

**Texas Commission on Environmental Quality (TCEQ)  
Texas Emissions Reduction Plan (TERP)**

**Texas Clean School Bus Program (TCSB)  
Request for Grant Applications (RFGA)  
Fiscal Year (FY) 2018**

**Grants for Projects to Reduce Emissions of  
Diesel-Fueled School Buses in Texas**

**Solicitation No. 582-18-80797-0848**



**January 22, 2018**

**Texas Commission on Environmental Quality (TCEQ)  
Air Quality Division  
Implementation Grants Section (TCSB), MC-204  
P.O. Box 13087  
Austin, Texas 78711-3087**

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Applications will be accepted for consideration during this grant period on a first-come, first-served basis at the front desk, Rm. 1301, 1st floor of Building F on the premises of the TCEQ, no later than 5:00 p.m., Central Time, on April 26, 2019. Applications received in the TCEQ mail room on that date are not guaranteed to be delivered to Rm. 1301 by the required deadline, so applicants are encouraged to plan their submission date accordingly. In addition, the award of a Texas Clean School Bus grant is dependent upon the availability of funding and the TCEQ may suspend the acceptance of applications prior to this closing date.

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<b>1.0 INVITATION</b> .....	<b>1</b>
1.1 PURPOSE.....	1
1.2 TERP OBJECTIVES.....	1
<b>2.0 ELIGIBLE APPLICANTS</b> .....	<b>2</b>
<b>3.0 ELIGIBLE ACTIVITIES, COSTS, AND GRANT AMOUNTS</b> .....	<b>2</b>
3.1 RETROFIT PROJECTS .....	2
3.2 REPLACEMENT PROJECTS .....	3
<b>4.0 ADDITIONAL REQUIREMENTS</b> .....	<b>5</b>
<b>5.0 GRANT ADMINISTRATION AND REIMBURSEMENT OF ELIGIBLE COSTS</b> .....	<b>6</b>
<b>6.0 DISPOSITION OF SCHOOL BUSES BEING REPLACED</b> .....	<b>8</b>
6.1 STANDARD DISPOSITION REQUIREMENTS.....	8
6.2 ALTERNATIVE DESTRUCTION .....	8
6.3 PERMANENT REMOVAL FROM NORTH AMERICA .....	9
<b>7.0 MONITORING AND REPORTING</b> .....	<b>9</b>
<b>8.0 FUNDING</b> .....	<b>9</b>
<b>9.0 APPLICATION PROCESS</b> .....	<b>10</b>
9.1 REQUIRED FORMS .....	10
9.2 APPLICATION SUBMISSION .....	10
9.3 DEADLINE FOR SUBMISSION .....	11
9.4 USE OF CONSULTANTS.....	11
9.5 ADDITIONAL PROGRAM INFORMATION .....	12
9.6 PUBLIC INFORMATION.....	12
<b>10.0 SELECTION CRITERIA</b> .....	<b>12</b>
10.1 FIRST-COME, FIRST-SERVED.....	12
10.2 ADDITIONAL CRITERIA .....	12
<b>11.0 CONTRACTING</b> .....	<b>13</b>
11.1 GRANT AWARD AND CONTRACT .....	14
11.2 NOTICE TO PROCEED .....	14
11.3 REIMBURSEMENT.....	14
11.4 CONTRACTOR EVALUATION .....	14
<b>12.0 CONSIDERATION OF APPLICATION IN FUTURE GRANT ROUNDS</b> .....	<b>15</b>
<b>APPENDIX A: ALTERNATIVE DISPOSITION REQUEST PROCEDURES FOR REPLACEMENT PROJECTS</b> .	<b>17</b>
<b>1.0 PURPOSE</b> .....	<b>17</b>
<b>2.0 PERMANENT REMOVAL OF SCHOOL BUSES FROM NORTH AMERICA</b> .....	<b>17</b>
<b>3.0 INSTRUCTIONS FOR SUBMITTING A REQUEST</b> .....	<b>17</b>
<b>4.0 REVIEW AND APPROVAL PROCEDURES</b> .....	<b>18</b>
4.1 REQUESTS SUBMITTED FOR PRELIMINARY REVIEW PRIOR TO SUBMISSION OF AN APPLICATION.....	18
4.2 REQUESTS SUBMITTED WITH AN APPLICATION .....	19
4.3 INCORPORATION OF APPROVALS INTO THE CONTRACT CONDITIONS .....	19
<b>APPENDIX B: SCHOOL BUS TYPES</b> .....	<b>21</b>

<b>APPENDIX C: MAXIMUM GRANT AMOUNT TABLE .....</b>	<b>22</b>
<b>APPENDIX D: NO<sub>x</sub> EMISSION STANDARDS .....</b>	<b>25</b>

**Texas Commission on Environmental Quality (TCEQ)  
Texas Emissions Reduction Plan (TERP)**

**Texas Clean School Bus Program (TCSB)  
Request for Grant Applications (RFGA)  
Fiscal Year (FY) 2018**

**Grants for Projects to Reduce Emissions of  
Diesel-Fueled School Buses in Texas**

**1.0 INVITATION**

The Texas Commission on Environmental Quality (TCEQ) invites applications from public school districts and charter schools that operate diesel-fueled school buses in Texas. Incentive funding is available for activities that will reduce children's exposure to diesel exhaust in and around diesel-fueled school buses. Diesel exhaust is composed of one or more of the air pollutants emitted from an engine by the combustion of diesel fuel, including particulate matter (PM), nitrogen oxides (NO<sub>x</sub>), volatile organic compounds, air toxics, and carbon monoxide.

**1.1 PURPOSE**

This grant program implements the portion of the Texas Emissions Reduction Plan (TERP) related to the Texas Clean School Bus Program, as authorized under Chapter 390, Texas Health and Safety Code. The Texas Commission on Environmental Quality (TCEQ) adopted rules to implement this program under 30 Texas Administrative Code (TAC), Chapter 114, Subchapter K, Division 4.

**1.2 TERP OBJECTIVES**

The objectives of the TERP are to:

- achieve maximum reductions in NO<sub>x</sub> to demonstrate compliance with the state implementation plan;
- implement new technology and monitoring of that technology to reduce particulate matter also known as PM;
- prevent areas of the state from being in violation of national ambient air quality standards;
- achieve cost-saving and multiple benefits by reducing emissions of other pollutants;
- achieve reductions of pollutants emitted in diesel exhaust from school buses; and

- advance new technologies that reduce NO<sub>x</sub> emissions and other emissions from facilities and stationary sources.

## **2.0 ELIGIBLE APPLICANTS**

Any Texas school district, charter school, or transportation system provided by a countywide school district may apply for and receive a grant under this program. Private schools are not considered school districts for the purposes of this grant. A “School District” is authorized and created pursuant to Chapter 11 of the Texas Education Code. A “Charter School” is a school authorized and created by Chapter 12 of the Texas Education Code. A “Private School” is any school run for profit or not-for profit by any entity other than a School District or the State of Texas.

## **3.0 ELIGIBLE ACTIVITIES, COSTS, AND GRANT AMOUNTS**

Applications will not be accepted for an activity that was included in a project previously awarded a TERP grant and that was subsequently canceled by the grant recipient after the date of issuance of this RFGA.

Activities that may be eligible under this program are outlined below.

### **3.1 RETROFIT PROJECTS**

This category is for the purchase and installation of eligible retrofit systems on eligible school buses. A school bus proposed for retrofit must be used on a regular daily route to and from a school during the regular school year and have at least five years of useful life remaining. All sizes of diesel-fueled school buses are eligible for retrofit.

#### **Eligible Activities**

Diesel-fueled school buses that are otherwise eligible for a TCSB grant, but are owned by a private leasing company may be eligible for a TCSB grant for retrofit projects if the school district in which the leased buses operate is the applicant and the private leasing company certifies its willingness to be a party to the resulting grant agreement. Special Terms and Conditions relevant to such an arrangement will be negotiated prior to the signature of the contract.

Because many of the available retrofit systems have been manufactured for application with particular engines, the applicant is responsible for researching and confirming that the technology installed on the proposed bus is compatible with the proposed retrofit system. Eligible projects may include:



- 1) **Closed crankcase filtration systems (CCFS)** that are shown to reduce crankcase PM emissions may be funded independently or in conjunction with another verified system. Because of the effectiveness of CCFS to reduce the PM emissions most likely to enter the bus interior, applicants are encouraged to submit proposals for CCFS use.
- 2) **Diesel particulate filters (DPF)** are for diesel-fueled school buses built from **1994 to 1998**. DPF that are verified by the EPA or the California Air Resources Board (CARB) and installed in buses built from 1994 to 1998. Most filter systems require the use of ultra-low sulfur diesel (15 parts per million or less sulfur). Applicants are responsible for ensuring the continued availability of ultra-low sulfur diesel in their area.
- 3) **Diesel oxidation catalysts (DOC)** for diesel-fueled school buses that are verified by the EPA or CARB to reduce PM emissions may be considered for:
  - buses manufactured **before 1994**,
  - areas where ultra-low sulfur diesel fuel is not available.

Applicants are encouraged to consider combinations of these retrofit systems to create cost effective overall emission reductions.

### **Eligible Costs and Grant Amounts**

The grant recipient may be eligible for reimbursement of up to 100% of the cost to purchase and install the retrofit device and associated equipment. Eligible costs are listed below:

- Equipment Cost
  - Invoice cost of the retrofit equipment, including taxes, duty, protective in-transit insurance, and freight charges.
  - Invoice cost of additional equipment with a per unit acquisition cost of \$5,000 or more and that is necessary for the completion of the retrofit project.
- Installation costs may include costs to re-engineer the school bus for the retrofit system to fit. Technical design, testing, and other engineering services required as part of the installation work should also be listed under this subcategory.

### **3.2 REPLACEMENT PROJECTS**

This category is for the replacement of a pre-2007 diesel-fueled school bus. A school bus proposed for purchase to replace a pre-2007 model year school bus must be of the current or previous model year at the time the application is submitted.

## Eligible Activities

The standards that apply to replacement projects are listed below.

- The applicant must own the school bus at the time of application, and must have continuously owned the school bus and have been listed as the owner on the title or for a minimum of two years immediately preceding the application date.
- Unless the vocational type of the school bus is exempt from inspection and registration requirements, the school bus must currently be registered for operation in Texas.
- The School bus must have been continuously inspected in Texas for the two years immediately preceding the application date.
- Applicants must submit documentation with the application to show compliance with the ownership and registration requirements, including a copy of the school bus title showing ownership by the applicant for the two years immediately preceding the submission of the grant application.
- The school bus must be currently, and for the two years immediately preceding submission of the grant application, operating on a **regular daily route to and from a school during the regular school year.**
- A replacement school bus must be the same type as the school bus being replaced. For this grant round, school bus types are defined by the chassis configuration, passenger capacity, and the gross vehicle weight rating, among other relevant features (see Appendix B: School Bus Types).

## Eligible Costs and Grant Amounts

A Maximum Grant Amount Table is included in Appendix C of this RFGA, and is available for viewing and download on the TERP website at [www.terpgrants.org](http://www.terpgrants.org). Statewide applicants replacing a school bus must refer to Maximum Grant Amount Table No. 1 to determine the eligible grant amount.

The grant recipient may be eligible for reimbursement of up to 75% of the eligible incremental costs associated with the purchase of the replacement school bus, not to exceed the maximum grant amount established by the TCEQ for that activity.

The incremental cost is the cost to purchase the replacement school bus minus the scrap value of the school bus being replaced. The TCEQ has established a default scrap value of \$1,000. Eligible costs include the invoice cost of the new school bus, including taxes, duty, protective in-transit insurance, and freight charges.

Applicants must list in the application all other financial incentives and tax credits received and/or expected to be received for the school bus purchase. The combined total of the TCSB grant and other financial incentives or assistance, including tax credits received or expected to be received, may not exceed the incremental costs to the applicant.

#### **4.0 ADDITIONAL REQUIREMENTS**

Additional criteria that apply to activities funded under this program are discussed below.

- Applicants are limited to applying for a maximum of five (5) replacement activities.
- An applicant may apply for the same project under this RFGA and an RFGA under a separate TERP grant program. If an eligible application for a project is not selected for funding under another TERP grant program, then the applicant may be considered for funding under this RFGA.
- An activity is not eligible if it is required by any state or federal law, rule, regulation, memorandum of agreement, or other legally binding document. However, this restriction does not apply to an otherwise qualified activity regardless of the fact that the state implementation plan assumes that the change in equipment, vehicles, or operations will occur, if on the date the grant is awarded the change is not required by any state or federal law, rule, regulation, memorandum of agreement, or other legally binding document. This restriction also does not apply to the purchase of vehicles or equipment that is required only by local law or regulation or by corporate or controlling board policy of a public or private entity.
- An activity involving a new emission reduction measure that would otherwise generate marketable credits under state or federal emissions reduction credit averaging, banking, or trading programs is not eligible for funding under this program unless:
  - the activity includes the transfer of the reductions that would otherwise be marketable credits to the state implementation plan or the owner or operator as provided under Section 386.056, Texas Health and Safety Code; and
  - the reductions are permanently retired.
- All applications for funding must be completed according to the application instructions and submitted within the required deadline. Instructions for completing an application may be found on the TERP website at [www.terpgrants.org](http://www.terpgrants.org) with the application forms.

- Under Section 231.006, Texas Family Code, a child support obligor who is more than 30 days delinquent in paying child support and a business entity in which the obligor is a sole proprietor, partner, shareholder, or owner with an ownership interest of at least 25% who is more than 30 days delinquent in paying child support is not eligible to receive a state-funded grant or loan. All business entities applying for a grant under this RFGA must include in the application the name and social security number of the individual or sole proprietor and each partner, shareholder, or owner with an ownership interest of at least 25% of the business entity submitting the application. The certifying official submitting the application must also certify in the application that the individual or business entity named in the application is eligible to receive the grant and acknowledges that the grant contract may be terminated and payment may be withheld if the certification is inaccurate.
- Applicants must submit a W-9 Form (Request for Taxpayer Identification Number and Certification Form) when submitting the application.
- For any **retrofit activity** where the grant-funded equipment will be used under a lease or lease-purchase agreement, the period of the lease agreement must extend for at least the five-year Activity Life. Unless otherwise approved by the TCEQ, equipment that will be used under a lease or lease-purchase agreement will not be eligible for a grant under this program.

## **5.0 GRANT ADMINISTRATION AND REIMBURSEMENT OF ELIGIBLE COSTS**

Payments will be made on a reimbursement basis for eligible expenses incurred and paid by the grant recipient. A cost may not be considered incurred until the grant-funded goods and services have been received and accepted by the grant recipient. The applicant may submit the request for reimbursement when the purchases are completed. Grant recipients must provide documentation to show that equipment or services have been received and the expenses have been incurred and paid by the grant recipient before reimbursement is provided by the TCEQ.

Subject to approval by the TCEQ, the grant recipient may assign the payments due from the TCEQ directly to the supplier, subcontractor, financing or leasing company, or other entity from which the goods or services were procured, leased, or financed by the grant recipient. A properly completed Assignment Information Form and a completed Form 1a, must be submitted with the Request for Reimbursement form. Under this option, the goods and services included under a cost must have been received and accepted by the grant recipient, and the grant recipient must have an obligation to pay the expense.

A summary of all expenses and budget items must be submitted with the request for reimbursement. Request for Reimbursement forms will be provided with the copy of the executed contract. These forms are also available on the TERP website at [www.terpgrants.org](http://www.terpgrants.org) or by calling the toll free TERP number at (800) 919-TERP (8377).

For replacement projects, the scrap value is considered a cost of performing the Grant Activities and as such must be reasonable. To be considered reasonable, the value received for the school bus being replaced must be the result of arms-length bargaining with the entity taking the old school bus. The remuneration received and reported to the TCEQ must reflect the actual reasonable scrap value of the old school bus. A grant recipient may be required to list on the financial reporting forms any money or in-kind value received in exchange for the scrapped vehicle including, but not limited to, cash, goods, services (including the services provided by a consultant to assist in preparing and/or submitting a grant application), gifts, intangibles, discounts, or any other items of value. The TCEQ may use a default scrap value of \$1,000, in lieu of the grant recipient reporting the actual remuneration received.

Applicants must list in the application all other financial incentives and tax credits received and/or expected to be received for the school bus or retrofit purchase. The combined total of the TCSB grant and other financial incentives or assistance, including tax credits received or expected to be received, may not exceed the incremental costs to the applicant.

Administrative costs and other internal costs to the grant recipient, including but not limited to personnel expenses, internal salaries, indirect costs, and travel will not be eligible for reimbursement. This restriction also applies to situations where the grant recipient acts as the freight/delivery provider for delivery of the grant-funded school bus before or after acceptance of the school bus.

Consultant fees for the preparation of a grant application and administering the grant, either directly or as an addition to the cost basis of the grant-funded school bus or equipment by the vendor or installer will be considered administrative costs and are not eligible as an addition to the cost basis of the school bus or equipment.

Fees for a third-party consultant hired by the grant recipient to manage and administer the grant-funded activities, including coordination of the work and submission of reports and paperwork to the TCEQ for the grant recipient will be considered administrative costs and are not eligible for reimbursement. This determination is not intended to limit the ability of the school bus or equipment vendor to include reasonable and necessary costs for overseeing the work to be performed in the price of the school bus, retrofit equipment, and/or installation services.

Unless otherwise approved by the TCEQ, all project costs must have been incurred and grant-funded retrofit equipment installed, or school buses received, before the end of the Period of Funds Availability indicated in Article 4 of the contract. The Period of Funds Availability under this program will be 21 months after the end of the state fiscal year in which the grant is awarded. The state fiscal year runs from September 1 through August 31. All final requests for reimbursement will need to be submitted within 45 days after this date.

## **6.0 DISPOSITION OF SCHOOL BUSES BEING REPLACED**

This section applies to school bus replacement projects only.

Once the grant has been awarded, the grantee must complete the disposition process within ninety days of reimbursement. The grantee must choose one of the following options for disposition of the school bus being replaced.

### **6.1 STANDARD DISPOSITION REQUIREMENTS**

Unless otherwise approved by the TCEQ, a grant applicant must agree to dispose of school bus and engines replaced under this program by complete destruction or otherwise rendering permanently inoperable by crushing the bus and engine, or drilling a 3-inch or larger hole in the engine block on both sides and cutting both frame rails in half or other preapproved alternative.

For destroyed school buses, applicants must agree to submit a copy of a Texas Non-repairable Vehicle Title issued by the Texas Department of Motor Vehicles (TxDMV) for the buses replaced under this RFGA. The Texas Non-repairable Vehicle Title must be submitted at the same time that the required disposition documentation is submitted to the TCEQ. This title is available by submitting a completed form VTR-441 along with the required fee to the TxDMV.

### **6.2 ALTERNATIVE DESTRUCTION**

Applicants may include in the application forms a request to the TCEQ for approval of an alternative method for rendering the school bus and engine permanently inoperable. Requests included in the application for approval of an alternative destruction method will be considered by the TCEQ as part of the review of the application.

If the alternative destruction method is not approved, the grant applicant will need to adhere to the standard destruction methods in completing the disposition of the school bus and/or engine.

If the alternative destruction method is approved, that approval will be included in the grant contract.

Any request for an alternative destruction method submitted after a grant is awarded will need to be submitted to the TCEQ, and receive approval either through amendment to the grant contract or by other official means, as determined by the TCEQ.

### **6.3 PERMANENT REMOVAL FROM NORTH AMERICA**

The TCEQ will consider proposals for the permanent removal of buses from North America in lieu of destruction. Permanent removal will only be approved for the export of school buses to a destination outside of North America (United States, Canada, and the United Mexican States). A detailed plan for export and the transfer of ownership of the school buses must be submitted in writing to the TCEQ either prior to, or at the time of application submission. Instructions for submitting alternative disposition requests are included in Appendix A of this RFGA.

### **7.0 MONITORING AND REPORTING**

The applicant must agree to an operational commitment period (Activity Life) of five years. The beginning and ending dates for the life of each grant-funded activity will be established by the TCEQ. For replacement activities, the beginning of the Activity Life will normally be set on the date that the report verifying that the school bus being replaced has been properly disposed of is approved by the TCEQ.

Annual reports on the use of the grant-funded school buses will be required, using forms to be provided by the TCEQ.

The TCEQ may provide a decal for grant-funded buses to aid the TCEQ and the Performing Party in identifying and tracking those buses. The Performing Party must place the decal on the grant-funded bus if requested to do so by the TCEQ.

### **8.0 FUNDING**

The TCEQ will determine an estimated amount to be awarded under this grant application period and may provide information on this amount to potential applicants. However, the TCEQ will not be obligated to fund projects up to those amounts and may adjust or exceed those amounts without an amendment to this notice.

To assist applicants in determining whether sufficient funds will be available to cover their application, the TCEQ may post updates on the TERP website [www.terpgrants.org](http://www.terpgrants.org) regarding the amount of unobligated funds that remain available for TCSB grants. Information will also be available by calling the TERP toll free number at (800) 919-TERP (8377).

The TCEQ will not be obligated to select applications for funding, even if received within the application deadline.

The TCEQ may select parts of a proposal for funding and may offer to fund less than the dollar amount requested in a proposal.

The TCEQ may make funding contingent upon additional conditions or changes to the project pertaining to equipment, logistical considerations, expenses, and other program elements.

## **9.0 APPLICATION PROCESS**

### **9.1 REQUIRED FORMS**

Application forms may be viewed and downloaded from the TERP website at [www.terpgrants.org](http://www.terpgrants.org). Copies of the forms may also be obtained by calling the TERP toll free number at 1-800-919-TERP (8377).

### **9.2 APPLICATION SUBMISSION**

To apply for funding, applicants must complete and submit a grant application Form TCEQ 20804a for replacement projects or TCEQ 20804b for retrofit projects. Two copies of the completed and signed forms should be submitted to:

#### **Regular Mail:**

Texas Commission on Environmental Quality  
Air Quality Division  
Implementation Grants Section (TCSB), MC-204  
P.O. Box 13087  
Austin, TX 78711-3087

#### **Express Mail (or hand delivery):**

Texas Commission on Environmental Quality  
Air Quality Planning Division  
Implementation Grants Section (TCSB), MC-204  
12100 Park 35 Circle, Bldg. F  
Austin, TX 78753



### **9.3 DEADLINE FOR SUBMISSION**

Applications will be accepted and considered on a first-come, first-served basis during this grant period. The TCEQ may suspend acceptance and/or processing of applications at any time during the application period with no obligation to continue processing an otherwise eligible application received within the deadline. Unless the acceptance of applications is suspended by the TCEQ prior to the application deadline, applications must be received at the front desk, Rm. 1301, 1st floor of Building F on the premises of the TCEQ by no later than 5:00 p.m., Central Time, April 26, 2019. Applications received in the TCEQ mail room on April 26, 2019 are not guaranteed to be delivered to Rm. 1301 by the required deadline, so applicants are encouraged to plan their submission date accordingly.

### **9.4 USE OF CONSULTANTS**

Private consultants may be available to assist an applicant to complete and submit an application. These consultants do not represent the TCEQ, and the TCEQ neither encourages nor discourages the use of a consultant to assist with the application process. The TCEQ has no agreement with any consultant that applications submitted by a particular consultant will receive more favorable treatment than other applications.

As noted under the requirements of Section 5.0, any fees charged by a consultant are the responsibility of the applicant or the vendor and may not be charged to the grant, either directly or as an addition to the cost basis of the grant-funded school bus or equipment.

Additionally, all purchase decisions must be based on sound business practices and arm's length bargaining. It is generally considered acceptable for an applicant to accept assistance from a vendor or an agent of a vendor in preparing an application, as long as any decision by the applicant to purchase the grant-funded school bus or equipment from that vendor is made independently and meets the other reasonableness provisions in the grant contract. However, if the consultant is paid directly by the applicant to complete the application documents and to act as the applicant's agent for the grants process, purchases of grant-funded school buses or equipment from a company in which the consultant has an interest would not normally be considered appropriate by the TCEQ under the reasonableness requirements of the grant contract. Contact the TERP staff with any questions.

The applicant must indicate on the application if the application was prepared by a third party. The applicant must certify that the information provided in the application is correct. The third-party preparer must also sign the application and certify that the information provided is correct.

## **9.5 ADDITIONAL PROGRAM INFORMATION**

Individuals desiring further information are encouraged to call the TERP staff at 1-800-919-TERP (8377).

## **9.6 PUBLIC INFORMATION**

Upon submission, all applications become the property of the State of Texas and as such become subject to the Texas Public Information Act, Texas Government Code Chapter 552.

## **10.0 SELECTION CRITERIA**

### **10.1 FIRST-COME, FIRST-SERVED**

Applications will be date and time stamped as they are received by the TERP program staff. The date and time an application is received in the TCEQ mail room will not be the determining factor. Subject to the additional criteria in this section, properly completed and eligible projects will be processed for approval on a first-come-first-served basis. Incomplete or ineligible applications will be returned to the applicant. Corrected or changed applications will be considered based on the date and time at which the corrected or changed versions are received and stamped by the TERP program staff. Properly completed and eligible applications will be reviewed by TERP staff and recommended for award.

### **10.2 ADDITIONAL CRITERIA**

Regardless of the date and time that an otherwise eligible application is received, the TCEQ may consider the additional criteria explained below when selecting applications for grant funding:

- The TCEQ may base funding decisions on other factors associated with best achieving the goals of the program, and the TCEQ is not obligated to fund a project. As part of this consideration, the TCEQ may give priority to projects in certain areas and/or for certain emission sectors.
- The TCEQ may make selection for funding contingent upon agreement by the applicant with additional conditions or changes to the project pertaining to equipment, logistical considerations, expenses, and other program elements.
- The TCEQ may fund projects at less than the maximum grant amounts listed in the appendices.

- The TCEQ is not obligated to fund a proposal from an applicant that has demonstrated marginal or unsatisfactory performance on previous grants and contracts with the TCEQ and other state agencies. A rating of marginal or unsatisfactory performance on past contracts may be used as a basis to lower or otherwise change the priority and ranking of an application.
- The TCEQ is not obligated to fund a proposal from an applicant or for a project based on a determination of the risks associated with the applicant and/or project, including the financial condition of the applicant and other risk factors as may be determined by the TCEQ. The TCEQ may also include additional controls in a grant contract to address the risks that may be involved with providing a grant to an applicant considered to be high risk.
- The TCEQ is not obligated to fund a proposal from an applicant that is under federal, state, or local enforcement action for violation of environmental laws or permit conditions.
- The TCEQ is not obligated to fund a proposal from an applicant with an overall compliance history classification of Unsatisfactory (55.01 or greater) on the TCEQ's Compliance History Database, for applicants that are subject to the rating.

## **11.0 CONTRACTING**

Entities selected to receive grant funding will be required to execute a contract with the TCEQ. All services or work carried out under a contract awarded as a result of this RFGA must be completed within the scope, time frames, and funding limitations specified in the contract. A copy of the contract shell is available on the TERP website, [www.terpgrants.org](http://www.terpgrants.org).

For purposes of funding and fulfillment of the TCEQ's obligations to provide reimbursement under the grant, a date will be specified in the contract by which all expenses must have been incurred and reimbursement requested. The contract term will then extend for the Activity Life. The grant recipient will need to agree with and obligate to commitments for achieving emissions reductions for the life of the activity. Before signing a grant contract, grant recipients must read and agree to the commitments under the grant contract, including the deadlines for incurring expenses and requesting reimbursement and the obligations over the full contract term.

## **11.1 GRANT AWARD AND CONTRACT**

Successful applicants will be notified by phone or other means of their selection and the amount of grant funds that may be awarded. At that time, the applicant will need to confirm to the TCEQ if the applicant intends to accept the grant. A grant contract will be developed and two copies will be provided to the applicant to sign and return to the TCEQ. Upon signature and execution of the contracts by the TCEQ, one original, signed contract will be returned to the applicant, at which time the grant will be considered awarded.

## **11.2 NOTICE TO PROCEED**

The execution of a contract will not be the final commitment by the TCEQ to provide the funds. A subsequent Notice to Proceed (NTP) will be issued to the grant recipient when sufficient funds become available, and any eligible expenses incurred prior to receipt of the NTP will be at the grant recipient's own risk. The NTP may also include authorization for a lesser reimbursement amount than originally approved in the contract, based on the amount of funds available.

The TCEQ may also make issuance of a NTP contingent upon receiving any additional documentation and information that may be needed from the applicant, including inspection by the TCEQ of a school bus to be replaced or retrofit under the grant to verify information and the condition of the school bus.

## **11.3 REIMBURSEMENT**

The grant recipient may submit a request for reimbursement after the expenses are both incurred and paid, which must be within the period of availability as specified in the contract.

## **11.4 CONTRACTOR EVALUATION**

The TCEQ may prepare a written evaluation of the performance of the grant recipient upon completion of the terms of the grant contract, or more frequently, as deemed necessary by the TCEQ. A copy of the evaluation will be provided to the grant recipient and a copy retained in the TCEQ's contract files. The content of the evaluation shall be wholly within the discretion of the TCEQ. The grant recipient may provide a written statement which explains or disagrees with the evaluation, which will be incorporated into the evaluation. The grant recipient waives any claim for damages against the TCEQ for the evaluation. A rating of marginal or unsatisfactory performance may be used as a basis to lower or otherwise change the priority and ranking of a future application.

## **12.0 CONSIDERATION OF APPLICATION IN FUTURE GRANT ROUNDS**

The TCEQ may, at its discretion, retain applications not selected for funding under this notice for consideration under a new notice issued for a future grant round. Applicants will be notified by the TCEQ if their application is retained for consideration under a future grant round and will be given the option of withdrawing their application from consideration.

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## **APPENDIX A: ALTERNATIVE DISPOSITION REQUEST PROCEDURES FOR REPLACEMENT PROJECTS**

### **1.0 PURPOSE**

Unless otherwise approved by the TCEQ, school buses replaced under the Texas Clean School Bus program (TCSB) must be rendered permanently inoperable. Requests for approval of an alternative method to destroy the school buses and their engines may be included in the applicable section of the application forms.

This appendix explains the procedures a grant applicant must use to request approval of a plan to permanently remove the school bus(es) from North America.

### **2.0 PERMANENT REMOVAL OF SCHOOL BUSES FROM NORTH AMERICA**

The TCEQ will consider proposals for the permanent removal of school the bus(es) from North America in lieu of destruction. Permanent removal will only be approved for export of the school buses to a destination outside of North America (United States, Canada, and the United Mexican States). A detailed plan for export and the transfer of ownership of the school bus(es) may be submitted in writing to the TCEQ either prior to, or at the time of application submission.

### **3.0 INSTRUCTIONS FOR SUBMITTING A REQUEST**

Requests for approval of a plan to permanently remove the school bus(es) from North America must be submitted in writing, with an original signature of the person authorized to sign for the applicant.

- The request should list identifying information regarding the school bus(es) and their engines, including:
  - School bus Make and Model;
  - School bus Identification Number;
  - Engine Make and Model; and
  - Engine Serial Number
- The request must explain the applicant's detailed plan for the transfer of ownership of the school bus(es), including any available information about the final destination of the export, the receiving entity's identity and contact information, the method by which the requestor will transfer ownership, and any additional details explaining what will happen to the school bus(es) and engine. The requestor will be expected to include in that plan proposed contractual language for any transfer agreement

stating that the transferee is prohibited from operating the school bus(es) in North America and that the transferee will return an amount sufficient to cover any return of funds required by the TERP program.

- Multiple school buses that will be included on a single grant application may be included with one request. However, to ensure that requests and approvals can be associated with a particular application separate requests should be submitted for school buses that will be included in separate applications.
- Applicants may submit a request for preliminary review prior to submission of the application. Regardless of whether the request was submitted for preliminary review, a copy of the request must be included with the application forms.
- Requests submitted for preliminary review prior to submission of an application should be sent to:

**Regular Mail:**

Texas Commission on Environmental Quality  
Air Quality Division  
Implementation Grants Section (TCSB), MC-204  
P.O. Box 13087  
Austin, Texas 78711-3087

**Express Mail:**

Texas Commission on Environmental Quality  
Air Quality Planning Division  
Implementation Grants Section (TCSB), MC-204  
12100 Park 35 Circle  
Austin, Texas 78753

## **4.0 REVIEW AND APPROVAL PROCEDURES**

### **4.1 REQUESTS SUBMITTED FOR PRELIMINARY REVIEW PRIOR TO SUBMISSION OF AN APPLICATION**

The TCEQ will review requests submitted for preliminary review before an application in the order the request is received.

- The TCEQ will attempt to notify grant applicants of the TCEQ's assessment of the request within ten calendar days of receipt of the request. However, the time needed to act on a request may vary depending on the complexity of the issues involved.



- Notification may be provided by electronic mail, letter, or fax, or a combination of one or more methods. If the grant applicant is already working with a Participating Dealer, a copy of the notification may also be sent to the dealer. Where feasible, preliminary notification may also be provided by phone call to the grant applicant's representative and/or the Participating Dealer with which the grant applicant is working.
- Grant applicants should still include the request and plan with the application, and include a copy of the notification documents from the TCEQ with the application forms.

#### **4.2 REQUESTS SUBMITTED WITH AN APPLICATION**

Requests submitted with an application will be considered, along with the application, in the order the application is received.

- Grant applicants will be notified of the decision on the request at the same time or before notification of a decision on approval or disapproval of the application.

#### **4.3 INCORPORATION OF APPROVALS INTO THE CONTRACT CONDITIONS**

If a request is approved, the conditions of the alternative disposition plan will be included in the grant contract and agreement documents.

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## **APPENDIX B: SCHOOL BUS TYPES**

For school bus replacement activities under this grant program, maximum grant amounts are based upon passenger capacity (PSX) and school bus type according to the descriptions listed below. If the applicant wishes to replace a school bus type that is not included in one of these descriptions, the applicant must contact the TCEQ for assistance in determining whether the activity may be eligible for consideration under this grant program.

**TYPE A:** A "Type A" school bus is a van conversion or body constructed utilizing a cutaway front-section vehicle with a left side driver's door. The Type A bus shall be no less than ten-thousand pounds (10,000 lbs.) and not exceed 19,500 GVWR. The entrance door is behind the front wheels. No single rear wheel vehicles will be allowed.

**TYPE B:** A "Type B" school bus is constructed utilizing a stripped chassis. The entrance door is behind the front wheels and has a GVWR of greater than ten-thousand pounds (10,000 lbs.). A manufacturer shall provide the minimum specifications for approval on a Type B prior to the sale of a Type B school bus in Texas.

**TYPE C:** A "Type C" school bus is a body installed upon a flat back cowl chassis or an integrated conventional chassis/body combination, with a hood and front fender assembly and a GVWR of more than ten-thousand pounds (10,000 lbs.). The engine is in front of the windshield and the entrance door is behind the front wheels. This type is also known as a "conventional school bus".

**TYPE D:** "Type D" school bus is a body installed upon a chassis, with the engine mounted in the front, mid bus, or rear with a GVWR of more than ten thousand pounds (10,000 lbs.). The engine may be behind the windshield and beside the driver's seat; it may be at the rear of the bus, behind the rear wheels; or between the front and rear axles. The entrance door is ahead of the front wheels. This type is also known as "transit-style school bus".

## APPENDIX C: MAXIMUM GRANT AMOUNT TABLE

### Determining your Maximum Grant Amount

The Maximum Grant Amount Table for replacement projects is included below, and is also available for viewing and download on the TERP website at [www.terpgrants.org](http://www.terpgrants.org). Funding amounts for retrofit projects are determined based upon eligible costs and are not included in the following maximum grant amount table (see Section 3.1 of this RFGA for Eligible Costs for Retrofit Projects).

**Step 1:** Use **Appendix B: School Bus Types** to identify the type of school bus you will replace.

**Step 2:** Select the **school bus type** and **maximum passenger capacity (PSX)** of the school bus that you will replace under the “**Category**” column of the appropriate **Maximum Grant Amount Table**.

**Step 3:** Select the **fuel-type** of the school bus that you will purchase.

**Step 4:** Trace down the selected fuel-type column to the school bus type and PSX row selected in Step 2 above. **The dollar value in the box where the selected column and rows intersect is your maximum grant amount**, not to exceed 75% of the incremental cost of the replacement school bus.

*See the Maximum Grant Amount Table No. 1 on next page.*

**Maximum Grant Amount Table No. 1  
Applicants Replacing School Bus(es)**

<b>Category</b>	<b>Passenger Capacity (PSX)</b>	<b>Gasoline</b>	<b>Diesel</b>	<b>LPG</b>	<b>CNG</b>
<b>Type A</b>	<b>PSX 30 or fewer</b>	\$28,000	\$29,500	\$36,500	
<b>Type B, C, D, or Other</b>	<b>PSX up to 49</b>	\$41,500	\$44,500	\$49,500	\$58,000
	<b>PSX 50-67</b>	\$42,000	\$47,500	\$50,500	\$65,500
	<b>PSX 68-77</b>	\$44,000	\$50,000	\$52,500	\$66,000
	<b>PSX 78 or greater</b>		\$55,500		\$70,500

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## APPENDIX D: NO<sub>x</sub> EMISSION STANDARDS

Applicants are asked to include the NO<sub>x</sub> emissions standard for both the school bus to be replaced, and the replacement school bus, in the application forms for replacement projects. The following table lists diesel engine emissions standards by emissions model year.

### On-Road Heavy-Duty Diesel Compression-Ignition (CI) Engines NO<sub>x</sub> Emission Standards by Model Year

Emissions Model Year	Diesel Engines Emissions Standard	
	NO <sub>x</sub> Only (g/bhp-hr)	NO <sub>x</sub> +NMHC (g/bhp-hr)
1989 and earlier	10.7	
1990	6.0	
1991-1997	5.0	
1998-2001	4.0	
2002	4.0	
2003	4.0	
2004 -2006	2.375	2.5
2007 - 2009	2.375 - 0.2	
2010+	0.2	

\*Some manufacturers were producing 2003 engines that met the more stringent 2.375 g/bhp-hr standard.