

2011-12 GRANT PROPOSAL SOLICITATION
Air Quality Improvement Program (AQIP)

Clean Vehicle Rebate Project

Mobile Source Control Division
California Air Resources Board
July 25, 2011



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**DRAFT IMPLEMENTATION MANUAL FOR THE
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SUMMARY

The California Air Resources Board (ARB) is soliciting a Grantee to implement and administer the \$15 million Clean Vehicle Rebate Project (CVRP). The CVRP will provide rebates for the purchase of new zero-emission or plug-in hybrid light-duty vehicles in California. This project benefits the citizens of California by providing immediate air pollution emission reductions and stimulating development and deployment of the next generation of zero-emission and plug-in hybrid light duty vehicles.

This solicitation is open to individuals, federal, state, or local government entities or agencies, and organizations or companies with expertise implementing a grant program and general knowledge of ARB's clean vehicle programs. Specific requirements for the Grantee are described in this solicitation and in the draft Clean Vehicle Rebate Project Implementation Manual (Implementation Manual) found in Appendix B. Applications are due to ARB by August 25, 2011.

BACKGROUND

In 2007, Governor Schwarzenegger signed into law the *California Alternative and Renewable Fuel, Vehicle Technology, Clean Air, and Carbon Reduction Act of 2007* (AB 118, Statutes of 2007, Chapter 750). AB 118 created the Alternative and Renewable Fuel and Vehicle Technology Program (ARFVTP), which is administered by the California Energy Commission to develop and deploy alternative and renewable fuels and advanced transportation technologies to help attain the state's climate change policies. AB 118 also created the Air Quality Improvement Program (AQIP), a voluntary incentive program administered by ARB to fund clean vehicle and equipment projects, air quality research, and/or workforce training. ARB's appropriation for AQIP projects in the fiscal year (FY) 2011-12 State Budget is \$40 million¹, however, based on projected revenues for the AQIP in FY 2011-12, ARB estimates \$28 million will be available for grants.

In July 2011, ARB approved the AQIP Funding Plan for FY 2011-12 (Funding Plan), allocating \$15 million in funding for the CVRP. The Funding Plan focuses the AQIP on supporting development and deployment of the advanced technologies needed to meet California's longer-term, post 2020 air quality goals. The funding plan directs about 54 percent of total AQIP funds to the CVRP.

¹In the *AB118 Air Quality Improvement Program Funding Plan for Fiscal Year 2011-12*, the Board approved \$15 million for the Clean Vehicle Rebate Project based on projected revenues of \$28 million. The Funding Plan included provisions to increase project funding targets if actual revenues in the Air Quality Improvement Fund are higher than projected. CVRP funding could be scaled to \$21 million in the event revenues match the State Budget appropriation. Additional funding may also become available through the California Energy Commission.

The CVRP provides a monetary incentive for Californians to purchase zero-emission or plug-in hybrid light duty vehicles. This project provides a benefit by encouraging and accelerating zero-emission vehicle deployment in California and technology innovation necessary to meeting California's clean air goals. The project provides rebates of up to \$2,500 for California purchasers of zero-emission and plug-in hybrid electric light-duty vehicles on a first come, first served basis. The CVRP will be administered and implemented through a partnership between ARB and a Grantee, selected via a competitive ARB grant solicitation.

ELIGIBILITY

The ARB is soliciting proposals for a Grantee to administer and implement the CVRP. This competitive solicitation is open to individuals, federal, state, or local government entities or agencies, and organizations or companies with expertise implementing a grant program and general knowledge of ARB's clean vehicle programs. ARB may consider the nature and extent of any potential or apparent conflict of interest in evaluating each application.

AVAILABLE FUNDING

The funding available through this solicitation is \$15 million, with the potential to scale up to \$21 million if revenues in the Air Quality Improvement fund are higher than projected, and/or if additional funding becomes available through other sources. There is no minimum match funding requirement, but voluntary match funding will be considered in scoring the application. Funding is to be broken down as follows:

- Rebates to eligible vehicle purchasers to be dispersed in accordance with the criteria identified in the Implementation Manual totaling \$13,950,000.
- Administrative and outreach costs must not exceed \$1,050,000 (equal to seven percent of total project funding).

Funds may become available through the Energy Commission's Alternative and Renewable Fuel and Vehicle Technology Program for funding additional light-duty vehicles. In the event the Energy Commission provides funding for the CVRP through an interagency agreement with ARB, these funds will be administered under this solicitation. By signing the AQIP Application in Appendix A, the applicant is agreeing to administer these additional funds as part of the CVRP. As with ARB funds, up to 7 percent of the Energy Commission's funds could be used for project administration and outreach.

ELIGIBLE PROJECTS/SCOPE OF WORK

The Grantee is responsible for the on-the-ground project implementation of distributing rebates for eligible vehicles, including the following tasks:

- Update the Implementation Manual in consultation with ARB (and the Energy Commission if additional funding is included).
- Prepare outreach and educational materials in consultation with ARB, (and the Energy Commission if additional funding is included), and conduct the statewide public outreach necessary for the project to be successful.
- Develop/maintain a user-friendly public webpage which must include, at a minimum:
 1. The list of eligible vehicles and each vehicle's rebate amount.
 2. Ability to submit online rebate applications.
 3. Ability to track CVRP funds, both available and expended, in real-time.
 4. All documents and forms related to the project.
- Ensure purchasers and lessees meet all applicable CVRP requirements.
- Use the criteria in the Implementation Manual to review and approve or disapprove rebate applications.
- Distribute rebate payments to eligible vehicle purchasers and lessees.
- Track expenditure of CVRP funding.
- Closely communicate with the ARB to ensure that the most current list of eligible vehicles is being used.
- Establish a waiting list in the event that the project becomes oversubscribed and additional funds are not available.
- Respond to public inquiries regarding the CVRP.
- Provide Status Reports to the ARB detailing rebates redeemed for purchased vehicles. ARB may specify an electronic format for quarterly reporting as needed for transparent and effective data tracking.
- Provide ARB with a CVRP Final Report that summarizes and evaluates total fund expenditures (including match and in-kind funds), vehicles funded, outreach efforts, and implementation challenges, and recommends potential program improvements.
- Provide information, upon request, to individuals or organizations that wish to appeal a rebate denial to the ARB Project Liaison.
- Provide ARB with all webpage(s), software or other intellectual property developed or purchased by the Grantee for the purposes of administering or implementing the CVRP, if requested.
- Meet all applicable requirements of statute, the AQIP Guidelines and Funding Plan, ARB's CVRP solicitation, the CVRP grant agreement with ARB, and the Implementation Manual.

If the Energy Commission provides additional funding to the CVRP, the Implementation Manual may be updated in coordination with the ARB and the Energy Commission to reflect eligible vehicle types, maximum rebate amounts, and additional administrative procedures, if necessary. See section 3 of the Implementation Manual for a more complete description of the duties and responsibilities of the grantee and the ARB.

This solicitation is for a Grantee to distribute rebates and implement the CVRP included in the AQIP Funding Plan for FY 2011-12. Should the CVRP receive additional funding

in FY 2012-13, another competitive solicitation must be held to select the Grantee for these additional funds.

DEFINITIONS

Refer to the section 5 of the Implementation Manual.

APPLICATION REQUIREMENTS

Eligible applicants must meet all applicable requirements of State law, the AQIP Guidelines and Funding Plan, and this solicitation. To be considered for the grant award, applicants must fully complete the project application and demonstrate that they meet the required solicitation elements. ARB may request clarification regarding application responses during the application review process.

APPLICATION PROCESS

This application packet contains the forms and information necessary for submittal of a complete application. ARB will select a Grantee in compliance with the AQIP Guidelines and applicable State law. The Grantee selection will be based upon the scoring criteria identified in this solicitation.

If you need this document in an alternate format or language, please contact Grace Garcia at (916) 323-2781 or ggarcia@arb.ca.gov. TTY/TDD/Speech to Speech users may dial 711 for the California Relay Service.

Four signed original copies and one CD of the application, including all the required documents must be received at the Air Resources Board headquarters at 1001 I Street, Sacramento, CA 95812.

Applications submitted by U.S. Postal Service mail must be postmarked by August 25, 2011. Items delivered by UPS, Express Mail, Federal Express or another delivery service provider (other than U.S. Postal Service) must be received by the delivery service provider by August 25, 2011 at 5 p.m. (delivery service provider tracking number may be used to verify date of receipt). Applications must be mailed to the following address:

Grace Garcia
Air Resources Board
Mobile Source Control Division
1001 I Street, P.O. Box 2815
Sacramento, CA 95812

Please send an e-mail to Grace Garcia at ggarcia@arb.ca.gov indicating that you have submitted an application once the application has been mailed. Sending this e-mail secures one of the ten points provided for Application Completeness and lets ARB staff

know that your formal application is on the way. ARB will send a confirmation e-mail to the applicant once the hard-copy of the application has been received.

No applications may be submitted by fax or email.

Format Requirements

The ARB strongly encourages applications to be accurate, brief and clear. Applications will be initially screened for completeness. Applications must include all the required elements identified in Appendix A.

Solicitation Timelines

Public Release of Solicitation	July 25, 2011
Applicant Workshop and conference call	August 9, 2011
Application Deadline	August 25, 2011 5:00 PM
Review/Rating of Applications	August 26 – September 7, 2011
Grantee Selected	September 8, 2011

Timelines are subject to change at ARB's sole discretion.

EVALUATION AND SCORING

The ARB will evaluate each proposal based on the criteria described below. The maximum score is 100 points. The qualified applicant with the highest overall score will be selected as Grantee. The selected applicant will be required to sign a grant agreement with ARB to fulfill the duties of Grantee (See Appendix C for a Sample Grant Agreement). ARB will enter into a grant agreement once revenues approved in the FY 2011-12 Funding Plan are available. ARB reserves the right to re-solicit for a CVRP Grantee or to direct funding to another project in the Funding Plan.

1. Expertise/Experience to Successfully Implement the Project (maximum 25 points)

Scoring will be based upon the applicant's ability to successfully act as the Grantee based upon its experience/expertise in and history of implementing similar incentive projects or working with vehicle manufacturers, dealers, fleets, and other stakeholders.

Application Characteristics	Points Earned
Applicant lacks experience/expertise applicable to the project requested and/or lacks relevant experience handling similar sized funding projects.	0 – 5 points
Applicant demonstrates experience/expertise to complete the tasks required of the CVRP Grantee and/or has some relevant experience successfully running similar sized funding programs.	6 – 15 points
Applicant demonstrates extensive and strong experience/expertise required to effectively and successfully complete the tasks of CVRP Grantee and significant relevant experience successfully running similar sized funding programs.	16 – 25 points

2. Project Budget (maximum 25 points)

Applicants must identify their proposed budget for completing the tasks of CVRP Grantee, consistent with the draft Implementation Manual, their Project Implementation Plan (included as part of the application) and the requirements of this solicitation. The budget must include the total administrative funds requested, and a description of any applicable commitments for in-kind services and match funding.

In-kind services refer to goods or services contributed by the Grantee but not charged to the CVRP, which help to more effectively and efficiently meet the goals of the program. Match funding refers to funds contributed by the Grantee to the CVRP to fund eligible vehicles. An applicant may propose that match funding be used to fund vehicles as part of the CVRP in a specific California region (such as an air district). Match funding does not include in-kind match (i.e. funding for other incentive projects, even if for similar vehicles or technologies). See Appendix A, Attachment 2-1 for a sample budget.

Application Characteristics	Points Earned
<p>Budget is unclear, inconsistent with the draft Implementation Manual, the applicant's Project Implementation Plan, and the requirements of this solicitation, or is insufficient to successfully complete the project. No or limited match funding or no or limited in-kind support is committed and the applicant is requesting the maximum allowable funding for CVRP administration and outreach.</p>	<p>0 – 5 points</p>
<p>Budget is relatively clear, detailed, and consistent with the draft Implementation Manual, the applicant's Project Implementation Plan, and the requirements of this solicitation, and is adequate to complete the project. Costs are represented clearly. The applicant's commitment for in-kind support will enable the program to be marginally more effective and efficient.</p>	<p>6 - 15 points</p>
<p>Budget is very clear, detailed, and consistent with the draft Implementation Manual, the applicant's Project Implementation Plan, and the requirements of this solicitation, and is adequate to complete the project. Costs are represented clearly, and are appropriate for the level and quality of work to be performed. Applicant commits to provide match funding or reduce allowable CVRP administrative costs in order to fund more eligible vehicles. The applicant's commitment for in-kind support will enable the program to be significantly more effective and efficient.</p>	<p>16 - 25 points</p>

3. Project Implementation Plan (maximum 15 points)

Applicants will be evaluated based on the completeness of their plan for implementing the CVRP, and the ability to complete the work in a timely manner.

Application Characteristics	Points Earned
Plan is unclear and/or does not provide the highest impact for the funding provided.	0 points
Plan is complete, provides sound recommendations for effective and efficient project development, implementation, and administration, and considers the budget.	1 – 7 points
Plan is sound and well organized, tailors recommendations creatively and appropriately to successfully implement the CVRP, provides recommendations for effective and efficient project development, implementation, and administration, and recommends high-impact activities that maximize the budget.	8 – 15 points

4. Resources to Implement the Project (maximum 15 points)

Scoring will be based upon the applicant's ability to successfully act as Grantee based upon their demonstrable staffing, infrastructure, funding, and other available resources.

Application Characteristics	Points Earned
The applicant has not demonstrated sufficient resources to successfully implement the CVRP.	0 points
The applicant has demonstrated the minimum resources needed to implement the CVRP.	1 – 5 points
The applicant has clearly demonstrated sufficient staff, expertise, infrastructure and/or funding resources to effectively and successfully implement the CVRP.	6 – 15 points

5. Application Completeness (maximum 10 points)

Application Characteristics	Points Earned
The application is unclear or is missing key information.	0 – 5 points
The application is clear, concise, and includes all the required information.	6 – 10 points

6. Ability to Promote the Use of Alternative Fuels and Vehicle Technologies (maximum 5 points)

Application Characteristics	Points Earned
The applicant has a clear and effective plan for public outreach (as identified in the Project Implementation Plan) to ensure effective and efficient implementation of the project.	0 – 5 points

7. Contribution to Regional Air Quality Improvements (maximum 5 points)

Application Characteristics	Points Earned
The applicant has a plan for and the ability to target CVRP outreach in areas which are classified or proposed by ARB to be classified as extreme non-attainment of the federal 8-hour ozone standard (i.e. the South Coast and San Joaquin Valley Air Basins). This will be scored based upon the applicant's response to Attachments 3 and 4 of the application.	0 – 5 points

MONITORING AND REPORTING REQUIREMENTS

Status Reports must be submitted at least every three months, but may be provided on an as needed basis to justify additional vehicle and/or administrative funding from ARB. The first Status Report must be submitted three months after the grant agreement is fully executed or when requesting additional disbursement of funds, whichever is sooner. The Status Report must include the following components per source of funding (e.g. ARB and potentially Energy Commission funds):

- Excel spreadsheet of vehicles funded for the reporting period - format and data fields to be agreed upon by ARB and the Grantee. Data fields will include, but not limited to, VIN, city and zip code of where rebate check was mailed, Air District, vehicle type, make and model, and purchase/lease date.
- Summary report-
 1. Number of rebates received, approved, disapproved, in-process, and pending.
 2. Number and dollar amount of rebates issued by fleet type (i.e. individual,

- business, state government agency, or non-profit organization).
3. Number, dollar amount, and percentage of rebates issued by vehicle type, model, purchase price and rebate amount.
 4. Number of rebates per Air District.
 5. Other financial incentives received (other than tax rebates), if applicable.
 6. Remaining grant funding available.
- Grantee administrative cost summaries.
 - Identified problems or concerns and proposed solutions, if applicable.

A Final Report must be submitted to ARB after all vehicle funding has been expended. The Final Report must include the following components per source of funding (e.g. ARB and potentially Energy Commission funds):

- Total fund expenditures (including match and in-kind funds).
- Excel spreadsheet of any vehicles funded not previously included in a Status Report (see Status Report).
- Summary report of all vehicles funded by the CVRP for the period covered by the Grant Agreement (may be provided as summaries or previously submitted Status Reports - see Status Report).
- Identification of vehicle rebates by funding source (e.g., ARB and potentially Energy Commission funds).
- Vehicle Identification Number (VIN) for each vehicle purchased.
- City and ZIP code of where the rebate check was mailed.
- Outreach efforts.
- Implementation challenges.
- Recommendations for potential program improvements.

DISBURSEMENT OF FUNDS

ARB is required to expend 100 percent of the funds available through this solicitation prior to June 30, 2014. ARB will provide the Grantee with funding for vehicle rebates and project administration. At project start-up, the Grantee will receive fifty percent of the total allowable administration funding and ten percent of the vehicle funding as seed money to turn around rebate applications quickly.

Vehicle Rebate Funding

The Grantee will receive up to \$13,950,000 to distribute as rebates to eligible vehicles. After the initial distribution of \$1,395,000 in vehicle funds for project start-up, ARB will provide adequate additional funds to the Grantee as needed to quickly and efficiently redeem vouchers (see section 4.2 of the draft Implementation Manual).

Project Administration Funding

The Grantee may use up to \$1,050,000 or the amount committed in its funding application, whichever is less, for project administration and outreach (costs associated with promoting and redeeming rebates). The Grantee shall receive funding for project administration on the following schedule:

- 50 percent of project administration funds (\$525,000) at the time the Grant Agreement is signed for outreach, webpage development, finalizing the CVRP Implementation Manual, and for other start-up costs.
- 10 percent of administration funding after 10 percent of vehicle funding is expended and the Grantee provides ARB with documentation for the first 60 percent of project administration funding expended.
- 20 percent of administration funding after 40 percent of vehicle funding is expended and a complete and accurate Status Report documenting fund expenditures for these vehicles has been supplied to ARB.
- 10 percent of administration funding after 80 percent of vehicle funding is expended and a complete and accurate Status Report demonstrating fund expenditures for these vehicles has been supplied to ARB, and the Grantee provides documentation describing expenditure of all match funding and in-kind services committed to in the project application.
- 10 percent of administration funding after 100 percent of vehicle funding is expended and ARB has received all intellectual property and data needed to ensure continued smooth implementation of the CVRP (see Sections 4.4 and 4.5 of the draft Implementation Manual), and received a Final Report documenting vehicles paid for by the project and fulfillment of all project commitments.

The ARB will have sole discretion to accelerate the timeline for allowable disbursements of administration funds identified above, (with the exception of the final project administration disbursement), necessary to assure the goals of the project are met. With the exception of the initial 50 percent of administrative funding provided for project start-up, all administrative funding provided to the Grantee shall be on a reimbursement basis and requires administrative cost summaries approved by ARB for completed tasks and/or eligible expenses. The Grantee must provide invoices for the first 50 percent of administration funding before additional administration funding will be provided.

Invoices used to justify an additional increment of administration funding from ARB must describe costs of work completed in the following categories: 1) labor expenses (including staff time and total labor costs); 2) external consultant fees for completed work (if applicable); 3) printing, mailing, travel, and other outreach expenses; and 4) indirect costs. Additional administrative cost categories may be provided to ARB if warranted. Documentation substantiating these costs must be maintained by the Grantee and provided to ARB upon request, as described in Section 4.6 of the draft Implementation Manual.

APPLICANT WORKSHOP

ARB will hold an Applicant Workshop and conference call at which time staff will be available to answer questions potential applicants may have regarding eligibility, application completion, and other issues. The Applicant Workshop and conference call will be at:

Date: August 9, 2011
Time: 10:00 a.m. – Noon (PT)
Place: CalEPA Building, CR 2410
1001 I Street
Sacramento, CA 95812

Call-in Information: Tel: (800) 857-3795
Passcode: 17685

The workshop will be open to all interested entities. The above call-in phone number has been provided for those unavailable to attend in person. The intent of the workshop is to provide potential project applicants with an opportunity to ask clarifying questions regarding general application or applicant requirements or terminology definitions. Written questions submitted before the workshop will be given priority. Questions may be e-mailed to Ms. Meri Miles at mmiles@arb.ca.gov . Questions may be submitted up to 5 p.m. one day prior to the workshop. The questions and answers from the workshop and any questions received via e-mail by 5 p.m. on August 8, 2011 will be posted on the ARB website no later than 5 p.m. on August 11, 2011. ARB will not answer questions regarding this solicitation after the applicant workshop. Any verbal communication with an ARB employee concerning this solicitation is not binding on the State and shall in no way alter a specification, term or condition of the solicitation.

REQUIRED ELEMENTS

The application is included as Appendix A of this solicitation, and includes the following required elements:

Appendix A: AQIP Application

- Attachment 1: Applicant Qualifications
- Attachment 2: Proposed Budget
- Attachment 3: Project Implementation Plan
- Attachment 4: Applicant Resources to Implement the Project
- Attachment 5: Conflict of Interest Declaration