



MICHIGAN DEPARTMENT OF
ENVIRONMENT, GREAT LAKES, AND ENERGY

REQUEST FOR PROPOSALS

Fiscal Year 2022 MICHIGAN CLEAN DIESEL PROGRAM

January 3 – February 18, 2022

Michigan.gov/EGLECleanDiesel

EGLE does not discriminate on the basis of race, sex, religion, age, national origin, color, marital status, disability, political beliefs, height, weight, genetic information, or sexual orientation in the administration of any of its programs or activities, and prohibits intimidation and retaliation, as required by applicable laws and regulations.

This page intentionally left blank.

CONTENTS

I. GRANT INFORMATION	1
A. GRANT DESCRIPTION	1
B. GRANT OBJECTIVES	1
1. U.S. EPA and DERA National Program Priorities	1
2. EGLE Air Quality Program and Michigan Clean Diesel Program Priorities	2
C. PROGRAM PRIORITY AREAS	2
D. ELIGIBLE GRANT ACTIVITIES	3
1. Engine Replacement	4
2. Vehicle and Equipment Replacements:	5
E. FUNDING RESTRICTIONS	6
1. Federal Matching Funds	6
2. Administrative Costs Expense Cap:	7
3. Expenses Incurred Prior to the Project Period:	7
4. Emission Testing:	7
5. Fueling Infrastructure:	7
6. Mandated Measures:	7
7. Fleet Expansion:	8
8. Scrappage	8
9. Highway Model Year:	9
10. Ownership, Usage, and Remaining Life requirements:	9
11. Match Requirements	11
F. EVALUATION AND SELECTION CRITERIA	11
G. ASSISTANCE	11
H. ONLINE RESOURCES	12
I. FUNDING SOURCES AND AVAILABILITY	12
J. CONTACT	12
K. ELIGIBILITY	12
L. PROJECT CLARIFICATION/REVISIONS	13
M. NON-DUPLICATIVE PROGRAMS	13
N. ACCEPTANCE OF PROPOSAL CONTENT	13
O. CONFIDENTIALITY	13
P. JUDGING APPLICATIONS	13
Q. GRANT AGREEMENT REQUIREMENTS	13
R. SUBMISSION REQUIREMENT	14
II. INSTRUCTIONS FOR GRANT PROPOSAL	15
A. CONTENTS	15
B. GRANT PROPOSAL COVER SHEET	15
C. PROJECT SUMMARY	16
D. WORK PLAN	16
E. PROJECT STAFF AND PARTNER ROLES AND RESPONSIBILITIES	17
F. TIMELINE WITH DESCRIPTION OF TASKS AND NAME OF PERSON RESPONSIBLE FOR TASK AND THE DELIVERABLE	17
G. ANTICIPATED OUTPUTS/OUTCOMES	17
1. Outputs	17

2. Outcomes.....	17
H. PERFORMANCE MEASURES	18
I. COST EFFECTIVENESS CALCULATION	19
J. BUDGET	19
K. STAFFING COSTS	20
L. FRINGE BENEFITS	20
M. CONTRACTUAL SERVICES	20
N. PROJECT SUPPLIES, MATERIALS, AND EQUIPMENT	20
O. TRAVEL COSTS	21
P. INDIRECT COSTS	21
Q. TOTALS	21
R. SOURCES OF MATCH	21
S. PROOF OF SUCCESSFUL AUDIT	21
T. FLEET DATA SPREADSHEET	21
U. LETTERS OF COMMITMENT	21
V. PREVIOUS GRANT EXPERIENCE	22
W. DESCRIPTION OF ADMINISTRATIVE ABILITIES, STAFF EXPERTISE, AND PREVIOUS PROJECT HISTORY.....	22
III. APPENDICES	23
A. APPENDIX A.....	24
B. APPENDIX B.....	35

I. GRANT INFORMATION

A. GRANT DESCRIPTION

Competitive funding in the amount of \$325,150 is available through the Fiscal Year (FY) 2022 Michigan Clean Diesel Program (Program) for the implementation of projects that involve replacement of diesel vehicles, engines, and/or equipment with:

- Zero tailpipe emission vehicles, engines, or equipment.
- Hybrid or alternative fuel vehicles, engines, or equipment.

Financial support for this grant comes from a federal allocation under the Diesel Emissions Reduction Act (DERA) through the United States Environmental Protection Agency's (U.S. EPA) Clean Diesel Program and the Michigan Department of Environment, Great Lakes, and Energy (EGLE).

Eligible entities include regional, state, or local agencies, tribal governments (or intertribal consortia) and native villages, or port authorities that have jurisdiction over transportation or air quality, and nonprofit organizations or institutions that: (a) represent or provide pollution reduction or educational services to diesel fleets; (b) have, as their principal purpose, the promotion of transportation or air quality; or (c) are individual owner/operators, or private or public fleet, vehicle, or engine owners.

B. GRANT OBJECTIVES

The FY 2022 Michigan Clean Diesel Program Request for Proposal (RFP) supports a just transition to a low carbon economy with program priorities to implement vehicle, engines, or equipment replacements that reduce diesel engine particulate matter (PM_{2.5}), ozone, and oxides of nitrogen (NO_x) emissions and to support the U.S. EPA and DERA National Program Priorities, EGLE Air Quality Program, and Michigan Clean Diesel Program priorities, as outlined below:

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 maximize public health benefits, use a community-based multi-stakeholder collaborative process to reduce toxic emissions, and reduce use of diesel fuel.

2. **EGLE Air Quality Program and Michigan Clean Diesel Program Priorities**

The EGLE Air Quality Program and the 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.
- Support [Governor Whitmer's climate change mitigation goals](#).
- To increase the adoption of zero emission and alternate fueled vehicles, engines, and equipment.
- To prioritize the support of cleaner transportation in Michigan.
- 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 the 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 proximity to an ongoing exposure to diesel engine emissions.
- Support areas designated by the Michigan Department of Health and Human Services as high asthma burden areas.
- To prioritize Urban counties, defined as counties containing an Urbanized Area (UA) of at least 50,000 people, or an area adjacent to a UA that has a substantial commuting interchange with a city of greater than 50,000 people.
- To support emissions reduction in [Environmental Justice](#) Areas (applicants should self-identify when applicable.)
- To support communities which have established emission reduction plans
- To support economic growth and innovation.
- Additional consideration will be given for projects in areas where vehicles, vessels, and equipment idle and operate in heavily populated urban areas and ports.

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

C. PROGRAM PRIORITY AREAS

The FY 2022 Program grant funding is available statewide however EGLE is prioritizing counties and areas identified as priority locations by the U.S. EPA and EGLE because they are one or more of the following as listed in Table 1 below, and as identified in the EPA [Environmental Justice Screening and Mapping Tool | US EPA](#)

- Air Quality Non-Attainment (Ozone)
- High Asthma Burden
- Urban Counties (<50K)

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

Table 1.

D. ELIGIBLE GRANT ACTIVITIES

Eligible grant activities include the replacement of diesel vehicles, equipment, and engines with zero tailpipe emission vehicles, engines, or equipment, or hybrid or alternative fuel vehicles, engines, or equipment. Projects may include, but are not limited to, diesel emission reduction solutions from the following heavy-duty diesel emission source types:

- Buses¹
- Medium heavy-duty or heavy heavy-duty trucks²
- Marine Engines
- Locomotives
- Nonroad engines, equipment, or vehicles used in:
 - Construction

¹ For the purposes of the Program, buses include school buses of Type A, B, C and D. To be eligible as a school bus, a vehicle should 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. For the purposes of the Program, buses include and medium and heavy-duty transit buses (see footnote 2, below).

² For the purposes of the Program, medium heavy-duty and heavy heavy-duty highway vehicles are defined as Class 5 through Class 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).

- Handling of cargo (including at a port, airport, or train yard)
- Agriculture
- Mining
- Industry
- Energy production (including stationary generators and pumps)

Funds cannot be used for the 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. Projects must have public notification, but funding for activities involving education and outreach are not eligible under this grant.

Eligible Technology (2019 or newer)	Maximum grant percentage	Match required
Vehicle or Equipment Replacement with CARB Certified Low NOx Engine	35%	65%
Vehicle or Equipment Replacement with Zero-tailpipe Emission Power Source	45%	55%
Engine Replacement with CARB Certified Low NOx Engine (i.e., propane)	50%	50%
Engine Replacement with Zero-tailpipe Emission Power Source	60%	40%

Eligible costs for battery electric powered vehicle, equipment and engine replacement projects can include the purchase and installation of one charging unit per vehicle, including the unit and charging cable, mount and/or pedestal. These costs are subject to the mandatory cost share requirements of the grant. Ineligible costs include power distribution to the pedestal, electrical panels and their installation, upgrades to existing electrical panels or electrical service, transformers and their installation, wiring/conduit and its installation, electricity, operation and maintenance, stationary energy storage systems that power the equipment (e.g., batteries) and their installation, and on-site power generation systems that power the equipment (e.g., solar and wind power generation equipment) and their installation.

1. Engine Replacement

Engine Replacement includes, but is not limited to, diesel engine replacement with an engine certified for use with an alternative fuel (e.g., compressed natural gas (CNG), propane), diesel engine replacement with a zero-tailpipe emissions power source (grid battery or fuel cell³), and/or diesel engine replacement with an electric generator(s) (genset). Zero tailpipe emissions engine replacements do not require U.S. EPA or California Air Resources Board (CARB) certification.

The eligible cost of engine replacement includes the cost of modifications, attachments, accessories, or auxiliary apparatus necessary to make the equipment functional, including related labor expenses. Charges for equipment and parts on engine replacement projects are only eligible for funding if they are included in the certified engine configuration and/or are

³ Hydrogen fuel cells are only eligible for engine replacements for eligible urban transit buses, shuttle buses, and drayage trucks, as defined in this program guide.

required to ensure the effective installation and functioning of the new technology but are not part of typical vehicle or equipment maintenance or repair. Examples of ineligible engine replacement costs include, but are not limited to: tires, cabs, axles, paint, brakes, and mufflers. For engine replacement with battery, fuel cell, and grid electric, examples of eligible engine replacement costs include, but are not limited to: electric motors, electric inverters, battery assembly, direct drive transmission/gearbox, regenerative braking system, vehicle control/central processing unit, vehicle instrument cluster, hydrogen storage tank, hydrogen management system, fuel cell stack assembly, and the purchase and installation of electrical infrastructure or equipment to enable the use of power. Examples of ineligible costs include, but are not limited to, electricity, and operation and maintenance costs.⁴

Locomotive, Marine, and Nonroad Diesel Vehicles and Equipment Eligibility:

- Marine Engines - Includes replacement of diesel-powered Category 1, 2, and 3 marine engines and vessels.
- Locomotives - Includes replacement of diesel-powered line-haul, passenger, and switch engines and locomotives.
- Nonroad engines, equipment, or vehicles- Includes diesel powered engines, - equipment and vehicles used in construction, handling of cargo (including at ports and airports), agriculture, mining, or energy production (including stationary generators and pumps)

Funding can cover up to 60 percent of the cost (labor and equipment) of replacing a diesel engine with a zero-tailpipe emissions power source.

Highway Diesel Vehicles:

- Medium duty or Heavy-duty trucks, transit buses, school buses
 - Class 5-8
- Funding can cover up to 50 percent of the cost (labor and equipment) of replacing a diesel engine with a 2019 model year or newer engine that is certified to CARB's Optional Low-NOx Standards of 0.1 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: arb.ca.gov/msprog/onroad/cert/cert.php.
- Funding can cover up to 60 percent of the cost (labor and equipment) of replacing a diesel engine with a zero-tailpipe emissions power source. Please see the section below on Funding Restrictions for additional information on the eligibility of engine replacements.

2. Vehicle and Equipment Replacements:

- Nonroad and highway diesel vehicles and equipment, locomotives, and marine vessels can be replaced under this Program with newer, cleaner vehicles and equipment that operate on alternative fuels and use engines certified by the U.S. EPA and if applicable, CARB, to meet a more stringent set of engine emission standards. Replacement includes, but is not limited to, diesel vehicle/equipment replacement with newer, zero tailpipe emission (grid, battery, or fuel cell⁵), hybrid, or alternative fuel (e.g., CNG, propane) vehicles/equipment. Zero tailpipe emissions vehicles and equipment do not require U.S. EPA or CARB certification.

⁴ Please see Funding Restrictions for additional information on the eligibility of engine replacements.

⁵ Hydrogen fuel cell vehicles and equipment are only eligible as replacements for eligible transit buses, shuttle buses, drayage trucks, terminal tractors/yard hostlers, stationary generators, and forklifts, as defined in this program guide.

The eligible cost of a vehicle/equipment replacement includes the cost of modifications, attachments, accessories, or auxiliary apparatus necessary to make the equipment functional. The cost of additional “optional” components or “add-ons” that significantly increase the cost of the vehicle may not be eligible for funding under the grant; the replacement vehicle should resemble the replaced vehicle in form and function. For grid electric powered equipment replacements, examples of eligible replacement costs include, but are not limited to, the purchase and installation of electrical infrastructure or equipment to enable the use of power. Examples of ineligible costs include, but are not limited to, electricity and operation and maintenance costs.

Locomotives, Marine Vessels and Nonroad Diesel Vehicles and Equipment:

- Includes diesel powered line-haul, passenger, and switch engines and locomotives. Funding can cover up to 45 percent of the cost of a new, zero tailpipe emissions locomotive, marine vessel, or nonroad vehicle or piece of equipment.

Highway Diesel Vehicles and Buses (other than Drayage):

- Funding can cover up to 35 percent of the cost of a replacement vehicle powered by a 2019 model year or newer engine certified to meet CARB’s Optional Low-NOx Standards of 0.1 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: ww3.arb.ca.gov/msprog/onroad/cert/cert.php.
- Funding can cover up to 45 percent of the cost of a new, zero tailpipe emissions replacement vehicle.

Drayage Vehicles:

- Funding can cover up to 50 percent of the cost of a replacement drayage truck with a new, zero tailpipe emissions replacement vehicle.
 - o Definition of Drayage Truck: A “Drayage Truck” means any Class 8 (GVWR greater than 33,000) highway vehicle 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.

Drayage Operating Guidelines: If an application 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 epa.gov/cleandiesel/clean-diesel-state-forms-and-documents.

Please see section below on Funding Restrictions for additional information on the eligibility of engine replacements for additional information on the eligibility of vehicle and equipment replacements.

E. FUNDING RESTRICTIONS

1. Federal Matching Funds

No funds awarded under the Program shall be used for matching funds for other federal grants unless expressly authorized by statute. Likewise, recipient may not use federal funds as matching or cost-share funds for the State Clean Diesel Grant Program, including funds received under the U.S. EPA's National Clean Diesel Emissions Reduction Programs and federal Supplemental Environmental Project (SEP) funds.

2. Administrative Costs Expense Cap:

No administrative costs will be eligible.

3. Expenses Incurred Prior to the Project Period:

No funds awarded under the Program shall be used to cover expenses incurred prior to the project period set forth in any assistance agreement funded under the Program. Additionally, expenses incurred prior to the project period set forth in any assistance agreement funded under the Program are not eligible as a cost-share.

4. Emission Testing:

No funds awarded under the Program shall be used for emissions testing and/or air monitoring activities (including the acquisition cost of emissions testing equipment), or research and development.

5. Fueling Infrastructure:

No funds awarded under the Program shall be used for fueling infrastructure, such as that used for the production and/or distribution of biodiesel, compressed natural gas, liquefied natural gas, and or other fuels.

6. Mandated Measures:

Pursuant to 42 U.S.C. 16132(d)(2), no funds awarded under this Program shall be used to fund the costs of emissions reductions that are mandated under federal law. The restriction applies when the mandate takes effect (the effective date) for any affected vehicles, engines, or equipment. This restriction does not apply to a mandate in a State Implementation Plan approved by the Administrator under the Clean Air Act. Voluntary or elective emissions reduction measures shall not be considered "mandated," regardless of whether the reductions are included in the State Implementation Plan.

Specifically, projects involving locomotives and marine engines are not eligible for funding if the emissions reductions are required by the U.S. EPA's locomotive and marine rule, "Control of Emissions of Air Pollution from Locomotives and Marine Compression-Ignition Engines Less than 30 liters per Cylinder." Also, projects involving stationary engines will not be considered for funding if the emissions reductions proposed for funding are required by the U.S. EPA's RICE rule, "National Emission Standards for Hazardous Air Pollutants (NESHAP) for Stationary Reciprocating Internal Combustion Engines (40 CFR Part 63 Subpart ZZZZ). Applications which include locomotives and/or marine engines and/or stationary engines must provide, to the U.S. EPA, a clear and concise justification for why/how the proposed emissions reduction is not subject to the Restriction for Mandated Measures. The justification must clearly demonstrate that:

- The target engines are exempt from any federal requirements; or

- Emissions reductions funded under the Program will be implemented prior to the effective date of any applicable federal requirements; and/or
- Emissions reductions funded under the Program will not be used to satisfy any applicable federal requirements, but instead are in excess of (above and beyond) those required by the applicable mandate.

Sufficient information must be provided to support the justification, including maintenance records, if applicable.

7. Fleet Expansion:

Funding under this Program cannot be used for the purchase of vehicles, engines, or equipment to expand a fleet. Engine, vehicle, and equipment replacement projects are eligible for funding on the condition that the following criteria are satisfied:

- To be eligible for replacement, the vehicle, engine, or equipment must be fully operational and in current, regular service.
- The replacement vehicle, engine, or equipment will continue to perform similar function and operation as the vehicle, engine, or equipment that is being replaced.
- The replacement vehicle, engine, or equipment will be of similar type and gross vehicle weight rating or horsepower as the vehicle, engine, or equipment being replaced.
 - Nonroad: Horsepower increases of more than 25 percent will require specific approval by the U.S. EPA prior to purchase, and the applicant may be required to pay the additional costs associated with the higher horsepower equipment.
 - Highway: 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 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 specific U.S. EPA approval prior to purchase.

8. Scrappage

The vehicle, equipment, and/or engine being replaced must be scrapped or rendered permanently disabled.

Cutting a three-inch-by-three-inch hole in the engine block (the part of the engine containing the cylinders) is the preferred scrapping method. Other acceptable scrapping methods may be considered and will require prior U.S. EPA approval.

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 U.S. EPA Project Officer.

Evidence of appropriate disposal is required in a final assistance agreement report submitted to EGLE and includes digital photos of the engine tag (showing serial number, engine family number, and engine model year), the destroyed engine block, and cut frame rails or other cut structural components, as applicable. Evidence also includes a signed certificate of destruction (to be provided by the U.S. EPA Project Officer), or alternative documentation as approved by the U.S. EPA Project Officer.

Equipment and vehicle components that are not part of the engine or chassis may be salvaged from the unit being replaced (e.g., plow blades, shovels, seats, tires, etc.). If scrapped or salvaged engines, vehicles, equipment, or parts are to be sold, Program income requirements apply.

9. Highway Model Year:

No restriction on Highway Model year on replacement with zero emission vehicle or engines, or Low-NOx. Please see the Low-NOx Engine Factsheet found at www.epa.gov/dera/state for guidance on identifying engines certified to meet CARB's Optional Low NOx Standards. If no applications are received from this Request for Proposal for zero emission vehicle or engine or Low-NOx vehicle or engine replacement, then some Highway Model Year restrictions will apply.

10. Ownership, Usage, and Remaining Life requirements:

New ownership, usage, and remaining life requirements apply as noted below. To meet usage requirements, mileage/hours from multiple units can be summed if those units will be scrapped and replaced with a single unit

- The existing vehicle must be fully operational.
- The participating fleet owner must have owned and operated the vehicle during the 2 years prior to upgrade.
- The existing vehicle must have at least 3 years of remaining life at the time of upgrade. Remaining life is the fleet owner's estimate of the number of years until the unit would have been retired from service if the unit were not being upgraded or scrapped because of the grant funding.
- Highway Usage: 7,000 miles/year during 2 years prior to upgrade.
 - School Buses may use mileage from calendar year (Jan-Dec) 2019.
- All Other Nonroad Engines: 500 hours/year during 2 years prior to upgrade.
- Locomotive and Marine Usage: 1,000 hours/year during 2 years prior to upgrade.
- Documentation Requirements:
 - Participating fleet owners must attest to the ownership, usage, and remaining life requirements in a signed eligibility statement. The documentation is not required at the time of application but is required if the project is selected for funding. This documentation is to verify the eligible use of grant funds. A sample eligibility statement may be found at:
 - www.epa.gov/dera/state

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

Current Engine Model Year	Vehicle or Engine Replacement: Zero Emission, or Low- NOx
No restriction	Yes

Table 2: Nonroad Engine Project Eligibility

Current Engine Tier	Vehicle, Equipment, Replacement with zero emission 1.
Unregulated-Tier 4	Yes
Current Engine Tier	Engine Replacement 2.
Unregulated-Tier4	Yes

1. Eligible fuel cell projects are limited to hydrogen fuel cell equipment replacements for eligible terminal tractors/yard hostlers, stationary generators, and forklifts.

2. Fuel cell engine replacement is not eligible.

- Agricultural Pumps: No funds awarded under this Program shall be used to retrofit, replace, or upgrade agricultural pumps that operate less than 250 hours per year during 2 years prior to upgrade.
- All Other Nonroad Engines: No funds awarded under this Program shall be used to retrofit, replace, or upgrade all other nonroad engines that operates less than 500 hours per year.
- Tier 3 engines now allowed for nonroad engine replacements with EPA approved best achievable technology analysis.
- Tier 4 nonroad engines/equipment can now be replaced with zero emission engines/equipment

Locomotive and Marine Operating Hours:

Existing locomotive and marine engines must operate at least 1,000 hours/year during the two years prior to upgrade. No funds awarded under this Program shall be used to retrofit, replace, upgrade, or install idle reduction technologies locomotive or marine engines that operate less than 1,000 hours per year.

Table 3: Marine Engines Funding Restrictions

Current Engine Tier	Engine Replacement: EMY 2019+*			
	Compression Ignition		Spark Ignition	Zero Emission
	Tier 1-2	Tier 3-4		
Unregulated – Tier 2	No	No	No	Yes
Tier 3 - 4	No	No	No	Yes

Table 4: Locomotive Engines Funding Eligibility

Current Locomotive	Locomotive Replacement or Engine Replacement:
--------------------	---

Tier	Zero Emission ⁶
Unregulated -Tier 3	Yes
Tier 4	No

11. 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 proceeding 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 FY 2022 Program, federal Supplemental Environmental Project Funds, or Supplemental Environmental Projects required under a consent order.

F. EVALUATION AND SELECTION CRITERIA

Project proposals for the FY 2022 Program RFP will be evaluated based on alignment with U.S. EPA, DERA National Program, EGLE Air Quality Program, and Michigan Clean Diesel Program Priorities listed earlier in B.1, B.2., and C., as well as 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.
- Relevant project partnerships as documented by letters of commitment written on the supporting organization's letterhead.
- 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 EGLE or other 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.
- The amount of match money the applicant and its partners are willing to commit to the project.
- Financial stability of the grantee and partners.

G. ASSISTANCE

You may contact the Environmental Assistance Center at 800-662-9278 with questions about

⁶ Fuel cell engine and locomotive replacements are not eligible

this RFP or check the Program Website at Michigan.gov/EGLECleanDiesel for details. All necessary grant forms may be downloaded from the Website, including the FY 2022 Program proposal template.

H. ONLINE RESOURCES

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

- U.S. EPA Clean Diesel: epa.gov/cleandiesel
- California Environmental Protection Agency Air Resources Board: arb.ca.gov/diesel/diesel.htm
- Michigan Clean Diesel Program: Michigan.gov/EGLECleanDiesel
- U.S. EPA Diesel Emission Quantifier: epa.gov/cleandiesel/diesel-emissions-quantifier-deq

I. FUNDING SOURCES AND AVAILABILITY

A total of \$325,150 is available for the FY 2022 Program. All grant proposals should be between \$25,000 (the minimum) and \$325,150 (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 EGLE 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.

J. CONTACT

This grant is being issued by EGLE, Materials Management Division, Sustainability Section, Sustainable Development Unit. For further information on this grant, call the Environmental Assistance Center at 800-662-9278.

K. 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 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.

L. 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. EGLE reserves the right to award grants for amounts other than those requested and/or request changes to, or clarification of, the proposed work plan.

M. NON-DUPLICATIVE PROGRAMS

Funds from the FY 2022 Program cannot be used to replace existing federal, state, or local financial commitments.

N. ACCEPTANCE OF PROPOSAL CONTENT

Successful applicants will be required to enter into a grant agreement with EGLE 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 EGLE 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. EGLE reserves the right to offer partial funding for any grant proposal.

O. CONFIDENTIALITY

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

P. JUDGING APPLICATIONS

A panel composed of state government staff will review the applications when the total amount of grant funds requested from all applicants exceeds the total amount of grant funds available. Should the total amount of grant funds requested from all applicants equal less than the total amount of grant funds available all applications will be reviewed by the Program Administrator only to determine if they are complete and meet the minimum requirements specified in the RFP. Final decisions will be made by EGLE.

Costs include the grant amount as well as any match provided by the recipient.

Q. 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.

R. SUBMISSION REQUIREMENT

Proposals must be received by EGLE no later than 5:00 p.m., on February 18, 2022. Proposals will be accepted electronically in a single pdf to Queen1@michigan.gov.

II. INSTRUCTIONS FOR GRANT PROPOSAL

A. CONTENTS

Appendix A contains the checklist, cover sheet, grant proposal template, fleet description sheet, and budget form that 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.
 - Fleet Description Spreadsheet.
 - 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. Proposals shall not exceed ten pages (excluding letters of commitment). Proposals that exceed ten pages may be rejected for funding.

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, 2023.

- 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 FY 2022 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 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, 2023.

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 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, epa.gov/otaq/models/moves/index.htm. If an alternative method is used, you must thoroughly describe and document your methods.

H. 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.

I. 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, 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.

J. BUDGET

The 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 Michigan.gov/EGLECleanDiesel. The yellow shaded areas of the budget sheet are cells that are available for data entry.

Additional requirements:

- Only actual costs can be claimed as match or for grant funding.
- Cost allocation is not allowed.
- The 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.

Applicants selected for funding will be required to register with the SIGMA Vendor Self Service Web site at Sigma.Michigan.gov/Webapp/PRDVSS2X1/AltSelfService.

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. The 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.

K. STAFFING COSTS

No staff costs will be funded.

L. FRINGE BENEFITS

No fringe benefits will be included.

M. CONTRACTUAL SERVICES

Contractual services may be included for engine replacement projects.

N. PROJECT SUPPLIES, MATERIALS, AND EQUIPMENT

Project Supplies and Materials will not be included.

O. TRAVEL COSTS

Travel costs will not be included.

P. INDIRECT COSTS

Indirect costs will not be included.

Q. 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.*

R. 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 EGLE).
- 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.

S. PROOF OF SUCCESSFUL AUDIT

Applicants must provide a copy of a full successful audit that was completed by a certified public accountant (CPA) within two years prior to application.

T. 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.

U. LETTERS OF COMMITMENT

Include Letters of Commitment from project partners on their letterhead. Letters of Commitment should document the match committed by the partner. If no partners are noted, a Letter of Commitment for Match by the applicant must be included.

V. PREVIOUS GRANT EXPERIENCE

Use the "Previous Grant Experience" table in the template to provide any federal or state grants previously administered (up to three).

W. 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

The remainder of this page is intentionally left blank.

A. APPENDIX A

Checklist, Cover Sheet, Grant Proposal Template, Fleet Description Spreadsheet, and Budget Forms

Department of Environment, Great Lakes, and Energy

FY 2022 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
- Applicants must provide a copy of a full successful audit that was completed by a certified public accountant (CPA) within two years prior to application.
- Completed Fleet Description Spreadsheet.
- Letters of Commitment.
- Send a copy of the entire proposal and appendices by email: queen1@michigan.gov

Proposals are due by email only by 5:00 p.m. on February 18, 2022. Proposals will not be accepted by fax.

Department of Environment, Great Lakes, and Energy

Michigan Clean Diesel Program FY 2022 Request for Proposal Cover

Sheet

Project Name: Project Name Amount of Grant: \$000,000.00

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

Estimated Project Start Date: _____ End Date: August 31, 2023

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):
Environmental Justice Index - EJSCREEN: Environmental Justice Screening and Mapping Tool US EPA (attach table)

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 FY 2022 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 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 rows if necessary.

GRANT PROPOSAL TEMPLATE

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 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 rows if necessary.

Outputs Table

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

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 (NOx), 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).

GRANT PROPOSAL TEMPLATE

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.
- 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 U.S. EPA's 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			
CO ₂			
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.

GRANT PROPOSAL TEMPLATE

- 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 Website at www.Michigan.gov/EGLECleanDiesel. Your budget must be completed and submitted on the correct form to fulfill the budget requirement of your proposal.

IX. Copy of Full Audit by Certified Public Accountant

Applicants must provide a copy of a full successful audit that was completed by a certified public accountant (CPA) within two years prior to application.

X. Fleet Data Spreadsheet (include with application)

An editable version of the Fleet Data Spreadsheet can be accessed on the Michigan Clean Diesel Program Website at www.Michigan.gov/EGLECleanDiesel.

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

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

XII. Previous Grant Experience

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

Grant Experience Table

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

XIII. 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 Sheet on Highway, Nonroad, Locomotive

Instructions / Units	Fleet Information	Group 1	Group 2	Group 3	Group 4
	Fiscal Year of EPA Funds Used:				
	Vehicle Or Engine Group Name:				
	Fleet Owner:				
	Vehicle or Engine Group Type:				
	Primary Place of Performance				
	- State(s):				
	- County:				
	- City:				
	- Zip Code:				
	Target Fleet:				
	Vehicle Class or Equipment Type:				
	Quantity:				
	Vehicle Identification Number(s):				
	Vehicle Make:				
	Vehicle Model:				
	Vehicle Model Year:				
	Engine Serial Number(s):				
	Engine Make:				
	Engine Model:				
	Engine Model Year:				
Nonroad and locomotive only	Engine Tier:				
	Engine Horsepower:				
Liters per cylinder; Nonroad and locomotive only	Engine Cylinder Displacement:				
Number of Cylinders per engine; Nonroad and locomotive only If unregulated, then NA	Engine Number of Cylinders:				
	Engine Family Name:				
	Engine Fuel Type:				
Gallons per year per engine	Annual Amount of Fuel Used:				
Hours per year per engine; Includes idling hours; Nonroad and locomotive only	Annual Usage Rate:				
Miles per vehicle; On-Highway only	Annual Miles Traveled:				
Hours per engine; On-Highway only	Annual Idling Hours:				
Hours per year per engine; Class 8 Long-Haul Combination only	Annual Hoteling Hours:				
Years per engine; Total number of years of engine life remaining at time of upgrade action	Remaining Life:				
Year in which vehicle would normally be retired/sold by the fleet owner if not for the grant	Normal Attrition Year:				
	Year of Upgrade Action:				
	Upgrade Type:				
	Upgrade:				
Equipment price not including labor for installation	Upgrade Cost Per Unit:				
Labor cost for installation	Upgrade Labor Cost Per Unit:				
	New Engine Model Year:				
Nonroad and locomotive only	New Engine Tier:				
	New Engine Horsepower:				
Line-Haul Locomotive only	New Engine Duty Cycle:				
Liters per cylinder per engine; Nonroad and locomotive only	New Engine Cylinder Displacement:				
Per engine; Nonroad and locomotive only	New Engine Number of Cylinders:				
	New Engine Family Name:				
	New Engine Fuel Type:				
Hours per vehicle; On-Highway only	Annual Idling Hours:				
Hours per vehicle; Class 8 Long-Haul Combination only	Annual Hoteling Hours Reduced:				
Gallons per year per engine	Annual Amount of Fuel Used:				

Michigan Clean Diesel Program – Fleet Data Sheet Marine

Instructions / Units	Fleet Information	Group 1	Group 2	Group 3	Group 4
	Fiscal Year of EPA Funds Used:				
	Vehicle Or Engine Group Name:				
	Fleet Owner:				
	Vehicle or Engine Group Type:				
	Primary Place of Performance				
	- State(s):				
	- County:				
	- City:				
	- Zip Code:				
	Target Fleet:				
	Vehicle Class or Equipment Type:				
	Quantity:				
	Vehicle Identification Number(s):				
	Vehicle Make:				
	Vehicle Model:				
	Vehicle Model Year:				
	Engine Serial Number(s):				
	Engine Make:				
	Engine Model:				
	Engine Model Year:				
	Engine Tier:				
	Engine Horsepower:				
	Engine Cylinder Displacement:				
	Engine Number of Cylinders:				
	Engine Family Name:				
	Engine Fuel Type:				
	Annual Amount of Fuel Used:				
	Annual Usage Rate:				
	Annual Miles Traveled:				
	Annual Idling Hours:				
	Annual Hoteling Hours:				
	Remaining Life:				
	Normal Attrition Year:				
	Year of Upgrade Action:				
	Upgrade Type:				
	Upgrade:				
	Upgrade Cost Per Unit:				
	Upgrade Labor Cost Per Unit:				
	New Engine Model Year:				
	New Engine Tier:				
	New Engine Horsepower:				
	New Engine Duty Cycle:				
	New Engine Cylinder Displacement:				
	New Engine Number of Cylinders:				
	New Engine Family Name:				
	New Engine Fuel Type:				
	Annual Idling Hours:				
	Annual Hoteling Hours Reduced:				
	Annual Amount of Fuel Used:				



MICHIGAN DEPARTMENT OF ENVIRONMENT,
GREAT LAKES, AND ENERGY
MATERIALS MANAGEMENT DIVISION
MICHIGAN CLEAN DIESEL GRANT PROGRAM

Michigan Clean Diesel Program – Budget Form

MICHIGAN DEPARTMENT OF ENVIRONMENT, GREAT LAKES, AND ENERGY MATERIALS MANAGEMENT DIVISION MICHIGAN CLEAN DIESEL PROGRAM 2020-2021 BUDGET PROPOSAL FORM						
Applicant Name:						
Project Name:						
Tracking Code Number:						
EQUIPMENT, VEHICLE, OR ENGINE	QUANTITY	COST	% of FUNDING	GRANT AMOUNT	MATCH AMOUNT	TOTAL
				\$ -	\$ -	\$ -
				\$ -	\$ -	\$ -
				\$ -	\$ -	\$ -
				\$ -	\$ -	\$ -
				\$ -	\$ -	\$ -
				\$ -	\$ -	\$ -
GRANT AND MATCH BUDGET				Total	\$ -	\$ -

B. APPENDIX B
Agreement Boilerplate



**FY 2022 STATE CLEAN DIESEL GRANT AGREEMENT BETWEEN THE
MICHIGAN DEPARTMENT OF ENVIRONMENT, GREAT LAKES, AND ENERGY AND
(GRANTEE NAME)**

This Grant Agreement ("Agreement") is made between the Michigan Department of Environmental Quality, Materials Management 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 percent
Start Date: (date executed by the State): _____
GRANTEE CONTACT:

Project #: 0000 100 percent of grant federal
Project Total: \$000,000.00 (grant plus match)
End Date: August 31, 2023
STATE'S CONTACT:
Irene Queen, Grant Administrator

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)

Name/Title
Sustainable Development Unit/Sustainability/EGLE

Division/Bureau/Office
P.O Box 30241

Address
Lansing, Michigan 48909-7741

Address
517-420-3230

Telephone number

Queen1@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
Elizabeth M. Browne, Acting Division Director, MMD

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/or 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 15*
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 must provide a draft final report 45 days prior to 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 supported in whole or in part by Michigan's Clean Diesel Program, EGLE, per the guidelines provided by the program.

V. GRANTEE RESPONSIBILITIES

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

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

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

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

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

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

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 2 CFR 200, 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 its agents, and its subcontractors:

- (1) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal department or the state.
- (2) Have not within a three-year period preceding this Agreement been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction, as defined in 45 CFR 1185; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property.
- (3) Are not presently indicted or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses enumerated in subsection (2).
- (4) Have not within a three-year period preceding this Agreement had one or more public transactions (federal, state, or local) terminated for cause or default.
- (5) Will comply with all applicable requirements of all other state or federal laws, executive orders, regulations, and policies governing this program.

XV. AUDIT AND ACCESS TO RECORDS

The State reserves the right to conduct a programmatic and financial audit of the project, and the State may withhold payment until the audit is satisfactorily completed. The Grantee will be required to maintain all pertinent records and evidence pertaining to this Agreement, including grant and any required matching funds, in accordance with generally accepted accounting principles and other procedures specified by the State. The State or any of its duly authorized representatives must have access, upon reasonable notice, to such books, records, documents, and other evidence for the purpose of inspection, audit, and copying. The Grantee will provide proper facilities for such access and inspection. All records must be maintained for a minimum of [five] years after the final payment has been 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 1 of this Agreement, in accordance with Appendix A, and only for expenses incurred and paid. All other costs necessary to complete the project are the sole responsibility of the Grantee.

(B) Expenses incurred by the Grantee prior to the Start Date or after the End Date of this Agreement are not allowed under the Agreement, unless otherwise specified in Appendix A.

(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 SIGMA Vendor Self Service web site (<https://sigma.michigan.gov/webapp/PRDVSS2X1/AltSelfService>).

(F) 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. If the Grantee or any subcontractor, manufacturer, or supplier of the Grantee appears in the register of persons engaging in unfair labor practices that is compiled by the Michigan Department of Licensing and Regulatory Affairs or its successor.
- e. During the 30-day written notice period, the State shall withhold payment for any findings under subparagraphs a through d, above and the Grantee will immediately cease charging to the grant and stop earning match for the project (if applicable).

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

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

(B) If a grant is terminated, the State reserves the right to require the Grantee to repay all or a portion of funds received under this Agreement.

XXII. IRAN SANCTIONS ACT

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

PROGRAM-SPECIFIC BOILERPLATE

XXIII. DISCLOSURE OF INFORMATION

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

XXIV. VEHICLE AND EQUIPMENT REQUIREMENTS

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

The replacement vehicle/engine/equipment will continue to perform similar function and operation as the vehicle/engine/equipment that is being replaced.

The replacement vehicle, engine, or equipment will be of similar type and similar gross vehicle weight rating or horsepower as the vehicle, engine, or equipment being replaced.

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

The Grantee shall list the state of Michigan as a lien holder on the vehicle title.

EGLE will retain a lien equal to its share in the purchase price of the fair market value on all vehicles purchased with grant funds. Vehicle liens will be retained for five (5) years from the date of delivery. Grantees are expected to use grant funded vehicle(s) for at least five (5) years after purchase and delivery. Grantees cannot sell, discard, transfer or dispose of equipment without formal lien release approval from EGLE. Lien release will occur after five (5) years from the date of title.

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

The Grantee shall decommission the eligible engine, vehicle, or equipment as prescribed in the Grant Agreement.

Grantee shall not use funds under this award for fueling infrastructure, such as that used for the production and/or distribution of biodiesel, compressed natural gas, liquefied natural gas, and or other cleaner fuels.

XXV. VEHICLE AND ENGINE DESTRUCTION

The vehicle, equipment, and/or engine being replaced must be scrapped or rendered permanently disabled within ninety (90) days of being replaced.

The term "project location" refers to the primary area where the affected vehicles/engines operate, or the primary area where the emissions benefits of the project will be realized. All existing and replacement equipment are subject to the funding restrictions in these terms and conditions. All equipment must operate within the United States. Under this scenario, a detailed scrappage plan must be submitted and will require prior EPA approval.

Cutting a three-inch-by-three-inch hole in the engine block (the part of the engine containing the cylinders) is the preferred scrapping method. Other acceptable scrapping methods may be considered and will require prior written approval from the EPA Project Officer.

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 EPA Project Officer.

Evidence of appropriate disposal is required in a final assistance agreement report submitted to EPA and includes a signed certificate of destruction (to be provided by the EPA Project Officer) or alternative documentation as approved by the EPA Project Officer, and digital photos of the VIN tag, side profile of the vehicle, engine tag (showing serial number, engine family number, and engine model year), before and after pictures of the destroyed engine block, and cut frame rails or other cut structural components as applicable.

Scrapped engines and equipment and vehicle components may be salvaged from the unit being replaced (e.g., plow blades, shovels, seats, tires, etc.). If scrapped or salvaged engines, vehicles, equipment, or parts are to be sold, program income requirements apply.

XXVI. PROGRAM INCOME

Program income as defined at 2 CFR §200.80 means gross income received by the grantee that is directly generated by a grant supported activity or earned as a result of the award during the project. Under DERA grants, program income is generally limited to the sale of scrapped or remanufactured engines/chassis or salvaged engine/vehicle/equipment components and does not include revenue generated by grantees through the commercial use of vehicles and equipment purchased with grant funds. Program income earned during the project shall be retained by the grantee and used to meet the matching requirement of the grant. The amount of the award remains the same. The grantee will maintain records adequate to document the extent to which transactions generate program income and the disposition of program income. The grantee must provide as part of its grant reports and final report, a total of the program income received and description of how program income was used.

XXVII. USE OF FUNDS

Grantee agrees that funds under this award, cannot be used for matching funds for other state or federal grants unless expressly authorized by statute. Likewise, recipient may not use state or federal funds as matching funds for DERA grants, including funds received under EPA's DERA National Grants program, and federal Supplemental Environmental Project (SEP) funds.

Funds under this grant, including matching funds, cannot be used for the purchase of vehicles, engines, or equipment to expand a fleet.

Funds under this grant cannot be used for emissions reductions that are mandated under federal law.

FEDERALLY FUNDED PROGRAM-SPECIFIC BOILERPLATE

XXVIII. FEDERAL AWARD IDENTIFICATION

Funding for this project is in part provided by the United States Environment Protection Agency (EPA) via a federal grant award totaling \$788,554 Federal Award Identification Number 00E66606, Award Date 7/13/2021, Project Period 10/01/2021-9/30/2023.

XXIV. FEDERAL AWARD PROJECT DESCRIPTION

The federal award provides assistance to EGLE to reduce diesel emissions and exposure throughout the State of Michigan. EGLE will implement projects that involve engine and equipment replacements of buses, heavy-duty highway vehicles, marine engines, locomotives and non-road engines, equipment or vehicles used in construction, handling of cargo, agriculture, mining, and energy production. These projects will reduce emissions of diesel particulate matter and other pollutants such as nitrogen oxides, carbon monoxide and hydrocarbons.

XXX. FEDERAL TERMS AND CONDITIONS

This project is subject to the Davis-Bacon Act, 40 U S C 276a, *et seq*, which requires that prevailing wages and

fringe benefits be paid to contractors and subcontractors performing on federally funded projects over \$2,000 for the construction, alteration, repair (including painting and decorating) of public buildings or works.

Grantee shall comply with Title VI of the Civil Rights Act and other Federal statutes and regulations prohibiting discrimination in Federal financial assistance programs, as applicable.

Grantee shall report subawards and executive compensation under Federal Funding Accountability and Transparency Act (FFATA) set forth in General Condition of EGLE's agreement with EPA entitled "Reporting Subawards and Executive Compensation."

Grantee shall comply with limitations on individual consultant fees as set forth in General Condition 2 CFR 1500.9 and the General Condition of the pass-through entity's agreement with EPA entitled "Consultant Fee Cap."

Grantee shall comply with EPA's prohibition on paying management fees as set forth in General Condition of the EGLE's agreement with EPA entitled "Management Fees."

Grantee shall comply with the Procurement Standards in 2 CFR Part 200 including those requiring competition when the subrecipient acquires goods and services from contractors (including consultants).

Grantee shall provide access to records so that EGLE and Federal auditors may verify compliance with 2 CFR 200.331 as well as 2 CFR Part 200, Subpart D, Post Federal Award Requirements for Financial and Program Management, and 2 CFR Part 200, Subpart F, Audit Requirements. Examples of records include:

- Subrecipient financial statements and reports;
- Programmatic reports including information on environmental results
- Audit findings

PROJECT-SPECIFIC REQUIREMENTS – APPENDIX A

[Appendix A will include all of the following and will be attached by the program manager:

- *The broad project scope stating the purpose of the grant or loan.*
- *The project description, which is a more detailed description of the type of work to be done with the grant or loan money.*
- *Work plan with specific tasks and products expected*
- *Timetable/schedule*
- *Budget*
- *Any other program-specific requirements*

DRAFT