

**2020 Indiana Volkswagen  
Environmental Mitigation Trust Program**

**Volkswagen Onroad and Nonroad  
Round 2**

**Request for Proposals  
March 2, 2020**

The Indiana Volkswagen Environmental Mitigation Trust Program is announcing grant opportunities for clean air projects that will significantly reduce diesel emissions across Indiana. This is a statewide program supported with funds from Indiana's portion of the national Volkswagen Mitigation Trust Fund and is focused on equipment and vehicle repowers and replacements with newer, cleaner alternatives of various fuel types. The Program will post additional solicitations for DERA Option Round 2 and the Light-duty Electric Vehicle Infrastructure component of the Indiana Volkswagen Environmental Mitigation Trust Program separately.

Indiana Department of Environmental Management  
Office of Air Quality

100 North Senate Avenue

Mail Code 61-50 IGCN 1003

Indianapolis, IN 46204-2251

Email: [VWTrust@idem.in.gov](mailto:VWTrust@idem.in.gov)

Website: <https://www.in.gov/idem/airquality/2712.htm>

## CONTENTS BY SECTION

- I. Grant Opportunity Description
  - A. Background
  - B. Scope of Work
  - C. Funding Restrictions
  - D. Desired Goals and Anticipated Outcomes
- II. Award Information
  - A. Available Funding Amount and Application Deadline
  - B. Award Limits and Indiana Role
  - C. Project Type Funding Allocation and Funding and Match Levels
  - D. Diesel Repower and Replacement Projects Defined
  - E. Project Period
  - F. Matching Fund Requirements
- III. Eligibility Information
- IV. Application and Submission Information
  - A. Solicitation Materials
  - B. Application Content and Form Requirements
  - C. Submission Methods, Deadlines, and Timeline
- V. Application Review Information
  - A. Evaluation Criteria and Process
  - B. Disclaimer
- VI. Proposal Submission Checklist
- VII. Appendices
  - A. Appendix A – Evaluation Criteria Scoring Details
  - B. Appendix B - Appendix D-2 of National Consent Decree and Definitions
  - C. Appendix C - Indiana Fleet Data Spreadsheet
  - D. Appendix D - Sample Indiana Grant Agreement
  - E. Appendix E - Certification of Vehicle Scrappage Document

## **Section I – Grant Opportunity Description**

### **A. Background**

On January 11, 2017, a Third Partial Settlement and Consent Decree was finalized between the U.S. Justice Department, the Volkswagen (VW) Corporation and its subsidiaries regarding the installation and use of emission testing defeat devices in over 590,000, 2.0 and 3.0 liter subject vehicles sold and operated in the U.S. beginning in 2009. On September 6, 2017, the United States filed its Notice of and Memorandum in Support of Its Unopposed Motion for Court Approval of Finalized Trust Agreements. The Court approved the Trust documents shortly after this filing. The Environmental Mitigation Trust Fund is the result of a Consent Decree between the U.S. Justice Department, the Volkswagen Corporation, and its subsidiaries. The settlement required Volkswagen to pay \$2.9 billion into an Environmental Mitigation Trust Fund, to offset the excess air pollution emitted by some of the Volkswagen vehicles that violated the Clean Air Act. Indiana will receive approximately \$40.9 million from the Trust in at least three separate installments starting in 2019, with all funds being fully disbursed by 2028.

Trust funds may be used to pay portions of the total cost to repower or replace eligible diesel-powered vehicles with new diesel, alternative fuel, hybrid, or all-electric engines or vehicles as detailed in Section II of this solicitation.

### **B. Scope of Work**

Approximately \$9.83 million will be awarded to eligible projects that include onroad or nonroad diesel-powered equipment in the State of Indiana in Round 2 of the program. Pursuant to the terms of the Appendix D-2 of the national mitigation trust, eligible projects to reduce emissions from diesel-powered equipment and vehicles will include replacement and repowering of existing diesel vehicles or equipment with cleaner alternatives serving the same purpose. These eligible project types are summarized for the Indiana Volkswagen Environmental Mitigation Trust Program in Section II, B of this document.

### **C. Funding Restrictions**

If submitted proposal includes the following ineligible activities, that portion of the proposal will be ineligible for funding and may render the entire proposal ineligible for funding.

1. Any repower or replacement required by any law or other legally binding agreement.
2. Any repower or replacement that would have taken place under entity's formal repower/replacement schedule.
3. Any replacement that results in an expansion of entity's current fleet.

4. Any onroad vehicle replacement that addresses equipment travelling less than 7,000 miles per year.
5. Any locomotive repower or replacement that addresses equipment with less than 1,000 operating hours per year.
6. Any nonroad or marine repower or replacement that addresses equipment with less than 500 operating hours per year.
7. Any operating expenses or fuel costs, including incremental costs of fuel.
8. Any costs incurred outside the scope of the authorized Grant Agreement or prior to the full authorization of said agreement by Indiana.
9. Any administrative costs.

#### **D. Desired Goals and Anticipated Benefits**

Desired goals of projects funded through the Indiana Volkswagen Environmental Mitigation Trust Program include the following:

1. Sustainable projects that are transformative in nature.
2. Improve air quality across Indiana while also promoting economic growth.
3. Maximize diesel emission reductions with a focus on enhancing the health and well-being of Indiana residents.

Through these projects the Indiana Volkswagen Environmental Mitigation Trust Program anticipates the following benefits:

1. Improved air quality via the reduction of NO<sub>x</sub>, PM<sub>2.5</sub>, HC, CO, CO<sub>2</sub>, and air toxic emissions from medium and heavy-duty diesel engines.
2. Improved quality of life for the population residing in close proximity to the areas where diesel equipment operation is common.
3. Leveraging of project partner funds with VW Mitigation Trust funds to further the reach of the Indiana program.
4. Advancement of transformational projects that promote economic growth and diversify energy platforms.

## **Section II – Award Information**

### **A. Available Funding Amount and Application Deadline**

Round 2 of the Indiana Volkswagen Environmental Mitigation Trust Program will provide total estimated funding for this competitive grant opportunity of approximately \$9.83 million. Subject to availability of funds and the quality of proposals received, Indiana anticipates awarding Grant Agreements from this announcement ranging from approximately \$50,000 to \$2,000,000. Applications are due to the Indiana Department of Environmental Management (IDEM) no later than 5 p.m. EDT on April 30, 2020.

## **B. Award Limits and Indiana Role**

**Note:** The number and amount of awards, and projected categorical funding allocations, are subject to both available funds and the quality of the proposals submitted. Indiana reserves the right to partially fund proposals. If Indiana decides to partially fund the proposal, it will do so in a manner that does not prejudice any Grantee or affect the basis upon which the proposal was evaluated and selected for award, and that maintains the integrity of the competition and the evaluation process.

The awards resulting from this solicitation will result in a formal agreement between the Grantee and IDEM. An example agreement is included as Appendix D. The Indiana Department of Environmental Management's grant-related role will be as follows:

1. Close monitoring of the Grantee's performance to verify the results proposed by the Grantee;
2. Collaborate during the performance of the scope of work;
3. Approve substantive terms of proposed grants;
4. Review qualifications of the Grantee's and Grantee contractor's key personnel;
5. Review and verify information contained in reports prepared under the cooperative agreements; and,
6. Reimbursement in arrears of monies spent by the Grantee in accordance with the formal agreement. This reimbursement will be for project-related costs paid by the Grantee directly to technology vendor. All payment obligations will be made in arrears in accordance with Indiana law and state fiscal policies and procedures.

If the Indiana Volkswagen Environmental Mitigation Trust Program determines that a Grantee is not making satisfactory progress implementing the project, Indiana may notify the Grantee that the grant is being revoked, and reallocate the funds to another eligible project applicant. Responses received from Grantee to project update requests from the Indiana Volkswagen Environmental Mitigation Trust Program will be a determining factor.

## **C. Project Type Funding Allocation and Funding and Match Levels**

To ease the application process and create parity in project scoring, evaluation, and selection, eligible mitigation actions of the national Consent Decree have been divided into two general groups for the purpose of this solicitation. These groups are as follows:

- Onroad Equipment and Vehicles
  - Projects such as Class 4-8 trucks and Class 4-8 school, shuttle, and transit buses
- Nonroad Equipment and Vehicles
  - Projects such as airport ground support equipment, forklifts and port cargo handling equipment, ferries and tugboats, and freight-switcher locomotives

## **Onroad Equipment and Vehicles**

The onroad equipment and vehicles group includes Class 4-8 trucks and Class 4-8 school, shuttle, and public transit buses. Equipment or vehicles in this group must be owned by entities registered with the Indiana Secretary of State to be eligible for funding.

### **Eligible Onroad Equipment and Vehicles**

- Class 4-8 local freight and port drayage trucks
  - Model years 1992 through 2009
  - Repower/Replacement must be U.S. EPA (EPA) or California Air Resource Board (CARB) Certified to applicable emission standard as of the date of project implementation
- Class 4-8 school, shuttle, and public transit buses
  - Model years 2009 and older
  - Repower/Replacement must be EPA or CARB Certified to applicable emission standard as of the date of project implementation
- Class 4-7 local freight trucks
  - Model years 1992 through 2009
  - Repower/Replacement must be EPA or CARB Certified to applicable emission standard as of the date of project implementation

## **Nonroad Equipment and Vehicles**

The nonroad equipment and vehicles group includes airport ground support equipment, forklifts and port cargo handling equipment, lake or river ferries and tugboats, and freight-switcher locomotives. Applicants requesting funding in this group must be registered with the Indiana Secretary of State and must operate vehicles and equipment in conjunction with Indiana facilities.

### **Eligible Nonroad Equipment and Vehicles**

- Freight switcher locomotives

- Pre-Tier 4 operated over 1,000 hours per year
  - Repower/Replacement must be EPA or CARB Certified to applicable emission standard as of the date of project implementation
- Ferry and tug boats
  - Unregulated, Tier 1, or Tier 2 marine engines
  - Repower/Replacement must be to Tier 3 or Tier 4
- Airport ground support equipment
  - Uncertified, Tier 0, Tier 1, Tier 2
  - Repower/Replacement must be powered by all-electric alternative
- Forklifts and port cargo handling equipment
  - Greater than 8,000 pound lift capacity
  - Repower/Replacement must be powered by all-electric alternative

### **Project Eligibility Clarifications**

All equipment and vehicles funded through the Indiana Volkswagen Environmental Mitigation Trust Program must be certified or verified by EPA or CARB.

Applicants proposing alternative fuel or all-electric equipment or vehicle projects must identify the availability of fueling and charging infrastructure in the area that would be utilized for the project. If the applicant does not own the fueling or charging infrastructure, the location of publically available fueling or charging stations intended for use must be identified.

Leased onroad and nonroad equipment and vehicles are not eligible for funding through this request for proposals of the Indiana Volkswagen Environmental Mitigation Trust Program.

Onroad or Nonroad projects making use of any 3<sup>rd</sup> party funding beyond those being provided directly by the applicant must demonstrate that those 3<sup>rd</sup> party funds are “in-house” and “dedicated” to the project included in the application.

Onroad or Nonroad project applications that include contingent funding from any source will be not considered eligible under this program.

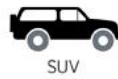
Onroad diesel-to-diesel repower or replacement projects are limited to only school buses and refuse haulers. All other onroad diesel-to-diesel repower or replacement projects are not eligible for funding under this program.

Additional details on eligible project types listed above can be found in Appendix B from the National Consent Decree.

### ***Onroad and Nonroad Fleet-specific Infrastructure***

Although permitted by Appendix D-2 of the Consent Decree, it should be noted that Indiana does not intend to fund fleet-specific, heavy-duty, electric infrastructure costs as doing so creates an inequity towards other diesel, hybrid, and alternative fuel types. Rather, the Indiana Volkswagen Environmental Mitigation Trust Program will focus funds on equipment and vehicle repower and replacement projects. In addition, not funding fleet-specific electric infrastructure promotes funding of projects where both private and public entities have a vested interest in sustaining a new energy platform.

**Class One: 6,000 lbs. or less**



**Class Two: 6,001 to 10,000 lbs.**



**Class Three: 10,001 to 14,000 lbs.**



**Class Four: 14,001 to 16,000 lbs.**



**Class Five: 16,001 to 19,500 lbs.**



**Class Six: 19,501 to 26,000 lbs.**



**Class Seven: 26,001 to 33,000 lbs.**



**Class Eight: 33,001 lbs. & over**



Indiana expects to post at least three rounds of requests for proposals under the Volkswagen Environmental Mitigation Trust Program. Applicants are welcome to apply for multiple rounds of funding. If any applicant receives funding from the program and has not completed the project from the previous funding round within the timeframe of the Grant Agreement, they may not be eligible to apply for the current round. Indiana recognizes delays can occur beyond the reasonable control of Grantees and with written approval from the program administrator exceptions may be considered. The estimated Funding Cycle for Onroad and Nonroad Equipment and Vehicle Program is as follows:

<b>Project Type</b>	<b>Round 1 Funding (million) 2019</b>	<b>Round 2 Funding (million) 2020</b>	<b>Round 3 Funding (million) TBD</b>	<b>Total Funding (million)</b>
Class 4 – 8 Onroad Equipment and Vehicles (excluding school buses)	\$4.26	\$4.26	\$4.27	\$12.79
Non-Electric School Buses	\$1.99	\$1.99	\$1.99	\$5.97
Electric School Buses	\$0.85	\$0.85	\$0.86	\$2.56
Nonroad Equipment and Vehicles	\$2.73	\$2.73	\$2.74	\$8.20
<b>TOTALS</b>	<b>\$9.83</b>	<b>\$9.83</b>	<b>\$9.86</b>	<b>\$29.52</b>

Indiana will reimburse non-government owned fleet and equipment owners in these categories at the levels specified in Appendix D-2 of the national mitigation trust. Indiana will government-owned fleets and equipment at the same level as non-government owned fleet and equipment owners, as opposed to the full cost reimbursement permitted by Appendix D-2. The full details of funding caps are as follows:

<b>Project Type</b>	<b>VW Funding</b>	<b>Applicant Funding</b>
<b>Class 8 Local Freight (1992-2009)</b>		
Repowers with new diesel, hybrid, or alternative fueled engines, including costs of installation	Up to 40% funded	At least 60% funded
Replacement with new diesel, hybrid, or alternative fueled vehicle	Up to 25% funded	At least 75% funded
Repowers with all-electric engine, including cost of installation of engine	Up to 75% funded	At least 25% funded

Replacement with new all-electric vehicle	Up to 75% funded	At least 25% funded
<b>Class 8 Drayage (1992-2009)</b>		
Repowers with new diesel, hybrid, or alternative fueled engines, including costs of installation	Up to 40% funded	At least 60% funded
Replacement with new diesel, hybrid or alternative fueled vehicle	Up to 50% funded	At least 50% funded
Repowers with new all-electric engine	Up to 75% funded	At least 25% funded
Replacement with new all-electric vehicle	Up to 75% funded	At least 25% funded
<b>Class 4-8 School Bus, Shuttle Bus, or Transit Bus (2009 and older)</b>		
Repowers with new diesel, hybrid, or alternative fueled engines, including costs of installation	Up to 40% funded	At least 60% funded
Replacement with new diesel, hybrid, or alternative fueled vehicle	Up to 25% funded	At least 75% funded
Repowers with all-electric engine, including cost of installation of engine	Up to 75% funded	At least 25% funded
Replacement with new all-electric vehicle	Up to 75% funded	At least 25% funded
<b>Class 4-7 Local Freight Trucks (1992-2009)</b>		
Repowers with new diesel, hybrid, or alternative fueled engines, including costs of installation	Up to 40% funded	At least 60% funded
Replacement with new diesel, hybrid, or alternative fueled vehicle	Up to 25% funded	At least 75% funded
Repowers with all-electric engine, including cost of installation of engine	Up to 75% funded	At least 25% funded
Replacement with new all-electric vehicle	Up to 75% funded	At least 25% funded
<b>Freight Switcher (Pre-Tier 4 engines to Tier level of mitigation action year)</b>		
Repowers with new diesel, hybrid, or alternative fueled engines or generator sets, including costs of installation	Up to 40% funded	At least 60% funded

Replacement with new diesel, hybrid, or alternative fueled freight switcher	Up to 25% funded	At least 75% funded
Repowers with new all-electric engines, including costs of installation of engines	Up to 75% funded	At least 25% funded
Replacement with new all-electric freight switcher	Up to 75% funded	At least 25% funded
<b>Ferries/Tugs (Unregulated, Tier 1 or Tier 2 Marine to Tier 3 or Tier 4)</b>		
Repowers with new diesel, hybrid, or alternative fueled engines, including costs of installation	Up to 40% funded	At least 60% funded
Repowers with new all-electric engines, including costs of installation of engines	Up to 75% funded	At least 25% funded
<b>Airport Ground Support Equipment (Tier 0, Tier 1, Tier 2, Uncertified or Certified 3g/bhp-hr or higher emissions)</b>		
Repowers with all-electric engine, including cost of installation of engine	Up to 75% funded	At least 25% funded
Replacement with new all-electric ground support equipment	Up to 75% funded	At least 25% funded
<b>Forklifts and Port Cargo Handling Equipment (Greater than 8,000 pounds lift capacity)</b>		
Repowers with all-electric engine, including cost of installation of engine	Up to 75% funded	At least 25% funded
Replacement with new all-electric forklift or port cargo handling equipment	Up to 75% funded	At least 25% funded

#### **D. Diesel Repower and Replacement Projects Defined**

***Diesel Equipment and Vehicle Repower Projects:*** Diesel equipment and vehicle repower refers to the removal of an existing diesel engine and replacing it with a model-year 2020 or newer, cleaner engine that meets a more stringent set of engine emission standards. Repowers may include the installation of engines fueled with clean diesel, hybrid, alternative fuels, or all-electric alternatives that effectively reduce overall emissions from the original diesel-powered equipment.

For a repower that involves the removal of an existing diesel propulsion engine and its replacement with a diesel-powered electric generator (genset), the electric

generator in a genset together with the newer, cleaner engine are both eligible costs of the repower, subject to the applicant-share requirement defined in this solicitation.

Applicants interested in repower of traditional vehicle engines should pay particular attention to make sure that proposed conversion to alternative fuels does not violate federal anti-tampering laws under the Clean Air Act.

***Diesel Equipment and Vehicle Replacement Projects:*** Onroad and nonroad diesel equipment and vehicles can be replaced under this program with model-year 2020 or newer, cleaner equipment and vehicles that operate on diesel, hybrid, or alternative fuels and use engines certified by EPA or CARB to meet a more stringent set of engine emission standards. Replacement projects can include the replacement of diesel vehicles/equipment with newer, cleaner diesel, electric, hybrid, or alternative fuel vehicles/equipment. The replacement equipment/vehicle must be of the same type and similar gross vehicle weight rating or horsepower as the equipment/vehicle being replaced (i.e. a 300 horsepower bulldozer is replaced by a bulldozer of similar horsepower). The replacement equipment/vehicle must perform the same function as the equipment/vehicle that is being replaced (i.e. an excavator used to dig pipelines would be replaced by an excavator that continues to dig pipelines).

1. Onroad diesel equipment and vehicles - Funding under this program may cover the cost of a newer, cleaner vehicle or piece of equipment, powered by an engine certified to the 2020 or newer model year standards for onroad heavy-duty diesel engines, provided the vehicle or piece of equipment:
  - a. is particulate filter-equipped (or catalyst-equipped in the case of a compressed natural gas engine); and,
  - b. meets regulatory requirements for equipment or vehicles manufactured in 2020 or later.
2. Nonroad diesel equipment and vehicles - Funding under this program may cover the cost of a newer, cleaner vehicle or piece of equipment powered by a 2020 or newer model year certified nonroad diesel engine. Nonroad engine emission standards are on EPA's website at: <https://www.epa.gov/emission-standards-reference-guide/epa-emission-standards-nonroad-engines-and-vehicles>.
3. For a stationary or auxiliary genset, replacement means the removal of the entire genset and its replacement with a newer, cleaner genset. The electric generator in a genset together with the newer, cleaner engine is an eligible cost of the replacement, subject to the applicant-share requirement defined above.

***Diesel Vehicle, Equipment, and Engine Repower and Replacement Proposals*** are eligible for funding on the condition that the following criteria are satisfied:

1. The purchase of new vehicles or equipment to expand a fleet is not covered by this program;

2. The replacement vehicle, engine, or equipment will perform the same function as the vehicle, engine, or equipment that is being replaced (i.e. an excavator used to dig pipelines would be replaced by an excavator that continues to dig pipelines);
3. The replacement vehicle, engine, or equipment will be of the same type and similar gross vehicle weight rating or horsepower as the vehicle, engine, or equipment being replaced (i.e. a 300 horsepower bulldozer is replaced by a bulldozer of similar horsepower);
4. The equipment/vehicle being replaced will be scrapped or rendered permanently disabled or returned to the original engine manufacturer for remanufacturing to a certified cleaner emission standard within 90 days of taking delivery of replacement equipment/vehicle. Drilling a 3-inch hole in the engine block and manifold and disabling the chassis by cutting the equipment/vehicle's frame rails completely in half while retaining possession of the equipment/vehicle is an acceptable scrapping method. Other methods may be considered and will require prior Indiana approval. Equipment and vehicle components that are not part of the engine or chassis may be salvaged from the unit being replaced (i.e. plow blades, shovels, seats, tires, etc.); and,
5. Evidence of appropriate disposal, including engine serial number (SN) and/or vehicle identification number (VIN), through the required Certification of Scrappage document found in Appendix E of this solicitation, is required in a final assistance agreement report submitted to the Indiana Volkswagen Environmental Mitigation Trust Program.

**E. Project Period**

Most projects implemented as a result of grant awards under this program are expected be completed by **December 31, 2021** to qualify for reimbursement. The specific project completion dates for individual projects will be contained within the executed Grant Agreements and may vary according to project size, scope, and availability of project-related technologies.

**F. Matching Fund Requirements**

Preference will be given to proposals that include a financial applicant-share over and above those detailed in this announcement. This will enable the Indiana Volkswagen Environmental Mitigation Trust Program to maximize the total funds available. Please refer to Section V, Evaluation Criteria, for further information on scoring advantages to over-matching minimum requirements.

### **Section III – Eligibility Information**

This is a statewide competitive grant program open to public and private entities that operate diesel powered equipment. Public entities, for example, may include school bus, city bus, public works, and sanitation fleets. Private entities may include private bus fleets, private trucking companies with a local hub and localized routes, industrial equipment, and nonroad equipment or machinery (i.e. construction equipment).

### **Section IV – Solicitation and Application Information**

#### **A. Solicitation Materials**

An electronic copy of this solicitation for clean diesel projects can be requested from Mr. Shawn M. Seals at (317) 233-0425 or [SSeals@idem.IN.gov](mailto:SSeals@idem.IN.gov). Copies may also be downloaded from the Indiana Volkswagen Environmental Mitigation Trust Program Web site at <http://www.in.gov/idem/airquality/2712.htm>.

#### **B. Application Content and Form Requirements**

The grant application must contain the following information, preferably in the sequential order shown:

1. Signed cover letter on the applicant's letterhead that briefly summarizes the applicant's proposal.
2. If the applicant is a privately-owned entity, the application must include a completed and signed copy of the Automated Direct Deposit Authorization Agreement. If the applicant is claiming an Indiana Business, governmental, or not-for profit preference, then the Indiana Economic Impact Proposals and Contracts Form must be included. If the applicant is claiming a Minority or Women's Business Enterprise preference, the application must include supporting documentation demonstrating they are registered as such in the State of Indiana or in the case of a nonprofit or local unit of government has published policies to primarily support MBE or WBE partners. If the applicant is claiming a Veterans Business Enterprise preference, the applicant must include verification that it is registered with the Indiana Veterans Business Enterprise program.
3. Narrative Work Plan. This document must not exceed 10-pages. Any supporting materials not specifically identified as allowable within this RFP will not be considered and if these materials extend this document beyond the

stated 10-page limit, the application may be deemed ineligible. This document must conform to the following outline:

- i. *Project Title.*
- ii. *Title of Indiana Solicitation from which funds are being requested.*
- iii. *Category:* Each project proposal must clearly identify which of the diesel emission reduction project categories the applicant wishes to pursue as defined in Section II, C of this grant announcement.
- iv. *Grantee Information:* Include applicant (organization) name, address, contact person, phone number, fax, and e-mail address.
- v. *General Fleet Information:* How many vehicles will be improved, current mileage or operating hours, estimated monthly operating hours, estimated monthly idle time, estimated monthly fuel consumption, estimated monthly use (in miles or hours), vehicle make, vehicle model year, and estimated years to remain in the active fleet. This information should be incorporated in the Indiana Fleet Data Spreadsheet and provided electronically.
- vi. *Funding Requested:* Specify the amount of monies being requested from Indiana Volkswagen Environmental Mitigation Trust Program.
- vii. *Total Project Cost:* Specify total cost of the project (including Indiana funding and applicant-share). Identify funding from other sources, must be “in-house” and “dedicated” to the project.
- viii. *Project Period:* Provide beginning and ending dates (for planning purposes, Grantees should assume funds will be available by no later than 90 days after notification of award). All projects must be completed no later than December 31, 2021, unless otherwise stated in fully executed Grant Agreement.
- ix. *Project Description:* Explicit description of how the proposed project meets the category-specific guidelines established in Section II, C, Project Type Funding Allocation and Funding and Match Levels, to include:
  - a. A detailed project summary, description of specific actions and methods to be undertaken, and the estimated timeline for each project.
  - b. An explanation of how the project benefits air quality for citizens of Indiana, including an estimate (including explanation of stated estimate) of the number of citizens positively affected.
  - c. A plan for tracking and measuring the progress toward achieving the anticipated outcomes identified in Section I, D of this announcement.
  - d. An explanation of how project success will be evaluated.
  - e. A detailed summary describing the physical location(s) where diesel equipment operation occurs (i.e. place of business, warehouse(s), truck routes, etc.) and the hours per month operation occurs.

- f. A description of the roles of the Grantee and partners, if any.
- g. Contact information for all key personnel.
- h. To the extent not covered above, information to address the evaluation criteria listed in Section V.
- i. A detailed itemized budget specifying the project costs that will be incurred by the applicant (to include Indiana funds as well as applicant-share).
- j. A detailed fleet description of the vehicles to be improved through this grant program. This information must be provided by completing the Indiana Fleet Data Spreadsheet (IFDS) found in Appendix C of this solicitation. The IFDS form **MUST** be submitted in Microsoft Excel or similar electronic format, not PDF. Information included in the IFDS will not count towards the 10-page limit of the narrative work plan and will be used by IDEM to calculate potential emission reductions for each project.

**C. Submission Methods, Deadlines, and Timeline**

1. Indiana will only accept electronic grant applications in response to this solicitation. Electronic grant applications must be submitted in Microsoft Word or PDF format, along with the Indiana Fleet Data Spreadsheet in Microsoft Excel or similar spreadsheet format, to the Indiana Volkswagen Environmental Mitigation Trust Program at [VWTrust@idem.IN.gov](mailto:VWTrust@idem.IN.gov). Electronic submissions will be considered timely upon receipt, not transmission. An e-mail response confirming receipt of electronic proposals will be provided on or before the closing date when possible. Hard-copy, facsimile, and late submissions will not be accepted.
2. Indiana Volkswagen Environmental Mitigation Trust Program timeline:

<b>Project Milestone</b>	<b>Date of Completion</b>	<b>Accumulated Time from Web Posting</b>
Solicitation Posted to Web Site	March 2, 2020	
Proposal Receipt Deadline	April 30, 2020	8 Weeks
Proposal Review, Prioritization, and Selection	May 29, 2020	12 Weeks
Selected Proposal Notification	June, 2020	14 Weeks
Grant Agreements Fully Executed	July, 2020	18 Weeks

Projects Complete and Fully Implemented	December 31, 2021	95 Weeks
-----------------------------------------	-------------------	----------

## Section V – Application Review Information

### A. Evaluation Criteria and Process

Each eligible application will be evaluated according to the criteria set forth below and other applicable considerations. The evaluation criteria detailed below will be used by Indiana to score, evaluate, and rank potential projects. These criteria are not expected to be calculated or provided by the applicant. Applications that directly and explicitly address these criteria will have a greater likelihood of being selected for an award. Each application will be rated under a points system, with a total of 100 points possible. In addition to the quantitative evaluation, additional qualitative considerations will be given to applications that include:

- Reasonable geographic distribution of projects across the state.
- Direct quality of life benefit to nearby communities (i.e. rail switchyard, truck stop, etc. adjacent to a neighborhood or school).
- Collaboration among a diverse set of stakeholders to advance a broader environmental vision or goal for the area.
- Evidence that projects can be replicated with plans to expand the scope to other fleet/equipment owners.
- Evidence of regional support of a project.
- Evidence of a clear plan of action, milestones, and schedule for project completion.
- Evidence of commitment by owner to maintain vehicle emission control system for life of vehicles.
- Evidence of commitment to transform remaining fleet in the future years to alternative fuel and/or electric.
- Evidence of public health benefits by project taking place in a uniquely overburdened location.
- Evidence of commitment and ability to encourage other fleet owners to transform fleets to alternative energy platforms with estimated lower lifetime costs than diesel and great emission reductions of NO<sub>x</sub>, PM<sub>2.5</sub>, VOC, CO, CO<sub>2</sub> and toxic pollutants.
- Evidence of project implementation feasibility without significant obstacles to ensure continued use of the replacement vehicle.

Project applications will be initially reviewed by IDEM technical staff for eligibility. Eligible applicants will proceed and be scored in accordance with the criteria listed below along with other applicable considerations. IDEM will complete scoring and ranking of project applicants and present recommendations to the VW Committee for their consideration. The VW Committee will review IDEM's project scoring and evaluation considerations,

and authorize projects to be funded through the Indiana Volkswagen Environmental Mitigation Trust Program.

Projects will be evaluated and scored based on the following criteria:

Criteria	Points
Cost effectiveness of project (\$ per ton of NOx reduced).	25
Transformational potential (potential to prove or maximize effectiveness of newer technology).	15
Project's total NOx emission reduction potential (based on type of project and/or the use of vehicle).	15
NAAQS sensitive areas as a percentage of current standards.	15
Air quality benefits to areas with sensitive populations or that bear a disproportionate share of the air pollution burden.	10
Leveraging of resources (financial only).	10
Entities registered with the Indiana Secretary of State that operate vehicles and equipment in conjunction with Indiana facilities (include Indiana Economic Impact documentation).	5
Active participant in the State of Indiana, Department of Administration or Department of Transportation Minority/Women/Veterans Business Enterprise Participation Plan (include MBE/WBE/VBE documentation) or in the case of a nonprofit or local unit of government has published guidelines that support MBE/WBE/VBE participation.	5

Note: Additional details on scoring criteria point awards can be found in Appendix A of this document.

## **B. Disclaimer**

The Volkswagen Environmental Mitigation Trust Program accepts no obligation for costs incurred by the applicant in anticipation of being awarded a grant. The State of Indiana creates no obligation expressed or implied by issuing this Grant Announcement for Solicitation of the Indiana Volkswagen Environmental Mitigation Trust Program or by receipt of any projects submitted. The award of any grant monies shall be at the sole discretion of Indiana. Neither this grant announcement nor any response resulting from this announcement is to be construed as a legal offer.

Questions regarding this Grant Announcement may be directed to Mr. Shawn M. Seals at (317) 233-0425 or [SSeals@idem.IN.gov](mailto:SSeals@idem.IN.gov).

## **Section VI – Proposal Submission Checklist**

The grant application package ***must*** include all of the following materials. Use this checklist to ensure that all required materials have been included in your grant application package.

- ☐ Project Narrative (no more than 10 pages)
- ☐ Signed Cover Letter
- ☐ Work Plan (see Section IV, B for detailed requirements)
- ☐ Indiana Fleet Data Spreadsheet (not included in page limit)
- ☐ Applicant-Share Commitment Letters, if applicable (not included in page limit)
- ☐ State Form 47551 – Automated Direct Deposit Authorization Agreement (not included in page limit)
- ☐ MBE/WBE/VBE Documentation (not included in page limit)
- ☐ State Form 51778 – Indiana Economic Impact Form (not included in page limit)

## **Section VII-- Appendices**

- A. Appendix A – Evaluation Criteria Scoring Details
- B. Appendix B - Appendix D-2 of National Consent Decree
- C. Appendix C - Indiana Fleet Data Spreadsheet
- D. Appendix D - Sample Indiana Grant Agreement
- E. Appendix E - Certification of Vehicle Scrappage Document

## **Appendix A**

### **Evaluation Criteria Scoring Details**

#### **Grouping and Scoring Approach**

##### **A. Project Grouping**

- a. Projects will be scored against like projects based on vehicle use type. For example:
  - i. Electric school buses vs. electric school buses (as carved out)
  - ii. Non-electric school buses vs. Non-electric school buses – (as carved out)
  - iii. Refuse haulers vs. Refuse haulers; Local delivery trucks vs. Local delivery trucks, etc.
  - iv. Transit buses vs. Transit buses
  - v. Front end loaders vs. Front end loaders; Locomotives vs. Locomotives, etc.

##### **B. Project Scoring Approach**

- a. **Cost effectiveness of project (\$ per ton of NO<sub>x</sub> reduced) – 25 Points**
  - i. Calculated using U.S. EPA's Diesel Emission Quantifier (DEQ)
  - ii. Applicant will be provided a template and required to submit the detailed information necessary for a DEQ run (i.e. existing equipment/vehicle tier/model year, replacement equipment/vehicle tier/model year, fuel consumption, miles driven, hours of operation, etc.)
  - iii. Fleet specific data from the applicant used with maximum levels set at DEQ defaults for gallons of fuel used, annual miles driven, annual idling hours, and remaining useful life; where DEQ defaults do not exist general business practices or industry averages will be used.
  - iv. Each group (as described above) scored against each other based on DEQ "Lifetime Cost Effectiveness (\$/short ton reduced) with highest point amount (25) being based on project with lowest cost per short ton reduced.
    - 1. 25 points – 80% - 100% of most cost-effective project
    - 2. 20 points – 60% - 79% of most cost-effective project
    - 3. 15 points – 40% - 59% of most cost-effective project
    - 4. 10 points – 20% - 39% of most cost-effective project
    - 5. 5 points – 10% - 19% of most cost-effective project
    - 6. 0 points – 9% or lower of most cost-effective project

- b. Project's total NO<sub>x</sub> emission reduction potential (based on type of project and/or the use of vehicle) – 15 Points**
- i. Calculated using U.S. EPA's Diesel Emission Quantifier (DEQ)
  - ii. Applicant will be provided and required to submit the detailed information necessary for a DEQ run
  - iii. Fleet specific data from the applicant used with maximum levels set at DEQ defaults for gallons of fuel used, annual miles driven, annual idling hours, and remaining useful life; where DEQ defaults do not exist general business practices or industry averages will be used.
  - iv. Each group (as described above) scored against each other based on DEQ "Lifetime Results (short ton reduced) with highest point amount (15) being based on project with highest lifetime short ton reduction and lowest point amount (0) being based on project with lowest lifetime short ton reduction.
    1. 15 points – 80% - 100% of highest reduction project
    2. 12 points – 60% - 79% of highest reduction project
    3. 9 points – 40% - 59% of highest reduction project
    4. 6 points – 20% - 39% of highest reduction project
    5. 3 points – 10% -19% of highest reduction project
    6. 0 points – 9% or below the highest reduction project
- c. NAAQS sensitive areas as a percentage of current standards – 15 Points**
- i. Using most recent IDEM calculated 3-year design values
    1. 15 points – Located in an area designated as nonattainment for Ozone or PM<sub>2.5</sub> or area measuring above current standard
    2. 10 points – within 95% of current Ozone or PM<sub>2.5</sub> standard
    3. 8 points – within 90% of current Ozone or PM<sub>2.5</sub> standard
    4. 6 points – within 85% of current Ozone or PM<sub>2.5</sub> standard
    5. 4 points – within 80% of current Ozone or PM<sub>2.5</sub> standard
    6. 2 points – within 75% of current Ozone or PM<sub>2.5</sub> standard
    7. 0 points – below 75% of current Ozone or PM<sub>2.5</sub> standard
- d. Air quality benefits to areas with sensitive populations or that bear a disproportionate share of the air pollution burden – 10 Points**
- i. Each county within the state is assigned a value from two (2) to zero (0) based on the following:
    1. Scoring criteria
      - a. 2 points – above statewide average in index category

- b. 1 point – +/- 5% of statewide average in index category
    - c. 0 points – below statewide average in index category
  - 2. Index categories for each county
    - a. poverty level
    - b. total onroad NOx emissions
    - c. National Air Toxics Assessment (NATA) diesel PM level
    - d. percent of children (14 and younger) and elderly (65 and older) population
    - e. minority population
- e. **Transformational potential (potential to prove or maximize effectiveness of newer technology) – 15 Points**
  - i. Lasting effect
    - 1. 15 points – proposals that notably change standard operating practices as part of a long term vision through transition to a new fuel infrastructure that did not exist for that entity previously
    - 2. 10 points – proposals that continue the transition to a new fuel infrastructure or more environmentally beneficial standard operating practices
    - 3. 5 points – proposals that uniquely address current use of equipment/vehicles regardless of fuel type that have quantifiable emission reduction potential to improve air quality in the area
    - 4. 0 points – proposals that are replacing existing diesel-powered equipment/vehicles with like-kind and purposed new diesel-powered equipment/vehicles
- f. **Leveraging of resources (financial only) – 10 Points**
  - i. Using minimum required applicant match as 0-point starting level
    - 1. 10 points – 75% more than required match in dollars
    - 2. 8 points – 50% more than required match in dollars
    - 3. 6 points – 25% more than required match in dollars
    - 4. 4 points – 10% more than required match in dollars
    - 5. 2 points – 5% more than required match in dollars
    - 6. 0 points – only required match in dollars
- g. **Business, governmental, and not-for-profit entities registered with the Indiana Secretary of State that operate vehicles and equipment in**

**conjunction with Indiana facilities (include Indiana Economic Impact documentation)– 5 Points**

- i. Using Indiana Secretary of State Business Services Division information for reference
  - 1. 5 points – Applicant registered as Indiana business with main/corporate offices within the State of Indiana
  - 2. 3 points – Applicant registered as Indiana business with main/corporate offices outside of Indiana
  - 3. 0 points – Applicant not registered as Indiana business
- h. **Active participant in the State of Indiana Department of Administration or Department of Transportation Minority/Women/Veterans Business Enterprise Participation Plan (include MBE/WBE/VBE documentation) or in the case of a nonprofit or local unit of government has published guidelines that support MBE/WBE/VBE participation.– 5 Points**
  - i. Using Indiana Department of Administration and/or Indiana Department of Transportation for reference
    - 1. 5 points – Applicant is MBE/WBE/VBE participant
    - 2. 3 points – Applicant using contractor that is MBE/WBE/VBE participant
    - 3. 0 points – No certification of applicant or contractor

## **Appendix B**

### **Appendix D-2 of National Consent Decree and Definitions**

*This page left intentionally blank*

**APPENDIX D-2**  
**Eligible Mitigation Actions and Mitigation Action Expenditures**

## **APPENDIX D-2**

### **ELIGIBLE MITIGATION ACTIONS AND MITIGATION ACTION EXPENDITURES**

#### **1. Class 8 Local Freight Trucks and Port Drayage Trucks (Eligible Large Trucks)**

- a. Eligible Large Trucks include 1992-2009 engine model year Class 8 Local Freight or Drayage. For Beneficiaries that have State regulations that already require upgrades to 1992-2009 engine model year trucks at the time of the proposed Eligible Mitigation Action, Eligible Large Trucks shall also include 2010-2012 engine model year Class 8 Local Freight or Drayage.
- b. Eligible Large Trucks must be Scrapped.
- c. Eligible Large Trucks may be Repowered with any new diesel or Alternate Fueled engine or All-Electric engine, or may be replaced with any new diesel or Alternate Fueled or All-Electric vehicle, with the engine model year in which the Eligible Large Trucks Mitigation Action occurs or one engine model year prior.
- d. For Non-Government Owned Eligible Class 8 Local Freight Trucks, Beneficiaries may only draw funds from the Trust in the amount of:
  1. Up to 40% of the cost of a Repower with a new diesel or Alternate Fueled (e.g., CNG, propane, Hybrid) engine, including the costs of installation of such engine.
  2. Up to 25% of the cost of a new diesel or Alternate Fueled (e.g., CNG, propane, Hybrid) vehicle.
  3. Up to 75% of the cost of a Repower with a new All-Electric engine, including the costs of installation of such engine, and charging infrastructure associated with the new All-Electric engine.
  4. Up to 75% of the cost of a new All-Electric vehicle, including charging infrastructure associated with the new All-Electric vehicle.
- e. For Non-Government Owned Eligible Drayage Trucks, Beneficiaries may only draw funds from the Trust in the amount of:
  1. Up to 40% of the cost of a Repower with a new diesel or Alternate Fueled (e.g., CNG, propane, Hybrid) engine, including the costs of installation of such engine.
  2. Up to 50% of the cost of a new diesel or Alternate Fueled (e.g., CNG, propane, Hybrid) vehicle.

3. Up to 75% of the cost of a Repower with a new All-Electric engine, including the costs of installation of such engine, and charging infrastructure associated with the new All-Electric engine.
  4. Up to 75% of the cost of a new all-electric vehicle, including charging infrastructure associated with the new All-Electric vehicle.
- f. For Government Owned Eligible Class 8 Large Trucks, Beneficiaries may draw funds from the Trust in the amount of:
1. Up to 100% of the cost of a Repower with a new diesel or Alternate Fueled (e.g., CNG, propane, Hybrid) engine, including the costs of installation of such engine.
  2. Up to 100% of the cost of a new diesel or Alternate Fueled (e.g., CNG, propane, Hybrid) vehicle.
  3. Up to 100% of the cost of a Repower with a new All-Electric engine, including the costs of installation of such engine, and charging infrastructure associated with the new All-Electric engine.
  4. Up to 100% of the cost of a new All-Electric vehicle, including charging infrastructure associated with the new All-Electric vehicle.

2. Class 4-8 School Bus, Shuttle Bus, or Transit Bus (Eligible Buses)

- a. Eligible Buses include 2009 engine model year or older class 4-8 school buses, shuttle buses, or transit buses. For Beneficiaries that have State regulations that already require upgrades to 1992-2009 engine model year buses at the time of the proposed Eligible Mitigation Action, Eligible Buses shall also include 2010-2012 engine model year class 4-8 school buses, shuttle buses, or transit buses.
- b. Eligible Buses must be Scrapped.
- c. Eligible Buses may be Repowered with any new diesel or Alternate Fueled or All-Electric engine, or may be replaced with any new diesel or Alternate Fueled or All-Electric vehicle, with the engine model year in which the Eligible Bus Mitigation Action occurs or one engine model year prior.
- d. For Non-Government Owned Buses, Beneficiaries may draw funds from the Trust in the amount of:
  1. Up to 40% of the cost of a Repower with a new diesel or Alternate Fueled (e.g., CNG, propane, Hybrid) engine, including the costs of installation of such engine.
  2. Up to 25% of the cost of a new diesel or Alternate Fueled (e.g., CNG, propane, Hybrid) vehicle.

3. Up to 75% of the cost of a Repower with a new All-Electric engine, including the costs of installation of such engine, and charging infrastructure associated with the new All-Electric engine.
  4. Up to 75% of the cost of a new All-Electric vehicle, including charging infrastructure associated with the new All-Electric vehicle.
- e. For Government Owned Eligible Buses, and Privately Owned School Buses Under Contract with a Public School District, Beneficiaries may draw funds from the Trust in the amount of:
1. Up to 100% of the cost of a Repower with a new diesel or Alternate Fueled (e.g., CNG, propane, Hybrid) engine, including the costs of installation of such engine.
  2. Up to 100% of the cost of a new diesel or Alternate Fueled (e.g., CNG, propane, Hybrid) vehicle.
  3. Up to 100% of the cost of a Repower with a new All-Electric engine, including the costs of installation of such engine, and charging infrastructure associated with the new All-Electric engine.
  4. Up to 100% of the cost of a new All-Electric vehicle, including charging infrastructure associated with the new All-Electric vehicle.

### 3. Freight Switchers

- a. Eligible Freight Switchers include pre-Tier 4 switcher locomotives that operate 1000 or more hours per year.
- b. Eligible Freight Switchers must be Scrapped.
- c. Eligible Freight Switchers may be Repowered with any new diesel or Alternate Fueled or All-Electric engine(s) (including Generator Sets), or may be replaced with any new diesel or Alternate Fueled or All-Electric (including Generator Sets) Freight Switcher, that is certified to meet the applicable EPA emissions standards (or other more stringent equivalent State standard) as published in the CFR for the engine model year in which the Eligible Freight Switcher Mitigation Action occurs.
- d. For Non-Government Owned Freight Switchers, Beneficiaries may draw funds from the Trust in the amount of :
  1. Up to 40% of the cost of a Repower with a new diesel or Alternate Fueled (e.g., CNG, propane, Hybrid) engine(s) or Generator Sets, including the costs of installation of such engine(s).
  2. Up to 25% of the cost of a new diesel or Alternate Fueled (e.g., CNG, propane, Hybrid) Freight Switcher.

3. Up to 75% of the cost of a Repower with a new All-Electric engine(s), including the costs of installation of such engine(s), and charging infrastructure associated with the new All-Electric engine(s).
  4. Up to 75% of the cost of a new All-Electric Freight Switcher, including charging infrastructure associated with the new All-Electric Freight Switcher.
- e. For Government Owned Eligible Freight Switchers, Beneficiaries may draw funds from the Trust in the amount of:
1. Up to 100% of the cost of a Repower with a new diesel or Alternate Fueled (e.g., CNG, propane, Hybrid) engine(s) or Generator Sets, including the costs of installation of such engine(s).
  2. Up to 100% of the cost of a new diesel or Alternate Fueled (e.g., CNG, propane, Hybrid) Freight Switcher.
  3. Up to 100% of the cost of a Repower with a new All-Electric engine(s), including the costs of installation of such engine(s), and charging infrastructure associated with the new All-Electric engine(s).
  4. Up to 100% of the cost of a new All-Electric Freight Switcher, including charging infrastructure associated with the new All-Electric Freight Switcher.

4. Ferries/Tugs

- a. Eligible Ferries and/or Tugs include unregulated, Tier 1, or Tier 2 marine engines.
- b. Eligible Ferry and/or Tug engines that are replaced must be Scrapped.
- c. Eligible Ferries and/or Tugs may be Repowered with any new Tier 3 or Tier 4 diesel or Alternate Fueled engines, or with All-Electric engines, or may be upgraded with an EPA Certified Remanufacture System or an EPA Verified Engine Upgrade.
- d. For Non-Government Owned Eligible Ferries and/or Tugs, Beneficiaries may only draw funds from the Trust in the amount of:
  1. Up to 40% of the cost of a Repower with a new diesel or Alternate Fueled (e.g., CNG, propane, Hybrid) engine(s), including the costs of installation of such engine(s).
  2. Up to 75% of the cost of a Repower with a new All-Electric engine(s), including the costs of installation of such engine(s), and charging infrastructure associated with the new All-Electric engine(s).

- e. For Government Owned Eligible Ferries and/or Tugs, Beneficiaries may draw funds from the Trust in the amount of:
  - 1. Up to 100% of the cost of a Repower with a new diesel or Alternate Fueled (e.g., CNG, propane, Hybrid) engine(s), including the costs of installation of such engine(s).
  - 2. Up to 100% of the cost of a Repower with a new All-Electric engine(s), including the costs of installation of such engine(s), and charging infrastructure associated with the new All-Electric engine(s).

5. Ocean Going Vessels (OGV) Shorepower

- a. Eligible Marine Shorepower includes systems that enable a compatible vessel's main and auxiliary engines to remain off while the vessel is at berth. Components of such systems eligible for reimbursement are limited to cables, cable management systems, shore power coupler systems, distribution control systems, and power distribution. Marine shore power systems must comply with international shore power design standards (ISO/IEC/IEEE 80005-1-2012 High Voltage Shore Connection Systems or the IEC/PAS 80005-3:2014 Low Voltage Shore Connection Systems) and should be supplied with power sourced from the local utility grid. Eligible Marine Shorepower includes equipment for vessels that operate within the Great Lakes.
- b. For Non-Government Owned Marine Shorepower, Beneficiaries may only draw funds from the Trust in the amount of up to 25% for the costs associated with the shore-side system, including cables, cable management systems, shore power coupler systems, distribution control systems, installation, and power distribution components.
- c. For Government Owned Marine Shorepower, Beneficiaries may draw funds from the Trust in the amount of up to 100% for the costs associated with the shore-side system, including cables, cable management systems, shore power coupler systems, distribution control systems, installation, and power distribution components.

6. Class 4-7 Local Freight Trucks (Medium Trucks)

- a. Eligible Medium Trucks include 1992-2009 engine model year class 4-7 Local Freight trucks, and for Beneficiaries that have State regulations that already require upgrades to 1992-2009 engine model year trucks at the time of the proposed Eligible Mitigation Action, Eligible Trucks shall also include 2010-2012 engine model year class 4-7 Local Freight trucks.
- b. Eligible Medium Trucks must be Scrapped.

- c. Eligible Medium Trucks may be Repowered with any new diesel or Alternate Fueled or All-Electric engine, or may be replaced with any new diesel or Alternate Fueled or All-Electric vehicle, with the engine model year in which the Eligible Medium Trucks Mitigation Action occurs or one engine model year prior.
- d. For Non-Government Owned Eligible Medium Trucks, Beneficiaries may draw funds from the Trust in the amount of:
  - 1. Up to 40% of the cost of a Repower with a new diesel or Alternate Fueled (e.g., CNG, propane, Hybrid) engine, including the costs of installation of such engine.
  - 2. Up to 25% of the cost of a new diesel or Alternate Fueled (e.g., CNG, propane, Hybrid) vehicle.
  - 3. Up to 75% of the cost of a Repower with a new All-Electric engine, including the costs of installation of such engine, and charging infrastructure associated with the new All-Electric engine.
  - 4. Up to 75% of the cost of a new All-Electric vehicle, including charging infrastructure associated with the new All-Electric vehicle.
- e. For Government Owned Eligible Medium Trucks, Beneficiaries may draw funds from the Trust in the amount of:
  - 1. Up to 100% of the cost of a Repower with a new diesel or Alternate Fueled (e.g., CNG, propane, Hybrid) engine, including the costs of installation of such engine.
  - 2. Up to 100% of the cost of a new diesel or Alternate Fueled (e.g., CNG, propane, Hybrid) vehicle.
  - 3. Up to 100% of the cost of a Repower with a new All-Electric engine, including the costs of installation of such engine, and charging infrastructure associated with the new All-Electric engine.
  - 4. Up to 100% of the cost of a new All-Electric vehicle, including charging infrastructure associated with the new All-Electric vehicle.

7. Airport Ground Support Equipment

- a. Eligible Airport Ground Support Equipment includes:
  - 1. Tier 0, Tier 1, or Tier 2 diesel powered airport ground support equipment; and
  - 2. Uncertified, or certified to 3 g/bhp-hr or higher emissions, spark ignition engine powered airport ground support equipment.
- b. Eligible Airport Ground Support Equipment must be Scrapped.

- c. Eligible Airport Ground Support Equipment may be Repowered with an All-Electric engine, or may be replaced with the same Airport Ground Support Equipment in an All-Electric form.
- d. For Non-Government Owned Eligible Airport Ground Support Equipment, Beneficiaries may only draw funds from the Trust in the amount of:
  - 1. Up to 75% of the cost of a Repower with a new All-Electric engine, including costs of installation of such engine, and charging infrastructure associated with such new All-Electric engine.
  - 2. Up to 75% of the cost of a new All-Electric Airport Ground Support Equipment, including charging infrastructure associated with such new All-Electric Airport Ground Support Equipment.
- e. For Government Owned Eligible Airport Ground Support Equipment, Beneficiaries may draw funds from the Trust in the amount of:
  - 1. Up to 100% of the cost of a Repower with a new All-Electric engine, including costs of installation of such engine, and charging infrastructure associated with such new All-Electric engine.
  - 2. Up to 100% of the cost of a new All-Electric Airport Ground Support Equipment, including charging infrastructure associated with such new All-Electric Airport Ground Support Equipment.

8. Forklifts and Port Cargo Handling Equipment

- a. Eligible Forklifts includes forklifts with greater than 8000 pounds lift capacity.
- b. Eligible Forklifts and Port Cargo Handling Equipment must be Scrapped.
- c. Eligible Forklifts and Port Cargo Handling Equipment may be Repowered with an All-Electric engine, or may be replaced with the same equipment in an All-Electric form.
- d. For Non-Government Owned Eligible Forklifts and Port Cargo Handling Equipment, Beneficiaries may draw funds from the Trust in the amount of:
  - 1. Up to 75% of the cost of a Repower with a new All-Electric engine, including costs of installation of such engine, and charging infrastructure associated with such new All-Electric engine.
  - 2. Up to 75% of the cost of a new All-Electric Forklift or Port Cargo Handling Equipment, including charging infrastructure associated with such new All-Electric Forklift or Port Cargo Handling Equipment.
- e. For Government Owned Eligible Forklifts and Port Cargo Handling Equipment, Beneficiaries may draw funds from the Trust in the amount of:

1. Up to 100% of the cost of a Repower with a new All-Electric engine, including costs of installation of such engine, and charging infrastructure associated with such new All-Electric engine.
  2. Up to 100% of the cost of a new All-Electric Forklift or Port Cargo Handling Equipment, including charging infrastructure associated with such new All-Electric Forklift or Port Cargo Handling Equipment.
9. Light Duty Zero Emission Vehicle Supply Equipment. Each Beneficiary may use up to fifteen percent (15%) of its allocation of Trust Funds on the costs necessary for, and directly connected to, the acquisition, installation, operation and maintenance of new light duty zero emission vehicle supply equipment for projects as specified below. Provided, however, that Trust Funds shall not be made available or used to purchase or rent real-estate, other capital costs (e.g., construction of buildings, parking facilities, etc.) or general maintenance (i.e., maintenance other than of the Supply Equipment).
- a. Light duty electric vehicle supply equipment includes Level 1, Level 2 or fast charging equipment (or analogous successor technologies) that is located in a public place, workplace, or multi-unit dwelling and is not consumer light duty electric vehicle supply equipment (i.e., not located at a private residential dwelling that is not a multi-unit dwelling).
  - b. Light duty hydrogen fuel cell vehicle supply equipment includes hydrogen dispensing equipment capable of dispensing hydrogen at a pressure of 70 megapascals (MPa) (or analogous successor technologies) that is located in a public place.
  - c. Subject to the 15% limitation above, each Beneficiary may draw funds from the Trust in the amount of:
    1. Up to 100% of the cost to purchase, install and maintain eligible light duty electric vehicle supply equipment that will be available to the public at a Government Owned Property.
    2. Up to 80% of the cost to purchase, install and maintain eligible light duty electric vehicle supply equipment that will be available to the public at a Non-Government Owned Property.
    3. Up to 60% of the cost to purchase, install and maintain eligible light duty electric vehicle supply equipment that is available at a workplace but not to the general public.
    4. Up to 60% of the cost to purchase, install and maintain eligible light duty electric vehicle supply equipment that is available at a multi-unit dwelling but not to the general public.

5. Up to 33% of the cost to purchase, install and maintain eligible light duty hydrogen fuel cell vehicle supply equipment capable of dispensing at least 250 kg/day that will be available to the public.
  6. Up to 25% of the cost to purchase, install and maintain eligible light duty hydrogen fuel cell vehicle supply equipment capable of dispensing at least 100 kg/day that will be available to the public.
10. Diesel Emission Reduction Act (DERA) Option. Beneficiaries may use Trust Funds for their non-federal voluntary match, pursuant to Title VII, Subtitle G, Section 793 of the DERA Program in the Energy Policy Act of 2005 (codified at 42 U.S.C. § 16133), or Section 792 (codified at 42 U.S.C. § 16132) in the case of Tribes, thereby allowing Beneficiaries to use such Trust Funds for actions not specifically enumerated in this Appendix D-2, but otherwise eligible under DERA pursuant to all DERA guidance documents available through the EPA. Trust Funds shall not be used to meet the non-federal mandatory cost share requirements, as defined in applicable DERA program guidance, of any DERA grant.

Eligible Mitigation Action Administrative Expenditures

For any Eligible Mitigation Action, Beneficiaries may use Trust Funds for actual administrative expenditures (described below) associated with implementing such Eligible Mitigation Action, but not to exceed 15% of the total cost of such Eligible Mitigation Action. The 15% cap includes the aggregated amount of eligible administrative expenditures incurred by the Beneficiary and any third-party contractor(s).

1. Personnel including costs of employee salaries and wages, but not consultants.
2. Fringe Benefits including costs of employee fringe benefits such as health insurance, FICA, retirement, life insurance, and payroll taxes.
3. Travel including costs of Mitigation Action-related travel by program staff, but does not include consultant travel.
4. Supplies including tangible property purchased in support of the Mitigation Action that will be expensed on the Statement of Activities, such as educational publications, office supplies, etc. Identify general categories of supplies and their Mitigation Action costs.
5. Contractual including all contracted services and goods except for those charged under other categories such as supplies, construction, etc. Contracts for evaluation and consulting services and contracts with sub-recipient organizations are included.
6. Construction including costs associated with ordinary or normal rearrangement and alteration of facilities.
7. Other costs including insurance, professional services, occupancy and equipment leases, printing and publication, training, indirect costs, and accounting.

Definitions/Glossary of Terms

“Airport Ground Support Equipment” shall mean vehicles and equipment used at an airport to service aircraft between flights.

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

“Alternate Fueled” shall mean an engine, or a vehicle or piece of equipment that is powered by an engine, which uses a fuel different from or in addition to gasoline fuel or diesel fuel (e.g., CNG, propane, diesel-electric Hybrid).

“Certified Remanufacture System or Verified Engine Upgrade” shall mean engine upgrades certified or verified by EPA or CARB to achieve a reduction in emissions.

“Class 4-7 Local Freight Trucks (Medium Trucks)” shall mean trucks, including commercial trucks, used to deliver cargo and freight (e.g., courier services, delivery trucks, box trucks moving freight, waste haulers, dump trucks, concrete mixers) with a Gross Vehicle Weight Rating (GVWR) between 14,001 and 33,000 lbs.

“Class 4-8 School Bus, Shuttle Bus, or Transit Bus (Buses)” shall mean vehicles with a Gross Vehicle Weight Rating (GVWR) greater than 14,001 lbs. used for transporting people. See definition for School Bus below.

“Class 8 Local Freight, and Port Drayage Trucks (Eligible Large Trucks)” shall mean trucks with a Gross Vehicle Weight Rating (GVWR) greater than 33,000 lbs. used for port drayage and/or freight/cargo delivery (including waste haulers, dump trucks, concrete mixers).

“CNG” shall mean Compressed Natural Gas.

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

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

“Freight Switcher” shall mean a locomotive that moves rail cars around a rail yard as compared to a line-haul engine that moves freight long distances.

“Generator Set” shall mean a switcher locomotive equipped with multiple engines that can turn off one or more engines to reduce emissions and save fuel depending on the load it is moving.

“Government” shall mean a State or local government agency (including a school district, municipality, city, county, special district, transit district, joint powers authority, or port authority, owning fleets purchased with government funds), and a tribal government or native village. The term “State” means the several States, the District of Columbia, and the Commonwealth of Puerto Rico.

“Gross Vehicle Weight Rating (GVWR)” shall mean the maximum weight of the vehicle, as specified by the manufacturer. GVWR includes total vehicle weight plus fluids, passengers, and cargo.

Class 1: < 6000 lb.  
Class 2: 6001-10,000 lb.  
Class 3: 10,001-14,000 lb.  
Class 4: 14,001-16,000 lb.  
Class 5: 16,001-19,500 lb.  
Class 6: 19,501-26,000 lb.  
Class 7: 26,001-33,000 lb.  
Class 8: > 33,001 lb.

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

“Infrastructure” shall mean the equipment used to enable the use of electric powered vehicles (e.g., electric vehicle charging station).

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

“Port Cargo Handling Equipment” shall mean rubber-tired gantry cranes, straddle carriers, shuttle carriers, and terminal tractors, including yard hostlers and yard tractors that operate within ports.

“Plug-in Hybrid Electric Vehicle (PHEV)” shall mean a vehicle that is similar to a Hybrid but is equipped with a larger, more advanced battery that allows the vehicle to be plugged in and recharged in addition to refueling with gasoline. This larger battery allows the car to be driven on a combination of electric and gasoline fuels.

“Repower” shall mean to replace an existing engine with a newer, cleaner engine or power source that is certified by EPA and, if applicable, CARB, to meet a more stringent set of engine emission standards. Repower includes, but is not limited to, diesel engine replacement with an engine certified for use with diesel or a clean alternate fuel, diesel engine replacement with an electric power source (e.g., grid, battery), diesel engine replacement with a fuel cell, diesel engine replacement with an electric generator(s) (genset), diesel engine upgrades in Ferries/Tugs with an EPA Certified Remanufacture System, and/or diesel engine upgrades in Ferries/Tugs with an EPA Verified Engine Upgrade. All-Electric and fuel cell Repowers do not require EPA or CARB certification.

“School Bus” shall mean a Class 4-8 bus sold or introduced into interstate commerce for purposes that include carrying students to and from school or related events. May be Type A-D.

“Scrapped” shall mean to render inoperable and available for recycle, and, at a minimum, to specifically cut a 3-inch hole in the engine block for all engines. If any Eligible Vehicle will be replaced as part of an Eligible project, Scrapped shall also include the disabling of the chassis by cutting the vehicle’s frame rails completely in half.

“Tier 0, 1, 2, 3, 4” shall refer to corresponding EPA engine emission classifications for nonroad, locomotive, and marine engines.

“Tugs” shall mean dedicated vessels that push or pull other vessels in ports, harbors, and inland waterways (e.g., tugboats and towboats).

“Zero Emission Vehicle (ZEV)” shall mean a vehicle that produces no emissions from the on-board source of power (e.g., All-Electric or hydrogen fuel cell vehicles).

## **Appendix C**

### **Indiana Fleet Data Spreadsheet**

## **Appendix D**

### **Sample Indiana Grant Agreement**

*This page left intentionally blank*

## GRANT AGREEMENT

#

This Grant Agreement (this "Grant Agreement"), entered into by and between \_\_\_\_\_ (the "State") and \_\_\_\_\_ (the "Grantee"), is executed pursuant to the terms and conditions set forth herein. In consideration of those mutual undertakings and covenants, the parties agree as follows:

**1. Purpose of this Grant Agreement; Funding Source.** The purpose of this Grant Agreement is to enable the State to award a Grant of \$ \_\_\_\_\_ (the "Grant") to the Grantee for eligible costs of the services or project (the "Project") described in **Exhibits A and B** of this Grant Agreement, which are incorporated fully herein. The funds shall be used exclusively in accordance with the provisions contained in this Grant Agreement and in conformance with Indiana Code § \_\_\_\_\_ establishing the authority to make this Grant, as well as any rules adopted thereunder. The funds received by the Grantee pursuant to this Grant Agreement shall be used only to implement the Project or provide the services in conformance with this Grant Agreement and for no other purpose.

### FUNDING SOURCE:

If Federal Funds: Program Name per Catalog of Federal Domestic Assistance (CFDA):

\_\_\_\_\_

CFDA # \_\_\_\_\_

If State Funds: Program Title \_\_\_\_\_

### 2. Representations and Warranties of the Grantee.

A. The Grantee expressly represents and warrants to the State that it is statutorily eligible to receive these Grant funds and that the information set forth in its Grant Application is true, complete and accurate. The Grantee expressly agrees to promptly repay all funds paid to it under this Grant Agreement should it be determined either that it was ineligible to receive the funds, or it made any material misrepresentation on its grant application.

B. The Grantee certifies by entering into this Grant Agreement that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from entering into this Grant Agreement by any federal or state department or agency. The term "principal" for purposes of this Grant Agreement is defined as an officer, director, owner, partner, key employee or other person with primary management or supervisory responsibilities, or a person who has a critical influence on or substantive control over the operations of the Grantee.

### 3. Implementation of and Reporting on the Project.

A. The Grantee shall implement and complete the Project in accordance with **Exhibit A** and with the plans and specifications contained in its Grant Application, which is on file with the State and is incorporated by reference. Modification of the Project shall require prior written approval of the State.

B. The Grantee shall submit to the State written progress reports until the completion of the Project. These reports shall be submitted on a [weekly/monthly/quarterly] basis and shall contain such detail of progress or performance on the Project as is requested by the State.

**4. Term.** This Grant Agreement commences on \_\_\_\_\_ and shall remain in effect through \_\_\_\_\_. Unless otherwise provided herein, it may be extended upon the written agreement of the parties and as permitted by state or federal laws governing this Grant.

**5. Grant Funding.**

A. The State shall fund this Grant in the amount of \$\_\_\_\_\_. The approved Project Budget is set forth as **Exhibit B** of this Grant Agreement, attached hereto and incorporated herein. The Grantee shall not spend more than the amount for each line item in the Project Budget without the prior written consent of the State, nor shall the Project costs funded by this Grant Agreement and those funded by any local and/or private share be changed or modified without the prior written consent of the State.

B. The disbursement of Grant funds to the Grantee shall not be made until all documentary materials required by this Grant Agreement have been received and approved by the State and this Grant Agreement has been fully approved by the State.

**6. Payment of Claims.**

A. If advance payment of all or a portion of the Grant funds is permitted by statute or regulation, and the State agrees to provide such advance payment, advance payment shall be made only upon submission of a proper claim setting out the intended purposes of those funds. After such funds have been expended, Grantee shall provide State with a reconciliation of those expenditures. Otherwise, all payments shall be made thirty five (35) days in arrears in conformance with State fiscal policies and procedures. As required by IC § 4-13-2-14.8, all payments will be by the direct deposit by electronic funds transfer to the financial institution designated by the Grantee in writing unless a specific waiver has been obtained from the Indiana Auditor of State.

B. Requests for payment will be processed only upon presentation of a Claim Voucher in the form designated by the State. Such Claim Vouchers must be submitted with the budget expenditure report detailing disbursements of state, local and/or private funds by project budget line items.

C. The State may require evidence furnished by the Grantee that substantial progress has been made toward completion of the Project prior to making the first payment under this Grant. All payments are subject to the State's determination that the Grantee's performance to date conforms with the Project as approved, notwithstanding any other provision of this Grant Agreement.

D. Claims shall be submitted to the State within \_\_\_\_\_ calendar days following the end of the [month/quarter] in which work on or for the Project was performed. The State has the discretion, and reserves the right, to NOT pay any claims submitted later than \_\_\_\_\_ calendar days following the end of the month in which the services were provided. All final claims and reports must be submitted to the State within \_\_\_\_\_ calendar days after the expiration or termination of this agreement. Payment for claims submitted after that time may, at the discretion of the State, be denied. Claims may be submitted on a [monthly or semi-monthly basis] only. If Grant funds have been advanced and are unexpended at the time that the final claim is submitted, all such unexpended Grant funds must be returned to the State.

E. Claims must be submitted with accompanying supportive documentation as designated by the State. Claims submitted without supportive documentation will be returned to the Grantee and not processed for payment. Failure to comply with the provisions of this Grant Agreement may result in the denial of a claim for payment.

**7. Project Monitoring by the State.** The State may conduct on-site or off-site monitoring reviews of the Project during the term of this Grant Agreement and for up to ninety (90) days after it expires or is otherwise terminated. The Grantee shall extend its full cooperation and give full access to the Project site

and to relevant documentation to the State or its authorized designees for the purpose of determining, among other things:

- A. whether Project activities are consistent with those set forth in **Exhibit A**, the Grant Application, and the terms and conditions of the Grant Agreement;
- B. the actual expenditure of state, local and/or private funds expended to date on the Project is in conformity with the amounts for each Budget line item as set forth in **Exhibit B** and that unpaid costs have been properly accrued;
- C. that Grantee is making timely progress with the Project, and that its project management, financial management and control systems, procurement systems and methods, and overall performance are in conformance with the requirements set forth in this Grant Agreement and are fully and accurately reflected in Project reports submitted to the State.

#### **8. Compliance with Audit and Reporting Requirements; Maintenance of Records.**

A. The Grantee shall submit to an audit of funds paid through this Grant Agreement and shall make all books, accounting records and other documents available at all reasonable times during the term of this Grant Agreement and for a period of three (3) years after final payment for inspection by the State or its authorized designee. Copies shall be furnished to the State at no cost

B. If the Grantee is a “subrecipient” of federal grant funds under 2 C.F.R. 200.330, Grantee shall arrange for a financial and compliance audit that complies with 2 C.F.R. 200.500 *et seq.* if required by applicable provisions of 2 C.F.R. 200 (Uniform Administrative Requirements, Cost Principles, and Audit Requirements).

C. If the Grantee is a non-governmental unit, the Grantee shall file the Form E-1 annual financial report required by IC § 5-11-1-4. The E-1 entity annual financial report will be used to determine audit requirements applicable to non-governmental units under IC § 5-11-1-9. Audits required under this section must comply with the State Board of Accounts *Uniform Compliance Guidelines for Examination of Entities Receiving Financial Assistance from Governmental Sources*, [https://www.in.gov/sboa/files/erfa\\_2016.pdf](https://www.in.gov/sboa/files/erfa_2016.pdf). Guidelines for filing the annual report are included in Exhibit C (Guidelines for Non-governmental Entities).

#### **9. Compliance with Laws.**

A. The Grantee shall comply with all applicable federal, state and local laws, rules, regulations and ordinances, and all provisions required thereby to be included herein are hereby incorporated by reference. The enactment or modification of any applicable state or federal statute or the promulgation of rules or regulations thereunder after execution of this Grant Agreement shall be reviewed by the State and the Grantee to determine whether the provisions of this Grant Agreement require formal modification.

B. The Grantee and its agents shall abide by all ethical requirements that apply to persons who have a business relationship with the State as set forth in IC § 4-2-6, *et seq.*, IC § 4-2-7, *et seq.* and the regulations promulgated thereunder. **If the Grantee has knowledge, or would have acquired knowledge with reasonable inquiry, that a state officer, employee, or special state appointee, as those terms are defined in IC 4-2-6-1, has a financial interest in the Grant, the Grantee shall ensure compliance with the disclosure requirements in IC § 4-2-6-10.5 prior to the execution of this Grant Agreement.** If the Grantee is not familiar with these ethical requirements, the Grantee should refer any questions to the Indiana State Ethics Commission, or visit the Inspector General’s website at <http://www.in.gov/ig/>. If the Grantee or its agents violate any applicable ethical standards, the State may, in its sole discretion, terminate this Grant immediately upon notice to the Grantee. In addition, the

Grantee may be subject to penalties under IC §§ 4-2-6, 4-2-7, 35-44.1-1-4, and under any other applicable laws.

C. The Grantee certifies by entering into this Grant Agreement that neither it nor its principal(s) is presently in arrears in payment of taxes, permit fees or other statutory, regulatory or judicially required payments to the State. The Grantee agrees that any payments currently due to the State may be withheld from payments due to the Grantee. Additionally, payments may be withheld, delayed, or denied and/or this Grant suspended until the Grantee is current in its payments and has submitted proof of such payment to the State.

D. The Grantee warrants that it has no current, pending or outstanding criminal, civil, or enforcement actions initiated by the State, and agrees that it will immediately notify the State of any such actions. During the term of such actions, the Grantee agrees that the State may suspend funding for the Project. If a valid dispute exists as to the Grantee's liability or guilt in any action initiated by the State or its agencies, and the State decides to suspend funding to the Grantee, the Grantee may submit, in writing, a request for review to the Indiana Department of Administration (IDOA). A determination by IDOA shall be binding on the parties. Any disbursements that the State may delay, withhold, deny, or apply under this section shall not be subject to penalty or interest.

E. The Grantee warrants that the Grantee and any contractors performing work in connection with the Project shall obtain and maintain all required permits, licenses, registrations, and approvals, and shall comply with all health, safety, and environmental statutes, rules, or regulations in the performance of work activities for the State. Failure to do so may be deemed a material breach of this Grant Agreement and grounds for immediate termination and denial of grant opportunities with the State.

F. The Grantee affirms that, if it is an entity described in IC Title 23, it is properly registered and owes no outstanding reports to the Indiana Secretary of State.

G. As required by IC § 5-22-3-7:

(1) The Grantee and any principals of the Grantee certify that:

(A) the Grantee, except for de minimis and nonsystematic violations, has not violated the terms of:

(i) IC § 24-4.7 [Telephone Solicitation Of Consumers];

(ii) IC § 24-5-12 [Telephone Solicitations]; or

(iii) IC § 24-5-14 [Regulation of Automatic Dialing Machines];

in the previous three hundred sixty-five (365) days, even if IC 24-4.7 is preempted by federal law; and

(B) the Grantee will not violate the terms of IC § 24-4.7 for the duration of this Grant Agreement, even if IC § 24-4.7 is preempted by federal law.

(2) The Grantee and any principals of the Grantee certify that an affiliate or principal of the Grantee and any agent acting on behalf of the Grantee or on behalf of an affiliate or principal of the Grantee, except for de minimis and nonsystematic violations,

(A) has not violated the terms of IC § 24-4.7 in the previous three hundred sixty-five (365) days, even if IC § 24-4.7 is preempted by federal law; and

(B) will not violate the terms of IC § 24-4.7 for the duration of this Grant Agreement even if IC § 24-4.7 is preempted by federal law.

#### **10. Debarment and Suspension.**

A. The Grantee certifies by entering into this Grant Agreement that it is not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from entering into this Grant by any federal agency or by any department, agency or political subdivision of the State. The term “principal” for purposes of this Grant Agreement means an officer, director, owner, partner, key employee or other person with primary management or supervisory responsibilities, or a person who has a critical influence on or substantive control over the operations of the Grantee.

B. The Grantee certifies that it has verified the suspension and debarment status for all subcontractors receiving funds under this Grant Agreement and shall be solely responsible for any recoupments or penalties that might arise from non-compliance. The Grantee shall immediately notify the State if any subcontractor becomes debarred or suspended, and shall, at the State’s request, take all steps required by the State to terminate its contractual relationship with the subcontractor for work to be performed under this Grant Agreement.

**11. Drug-Free Workplace Certification.** As required by Executive Order No. 90-5, April 12, 1990, issued by the Governor of Indiana, the Grantee hereby covenants and agrees to make a good faith effort to provide and maintain a drug-free workplace. Grantee will give written notice to the State within ten (10) days after receiving actual notice that the Grantee, or an employee of the Grantee in the State of Indiana, has been convicted of a criminal drug violation occurring in the workplace. False certification or violation of the certification may result in sanctions including, but not limited to, suspension of grant payments, termination of the Grant and/or debarment of grant opportunities with the State of Indiana for up to three (3) years.

In addition to the provisions of the above paragraphs, if the total amount set forth in this Grant Agreement is in excess of \$25,000.00, the Grantee certifies and agrees that it will provide a drug-free workplace by:

- A. Publishing and providing to all of its employees a statement notifying them that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the Grantee’s workplace and specifying the actions that will be taken against employees for violations of such prohibition; and
- B. Establishing a drug-free awareness program to inform its employees of: (1) the dangers of drug abuse in the workplace; (2) the Grantee’s policy of maintaining a drug-free workplace; (3) any available drug counseling, rehabilitation, and employee assistance programs; and (4) the penalties that may be imposed upon an employee for drug abuse violations occurring in the workplace; and
- C. Notifying all employees in the statement required by subparagraph (A) above that as a condition of continued employment the employee will: (1) abide by the terms of the statement; and (2) notify the Grantee of any criminal drug statute conviction for a violation occurring in the workplace no later than five (5) days after such conviction; and
- D. Notifying in writing the State within ten (10) days after receiving notice from an employee under subdivision (C)(2) above, or otherwise receiving actual notice of such conviction; and
- E. Within thirty (30) days after receiving notice under subdivision (C)(2) above of a conviction, imposing the following sanctions or remedial measures on any employee who is convicted of drug abuse violations occurring in the workplace: (1) take appropriate personnel action against the employee, up to and including termination; or (2) require such employee to

satisfactorily participate in a drug abuse assistance or rehabilitation program approved for such purposes by a federal, state or local health, law enforcement, or other appropriate agency; and

- F. Making a good faith effort to maintain a drug-free workplace through the implementation of subparagraphs (A) through (E) above.

**12. Employment Eligibility Verification.** As required by IC § 22-5-1.7, the Grantee hereby swears or affirms under the penalties of perjury that:

- A. The Grantee has enrolled and is participating in the E-Verify program;
- B. The Grantee has provided documentation to the State that it has enrolled and is participating in the E-Verify program;
- C. The Grantee does not knowingly employ an unauthorized alien.
- D. The Grantee shall require its contractors who perform work under this Grant Agreement to certify to Grantee that the contractor does not knowingly employ or contract with an unauthorized alien and that the contractor has enrolled and is participating in the E-Verify program. The Grantee shall maintain this certification throughout the duration of the term of a contract with a contractor.

The State may terminate for default if the Grantee fails to cure a breach of this provision no later than thirty (30) days after being notified by the State.

**13. Funding Cancellation.** As required by Financial Management Circular 2007-1 and IC § 5-22-17-5, when the Director of the State Budget Agency makes a written determination that funds are not appropriated or otherwise available to support continuation of performance of this Grant Agreement, it shall be canceled. A determination by the Director of the State Budget Agency that funds are not appropriated or otherwise available to support continuation of performance shall be final and conclusive.

**14. Governing Law.** This Grant Agreement shall be governed, construed, and enforced in accordance with the laws of the State of Indiana, without regard to its conflict of laws rules. Suit, if any, must be brought in the State of Indiana.

**15. Information Technology Accessibility Standards.** Any information technology related products or services purchased, used or maintained through this Grant must be compatible with the principles and goals contained in the Electronic and Information Technology Accessibility Standards adopted by the Architectural and Transportation Barriers Compliance Board under Section 508 of the federal Rehabilitation Act of 1973 (29 U.S.C. §794d), as amended. The federal Electronic and Information Technology Accessibility Standards can be found at: <http://www.access-board.gov/508.htm>.

**16. Insurance.** The Grantee shall maintain insurance with coverages and in such amount as may be required by the State or as provided in its Grant Application.

**17. Nondiscrimination.** Pursuant to the Indiana Civil Rights Law, specifically IC § 22-9-1-10, and in keeping with the purposes of the federal Civil Rights Act of 1964, the Age Discrimination in Employment Act, and the Americans with Disabilities Act, the Grantee covenants that it shall not discriminate against any employee or applicant for employment relating to this Grant with respect to the hire, tenure, terms, conditions or privileges of employment or any matter directly or indirectly related to employment,

because of the employee or applicant's: race, color, national origin, religion, sex, age, disability, ancestry, status as a veteran, or any other characteristic protected by federal, state, or local law ("Protected Characteristics"). Furthermore, Grantee certifies compliance with applicable federal laws, regulations, and executive orders prohibiting discrimination based on the Protected Characteristics in the provision of services.

The Grantee understands that the State is a recipient of federal funds, and therefore, where applicable, Grantee and any subcontractors shall comply with requisite affirmative action requirements, including reporting, pursuant to 41 CFR Chapter 60, as amended, and Section 202 of Executive Order 11246 as amended by Executive Order 13672.

**18. Notice to Parties.** Whenever any notice, statement or other communication is required under this Grant, it will be sent by E-mail or first class U.S. mail service to the following addresses, unless otherwise specifically advised.

A. Notices to the State shall be sent to:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
E-mail: \_\_\_\_\_

B. Notices to the Grantee shall be sent to:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
E-mail: \_\_\_\_\_

As required by IC § 4-13-2-14.8, payments to the Grantee shall be made via electronic funds transfer in accordance with instructions filed by the Grantee with the Indiana Auditor of State.

**19. Order of Precedence; Incorporation by Reference.** Any inconsistency or ambiguity in this Grant Agreement shall be resolved by giving precedence in the following order: (1) requirements imposed by applicable federal or state law, including those identified in paragraph 22, below, (2) this Grant Agreement, (3) Exhibits prepared by the State, (4) Invitation to Apply for Grant; (5) the Grant Application; and (6) Exhibits prepared by Grantee. All of the foregoing are incorporated fully herein by reference.

**20. Termination for Breach.**

A. Failure to complete the Project and expend State, local and/or private funds in accordance with this Grant Agreement may be considered a material breach, and shall entitle the State to suspend grant payments, and to suspend the Grantee's participation in State grant programs until such time as all material breaches are cured to the State's satisfaction.

B. The expenditure of State or federal funds other than in conformance with the Project or the Budget may be deemed a breach. The Grantee explicitly covenants that it shall promptly repay to the State all funds not spent in conformance with this Grant Agreement.

**21. Termination for Convenience.** Unless prohibited by a statute or regulation relating to the award of the Grant, this Grant Agreement may be terminated, in whole or in part, by the State whenever, for any

reason, the State determines that such termination is in the best interest of the State. Termination shall be effected by delivery to the Grantee of a Termination Notice, specifying the extent to which such termination becomes effective. The Grantee shall be compensated for completion of the Project properly done prior to the effective date of termination. The State will not be liable for work on the Project performed after the effective date of termination. In no case shall total payment made to the Grantee exceed the original grant.

**22. Federal and State Third-Party Contract Provisions.** If part of this Grant involves the payment of federal funds, the Grantee and, if applicable, its contractors shall comply with the federal provisions attached as **Exhibit(s)** \_\_\_\_\_ and incorporated fully herein.

**23. Provision Applicable to Grants with tax-funded State Educational Institutions: “Separateness” of the Parties.** The State acknowledges and agrees that because of the unique nature of State Educational Institutions, the duties and responsibilities of the State Educational Institution in these Standard Conditions for Grants are specific to the department or unit of the State Educational Institution. The existence or status of any one contract or grant between the State and the State Educational Institution shall have no impact on the execution or performance of any other contract or grant and shall not form the basis for termination of any other contract or grant by either party.

**24. State Boilerplate Affirmation Clause.** I swear or affirm under the penalties of perjury that I have not altered, modified, changed or deleted the State’s standard contract clauses (as contained in the 2018 OAG/ IDOA *Professional Services Contract Manual* or the 2018 *SCM Template*) in any way except as follows: \_\_\_\_\_

### Non-Collusion, Acceptance

The undersigned attests, subject to the penalties for perjury, that the undersigned is the Grantee, or that the undersigned is the properly authorized representative, agent, member or officer of the Grantee. Further, to the undersigned's knowledge, neither the undersigned nor any other member, employee, representative, agent or officer of the Grantee, directly or indirectly, has entered into or been offered any sum of money or other consideration for the execution of this Grant Agreement other than that which appears upon the face hereof. **Furthermore, if the undersigned has knowledge that a state officer, employee, or special state appointee, as those terms are defined in IC § 4-2-6-1, has a financial interest in the Grant, the Grantee attests to compliance with the disclosure requirements in IC § 4-2-6-10.5.**

### AGREEMENT TO USE ELECTRONIC SIGNATURES

(Applicable to only to Grant Agreements processed through SCM)

**In Witness Whereof**, the Grantee and the State have, through their duly authorized representatives, entered into this Grant Agreement. The parties, having read and understood the foregoing terms of this Grant Agreement, do by their respective signatures dated below agree to the terms thereof.

[Grantee]

[Indiana Agency]

By: \_\_\_\_\_

By: \_\_\_\_\_

\_\_\_\_\_  
Name and Title, Printed

\_\_\_\_\_  
Name and Title, Printed

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**Approved by:**

Indiana Department of Administration

**Approved by:**

State Budget Agency

By: \_\_\_\_\_ (for)  
Lesley A. Crane, Commissioner

By: \_\_\_\_\_ (for)  
Jason D. Dudich, Director

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**APPROVED as to Form and Legality:**

Office of the Attorney General

\_\_\_\_\_  
(for)  
Curtis T. Hill, Jr., Attorney General

Date: \_\_\_\_\_

**Approved by:**

Indiana Office of Technology

By: \_\_\_\_\_ (for)  
Dewand Neely, Chief Information Officer  
Date: \_\_\_\_\_

## **EXHIBIT C – Annual Financial Report for Non-governmental Entities**

Guidelines for filing the annual financial report:

- 1) Filing an annual financial report called an Entity Annual Report (E-1) is required by IC 5-11-1-4. This is done through Gateway which is an on-line electronic submission process.
  - a. There is no filing fee to do this.
  - b. This is in addition to the similarly titled Business Entity Report required by the Indiana Secretary of State.
  - c. The E-1 electronical submission site is found at <https://gateway.ifionline.org/login.aspx>
  - d. The Gateway User Guide is found at <https://gateway.ifionline.org/userguides/E1guide>
  - e. The State Board of Accounts may request documentation to support the information presented on the E-1.
  - f. Login credentials for filing the E-1 and-additional information can be obtained using the [notforprofit@sboa.in.gov](mailto:notforprofit@sboa.in.gov) email address.
- 2) A tutorial on completing Form E-1 online is available at [https://www.youtube.com/watch?time\\_continue=87&v=nPpgtPcdUcs](https://www.youtube.com/watch?time_continue=87&v=nPpgtPcdUcs)
- 3) Based on the level of government financial assistance received, an audit may be required by IC 5-11-1-9.

## **Appendix E**

### **Certification of Vehicle Scrappage Document**

*This page left intentionally blank*

# Indiana Volkswagen Environmental Mitigation Trust Program

## Certificate of Vehicle/Engine Scrappage

Grantee Name: \_\_\_\_\_

Grant Number: \_\_\_\_\_

Vehicle/Equipment Owner Name: \_\_\_\_\_

Vehicle/Equipment Owner Address: \_\_\_\_\_

### Old Vehicle/Chassis Information

Make:		Vehicle ID Number:	
Model:		Odometer Reading:	_____ miles
Year:			

### Old Engine Information

Make:		Horsepower:	
Model:		ID or Serial No.:	
Year:		Hour Meter Reading:	_____ hours

Name of Dismantler: \_\_\_\_\_

Address of Dismantler: \_\_\_\_\_

Date Vehicle Accepted by Dismantler: \_\_\_\_\_

Signature of Dismantler: \_\_\_\_\_

Grantee/Authorized Representative:

Date engine/chassis scrapped: \_\_\_\_\_

**Statement:** I certify that no later than 90 days after replacement, the old engine and chassis (where applicable) have been permanently scrapped. Scrapping the engine consists of cutting or punching a three inch by three inch (3" x 3") hole in the engine block. Scrapping the chassis consists of cutting completely through the frame/frame rails on each side of the vehicle/equipment at a point located between the front and rear axles. If other, pre-approved scrappage methods were used, details and documentation are attached. Photos of the scrapped engine/chassis that are required pursuant to the Terms and Conditions of the Indiana Volkswagen Mitigation Trust Program Grant Agreement are attached to this Certificate of Vehicle/Engine Scrappage.

Authorized Name: \_\_\_\_\_  
Print Name

Authorized Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**Note:** Documentation **must** include JPEG images of the following, with corresponding file names:

- |                 |                             |                             |               |
|-----------------|-----------------------------|-----------------------------|---------------|
| 1) Side profile | 3) Engine label             | 5) Engine block, prior to   | 7) Others, as |
| 2) VIN or HIN   | 4) Chassis rail cut in half | 6) Engine block, after hole |               |