North Dakota Department of Environmental Quality

Division of Air Quality

918 E. Divide Ave., Bismarck, ND 58501

**State Clean Diesel Grant Program**

**Application and Guidelines**

**Date of Issue: February 19, 2021**

The North Dakota Department of Environmental Quality will administer competitive applications and rebate awards to eligible agencies for the purchase of new/newer, eligible vehicles, including school buses, in order to reduce the public’s exposure to diesel emissions.

**APPLICATION DEADLINE March 31, 2021, 5:00 PM CENTRAL TIME1.0 INTRODUCTION AND BACKGROUND**

North Dakota Department of Environmental Quality (NDDEQ) is pleased to release the annual State Clean Diesel Grant Program application and guidelines. The NDDEQ, through the US Environmental Protection Agency (EPA), will issue up to $327,000 in awards to be used for the purchase of new/newer eligible vehicles, including school buses, throughout the state of North Dakota. The program allocates funds to reduce diesel emissions under the Diesel Emissions Reduction Act (DERA) of the Energy Policy Act of 2010.

NDDEQ will administer a competitive application process and award funding to eligible entities for the purchase of new/newer, diesel-powered, zero-emission, hybrid, or alternatively fueled vehicles in order to reduce the exposure of the public to diesel emissions.

NDDEQ plans to issue rebate awards to cities, counties, schools, or other government agencies that conduct work for the benefit of the public that requires medium heavy-duty and heavy-duty vehicles. If funds are available after all successful applications have been awarded, the NDDEQ may consider applications submitted by other entities or associations.

The funds will target the replacement of older, diesel-powered school buses, medium heavy-duty and heavy-duty, on-road vehicles that are used in various operations (including, but not limited to, dump trucks, snowplows, emergency response, construction, solid waste management, etc.).

The awards will be used to fund the partial cost of a new/newer, cleaner diesel-powered, zero-emission, hybrid, or alternatively fueled vehicle having a 2016 or newer model year certified engine, up to 25% of the cost.

**2.0 SOLICITATION OF APPLICATIONS/APPLICATION CONTENTS**

NDDEQ encourages all eligible entities to submit applications for State Clean Diesel Grant funds. The goal is to award funds to agencies that maximize efforts to preserve and enhance air quality across the state of North Dakota through the reduction of diesel emissions. Applicants must follow instructions carefully and submit all required documents. Incomplete applications may not be considered for funding. Applications must have appropriate signatures as required on the application form.

**3.0 POINT OF CONTACT**

Point of contact for this request for applications is Keith Hinnenkamp, North Dakota Department of Environmental Quality, Division of Air Quality, 918 East Divide Ave., Bismarck, ND 58501, Telephone: 701.328.5188, Email: khinnenk@nd.gov.

**4.0 APPLICATION DEADLINE**

**Applications must be received by March 31, 2021, 5:00 PM Central Time.**

Applications may be submitted to the address below:

 North Dakota Department of Environmental Quality

Air Quality Division

 918 E. Divide Ave., 2nd Floor

 Bismarck, ND 58501

Applications may also be emailed to airquality@nd.gov.

Applicants assume the risk of the method of submittal chosen. NDDEQ assumes no responsibility for delays caused by any delivery service. Postmarking by the due date will not substitute for actual application receipt by NDDEQ. An applicant’s failure to submit its application prior to the deadline will cause the application to be rejected. Late applications or amendments will not be opened or accepted for evaluation.

**5.0 SCHEDULE OF EVENTS**

The following represents the NDDEQ’s estimate of the schedule of events for implementing the program.

|  |  |
| --- | --- |
| Application Deadline | March 31, 2021, 5:00 PM Central Time |
| Application Evaluation Process | April 2021 |
| NDDEQ Notifies Recipients of Award | April 2021 |
| Project and Budget Period  | April/May 2021 - September 30, 2022 |
| End Date | September 30, 2022 |

**6.0 CLEAN DIESEL GRANT PRIORITIES**

The principle objective of the State Clean Diesel Grant program is to achieve reductions in diesel emissions in terms of tons of pollution produced, and reductions in diesel emissions exposure from vehicles operating in areas designated as poor air quality areas.

Priority areas identified for the State Clean Diesel Grant program include:

1. Nonattainment areas or maintenance areas for the following National Ambient Air Quality Standards.

a) PM2.5 1997 Standard (Annual: 15 µg/m3, 24-hour: 65 µg/m3)

b) PM2.5 2006 Standard (Annual: 15 µg/m3, 24-hour: 35 µg/m3)

c) PM2.5 2012 Standard (Annual: 12 µg/m3, 24-hour: 35 µg/m3)

d) Ozone (O3) 2008 Standard (8-hour: 0.075 ppm)

e) Ozone (O3) 2015 Standard (8-hour: 0.070 ppm)

2. Where all or part of the population is exposed to more than 2.0 μg/m3 of diesel particulate matter emissions. Data sourced from the 2011 National-Scale Air Toxics Assessment. ([www.epa.gov/national-air-toxics-assessment/2011-national-air-toxicsassessment](http://www.epa.gov/national-air-toxics-assessment/2011-national-air-toxicsassessment))

In addition, priority should be given to projects based on whether the vehicles targeted for diesel emissions reductions are located at, or service, goods movement facilities such as:

1. Ports and airports

2. Rail yards

3. Terminals

4. Distribution centers

**7.0 PROGRAM REQUIREMENTS**

NDDEQ will administer competitive applications and award funding to eligible entities for the purchase of new/newer diesel-powered, zero-emission, hybrid, or alternatively fueled vehicles and school buses in order to reduce the exposure of the public to diesel emissions.

The eligible cost of a vehicle includes the cost of modifications, attachments, accessories, or auxiliary apparatus necessary to make the vehicle functional and resemble the replaced vehicle in form and function.

This program is intended to develop interest in replacing existing older, diesel-powered vehicles with new/newer, cleaner diesel-powered, zero-emission, hybrid, or alternatively fueled vehicles. Applications will be reviewed in order to select awardees.

Awards will be issued to eligible entities which include cities, counties, schools, or other government agencies that conduct work for the benefit of the public. If funds are available after all successful applications have been awarded, the NDDEQ may consider applications submitted by other entities or associations.

Applicants may submit an application for more than one vehicle per agency.

Each applicant must submit their own application on their behalf. To be consistent with EPA’s acceptance of DERA materials, application submittals consisting of several agencies or schools per singular application will no longer be allowed.

The applicant shall receive approval from their governing body to apply and make use of the funding under this program.

Applications must be complete and follow all instructions contained in the guidelines, or the application may not be considered.

The funds will be used to fund the incremental cost of a new/newer, cleaner diesel-powered, zero-emission, hybrid, or alternatively fueled vehicle powered by a 2016 or newer model year certified engine, up to 25% of the cost.

Preference points will be awarded to vehicles that are equipped with EPA verified devices which reduce engine idling or other EPA or CARB verified pollution control devices that reduce diesel emissions.

Preference points may be awarded to qualifying eligible agencies or schools that have not previously received a North Dakota State Clean Diesel Grant award.

This program requires the replacement of an older diesel-powered vehicle with a new/newer diesel-powered, zero-emission, hybrid, or alternatively fueled vehicle. The vehicle being replaced must be fully operational and in current regular service. The use of these funds for the expansion of an existing fleet is prohibited. The new vehicle must continue to serve in similar function as the old vehicle being replaced.

The new/newer replacement vehicle will be of the same type, same job duty, and similar gross weight and horsepower as the old item being replaced. The new/newer, replacement vehicle may not be in a larger weight class than the vehicle/equipment it is replacing. (Class 5, 6, 7, or 8). Also, the new/newer engine’s primary intended class must match the replacement vehicle’s weight class.

Applicants must submit a minimum of three competitive estimates (or informal bids) for each item being replaced. If three are not obtainable, a brief written explanation shall be submitted with the application. Applicants are not required to conduct a formal bidding process to apply. However, if awarded, applicants are expected to follow their regular, required procurement processes.

Recipient agrees that funds under this award cannot be used to replace a school bus, medium-duty, or heavy-duty vehicles with engine model year 1995 and older or 2010 and newer. Vehicles and school buses must be currently in operation and not on a replacement (retirement) schedule.

Applications must include a detailed discussion of the fleet owner’s normal attrition schedule and must explain how the proposed emission reductions are not a result of vehicle replacements that would have occurred through normal attrition/fleet turnover within three years of the project start date.

For specific information on the replacement requirements for vehicles, please see <https://nepis.epa.gov/Exe/ZyPDF.cgi?Dockey=P100ZK19.pdf>.

Vehicle replacements require that the engine and vehicle being replaced are scrapped and/or rendered permanently disabled.

Scrappage Requirement: Scrappage is defined by EPA as permanently disabling the engine and chassis so they are no longer suitable for use. The preferred method of scrappage can be completed by shredding, or by permanently disabling the vehicle by at a minimum drilling a 3” by 3” hole in the engine block and cutting the frame rails of the chassis. The NDDEQ recommends disabling the vehicle after driving it to an approved recycling facility.

* To be considered a replacement, the purchase of a new/newer vehicle must be accompanied by the scrappage of an old diesel-powered vehicle.
* The vehicle being replaced must be scrapped with the engine and chassis disabled and documented in writing. Also required is the old vehicle’s identification number (VIN) and engine serial number.
* Successful applicants must complete a Certificate of Engine/Chassis Destruction Form. The form will be provided by the NDDEQ.
* Documentation on how the replaced item was disabled (scrapped) will be required along with photographs of the disabled item prior to receiving reimbursements.

**The photos required are as follows:**

**1. Side profile of vehicle being scrapped**

**2. VIN plate of the vehicle being scrapped**

**3. Engine tag of the vehicle being scrapped showing the engine serial number and EPA engine family name**

**4. Chassis rail cut in half**

**5. Engine block prior to hole being drilled/destroyed**

**6. Engine block after hole has been drilled/destroyed**

Photos must be submitted as jpeg files. Do not submit black and white photos or pdf scans of the photos.

Submit only the requested photos. Do not submit extras.

Name the jpeg files with the specified names (sideprofile.jpg, VINjpeg, enginetag.jpeg, chassis.jpeg, engineblockpriorjpeg, engineblockafter.jpeg)

The successful applicant will have a number of options in meeting the scrappage requirement:

Option 1: The successful applicant may use a recycling facility when scrapping their old vehicle. A list of known North Dakota scrap metal recycling facilities can be found at <https://deq.nd.gov/Publications/WM/ScrapMetalAndAutoRecyclersList.pdf> Not all the facilities listed accept all items or they may have requirements regarding certain items, so please check with the facility you decide to use prior to taking it there.

Option 2: The successful applicant may use the old vehicle as a trade-in, provided the dealer can provide proof that the requirements in the scrappage section will be followed and applied to the item that is being traded in by the award recipient. A Certificate of Engine/Chassis Destruction Form is required to be signed by the authorized agent, and dealer and returned to NDDEQ.

Option 3: The successful applicant may use an innovative scrapping method as approved by the NDDEQ. The submittal of the Certificate of Engine/Chassis Destruction Form is still required.

Option 4: The successful applicant may retain possession of the old vehicle provided they provide proof the requirements of the scrappage section were followed. The submittal of the Certificate of Engine/Chassis Destruction Form is still required.

The scrapping is done at the expense of the applicant and any funds received from scrapping are considered program income and must be documented. As funds are considered program income, they may be used to finance the non-Federal share of the project including the mandatory cost-share.

All services or work carried out within the award agreement must be completed within the scope, time frames and funding limitations specified by the award. Upon signature and execution of the award agreement by NDDEQ, a copy of the executed award will be returned to the applicant, at which time the project will be considered awarded.

Applications selected for funding must meet eligibility requirements. All vehicle and equipment replacements must comply with the Federal and North Dakota standards for on-road use.

Funds spent before the awards are issued are not reimbursable.

Purchase of a vehicle may not occur prior to both parties signing an agreement under this award.

A cost may not be considered incurred until the new, replacement vehicle has been received and accepted by the award recipient.

Any awards in response to this solicitation are subject to the applicable regulatory provisions in 40 CFR Chapter 1, Subchapter B, the terms and conditions of each award, and any attachments from EPA and the U. S. Office of Management and Budget (OMB) with respect to the DERA.

Any optional equipment not required by the State of North Dakota, or any item considered as optional in the minimum specifications, or any auxiliary apparatus not necessary to make the vehicle functional and resemble the replaced vehicle in form and function, must be 100% paid for by the applicant, using their own funds.

The applicant will use the funding under this program for the specific purposes defined in the Program Description.

The applicant will not use funding under this program to purchase vehicles for which the applicant has received, or will receive, payment from another source or under another program.

The applicant should use ultra-low sulfur diesel (ULSD) fuel, or fuel as recommended by the manufacturer, in any new/newer vehicles purchased under this program and shall operate pollution control devices if the vehicles are so equipped.

Where applicable, the applicant will follow North Dakota State Law and procedures to procure the products and services funded under this project. Award recipients agree to follow the good faith efforts whenever procuring equipment. Records documenting compliance with the good faith efforts shall be retained. <http://www.epa.gov/osbp/dbe_efforts.htm>.

Where applicable, the applicant is in compliance with the Federal Drug-Free Workplace Act of 1988 (41 USC Section 701, et seq.); state ethics laws and conflict of interest laws; and state regulations covering non-discrimination in hiring and affirmative action (ORC 125.111). Successful applicants must follow specific performance criteria to ensure compliance with statutory and audit requirements.

All successful applicants must be able to provide status or progress updates regarding achieving the work plan goals to the NDDEQ upon request.

All project “work” i.e. transactions, billings, scrapping of the old vehicle, **and** delivery of the new/newer vehicle or bus must be completed and have documentation submitted to the NDDEQ no later than September 30, 2022. Final documentation will include: completed Certificate of Engine/Chassis Destruction Form, pictures of old/scrapped item, and a copy of the dealer invoice for the replacement item. Failure to do so may result in termination of the award and/or the NDDEQ not providing reimbursement for the vehicle purchased.

**8.0 RIGHT OF REJECTION**

The NDDEQ reserves the right to reject any applications, in whole or in part. The NDDEQ may reject any application that is not responsive to all the material, terms, conditions, and performance requirements of the application.

**9.0 APPLICATION PROCESS**

**\*\*Please provide a narrative response how your agency will accomplish each of the criteria listed below\*\*.**

Applicants will be evaluated on each narrative response below, based on the maximum number of points indicated for each section.

Plan for Project: 20 Points Maximum

Applicants will be evaluated on how the project plan will show a successful completion, including a budget, reasonable timeline, and vehicle information. Discuss how you plan to implement the proposed project. Describe tasks and activities you plan to do to accomplish the objectives of the project.

Funding Contribution: 5 Points Maximum

Each award will be used towards the purchase of a new/newer diesel-powered, zero-emission, hybrid, or alternatively fueled vehicle up to 25% of the cost. The applicant is required to pay the remaining cost of the item. Describe your agency’s ability and readiness to provide the additional funding that is required.

Public Health Benefits/Air Quality: 25 Points Maximum

Applicants must describe how the project will reduce environmental risks and health risks to the public. Applicants will be evaluated on operating practices that positively affect the air quality where the vehicle will be used. Additional points will be given to projects where diesel engine idling reduction practices and policies have been established and are followed.

Detail and Completeness: 20 Points Maximum

The project description and proposed activities must be consistent throughout the application. The application must be complete and contain all required information.

Cost Effective: 20 Points Maximum

Applicants will be evaluated on the degree to which the project is cost effective and involves vehicles that have a long expected useful life. If possible, describe your agency’s vehicle maintenance and service program.

Preference Points: 10 Points Maximum

Applicants will be awarded preference points if the proposed new/newer vehicles are equipped with EPA-approved devices which reduce engine idling, or other pollution control devices that reduce diesel emissions. (5 points)

Eligible applicants that have never been the recipient of a North Dakota State DERA Clean Diesel Grant award may receive preference points if a qualifying application is submitted. (5 points)

##### **\*\*Please also complete and submit the forms on the following pages\*\***

**North Dakota Department of Environmental Quality**

**STATE CLEAN DIESEL GRANT PROGRAM**

**Contact Information for Applicant**

Instructions for Completing: Please complete the following information and submit with application.

Contact information for the applicant’s Authorizing Agent (person who is authorized to sign the award contract on behalf of the applicant).

|  |  |
| --- | --- |
| a. Complete Name of Applicant: |       |
| b. Federal Employer Identification Number (EIN): |       |
| c. Data Universal Numbering System (DUNS number): |       |
| d. Mailing Address: |       |
| e. City: |       |
| f. State: |       |
| g. Zip Code: |       |
| h. County: |       |
| i. Authorizing Agent:  |       |
| j. Telephone Number:  |       |
| k. E-mail Address: |       |

Contact Information for Project Director (person who will oversee the purchase and implementation of the project).

|  |  |
| --- | --- |
| 1. Project Director (Primary Contact):
 |       |
| 1. Title:
 |       |
| 1. Mailing Address:
 |       |
| 1. City:
 |       |
| 1. State:
 |       |
| 1. Zip Code:
 |       |
| 1. Telephone Number:
 |       |
| 1. Fax:
 |       |
| 1. E-mail Address:
 |       |
| 1. Alternative or Additional Contacts *(Name, Title, Telephone, Email)*:
 |       |

Contact Information for Fiscal Agent (person who will prepare financial reports of expenditures).

|  |  |
| --- | --- |
| a. Fiscal Agent: |       |
| b. Title: |       |
| c. Mailing Address: |       |
| d. City: |       |
| e. State: |       |
| f. Zip Code: |       |
| g. Telephone Number: |       |
| h. Fax: |       |
| i. E-mail Address: |       |
| j. Alternative or Additional Contacts *(Name, Title, Telephone, Email)*: |       |

*For Office Use Only:*

*Application Number: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date Received: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*

North Dakota Department of Environmental Quality

STATE CLEAN DIESEL GRANT PROGRAM

Applicant Certification Statement

**Instructions for Completing**: The authorizing agent must read the Statement of Certification below and date and sign. The application **must** include this Certification Statement with an original signature.

#### Statement of Certification

I certify that to the best of my knowledge the information contained in this application and in the supplemental material is correct and complete. I certify that the funding requested satisfies the eligibility requirements for this program as represented in the Program Requirements and related materials. I certify that I understand that the funding under this program is subject to restrictions and other conditions listed in the Program Requirements.

* [ ] The applicant will use the funding under this program for the specific purposes defined in the Program Requirements.
* [ ] The applicant will not use funding under this program to purchase hardware or services for which the applicant has received, or will receive, payment from another source or under another program.
* The successful applicant shall be able to provide status or progress updates regarding achieving the work plan goals to the NDDEQ upon request.
* [ ] [ ] The applicant shall not use this funding to expand a current fleet. The vehicle being replaced is currently in operation and is not on a retirement schedule.
* [ ] The applicant has received approval from their governing body to apply and make use of the funding under this program. [ ]
* Where applicable, the applicant will follow North Dakota State Law and procedures to procure the products and services funded under this project. Award recipients agree to follow the good faith efforts whenever procuring equipment. Records documenting compliance with the good faith efforts shall be retained.
* [ ]  Where applicable, the applicant is in compliance with the Federal Drug-Free Workplace Act of 1988 (41 USC Section 701, et seq.); state ethics laws and conflict of interest laws; and state regulations covering non-discrimination in hiring and affirmative action (ORC 125.111).

I authorize the North Dakota Department of Environmental Quality to make any necessary inquiries to verify the information that I have presented. I acknowledge that the information in this application is not confidential and may be released as required by the program.

Applicant Certification Signature

|  |  |
| --- | --- |
| 1. Authorized Signature:
 |  |
| 1. Date:
 |       |
| 1. Typed/Printed Name:
 |       |
| 1. Title or relationship to applicant organization:
 |       |
| 1. Contact Information *(If different than the person identified in Table 1-1 of the Application)*:
 |       |

**North Dakota Department of Environmental Quality**

**STATE CLEAN DIESEL GRANT PROGRAM**

**NEW/NEWER Vehicle Information**

**Instructions for Completing:** Please complete all information requested in the following table for **each** **NEW/NEWER vehicle** that is proposed to be purchased with funds from the State Clean Diesel Grant and submit with the application. For applicants that are applying for more than one item, the data should include all items to be purchased.

Please note that after the application deadline, any changes to the specifications included in the project **must** be pre-approved by the North Dakota Department of Environmental Quality.

Applicants are not expected to calculate emissions reductions for the proposed project. However, where possible, the vehicle description should include enough information such that the Division of Air Quality can calculate the emissions. Information requested is:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Manufacturer** | **Model** |  **Model Year** | **Type** | **Fuel** |
|  |  |  |  |  |

**NEW/NEWER Vehicle Information**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Gross Vehicle Weight**  | **Annual****Proposed Miles**  | **Estimated Average No. of Hrs. Idling Per Yr.** | **Estimated Hrs. of Operation Per Yr.** | **Tier Level****(non-road only)** | **Engine Family Name\*** |
|  |  |  |  |  |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Engine Manufacturer** | **Engine Model and Horsepower** | **Engine Model Year** | **Estimated Purchase****Order Date** | **Price\*\*** |
|  |  |  |  | **$** |

\*The engine family name will be listed on the engine’s Certificate of Conformity, which should be available from your vendor for new/newer vehicles.

\*\* All applicants: Please attach evidence of proposed purchase price including a copy of the dealer’s cost estimates or informal bid prices.

\*\* Award recipients will need to submit a copy of the final dealer invoice for reimbursement.

**North Dakota Department of Environmental Quality**

**STATE CLEAN DIESEL GRANT PROGRAM**

**OLD (Scrapped) Vehicle/Chassis and Engine Information**

**Instructions for Completing:** Please complete all the requested information in the tables below for the **OLD vehicle** that is proposed to be scrapped and submit with application. Please note that after the application deadline, any changes to the specific items included in the project **must** be pre-approved by the North Dakota Department of Environmental Quality.

**Old Vehicle/Chassis Information**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Vehicle Type/Make** | **Model** |  **Year** |  **VIN #** | **Odometer Reading** |
|  |  |  |  |  |
| **Gross Vehicle Weight** | **Est. Hrs. of Operation Per Yr.** | **Est. Hrs. of Idling Per Yr.** | **Est. Annual Miles** |  |
|  |  |  |  |

**Old Engine Information**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Make** | **Model** |  **Year** | **ID or Serial #** | **Horsepower** |
|  |  |  |  |  |

|  |  |  |
| --- | --- | --- |
| **Method of Disposal of OLD Vehicle\*** | **Scrapping****Company/Dealer**  | **Scrapping Company/Dealer****Contact Person** |
|  | Name | Name |
|  | Address | Telephone No. |
| City/State/Zip | E-mail |

\*The vehicle taken out of service must be scrapped. If the item is “traded-in” the dealer is required to follow the EPA scrappage requirements by permanently disabling the engine and chassis. The dealer must provide written certification to the North Dakota Department of Environmental Quality as to method and date of disposal.

**North Dakota Department of Environmental Quality**

**STATE CLEAN DIESEL GRANT PROGRAM**

**Project Schedule Information**

**Instructions for Completing:** The purpose of this section is to provide the schedule for completing all major project items during the project period.

Some of the major milestones for the project are already listed in the Summary Project Schedule below. Please identify your expected completion dates for these items. In addition, you may choose to insert additional milestones and completion dates, as needed, using the blank rows provided. Please describe any scheduling issues that may prevent the project from being completed on schedule and submit with the application.

Summary Project Schedule

|  |  |
| --- | --- |
| **Project Milestone** | **Completion Date***(Enter dates or number of days following approval of the application)* |
| Obtain cost estimates for replacement vehicle and submit application.  |       |
|  |       |
| Purchase new/newer vehicle.  |       |
|  |       |
| Old vehicle scrappage.  |       |
|  |       |
| Submit final documentation to NDDEQ by September 30, 2022.  |       |
|  |       |