

PRELIMINARY DRAFT

**2019 Indiana Volkswagen
Environmental Mitigation Trust Program**

**Volkswagen Onroad and Nonroad
Round 1**

**Request for Proposals
Xx/xx/xxxx (date)**

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 Round 1 solicitations for the DERA Option and Light-duty Electric Vehicle Infrastructure components of the Indiana ~~Volkswagen Mitigation~~ 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
Website: <https://www.in.gov/idem/airquality/2712.htm>

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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 1 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 Mitigation~~ 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.

Commented [SS2]: Note: Fuel choice inclusion/exclusion dependent upon Committee discussion of evaluation criteria.

Commented [SS3]: Note: Comment received on eligibility of vehicles with 5 or less years of remaining life. This type of restriction could limit the availability of model years available under the Consent Decree.

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

Commented [SS4]: Note: This inclusion is a requirement of the VW Trust itself. Might we want to consider (as an alternative to years of remaining life) a minimum number of miles or gallons for onroad vehicles and equipment?

D. Desired Goals and Anticipated Benefits

Desired goals of projects funded through the Indiana ~~Volkswagen Mitigation~~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.

Commented [SS5]: 2 comments received: 1) "captures the vision well"; 2) "achieve sustainable transportation fleet energy transformation while promoting economic growth".

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

1. Improved air quality via the reduction of NO_x, PM2.5, HC, CO, CO₂, 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.

Section II – Award Information

A. Available Funding Amount

Round 1 of the Indiana ~~Volkswagen Mitigation~~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 ~~cooperative agreements~~Grant Agreements from this announcement ranging from approximately \$50,000 to \$2,000,000. ~~Additional funds may be available in the near future. Project proposals submitted under this grant announcement may be awarded funding from these additional funds.~~

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 ~~by funding~~

~~discrete activities, portions, or phases of the proposed projects.~~ 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 Mitigation~~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 Mitigation~~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 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 and the Indiana Bureau of Motor Vehicles ~~owned and operated~~ to be eligible for funding. ~~Indiana-owned equipment and vehicles are those that are Indiana-registered with the Indiana Bureau of Motor Vehicles.~~

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 Equipment or vehicles in this group must be registered with the Indiana Secretary of State ~~Indiana-based, meaning they and~~ must operate vehicles and equipment in conjunction with Indiana facilities ~~and may be owned by non-Indiana entities.~~

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

All equipment and vehicles funded through the Indiana ~~Volkswagen~~ Mitigation 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~~ Mitigation Volkswagen Environmental Mitigation Trust Program.

Additional details on eligible project types listed above can be found in Appendix A 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~~ Mitigation 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.

Commented [SS6]: Note: Comment received supporting funding medium and heavy duty (MD/HD) infrastructure. Intent to not fund MD/HD infrastructure already included in BMP.

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.



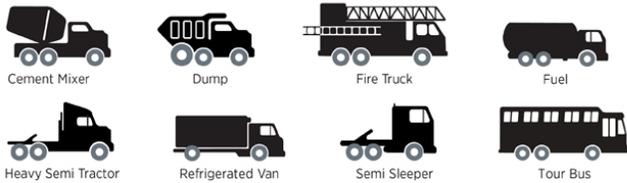
Class Six: 19,501 to 26,000 lbs.



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 Mitigation~~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 ~~will~~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 exceptions may be considered. The estimated Funding Cycle for Onroad and Nonroad Equipment and Vehicle Program is as follows:

Commented [SS7]: Note: There will be times where project periods overlap with next round solicitations. Progress on existing project will play a role in eligibility into next round.

Project Type	Round 1 Funding (million)	Round 2 Funding (million)	Round 3 Funding (million)	Total Funding (million)
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
TOTALS	\$9.83	\$9.83	\$9.86	\$29.52

Indiana proposes to use ~~Volkswagen Mitigation~~Volkswagen Environmental Mitigation Trust funds to 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 intends to use ~~Volkswagen Mitigation~~Volkswagen Environmental Mitigation Trust funds to reimburse 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:

Project Type	VW Funding	Applicant Funding
Class 8 Local Freight (1992-2009)		
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
Class 8 Drayage (1992-2009)		
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
Class 4-8 School Bus, Shuttle Bus, or Transit Bus (2009 and older)		
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
Class 4-7 Local Freight Trucks (1992-2009)		
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
Freight Switcher (Pre-Tier 4 engines to Tier level of mitigation action year)		

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
Ferries/Tugs (Unregulated, Tier 1 or Tier 2 Marine to Tier 3 or Tier 4)		
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
Airport Ground Support Equipment (Tier 0, Tier 1, Tier 2, Uncertified or Certified 3g/bhp-hr or higher emissions)		
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
Forklifts and Port Cargo Handling Equipment (Greater than 8,000 pounds lift capacity)		
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 2019 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 2019 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 2019 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 2019 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 2019 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 Mitigation Volkswagen Environmental Mitigation](#) Trust Program.

E. Project Period

Most projects implemented as a result of grant awards under this program are expected to be completed by **December 31, 2020** 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 or in-kind match over and above those detailed in this announcement. This will enable the Indiana [Volkswagen Mitigation 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. Copies may also be downloaded from the Indiana ~~Volkswagen Mitigation~~ 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 preference, then the Indiana Economic Impact Proposals and Contracts Form must be included. If the applicant is claiming a Minority and Women's Business Enterprise preference, the application must include an MWBE Commitment Form. 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. These forms, where appropriate, can be found on the Indiana Commission on Public Records Forms.IN.gov Web page or via email upon request.
3. Narrative Work Plan. This document, a maximum of 10 pages in length, must conform to the following outline:
 - i. *Project Title.*
 - ii. *Title of Indiana Solicitation from which ~~Funds are being Requested~~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 Sheet and provided electronically.
- vi. *Funding Requested:* Specify the amount of monies being requested from Indiana ~~Volkswagen Mitigation~~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 including any in-kind resources.
- 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, 2020, 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 and in-kind).
- 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 Sheet (IFS) found in Appendix C of this solicitation. The IFS form MUST be submitted in Microsoft Excel or similar electronic format, not PDF. Information included in the IFS 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 Sheet in Microsoft Excel or similar spreadsheet format, to the Indiana ~~Volkswagen Mitigation~~Volkswagen Environmental Mitigation Trust Program at 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 Mitigation~~Volkswagen Environmental Mitigation Trust Program proposes the following estimated timeline:

Project Milestone	Approximate Date of Completion	Approximate Accumulated Time from Web Posting
Solicitation Posted to Web Site	TBD, 2019	
Proposal Receipt Deadline	TBD, 2019	12 Weeks
Proposal Review, Prioritization, and Selection	TBD, 2019	16 Weeks
Selected Proposal Notification	TBD, 2019	18 Weeks
Grant Agreements Fully Executed	TBD, 2019	22 Weeks
Projects Complete and Fully Implemented	December 31, 2020	TBD

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~~ ~~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. An additional 5 points are possible for entities registered with the Indiana Secretary of State and/or the Indiana Bureau of Motor Vehicles that operate vehicles and equipment in conjunction with Indiana facilities ~~Indiana-owned and operated enterprises~~, as well as an additional 5 points active participants in minority/women/veterans business enterprise participation plan.

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~~ Mitigation Volkswagen Environmental Mitigation Trust Program.

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

<u>Criteria</u>	<u>Points</u>
Cost effectiveness of project (\$ per ton of NOx reduced).	25
Project’s total NOx emission reduction potential (based on type of project and/or the use of vehicle).	20
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
Transformational potential (potential to prove or maximize effectiveness of newer technology).	10
Leveraging of resources (financial or resource match).	10

Commented [SS8]: Note: IDEM research indicates that these bonus points are encouraged but not required. Committee discussion on pros and cons of maintaining one, two, or neither of these bonus categories.

Commented [SS9]: Note: The specifics of evaluation criteria will be discussed independent of the narrative portion of the RFP.

Longevity, sustainability, and magnification of effect of emission reduction benefits.	10
BONUS: Bonus points will be provided to <u>entities registered with the Indiana Secretary of State and/or the Indiana Bureau of Motor Vehicles that operate vehicles and equipment in conjunction with Indiana facilities</u> Indiana-owned and operated business enterprises (include Indiana Economic Impact documentation).	5
BONUS: Active participant in the State of Indiana Minority/Women/Veterans Business Enterprise Participation Plan (include MBE/WBE/VBE documentation).	5

B. Disclaimer

The ~~Volkswagen Mitigation~~ 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 Mitigation~~ 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.

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 Sheet (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 Commitment Form (not included in page limit)
- State Form 51778 – Indiana Economic Impact Form (not included in page limit)

Section VII-- Appendices

- A. Appendix D-2 of National Consent Decree
- B. Definitions
- C. Indiana Fleet Sheet
- D. Sample Grant Agreement
- E. Certification of Vehicle Scrappage

PRELIMINARY DRAFT 2/25/2019