all costs and then request reimbursement from the DEQ for project activities. All projects will be implemented through grant agreements with the grantees.

Administration of the grant agreement is the responsibility of the grantee and cannot be contracted out.

L. Contact

This grant is being issued by the DEQ, Waste Management and Radiological Protection Division, Pollution Prevention and Stewardship Unit. For further information on this grant call the Environmental Assistance Center at 800-662-9278.

M. Eligibility

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

- Cities, townships, and villages.
- County government agencies.
- Port authorities.

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

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

N. Project Clarification/Revisions

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

O. Non-Duplicative Programs

Funds from the 2019 Michigan Clean Diesel Program cannot be used to replace existing federal, state, or local financial commitments.

P. Acceptance of Proposal Content

Successful applicants will be required to enter into a grant agreement with the DEQ within 60 days of accepting the grant award. A grant agreement consists of standard boilerplate language, the applicant's work plan, timetable, fleet sheet and budget. Successful applicants may be required to review the grant award agreement with DEQ staff prior to final agreement acceptance. The draft agreement boilerplate is attached to this RFP as Appendix B.

Failure of a successful applicant to accept the obligations outlined in the final agreement boilerplate may result in withdrawal or cancellation of the grant. The DEQ reserves the right to offer partial funding for any grant proposal.

Q. Confidentiality

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

R. Judging Applications

A panel composed of state government staff will review the applications. Final decisions will be made by the DEQ.

S. Expense Cap

No more than 5 percent of the recipient's total project cost may be used to cover administrative type costs (e.g., personnel, benefits, travel and supplies). Total project

costs include the grant amount as well as any match provided by the recipient. Indirect costs are not considered administrative costs.

T. Grant Agreement Requirements

Successful applicants will be required to meet and abide by all applicable requirements specified in this RFP including those specified in the grant agreement boilerplate. The draft agreement boilerplate is attached to this RFP as Appendix B.

U. Submission Requirements

Proposals must be postmarked or received by the DEQ no later than **5:00 p.m. on November 26, 2018**. Proposals may be submitted by the U.S. Postal Service, commercial delivery service, or hand delivery. **Proposals sent electronically or by facsimile machine will not be accepted.**

- Grant applications sent via the U.S. Postal Service must be addressed to:

Michigan Department of Environmental Quality
Waste Management and Radiological Protection Division
2019 Michigan Clean Diesel Program
P.O. Box 30241
Lansing, Michigan 48909-7741

- For hand delivery, commercial carrier, or overnight mail, applications must be addressed to:

Michigan Department of Environmental Quality
Waste Management and Radiological Protection Division
2019 Michigan Clean Diesel Grant Program
Attention Debra Swartz or Kris Lauckner
525 West Allegan, Constitution Hall, 4th Floor, South Tower
Lansing, Michigan 48933

II. INSTRUCTIONS FOR GRANT PROPOSAL

A. Contents

Appendix A contains the checklist, cover sheet, grant proposal template, fleet description sheet, and budget form which you must use to complete your proposal. Your proposal will consist of the following sections:

- Grant Proposal Cover Sheet
- Grant Proposal Template Including:
 - Project Summary
 - Work Plan
 - Project Staff and Partner Roles and Responsibilities
 - Timeline and a Description of Tasks and Deliverables
 - Anticipated Outputs
 - Anticipated Outcomes
 - Budget Form, and NICRA Form (if NICRA is applicable)
 - Copy of Current Full Audit completed by a Certified Public Accountant
 - Fleet Description Spreadsheet
 - Early Retirement Evidence
 - Letters of Commitment
 - Previous Grant Experience
 - Description of Administrative Abilities, Staff Expertise and Previous Project History

Directions for each portion are included in this RFP. Follow all directions. Use the checklist in Appendix A to make sure you have a complete proposal. Submit your proposal on 8½" x 11" paper, with one inch margins, using 12 point font. Number all pages. The use of two sided printing and recycled paper is recommended.

B. Grant Proposal Cover Sheet

The Grant Proposal Cover Sheet is to be filled out by the applicant. The form is the first page of the entire proposal package. Other portions of the proposal will be developed by the applicant and attached to the Grant Proposal Cover Sheet.

- Project Name is the name of the project.
- Amount of Grant is the amount of grant funds requested.
- Amount of Match is the amount of local funding committed to the project by the grantee and their partners.
- Percent Match is the percent of local match committed relative to the total project cost.
- Project Total is the total amount of grant funds requested plus additional local match funds.
- Estimated Project Start Date is the approximate date the project will start that corresponds with the date funding will be available. (Once the grant is awarded it generally takes up to 60 days for agreements to be signed, upon which projects may start.)
- End Date is the end date for completion of the project. All projects must be completed by August 31, 2019.
- Project Manager Name/Title is the name of the person who will be managing the grant project and their title.
- Organization Name is the organization applying for funding.

- Organization Street Address is the mailing address for the applicant including the street name and number, city, state, and zip code.
- Telephone Number is the phone number for the organization applying for funding.
- Fax Number is the organization's fax number.
- Organization E-mail is the organization's e-mail address
- Project Manager E-mail is the Project Manager's e-mail address
- Federal ID Number is the Federal Tax ID Number or Employer Identification Number.
- DUNS Number is the Data Universal Numbering System unique numeric identifier assigned to your business.
- Applicant Type is the type of organization applying for funds, either public or private.
- Fleet or Equipment Type is the type of vehicle or equipment being replaced.
- Project Impact Area is the geographic area that the project will impact, which may include more than one city, township, village, or county.
- Signature/Date is where the person with grant acceptance authority must sign and date the 2019 Request for Proposal Cover Sheet.
- Name is the name of the person who will be accepting responsibility for the terms and conditions of the agreement. This may be the project manager, or it may be someone else in the organization.
- Title is the title of the person with grant acceptance authority.

C. Project Summary

Use the grant proposal template. In no more than one page, describe the project goals and objectives, how your project will prevent or reduce diesel emissions, and how your project will create long term change that will continue after the project is completed.

D. Work Plan

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

- The way in which the project will achieve a significant prevention or reduction of diesel emissions.
- A description of the area(s) that will benefit from reduced diesel emissions.
- The reason why the project's area is being targeted for this project (i.e., air quality status, high diesel engine traffic, large population near roadways, children's exposure to diesel emissions, etc.).
- An overview of the type of fleet identified for the project, including the total number of verified vehicles or equipment to be replaced in this project.
- The roles and responsibilities of the applicant organization and any other project partners. This must include a list of tasks and subtasks with associated deliverables and who is responsible for completing each task.
- Information on whom or what organization(s) will retain ownership of any vehicles, and/or equipment purchased with funding from this project.

E. Project Staff and Partner Roles and Responsibilities

Describe in narrative form the organizational staff and staff from associated partners that will be involved with the project: their role and responsibility with the project, their

expertise/qualifications and knowledge, and the resources that will be used to assist in the successful completion of the project.

Use the “Staff and Partner Roles and Responsibilities” table in the template to list project staff, their title, affiliated organization, and their role/responsibility with the project.

F. Timeline with Description of Tasks and Name of Person Responsible for Task and the Deliverable

Using the table in the template, provide a month and a description of specific tasks and deliverables, such as bidding and procurement, to be achieved during the grant period. Begin the timeline with the month funding will likely be available. The end month should be based on what is needed to complete the project. Note that projects must conclude by August 31, 2019.

G. Anticipated Outputs/Outcomes

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

1. Outputs

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

Number of replaced vehicles/equipment including:

- Dissemination of project/technology information via list serves, Websites, journals and outreach events.
- Amount of funds expended on the project.
- Evaluation of the completion status of the project.
- Amount of funds dispersed to sub-recipients.
- Quarterly progress reports and final report.

Describe the project outputs in narrative form, and complete the “Outputs Table” in the template.

2. Outcomes

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

Examples of short-term and medium-term outcomes:

- Net reduction in annual pounds or tons of PM_{2.5}, NO_x, greenhouse gases (GHG) such as carbon dioxide (CO₂) and black carbon, and/or volatile organic compounds (VOCs).
- Net reduction in gallons of diesel fuel used.
- An increased understanding of the environmental effectiveness of the implemented technology.
- Cost effectiveness of project (in \$/ton or \$/pound).

Examples of long-term outcomes:

- Improved ambient air quality.
- Health benefits achieved.
- Documented improved ambient air quality, including anecdotal testimony from populations of concern.
- The applicant, or their partner's investment in transportation, environmental protection, and other activities that will provide long-term environmental and health benefits.

Describe the short, medium and long-term outcomes of the project in narrative form in the template.

To quantify emission reductions, use the U.S. EPA's Diesel Emissions Quantifier found at www.cfpub.epa.gov/quantifier/ to estimate some of the anticipated environmental outputs of your application. Additional assistance may be received by calling the Clean Diesel Helpline at 877-NCDC-FACTS (877-623-2322) or by emailing cleandiesel@epa.gov.

If you are unable to use the Diesel Emissions Quantifier, you may use alternative methods for calculating emission reductions found on the U.S. EPA Motor Vehicle Emissions Simulator Website, www.epa.gov/otaq/models/moves/index.htm. If an alternative method is used, you must thoroughly describe and document your methods.

3. Performance Measures

The applicant should also develop performance measures for tracking, measuring, and reporting its progress toward achieving the proposed outputs and outcomes, and describe them in their proposal.

The description of performance measures should include the following:

- Oversight of project partners, subgrantees, and/or contractors and vendors.
- Tracking and reporting project progress on expenditures, purchases, and other fiscal activities.
- Tracking and reporting actual accomplishments versus proposed outputs/outcomes and proposed timelines.
- Tracking and reporting project progress on installations/replacements by maintaining an accurate Project Fleet Description.
- Measuring and reporting on outcomes by maintaining an accurate Project Fleet Description and using the U.S. EPA's Diesel Emission Quantifier.

4. Cost Effectiveness Calculation

Project cost effectiveness is an important factor for this grant. Each application must include a cost effectiveness calculation for the Annual Amount of Emissions Reduced and the Lifetime Amount of Emissions Reduced for each of the following pollutants: NO_x, PM_{2.5}, hydrocarbons (HC), carbon monoxide (CO), and CO₂, where applicable.

Use the U.S. EPA's Diesel Emissions Quantifier to make this calculation. The quantifier provides estimates of both the Annual Amount of Emissions Reduced and the Lifetime Amount of Emissions Reduced. If you do not use the quantifier to calculate your cost effectiveness, describe your methodology for estimating or determining outcomes in detail. For example, equipment and vehicle vendors may have engine-specific data that was provided to the U.S. EPA to certify the engine's emission levels.

Each emission reduction estimate and measurements for a verified technology should be based on demonstrated emissions reductions and emission factors listed on the U.S. EPA or CARB's verified technology list.

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

Report the Annual and Lifetime Emissions reductions as well as cost effectiveness of the project using the "Outcomes – Cost Effectiveness Calculations" table in the template.

H. Budget

The Michigan Clean Diesel Program requires all applications to include cost information on one of the two grant application budget forms. Forms are available electronically on the Michigan Clean Diesel Program Website at www.michigan.gov/deqcleandiesel. The yellow shaded areas of the budget sheet are cells that are available for data entry.

Select the Appropriate Budget Form

Changes in federal requirements have impacted the treatment of indirect costs, and these changes apply to all new Michigan Clean Diesel Program pass through grants.

If your organization has a current federally approved "**Negotiated Indirect Cost Rate Agreement**" (**NICRA**), you must use this rate to determine indirect cost. Download and use the "Budget for Federally Negotiated Rate" file. You must also attach a copy of your current approved NICRA to your proposal.

If your organization does not have a NICRA, you must use the **de minimis rate of 10 percent** of the modified direct costs. Download and use the "Budget 10 Percent de Minimis" file.

Additional requirements:

- Only actual costs can be claimed as match or for grant funding.
- Cost allocation is not allowed.
- The Michigan Clean Diesel Program can only reimburse contractors up to the U.S. EPA federal consultant cap rate. This applies to both grant and matching funds.

Refer to the RFP and draft agreement boilerplate for eligible activities, projects, and cost share.

Budget Form Details

The following budget details will help complete the form.

- The Project Total from the budget page must be the same as the Project Total on the cover sheet of your application.
- Under each Budget Category (Column B), enter the activities or entities that will be charging against the grant or counted as local match (see Local Match Amount, below). Include enough detail that it is easy to understand who or what is being paid for with grant or match funds.
- The form will calculate the total and attribute all the funds to the match column. Enter the amount you propose to be grant funded in Column E. The form automatically adjusts the match amount.
- Provide the same level of detail for all other budget categories, whether it is to be charged against the grant or counted as match. Each line requires a description, a quantity, and a rate or unit cost.

Local Match Amount

Local match is a financial commitment made by the grant recipient and other local agencies to help implement the project. Local match is required on all applications. Labor, in-kind services, cash, and materials can count as match. Match rates for contractors must conform to the U.S. EPA's Consultant Cap. Partner match must also be confirmed with a letter of commitment.

Additional requirements:

- No federal or state funds can be used as match.
- The rate of match included in the application will become part of your contractual obligation, if your project is selected for funding.
- Match activities will be held to the same standards as grant-funded activities.
- Match cannot be earned until the starting date in a contract is signed by both parties.
- Note that auditing requirements require grantees to document match earned by providing letters from matching agencies, verifying the work completed, and the value of that work.

1. Staffing Costs

These costs may be grant funds or local match.

- In Column B, list each staff person by name and title (e.g., project manager, senior analyst, clerical, etc.), and in Columns C and D enter the estimated number of hours each person will work on the project and their hourly rate. You may account for scheduled raises and use an average hourly rate. The total and match amount are calculated automatically and cannot be changed directly. Adjust the total by changing the hours or rate; adjust the match amount by changing the grant amount.
- Each staff person listed under staffing cost should also be included in the work plan.
- Staffing costs for volunteers, unpaid board members, and staff in agencies other than the grant applicant should be budgeted under Contractual Services.

No more than 5 percent of the recipient's total project cost may be used to cover administrative type costs, (e.g., personnel, benefits, travel and supplies). Total project

costs include the grant amount as well as any match provided by the recipient. Indirect costs are not considered administrative costs.

2. Fringe Benefits

This can include insurance, Federal Insurance Contributions Act (FICA), federal, state and local taxes, and workers compensation. If time off (vacation, holidays, and sick leave) is included in the fringe benefit rate, only actual time worked can be charged to the grant or used as match.

- The form automatically enters the staff information from the previous section.
- Most agencies have set fringe benefit rates. Use your agency's fringe benefit rate, up to 40 percent maximum. Enter the rate for each person in column D of this section. Rates above 40 percent cannot be used as match.
- The form will automatically apportion fringe benefits in the same grant/match ratio used for staffing costs.
- The Michigan Clean Diesel Program reserves the right to require applicants to supply information indicating how their fringe benefits were calculated.

3. Contractual Services

Contractual services are services provided by staff or agencies other than the grant recipient. Any services not provided by the grant recipient should be listed here. Your work plan must include a description of all work to be subcontracted. The state reserves the right to approve all subcontractors for this project and reserves the right to require the Grant recipient to replace subcontractors found to be unacceptable.

- In the Column B, list all contractual services. In Columns C and D, include a quantity (this can be by hours or contract unit) and rate for each. The total and match amount are calculated automatically and cannot be changed directly. Adjust the total by changing the hours/units or rate; adjust the match amount by changing the grant amount.
- All contractual services included here must also be included in the work plan.

4. Project Supplies, Materials, and Equipment

Project Supplies and Materials (including equipment that is less than \$1,000 per unit):

- Specify the types of supplies and materials in Column B. Itemize specific copying, postage, and other supplies and materials needed to carry out the project.
- Place corresponding quantities and costs of supplies and materials in Columns C and D.
- Explain any cost that may appear out of the ordinary.
- The total and match amount are calculated automatically and cannot be changed directly. Adjust the total by changing the quantity or rate; adjust the match amount by changing the grant amount.

Equipment (equipment that is \$1,000 or more per unit):

- Equipment is defined as tangible personal property having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of \$1,000, or the capitalization level established by the non-Federal entity for financial statement purposes (see 2 Code of Federal Regulations [CFR], Section 200.12, Capital Assets). Certified or verified technologies, vehicles, engines, and nonroad equipment are considered to be equipment to the extent they fall within this definition.
- Grant funds can be used to purchase equipment.

- Equipment purchases will require the grantee to enter into a commitment with the DEQ to continue operation of the equipment in Michigan for five years after the ending date of the grant agreement.
- Itemize equipment on the budget form and explain any cost that may appear out of the ordinary.

5. Travel Costs

This category applies only to organization staff – not contractors.

- Enter the number of miles for both the grant and match amounts, and the row will automatically total. The maximum rate allowable for reimbursement or as match is \$0.545 per mile.
- Meals and lodging in this section are for grantee staff.
- “Other” is for other travel costs such as parking, tolls, fares, or vehicle rental.
- The total and match amount are calculated automatically and cannot be changed directly. Adjust the total by changing the units or rate; adjust the match amount by changing the grant amount.

6. Indirect Costs

If you are using the “Budget for Federally Negotiated Rate” form, enter your indirect rate in the space provided (cell D96). The DEQ will evaluate your NICRA and finalize the budget consistent with your currently approved NICRA. Both electronic budget forms will calculate and automatically split the indirect costs in proportion to the applicable grant and match charges. New federal guidance allows you to voluntarily increase your local match by attributing some of your indirect cost from grant to match. To do this, simply decrease the amount in the “Grant Indirect Cost” cell; the match amount will be automatically adjusted.

7. Totals

Total Grant and Match budget. Note the totals at the bottom of the budget form should be the same as those on page 1 of your proposal.

8. Sources of Match

Local match is a financial commitment made by the grant recipient and other local organizations to help implement the project. Local match is required of all applications. Labor, in-kind services, cash, and materials can count as match, and the following applies:

- Whatever match you include in your application will become part of your contractual obligation, if your project is selected for funding. Be sure your match commitment is realistic.
- Match activities will be held to the same standards as grant-funded activities.
- Match cannot be earned until the agreement is signed by both parties (grantee and DEQ).
- Letters of commitment are required in the proposal to document match commitments from partner organizations.

At the bottom of the second page of the budget, indicate the source(s) of local match and the corresponding dollar value committed by the applicant or other local sources.

While it is not required that an applicant provide match beyond the mandatory cost-share as described above, applicants may provide a voluntary cost-share or overmatch to improve the environmental outputs and outcomes of the project.

I. Proof of Successful Audit

Applicants are required to submit a copy of their **full** financial audit signed by a Certified Public Accountant. The audit must have been completed within 24 months prior to the RFP closure date. The audit must be of the applicant organization – **No fiduciary arrangements will be accepted**. Note: The audit date is based on the audit period and not the date of the audit or the audit letter.

J. Fleet Data Spreadsheet

Select the proper tab for your project type at the bottom of the spreadsheet. Enter as much information as possible into the spreadsheet for the old vehicle/equipment, and the new vehicle/equipment. Include this with your application.

K. Early Retirement Evidence

Include supporting evidence of expected useful life of the vehicles, engines, and/or equipment targeted in this project for emissions reductions. For vehicle/equipment replacements, supporting evidence that the replacement activity is an “early replacement” activity include:

- Fleet characterization showing fleet age ranges and average turnover rates per vehicle.
- Fleet owner’s budget plan, operating plan, standard procedures, or retirement schedule.

L. Letters of Commitment

Include Letters of Commitment from project partners on their letterhead. Letters of Commitment should document the match committed by the partner.

M. Previous Grant Experience

Use the “Previous Grant Experience” table in the template to provide a list of up to three federal or state grants previously administered.

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

Describe previous administrative abilities, staff experience, and previous project history that would help in the administration of your proposed project.

III. APPENDICES

A. Checklist, Cover Sheet, Template, Fleet Description Spreadsheet, and Budget Forms

B. Draft Grant Agreement Boilerplate

Appendix A

Checklist for Proposal Submission

Grant Proposal Cover Sheet

Grant Proposal Template

Fleet Description Spreadsheet

Budget Forms

**Department of Environmental Quality
2019 Michigan Clean Diesel Program
Request for Proposals
Checklist for Proposal Submission**

- Grant Proposal Cover Sheet (page 1 of the proposal)*signed by grant acceptance authority.*
- Complete Grant Project Proposal Template.
- Budget Form (select the appropriate form that applies to your organization).

If your organization has a federally NICRA, you must attach a copy of your current approved NICRA to the proposal.

- Copy of full current audit from a Certified Public Accountant documenting that the organization has undergone a successful financial audit. The audit must have been completed within 24 months prior to the RFP closure date.
- Completed Fleet Description Spreadsheet.
- Supporting evidence indicating that replacement activity is an “early replacement”.
- Letters of Commitment.
- Send a hard copy of the entire proposal and appendices by mail, overnight delivery or hand delivery as follows:

- Grant applications sent via U.S. Postal Service must be addressed to:

Michigan Department of Environmental Quality
Waste Management and Radiological Protection Division
2018 Michigan Clean Diesel Program
P.O. Box 30241
Lansing, Michigan 48909-7741

- For hand delivery, commercial carrier, or overnight mail, applications must be addressed to:

Michigan Department of Environmental Quality
Waste Management and Radiological Protection Division
2018 Michigan Clean Diesel Program
Attention: Debra Swartz or Kris Lauckner
525 West Allegan, Constitution Hall, South Tower, 4th Floor
Lansing, Michigan 48933

***Proposals are due by 5:00 p.m. on November 26, 2018.
Proposals will not be accepted by fax.***

**Department of Environmental Quality
Michigan Clean Diesel Program
2019 Request for Proposal Cover Sheet**

Project Name: Project Name

Amount of Grant: \$000,000.00

Amount of Match: \$000,000.00 = 00.00% Project Total: \$000,000.00 (grant plus match)

Estimated Project Start Date: _____

End Date: August 31, 2019

Project Manager Name/Title:
Organization Name:
Organization Street Address:
Address:
Telephone Number:
Fax Number:
Organization E-mail Address:
Project Manager E-mail Address:
Federal ID Number (Required):
DUNS Number (Required):
Applicant Type (public or private agency):
Fleet or Equipment Type:
Project Impact Area (city, township, county or region impacted by project):

The individual signing below certifies that they are authorized to sign this application on behalf of their agency and has the authority to accept a grant.

Signature	Date
Name/Title	



**Department of Environmental Quality
2019 Michigan Clean Diesel Program
Request for Proposal
Grant Proposal Template**

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

I. Project Summary

In no more than one page, describe the project goals and objectives, how your project will prevent or reduce diesel emissions, and how your project will create long term change that will continue after the project is completed.

II. Work Plan

Describe how the project meets the goals and priorities of the RFP. Include a brief description of what will be done during the project period and the anticipated outcome of the project. The description should incorporate the following information:

- The way in which the project will achieve a significant prevention or reduction of diesel emissions.
- A description of the area(s) that will benefit from reduced diesel emissions.
- The reason why the project's area is being targeted for this project (i.e., air quality status, high diesel engine traffic, large population near roadways, children's exposure to diesel emissions, etc.).
- An overview of the type of fleet identified for the project, including the total number of verified vehicles or equipment to be replaced in this project.
- Information on whom or what organization(s) will retain ownership of the vehicles and/or equipment purchased with funding from this project.

III. Project Staff and Partner Roles and Responsibilities

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

Use the table below to list project staff, their title, affiliated organization, and their role/responsibility with the project. Add more lines if necessary.

Name of Project Staff	Title of Staff	Organization	Role/Responsibility

IV. Timeline with Description of Tasks and Name of Person Responsible for Task and Deliverable

Using the table below, enter the project tasks for each month, the person(s) responsible to complete each task, and the deliverable associated with each task. Add more lines if necessary.

Anticipated Timeline for Project Completion by Month	Task	Person Responsible	Deliverable
February	Enter into grant agreement with state.		Final grant agreement
March			
April			
May			
June			
July			
August			
April, July, August	Complete and submit quarterly reports.		Quarterly report
September	Complete and submit final report.		Final report

V. Anticipated Outputs

The term “output” means an environmental activity, effort, and/or associated products related to an environmental goal and objective that will be produced or provided over a period of time or by a specific date. Outputs may be quantitative or qualitative, but must be measurable during the grant funding period. Describe the anticipated outputs

Grant Proposal Template

from the project to be funded under this solicitation which may include, but are not limited to the following:

- Number and type of new vehicles/equipment purchased.
- Dissemination of project/technology information via press release, websites, and outreach events.
- Amount of grant and match funds expended on the project.
- Quarterly progress reports and final report.

Using the Outputs Table below, enter the information requested. Add more lines if necessary.

Outputs Table

Fleet Type	Fleet Owner	Industry	Technology	Total Number of Vehicles/Eq.	Total Number of Engines Affected
			Replacement		

VI. Outcomes – Short, Medium and Long-Term

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

- Net reduction in annual pounds or tons of particulate matter (PM_{2.5}), oxides of nitrogen (NO_x), greenhouse gases (GHG) such as carbon dioxide (CO₂) and black carbon, and/or volatile organic compounds (VOCs).
- Net reduction in gallons of diesel fuel used.
- An increased understanding of the environmental effectiveness of the implemented technology.
- Cost effectiveness of project (in \$/ton or \$/pound).

Long-term Outcomes: Briefly describe long term outcomes from this project. These may include but are not limited to:

- Improved ambient air quality.
- Health benefits achieved.
- Documented improved ambient air quality, including anecdotal testimony from populations of concern.

Grant Proposal Template

- The applicant, or their partner’s investment in transportation, environmental protection, and other activities that will provide long-term environmental and health benefits.
-

Using the United States Environmental Protection Agency’s (U.S. EPA) Diesel Emissions Quantifier, complete the Outcomes Table below.

Outcomes Table

Type of Pollutant	Annual Emission Reductions (tons/year)	Lifetime Emissions Reductions (tons/year)	Total Grant Cost Effectiveness
NOx			
PM			
HC			
CO			
CO2			
Amount of grant funding used for project activities:\$			
Estimated amount of fuel saved: gallons per year.			

Source of Cost Effectiveness Calculations:

VII. Performance Measures

The applicant should develop performance measures for tracking, measuring, and reporting its progress toward achieving the proposed outputs and outcomes, and describe them in their proposal.

The description of performance measures should include the following:

- Oversight of project partners, subgrantees, and/or contractors and vendors.
- Tracking and reporting project progress on expenditures, purchases, and other fiscal activities.
- Tracking and reporting actual accomplishments versus proposed outputs/outcomes and proposed timelines.
- Tracking and reporting project progress on installations/replacements by maintaining an accurate Project Fleet Description.
- Measuring and reporting on outcomes by maintaining an accurate Fleet Description Sheet and using the U.S. EPA’s Diesel Emission Quantifier.

VIII. Budget Form

An editable version of the budget sheet can be accessed on the Michigan Clean Diesel Program Web site at www.michigan.gov/deqcleandiesel. Your budget must be completed and submitted on the correct form to fulfill the budget requirement of

your proposal. If a federally Negotiated Indirect Cost Rate Agreement (NICRA) is being used, a copy of the **current approved** NICRA must be included with your application. Alternate budget forms will not be considered.

IX. Copy of Full Audit by Certified Public Accountant (include with application)

Include a copy of a successful financial full audit that has been completed within 24 months prior to the RFP’s closure date by a Certified Public Accountant.

X. Fleet Data Spreadsheet (include with application)

An editable version of the Fleet Data Spreadsheet can be accessed on the Michigan Clean Diesel Program Web site at www.michigan.gov/deqcleandiesel.

XI. Early Retirement Evidence

Provide proof of early retirement for the project vehicles. This is defined by the vehicle or fleet owner’s budget plan, operating plan, standard procedures, or retirement schedule.

XII. Letters of Commitment on Agency Letterhead (include with application)

Include letters of commitment from all project partners on the agency’s letterhead.

XIII. Previous Grant Experience

Using the table below, enter the information requested regarding past grant experience. Enter up to three examples.

Name of Previous Grant Project	Start and End Dates of Grant	Name of Grantor/ Agency	Grant Amount

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

Describe previous administrative abilities, staff experience, and previous project history that would help in the administration of your proposed project.

Michigan Clean Diesel Program

Fleet Data Spreadsheet
Marine

Company Name:

Contact Name:
Contact Phone:
Contact Email:

Vessel Information: List the existing equipment to be addressed in this project.

Additional Information needed for the existing engine in order to run the Diesel Emissions Quantifier (DEQ)

	Boat Type [Tug or Ferry]	Engine Type [Propulsion or Auxillary]	Engine Manufacture	Model	Engine Model Year	Existing Engine Horse Power	HIN #	Boat Registration #	Estimated gallons of fuel consumed, per year	¹ Fuel Type [e.g., diesel]	Estimated hours operated, per year	² Clean Diesel Option	Total # of Cylinders for this Engine	Individual Cylinder Displacement, in liters	Total Engine Displacement, in liters	Tier Standard of Existing Engine
1																
2																
3																
4																
5																
6																
7																
8																
9																

Please provide the following information for each new or rebuilt engine [List in order as above]

	Engine Type [Propulsion or Auxillary Engine]	Engine Manufacture	Model	Model Year	Engine Horsepower	Tier Standard of New Engine	Total # of Cylinders for this Engine	Cylinder Displacement, in liters	Total Engine Displacement, in liters	¹ Fuel Type [e.g., diesel]	Labor Cost [Repower only is eligible for labor reimbursement]
1											
2											
3											
4											
6											
7											
8											
9											

² Clean Diesel Option Key:
RPR = Engine Repower (Rebuild)
REPL = Engine Replacement (New)

¹ Fuel Type Key:
Diesel
Biodiesel (i.e. B5, B11, B20)



MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY
WASTE MANAGEMENT AND RADIOLOGICAL PROTECTION DIVISION
MICHIGAN CLEAN DIESEL GRANT PROGRAM
FY19 BUDGET PROPOSAL FORM - NICRA

Applicant Name:	
Project Name:	
Tracking Number:	

STAFFING NAME & TITLE	HOURS	RATE	GRANT AMOUNT	LOCAL MATCH AMOUNT	TOTAL
		\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -
Subtotal			\$ -	\$ -	\$ -

FRINGE BENEFITS	RATE	GRANT AMOUNT	LOCAL MATCH AMOUNT	TOTAL
		\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -
Subtotal			\$ -	\$ -
STAFFING AND FRINGE BENEFITS Subtotal			\$ -	\$ -

CONTRACTUAL SERVICES	HOURS or UNITS	RATE or TOTAL	GRANT AMOUNT	LOCAL MATCH AMOUNT	TOTAL
		\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -
CONTRACTUAL SERVICES Subtotal			\$ -	\$ -	\$ -

SUPPLIES & MATERIALS (itemize)	QUANTITY	COST	GRANT AMOUNT	LOCAL MATCH AMOUNT	TOTAL
		\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -
Subtotal			\$ -	\$ -	\$ -

EQUIPMENT (any item over \$1000)	QUANTITY	COST	GRANT AMOUNT	LOCAL MATCH AMOUNT	TOTAL
		\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -
Subtotal			\$ -	\$ -	\$ -



MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY
WASTE MANAGEMENT AND RADIOLOGICAL PROTECTION DIVISION
MICHIGAN CLEAN DIESEL GRANT PROGRAM
FY19 BUDGET PROPOSAL FORM - 10% De Minimus

Applicant Name:	
Project Name:	
Tracking Number:	

STAFFING NAME & TITLE	HOURS	RATE	GRANT AMOUNT	LOCAL MATCH AMOUNT	TOTAL
		\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -
Subtotal			\$ -	\$ -	\$ -

FRINGE BENEFITS		RATE			
			\$ -	\$ -	\$ -
			\$ -	\$ -	\$ -
			\$ -	\$ -	\$ -
			\$ -	\$ -	\$ -
			\$ -	\$ -	\$ -
			\$ -	\$ -	\$ -
			\$ -	\$ -	\$ -
			\$ -	\$ -	\$ -
			\$ -	\$ -	\$ -
			\$ -	\$ -	\$ -
Subtotal			\$ -	\$ -	\$ -
STAFFING AND FRINGE BENEFITS Subtotal			\$ -	\$ -	\$ -

CONTRACTUAL SERVICES	HOURS or UNITS	RATE or TOTAL			
		\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -
CONTRACTUAL SERVICES Subtotal			\$ -	\$ -	\$ -

SUPPLIES & MATERIALS (itemize)	QUANTITY	COST			
		\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -
Subtotal			\$ -	\$ -	\$ -

EQUIPMENT (any item over \$1000)	QUANTITY	COST			
			\$ -	\$ -	\$ -
			\$ -	\$ -	\$ -
Subtotal			\$ -	\$ -	\$ -

Appendix B

Draft Agreement Boilerplate



**2019 STATE CLEAN DIESEL GRANT AGREEMENT
BETWEEN THE
MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY
AND
GRANTEE NAME**

This Grant Agreement ("Agreement") is made between the Michigan Department of Environmental Quality, Waste Management and Radiological Protection Division ("State") and Name of Grantee ("Grantee").

The purpose of this Agreement is to provide funding in exchange for work to be performed for the project named below. The State is authorized to provide grant assistance pursuant to the U.S. Environmental Protection Agency's National Clean Diesel Program which is authorized under the U.S. Energy Policy Act of 2005, Title VII, Subtitle G, Section 793 of the Diesel Emissions Reduction Program. This Agreement is subject to the terms and conditions specified herein.

Project Name: Project Name
 Amount of grant: \$000,000.00
 Amount of match: \$000,000.00 = 00.00%
 Start Date: (date executed by the State): _____

Project #: 0000
 100% of grant federal
 Project Total: \$000,000.00 (grant plus match)
 End Date: August 31, 2019

GRANTEE CONTACT:

Grantee Name, Title _____
 Name/Title _____
 Organization _____
 Organization _____
 Address _____
 Address _____
 Telephone number _____
 Fax number _____
 E-mail address _____
 Federal ID number (Required for Federal Funds) _____
 DUNS number (Required for Federal Funds) _____

STATE'S CONTACT:

Debra Swartz, Grant Administrator
 Name/Title _____
 Resource Management Group/WMRPD/DEP
 Division/Bureau/Office _____
 P.O Box 30241
 Address _____
 Lansing, Michigan 48909-7741
 Address _____
 517-284-6903
 Telephone number _____
 517-373-4051
 Fax number _____
 swartzd@michigan.gov
 E-mail address _____

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

FOR THE GRANTEE:

Signature _____ Date _____
 Name/Title _____

FOR THE STATE:

Signature _____ Date _____
 Name/Title _____
 Jack Schinderle, Division Director, WMRPD

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 in Appendix A of this Agreement.

(A) The Grantee must complete and submit quarterly financial and progress reports according to a form and format prescribed by the State and must include supporting documentation of eligible project expenses. These reports shall be due according to the following:

Reporting period	Due Date
January 1 – March 31	April 30
April 1 – June 30	July 31
July 1 – September 30	Before October 1*
October 1 – December 31	January 31

*Due to the State’s year-end closing procedures, there will be an accelerated due date for the report covering July 1 – September 30. Advance notification regarding the due date for the quarter ending September 30 will be sent to the Grantee. If the Grantee is unable to submit a report in early October for the quarter ending September 30, an estimate of expenditures through September 30 must be submitted to allow the State to complete its accounting for that fiscal year.

The forms provided by the State shall be submitted to the State’s contact at the address on page 1. All required supporting documentation (invoices, proof of payment, etc.) for expenses must be included with the report.

(B) The Grantee shall provide a final project report in a format prescribed by the State. The Grantee shall submit the final 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 1 copy of all products and deliverables in accordance with Appendix A

(D) All products shall acknowledge that the project was funded in whole or in part by the United States Environmental Protection Agency (USEPA) Clean Diesel Grant, administered by the Department of Environmental Quality, 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 designs, drawings, 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.

VI. USE OF MATERIAL

Unless otherwise specified in this Agreement, the Grantee may release information or material developed under this Agreement, provided it is acknowledged that the State funded all or a portion of its development.

The State, and federal awarding agency, if applicable, retains a royalty-free, nonexclusive and irrevocable right to reproduce, publish and use in whole or in part, and authorize others to do so, any copyrightable material or research data submitted under this grant whether or not the material is copyrighted by the Grantee or another person. The Grantee will only submit materials that the State can use in accordance with this paragraph.

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.

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

If all or a portion of this Agreement is funded with federal funds, then in accordance with OMB Circular A-21, A-87, or A-122, as appropriate, the Grantee shall comply with the Anti Lobbying Act which prohibits the use of all project funds regardless of source, to engage in lobbying the state or federal government or in litigation against the State. Further, the Grantee shall require that the language of this assurance be included in the award documents of all subawards at all tiers.

If all or a portion of this Agreement is funded with state funds, then the Grantee shall not use any of the grant funds awarded in this Agreement for the purpose of lobbying as defined in the State of Michigan's lobbying statute, MCL 4.415(2). "Lobbying" means communicating directly with an official of the executive branch of state government or an official in the legislative branch of state government for the purpose of influencing legislative or administrative action." The Grantee shall not use any of the grant funds awarded in this Agreement for the purpose of litigation against the State. Further, the Grantee shall require that language of this assurance be included in the award documents of all subawards at all tiers.

XIV. DEBARMENT AND SUSPENSION

By signing this Agreement, the Grantee certifies that it has checked the federal debarment/suspension list at www.SAM.gov to verify that it, its agencies, 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 Agreement under a public transaction, as defined in 45CFR1185; 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 the grant 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 (5) years after the final payment has been issued to the Grantee 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 State under the terms of this Agreement.

If funding is received through any other source, the Grantee agrees to delete from Grantee's billings, or to immediately refund to the State, 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 one 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 may be processed by Electronic Funds Transfer (EFT). The Grantee may register to receive payments by EFT at the Contract & Payment Express Web Site (<http://www.cpexpress.state.mi.us>).

(F) An amount equal to 10 percent (10%) of the grant award will be withheld by the State until the project is completed in accordance with Section XIX, Closeout and Appendix A.

(G) The Grantee is committed to the match percentage on page 1 of the Agreement, in accordance with Appendix A. The Grantee shall expend all local match committed to the project by the End Date on page 1 of the Agreement.

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 any match obligations, satisfactorily completed the activities, and provided products and deliverables described in Appendix A.

(B) Upon issuance of final payment from the State, 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 refund to the State any payments in excess of the costs allowed by this Agreement.

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 authorizing legislation cited on page 1, or the rules promulgated thereunder, 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. During the 30-day written notice period, the State shall also withhold payment for any findings under subparagraphs a through c, above and the Grantee will immediately cease charging to the grant and stop earning match for the project.
- e. 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.

(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 which, 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.

XXII. 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.

XXIII. 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.

PROGRAM SPECIFIC SECTION

XXIV. FEDERAL FUNDING REQUIREMENTS

A maximum of 100 % of total disbursements is funded with Federal Funding. The Catalog of Federal Domestic Assistance (CFDA.) title is State Clean Diesel Grant Program and the CFDA number is 66.040. The federal grant number is DS00E66604-1, and this grant is funded with Federal funds from the U.S. Environmental Protection Agency (USEPA). By accepting this Agreement, the Grantee shall comply with all applicable Federal statutes and regulations in effect with respect to the period during which it receives grant funding. These regulations include, but are not limited to, the following:

(A) The Grantee agrees to fulfill conditions that the Federal Government has imposed on the State as a condition of Federal funding as indicated herein and in all appendices.

(B) **Single Audit.** Grantees spending \$750,000 or more in Federal funds in their fiscal year shall have a single audit performed in compliance with 2 CFR 200.501(a). This audit must be performed, and copies provided to the appropriate agencies within nine months from the end of the grantee's fiscal year, or 30 days after receiving the report from the auditors. The Grantee must submit a copy of the Audit Report to the Michigan Department of Environmental Quality, at the following address:

Michigan Department of Environmental Quality
Administration Division-Federal Aid Section
Constitution Hall 6th Floor South Tower
525 West. Allegan
Lansing, MI 48909

Or, the grantee may also submit the single audit report electronically to the Michigan Department of Treasury website (http://www.michigan.gov/treasury/0,1607,7-121-1751_31038---,00.html.)

It is the responsibility of the Grantee to report the expenditures related to this grant on the Grantee's annual Schedule of Expenditures of Federal Awards.

(C) **Minority Business Enterprises (MBE)/Women's Business Enterprises (WBE) Requirements and Disadvantage Business Enterprise Rule (DBE).** The Grantee agrees to make a good faith effort to include minority-owned and women-owned businesses in bidding processes.

(D) **Civil Rights.** The Grantee agrees to comply fully with applicable civil rights statutes.

(E) **Conflict of Interest Notification.** Grantees will contact their DEQ project administrator 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.

(F) **Hotel-Motel Fire Safety.** Pursuant to 15 USC 2225a, the recipient agrees to ensure that all space for conferences, meetings, conventions, or training seminars funded in whole or in part with federal funds complies with the protection and control guidelines of the Hotel and Motel Fire Safety Act (PL 101-391, as amended). Recipients may search the Hotel-Motel National Master List at <https://apps.usfa.fema.gov/hotel/> to see if a property is in compliance.

(G) **Recycled Paper.** When directed to provide paper documents, the recipient agrees to use recycled paper and double-sided printing for all reports which are prepared as part of this agreement and delivered to DEQ. This requirement does not apply to reports prepared on forms supplied by DEQ or USEPA.

(H) **Recycled Products.** Consistent with goals of section 6002 of RCRA (42 U.S.C.6962), State and local institutions of higher education, hospitals and non-profit organization recipients agree to give preference in procurement programs to the purchase of specific products containing recycled materials, as identified in 40 CFR Part 247.

Consistent with section 6002 of RCRA (42 U.S.C. 6962) and CFR 200.322, State agencies or agencies of a political subdivision of a State and its contractors are required to purchase certain items made from recycled materials, as identified in 40 CFR Part 247, when the purchase price exceeds \$10,000 during the course of a fiscal year or where the quantity of such items acquired in the course of the preceding fiscal year was \$10,000 or more. Pursuant to 40 CFR 247.2 (d), the recipient may decide not to procure such items if they are not reasonably available in a reasonable period of time; fail to meet reasonable performance standards; or are only available at an unreasonable price.

(I) **Copyrighted Materials.** In accordance with 2 CFR 200.315 the USEPA has the right to reproduce, publish, use, and authorize others to reproduce, publish, and use copyrighted works or other data developed under this assistance agreement for Federal purposes. Examples of Federal purpose include but are not limited to: (1) Use by the USEPA and other Federal employees for official Government purposes; (2) Use by Federal contractors performing specific tasks for the Government; (3) Publication in USEPA documents provided the documents do not disclose trade secrets (e.g. software codes) and the work is properly attributed to the recipient through citation or otherwise; (4) Reproduction of documents for inclusion of Federal depositories; (5) Use by State, tribal and local governments that carry out delegated Federal environmental programs as “co-regulators” or act as official partners with the USEPA to carry out a national environmental program within their jurisdiction; and (6) Limited use by other grantees to carry out Federal grants provided the use is consistent with the terms of the USEPA’s authorization to the grantee to use the copyrighted works or other data.

Under Item 6, the grantee acknowledges that USEPA may authorize another grantee(s) to use the copyrighted works or other data developed under this grant as a result of: a. the selection of another grantee by the USEPA to perform a project that will involve the use of the copyrighted works or other data or; b. termination or expiration of this agreement. In addition, the USEPA may authorize another grantee to use copyrighted works or other data developed with Agency funds provided under this grant to perform another grant when such use promotes efficient and effective use of Federal grant funds.

(J) **Drug-Free Workplace.** The recipient organization of this USEPA assistance agreement must make an ongoing, good faith effort to maintain a drug-free workplace pursuant to the specific requirements set forth in Title 2 CFR Part 1536 Subpart B. Additionally, in accordance with these regulations, the recipient organization must identify all known workplaces under its federal awards, and keep this information on file during the performance of the award.

(K) **Trafficking.** Grantees, contractors, and subcontractors may not engage in severe forms of trafficking in persons, procure a commercial sex act, or use forced labor in the performance of the grant or subcontracts.

(L) **Payment to Consultants.** USEPA participation in the salary rate (excluding overhead) paid to individual consultants by recipients or by a recipient’s contractors or subcontractors shall be limited to the maximum daily rate for a Level IV of the Executive Schedule, to be adjusted annually. This limit applies to consultation services of designated individuals with specialized skills who are paid at a daily or hourly rate. As of January 1, 2018, the limit is \$ 631.54 per day and \$ 78.94 per hour. This rate does not include transportation and subsistence costs for travel performed (the recipient will pay these in accordance with their normal travel reimbursement practices).

Subrecipients with firms for services that are awarded using the procurement requirements in Subpart D of 2 CFR 200, are not affected by this limitation unless the terms of the Agreement provided the recipient with responsibility for the selection, direction, and control of the individuals who will be

providing services under the Agreement at an hourly or daily rate of compensation. See 2 CFR 1500.9.

(M) **Subawards.** The Grantee agrees to:

- (1) Establish all subaward agreements in writing;
- (2) Ensure that any subawards comply with the standards in 2 CFR 200 Subpart E and are not used to acquire commercial goods or services for the recipient;
- (3) Ensure that any subawards are awarded to eligible subrecipients and that proposed subaward costs are necessary, reasonable, and allocable;
- (4) Ensure that any subawards to 501(c)(4) organizations do not involve lobbying activities;
- (5) Monitor the performance of their recipients and ensure that they comply with all applicable regulations, statutes, and terms and conditions which flow down in the subaward, including those in 2 CFR 200.331(a);
- (6) Obtain DEQ's consent before making a subaward to a foreign or international organization, or a subaward to be performed in a foreign country; and
- (7) Obtain DEQ's consent before making a subaward not outlined in the approved work plan;
- (8) Be responsible for selecting its subrecipients and, if applicable, for conducting subaward competitions.

(N) **Light Refreshments and/or Meals.** The Grantee agrees to obtain prior approval from the DEQ project administrator for the use of grant funds for light refreshments and/or meals served at meetings, conferences, training workshops and outreach activities (events). The Grantee must send requests for approval to the DEQ project administrator and include:

- (1) An estimated budget and description for the light refreshments, meals and/or beverages to be served at the event(s)
- (2) A description of the purpose, agenda, location, length and timing for the event;
- (3) An estimated number of participants in the event and a description of their roles.

Note: U.S. General Services Administration regulations define light refreshments for morning, afternoon or evening breaks to include, but not be limited to, coffee, tea, milk, juice, soft drinks, donuts, bagels, fruit, pretzels, cookies, chips, or muffins. (41 CFR 301-74.7)

EPA funding for meals, light refreshments, and space rental may not be used for any portion of an event where alcohol is served, purchased, or otherwise available as part of the event or meeting, even if EPA funds are not used to purchase the alcohol.

(O) **Electronic and Information Technology Accessibility.** Grantees are subject to the program accessibility provisions of Section 504 of the Rehabilitation Act, codified in 40CFR Part 7, which includes an obligation to individuals with disabilities reasonable accommodations and an equal and effective opportunity to benefit from or participate in a program, including those offered through electronic and information technology (EIT). Grantees developing electronic and information technology products, which includes but is not limited to information kiosks and World Wide Websites, must meet accommodation standards in Section 508 of the Rehabilitation Act, codified at 36 CFR Part 1194, unless such causes undue hardship to the entity involved.

(P) **Patents.** Rights to inventions made under this assistance agreement are subject to federal patent and licensing regulations, which are codified at Title 37 CFR Part 401 and Title 35 USC Section 200-212. Pursuant to the Bayh-Dole Act (set forth in 35 USC 200-212), EPA retains the right to a worldwide, nonexclusive, nontransferable, irrevocable, paid-up license to practice the invention owned by the assistance agreement holder, as defined in the Act. To streamline the invention reporting process and to facilitate compliance with the Bayh-Dole Act, the Grantee is required to notify the DEQ when an invention report, patent report, or utilization report is filed at <http://iEdison.gov>.

(Q) **Executive Pay.** Grantees whose gross income in the previous tax year was \$300,000 or more will verify in writing to the DEQ Project Administrator that they are exempt from reporting total compensation of Executives required under the federal Transparency Act, as defined in 2 CFR 170.320. This verification is due by the end of the month following the month the DEQ made the grant award. In so doing, the grantee is stating that:

1. They did not in the preceding tax year receive:
 - 80 percent or more of their annual gross revenues from federal procurement contracts (and subcontracts) and federal financial assistance subject to the Transparency Act; and
 - \$25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act; and
2. The public has access to information about the compensation of executives through periodic reports filed under Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a),78o(d)) or Section 6104 of the Internal Revenue Code of 1986.

(R) **Emissions Control Technologies.** Emissions Reduction Projects funded pursuant to this assistance agreement must use verified technologies and/or must use engines and engine configurations certified by EPA and, if applicable, CARB Technologies are verified under EPA or California's Retrofit Verification Program. See www.epa.gov/verified-diesel-tech/verified-technologies-list-clean-diesel for an updated list of EPA's verified technologies and www.arb.ca.gov/diesel/verdev/vt/cvt.htm for a list of CARB's verified technologies. Lists of EPA certified engines and certified remanufacture systems for locomotives and marine engines are available at: www.epa.gov/vehicle-and-engine-certification.

Any question as to the eligibility or preference of a retrofit technology, including vehicle/equipment replacement and repowers, should be directed to the DEQ Project Manager. Technology changes may not be allowed after a final workplan has been approved.

(S) **Use Of Funds Restriction.**

- A. **Mandated Measures:** Recipient agrees that funds under this award cannot be used for emissions reductions that are mandated under federal law. This refers to specific compliance dates within the mandate, not when the mandate is passed. Voluntary or elective emissions reduction measures shall not be considered "mandated," regardless of whether the reductions are included in the State Implementation Plan of a State.
- B. **Normal Attrition:** Recipient agrees that funds under this award cannot be used for emission reductions that result from vehicle/equipment replacements or repowers that would have occurred through normal attrition/fleet turnover within three years of the project start date.
- C. **Fleet Expansion:** Recipient agrees that funds under this award, including subawards/subgrants cannot be used for the purchase of vehicles or equipment to expand a fleet. The recipient agrees that:
 1. The replacement vehicle, engine, or equipment will perform the same function and operation as the vehicle, engine, or equipment that is being replaced;
 2. The replacement vehicle, engine, or equipment must be of the same type and similar gross vehicle weight rating or horsepower as the vehicle, engine, or equipment being replaced.
Horsepower increases of more than 25 percent for nonroad vehicles and equipment will require written approval by the DEQ Project Manager prior to purchase, and the applicant may be required to pay the additional costs associated with the higher horsepower equipment.
 3. For Highway Replacements: The replacement vehicle must not be in a larger weight class than the existing vehicle (Class 5, 6, 7, or 8). The engine's primary intended service class must match the replacement vehicle's weight class (i.e. a LHD diesel engine is used in a vehicle with GVWR 16,001 – 19,500 pounds, a MHD diesel engine

is used in a vehicle with a GVWR of 19,501 – 33,000 pounds, and an HHD diesel engine is used in a vehicle with a GVWR greater than 33,000 pounds). Exceptions may be granted for vocational purposes, however the GVWR must stay within 10 percent of the engine's intended service class and any exceptions will require written approval by the DEQ Project Manager prior to purchase.

4. The vehicle/engine being replaced will be scrapped or rendered permanently disabled within ninety (90) days of the replacement, or returned to the original engine manufacturer for remanufacturing to the certified cleanest emission standard. Remanufacturing must be completed during the project period. Permanently disabling the engine while retaining possession of the engine is an acceptable scrapping method. Disabling the engine may be completed by drilling a 3-inch hole in the engine block (the part of the engine containing the cylinders). Disabling the chassis may be completed by cutting completely through the frame/frame rails on each side of the vehicle/equipment at a point located between the front and rear axles. Other acceptable scrapping methods may be considered and will require prior approval. If scrapped or remanufactured engines are to be sold, program income requirements apply. Evidence of appropriate disposal is required in a final assistance agreement report submitted to DEQ and includes a signed certificate of destruction and digital photos of the engine tag (showing vehicle identification number, serial number, engine family number, and engine model year), the destroyed engine block, and cut frame rails or other cut structural components as applicable. Vehicle/equipment components that are not part of the engine or chassis may be salvaged from the unit being replaced (e.g. plow blades, shovels, seats, etc.). If scrapped or remanufactured vehicles/equipment or salvaged vehicles/equipment chassis or components are to be sold, program income requirements apply.
5. For Nonroad Highway Replacements: The vehicle/equipment being replaced will be scrapped or rendered permanently disabled within ninety (90) days of the replacement. Disabling the engine and chassis may be completed as described above. Other acceptable scrapping methods may be considered and will require prior written approval by the DEQ Project Manager. Evidence of appropriate disposal is required in a final assistance agreement report submitted to DEQ and includes a signed certificate of destruction and digital photos of the engine tag (showing vehicle identification number, serial number, engine family number, and engine model year), the destroyed engine block, and cut frame rails or other cut structural components as applicable. Vehicle/equipment components that are not part of the engine or chassis may be salvaged from the unit being replaced (e.g. plow blades, shovels, seats, etc.). If scrapped or salvaged vehicle/equipment chassis or components are to be sold, program income requirements apply.
6. On-highway Model Year: Recipient agrees that funds under this award cannot be used to retrofit, repower, convert or replace a bus, medium-duty, or heavy-duty highway vehicle with engine model year 1994 older, or replace engine model year 2007-2009 with other than with an all-electric vehicle, or replace, repower or convert engine model year 2007 or newer.
7. Nonroad Useful Life and Operating Hours: Recipient agrees that funds under this award cannot be used to retrofit, repower, upgrade or replace a nonroad engine or equipment that has less than seven years of useful life remaining. A table distinguishing which nonroad engine model years EPA has determined to have at least seven years of useful life remaining, based on the type and age of vehicle, can be found at: www.epa.gov/sites/production/files/2015-10/documents/fy14-nonroad-remaining-useful-life.pdf. Recipient agrees that funds under this award cannot be used to replace a nonroad engine that is 50 HP or less and engine model year 2004 or older, or between 51-300 HP and engine model year 1994 or older, or 301 HP or greater and engine model year 1984 or older. In addition, recipient agrees that funds under this award cannot be used to retrofit, repower, upgrade or replace nonroad engines and equipment that operate less than 500 hours per year.

8. Recipient agrees that funds under this award cannot be used to repower or replace nonroad vehicles and equipment with vehicles/equipment powered by unregulated, Tier 1, or Tier 2 engines. Tier 3 and Tier 4 interim (4i) engines are allowed for vehicle/equipment replacement only when Tier 4 final is not yet available from OEM for 2017 model year equipment under the Transition Program for Equipment manufacturers.

- D. Drayage Vehicle Replacement Project Requirements: In addition to the scrappage requirements for all vehicle/equipment described above, recipients replacing drayage vehicles are required to establish and document guidelines to ensure that the scrapped vehicle has a history of operating on a frequent basis over the prior year as a drayage truck.

The recipient must establish and document guidelines to ensure that all drayage trucks receiving grant funds are operated in a manner consistent with the definition of a drayage truck, defined as any Class 8a and 8b in-use on-road vehicle with a gross weight rating (GVWR) of greater than 33,000 pounds operating on or transgressing through port or intermodal rail yard property for the purpose of loading, unloading or transporting cargo, such as containerized, bulk or break-bulk goods.

- E. Certified Vehicle/Equipment Replacement:
 - i. Nonroad Diesel Vehicles and Equipment: DEQ will fund up to 25% the cost of an eligible vehicle or piece of equipment powered by a 2017 model year or newer certified engine; recipient is responsible for cost-sharing at least 75% of the cost of an eligible replacement vehicle or piece of equipment.
 - ii. Highway Diesel Vehicles: DEQ will fund up to 25% of the cost of an eligible replacement vehicle powered by an engine certified to the 2017 model year or newer certified engine; recipient is responsible for cost-sharing at least 75% of an eligible replacement vehicle. DEQ will fund up to 35% of the cost of an eligible replacement vehicle powered by a 2017 or newer engine certified to meet CARB's Optional Low-NOx Standards of 0.1 grams per brake horsepower-hour (g/bhp-hr), 0.05 g/bhp-hr, or 0.02 g/bhp-hr NOx; recipient is responsible for cost-sharing at least 65% of an eligible replacement vehicle. DEQ will fund up to 45 percent of the cost of an all-electric replacement vehicle and charging station; recipient is responsible for cost-sharing at least 55% of an eligible replacement vehicle and charging station. Charging infrastructure costs other than the charging station will not be funded. Project applicants will need to demonstrate that adequate charging infrastructure is available for any all-electric projects
 - iii. Drayage Vehicle Replacement: DEQ will fund up to 50% of the cost of an eligible drayage truck with a 2012 model year or newer engine equipped with a diesel particulate filter (or diesel oxidation catalyst in the case of a CNG engine); recipient is responsible for cost-sharing at least 50% of an eligible drayage replacement vehicle.

F. Matching Funds: Recipient agrees that funds under this award cannot be used for matching funds for other federal grants, lobbying, or intervention in federal regulatory or adjudicatory proceedings, and cannot be used to sue the Federal Government or any other government entity. Likewise, recipient may not use federal funds as cost-share funds for the State Clean Diesel Grant Program, including funds received under the National Diesel Emissions Reduction Program and federal Supplemental Environmental Project (SEP) funds.

G. Expense Cap: No more than 5 percent of the recipient's total project costs may be used to cover administrative type costs (e.g. personnel, benefits, travel, and office supplies). Total project costs include the federal share as well as any cost-share provided by the recipient. The recipient's indirect costs are not considered.

H. Proposals which include replacements must include a detailed discussion of the fleet owner's normal attrition schedule and must explain how the proposed emission reductions are not a result

of vehicle/equipment replacements that would have occurred through normal attrition/fleet turnover within three years of the project start date.

I. Recipient agrees that funds under this award cannot be used to replace a bus, medium-duty, or heavy-duty highway vehicle that is a model year 1994 vehicle or older.

J. With regard to medium and heavy-duty trucks and transit buses, Recipient agrees that funds under this award cannot be used to replace model year 2007 – 2009 other than with an all-electric vehicle.

K. With regard to medium and heavy-duty trucks and transit buses, Recipient agrees that funds under this award cannot be used to replace model year 2010 or newer.

(T) **Program Income.** If program income is generated during the course of the project, program income requirements apply. Program income as defined at 2 CFR 200.80 means gross income received by the grantee or subgrantee that is directly generated by a grant supported activity, or earned as a result of the grant agreement during the grant period. “During the grant period” is the time between the Start Date of the grant and the End Date of the granted reflected on page 1. Program income earned during the project period shall be retained by the recipient and, in accordance with 2 CFR 200.307, recipient is authorized to use program income as follows:

- a. Program income may be added to funds committed to the project by DEQ and recipient and used to further eligible project or program objectives. The program income shall be used for the purposes and under the conditions of the grant agreement.
- b. Program income may be used to finance the non-Federal share of the project or program, including any mandatory or voluntary cost-share. The amount of the Federal grant award remains the same.
- c. Deducted from the total project or program allowable cost in determining the net allowable costs on which the Federal share of the costs is based. This means that the recipient shall spend program income on project activities before spending/requesting federal funds for project activities. This may result in unspent federal funds at the end of the project period.

The recipient will maintain records adequate to document the extent to which transactions generate program income and the disposition of program income.

(U) **Equipment Use, Management, And Disposition.** These equipment use, management, and disposition instructions are applicable to assistance agreement recipients and subrecipients acquiring equipment under this award.

Recipient agrees the equipment acquired under this assistance agreement will be subject to the use and management and disposition regulations at 2 CFR 200.313, as applicable. Equipment is defined as tangible non-expendable personal property having a useful life of more than one year and an acquisition cost and/or current market value of \$5,000 or more per unit. Certified or verified technologies, vehicles, engines and non-road equipment are considered to be equipment to the extent they fall within this definition. The recipient and sub-recipients agree to operate and maintain vehicles and equipment purchased with grants funds in Michigan for at least five years.

(V) **Procurement And Sub-Grant Procedures.** The recipient must follow applicable procurement and sub-grant procedures. EPA and the DEQ will not be a party to these transactions. If EPA funds are used to purchase goods or services, recipient agrees to compete the contracts for those goods and services and conduct cost and price analyses to the extent required by the fair and open competition for procurement provisions of 2 CFR 200.318-.326. Approval of funding proposal does not relieve recipients of their obligations to complete service contracts, conduct cost and price analyses, and use sub-grants only for financial assistance purposes.

(W) **Final Report.** The final project report will include all categories of information required for quarterly reporting, including a final, detailed fleet description. The final project report will also include a narrative summary of the project or activity, actual project results (outputs and outcomes) including actual emissions benefits calculations, and the successes and lessons learned for the entire project. For projects involving vehicle/equipment replacement and repowers the recipient must provide in the final report: 1) Evidence that the replacement activity is an “early replacement” and would not have occurred during the normal attrition/fleet turnover (i.e. without the financial assistance provided by the grant) within three years of the project period start date. Supporting evidence can include verification that the vehicles or equipment being replaced have useful life left and fleet characterization showing fleet age ranges and average turnover rates per the vehicle or fleet owner’s budget plan, operating plan, standard procedures, or retirement schedule; 2) Evidence of appropriate scrappage or remanufacture, including the engine serial number and/or the vehicle identification number (VIN); and 3) Specification of the model years and the emission standard levels for PM and NOx, for both the engine being replaced and the new engine.

For projects that take place in an area affected by, or includes vehicles, engines or equipment affected by federal law mandating emissions reductions, the recipient must provide in the final report evidence that emission reductions funded with EPA funds were implemented prior to the effective date of the mandate and/or are in excess of (above and beyond) those required by the applicable mandate.

(X) **Environmental Results.** The grantee shall submit reports that include brief information on each of the following areas: 1) a comparison of actual accomplishments to the outputs/outcomes established in the assistance agreement workplan for the period; 2) the reasons for slippage if established outputs/outcomes were not met; and 3) additional pertinent information, including, when appropriate, analysis and information of cost overruns or high unit costs. The recipient agrees to inform DEQ as soon as problems, delays or adverse conditions become known which will materially impair the ability to meet the outputs/outcomes specified in the work plan.

(Y) **Program Related Insurance.** In addition to the Insurance Clause in Section XVI, at a minimum, the grantee will provide the equivalent insurance coverage for real property and equipment acquired or improved with Federal funds.

(Z) **Public Notification.** Not later than 60 days after the date of the award the grantee shall publish on the Web site of the grantee, the owner of the diesel vehicle or fleet, the total amount of the grant, and a breakdown of technologies funded.