

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

**GOVERNMENTAL ALTERNATIVE FUEL FLEET (GAFF) PROGRAM  
Request for Grant Applications (RFGA)  
Fiscal Year (FY) 2021**

**Grants for Projects to  
Purchase or Lease Alternative Fuel Vehicles**

**Solicitation No. 582-21-22544**



A PROGRAM OF TCEQ

**April 15, 2021**

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

**1-800-919-TERP (8377)  
TERP@tceq.texas.gov**

Applications will be accepted for consideration during this grant period only if received on the premises of the TCEQ, or via electronic email to [TERPapply@tceq.texas.gov](mailto:TERPapply@tceq.texas.gov) or submitted via TERP Online no later than 12:00 a.m. Central Time, on June 15, 2021. Any changes to this solicitation will be made through an addendum in the Electronic State Business Daily (ESBD).

No pre-proposal conference will be held.

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

**GOVERNMENTAL ALTERNATIVE FUEL FLEET (GAFF) GRANT PROGRAM**

**Request for Grant Applications (RFGA)  
Fiscal Year (FY) 2021**

**1.0 INVITATION**

The Texas Commission on Environmental Quality (TCEQ) invites applications from state agencies and political subdivisions that operate a fleet of more than 15 motor vehicles, excluding motor vehicles that are owned and operated by a private company or third-party under contract with an entity.

**1.1 PURPOSE**

The GAFF program is established under Texas Health and Safety Code, Chapter 395 to assist state agencies or political subdivisions in purchasing or leasing new motor vehicles that operate primarily on an alternative fuel.

Alternative fuel means compressed natural gas (CNG), liquefied natural gas (LNG), liquefied petroleum gas (LPG), hydrogen fuel cells, or electricity, including electricity to power fully electric motor vehicles and plug-in hybrid motor vehicles.

Texas Water Code, Sections 5.124 and 5.229, provide TCEQ general authority to enter into grants and contracts.

**1.2 GRANT DOCUMENTS**

Grant documents including the application forms and instructions, example contract, and RFGA may be viewed and downloaded from the TERP website [www.terpgrants.org](http://www.terpgrants.org). Grant documents may also be obtained by contacting TERP staff at 1-800-919-TERP (8377) or [TERP@tceq.texas.gov](mailto:TERP@tceq.texas.gov).

For an applicant to be eligible for funding consideration, grant applications must be prepared and submitted in accordance with the RFGA and application form instructions.

**2.0 PROJECT CRITERIA**

**2.1 ELIGIBLE APPLICANTS**

Eligible applicants include a state agency or political subdivision that operates a fleet of more than 15 motor vehicles, excluding motor vehicles that are owned and operated by a private company or third-party under contract with an entity.

A "political subdivision" means a county, municipality, school district, junior college district, river authority, water district or other special district, or other political subdivision created under the constitution or a statute of this state.

Eligible applicants also include a commercial mass transit or school transportation provider that operates on behalf of a school district or county transportation system.

Businesses or other entities in which a TCEQ employee, spouse, or family member of a TCEQ employee has a direct or indirect interest, financial or otherwise, may be prohibited from receiving a grant, depending upon the nature of the interest. Applicants with questions regarding eligibility to apply for a grant should contact TERP staff at 1-800-919-TERP (8377) or TERP@tceq.texas.gov.

Grants will not be awarded to third-party entities to pass on to the owners or operators of the vehicles or equipment.

## **2.2 ELIGIBLE AREAS**

TCEQ will make grants available statewide, but priority will be given to projects in or near a nonattainment area or in an affected county. A map and list of the nonattainment and affected counties is provided in Appendix A.

Applicants must designate a primary area of use for the vehicles included in the project application. If the project contains activities to be completed in different primary areas, each activity must be applied for under separate applications. The nonattainment areas and affected counties are provided below.

### **Nonattainment Areas:**

- **Beaumont-Port Arthur Area:** Hardin, Jefferson, and Orange Counties
- **Dallas-Fort Worth Area:** Collin, Dallas, Denton, Ellis, Henderson, Hood, Hunt, Johnson, Kaufman, Parker, Rockwall, Tarrant, and Wise Counties
- **El Paso Area:** El Paso County
- **Houston-Galveston-Brazoria Area:** Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty, Montgomery, and Waller Counties
- **San Antonio Area:** Bexar County

### **Affected Counties:**

Bastrop, Caldwell, Comal, Ellis, Gregg, Guadalupe, Harrison, Hays, Henderson, Hood, Hunt, Johnson, Kaufman, Nueces, Parker, Rockwall, Rusk, San Patricio, Smith, Travis, Upshur, Williamson, and Wilson Counties.

## **2.3 ELIGIBLE ACTIVITIES**

Eligible activities under this solicitation include the:

- a) purchase or lease of a new motor vehicle that is originally manufactured to operate using one or more alternative fuels or is converted to operate using one or more alternative fuels before the first retail sale of the vehicle; and

- b) purchase, lease, or installation of refueling infrastructure or equipment or the procurement of refueling services for those vehicles.

Applicants must prioritize the following activities when using grant funds. Applicants must indicate their priority activity in the application.

1. The purchase or lease of new motor vehicles, including new motor vehicles that are converted to operate on an alternative fuel, when replacing vehicles or adding vehicles to the fleet.
2. The purchase of new motor vehicles, including new motor vehicles that are converted to operate on an alternative fuel, to replace vehicles that have the highest total mileage and do not use an alternative fuel.
3. To the extent feasible, obtaining, whether by purchase, purchase and conversion, or lease, motor vehicles that use CNG, LNG, or LPG.

### **2.3.1 PURCHASE OR LEASE OF NEW MOTOR VEHICLES REQUIREMENTS**

The purchase or lease of a new motor vehicle must meet the following requirements to qualify for grant:

- a) A grantee may purchase or lease a new motor vehicle that is originally manufactured to operate using one or more alternative fuels or is converted to operate using one or more alternative fuels before the first retail sale of the vehicle, and that:
  - has a dedicated system, dual-fuel system, or bi-fuel system; and
  - if the motor vehicle is a fully electric motor vehicle or plug-in hybrid motor vehicle, has a United States Environmental Protection Agency (EPA) rating of at least 75 miles per gallon equivalent or a 75-mile combined city and highway range.
- b) The vehicle and engine must be new, and not subject to a prior first sale.
- c) If a vehicle and/or engine must be converted to operate on one or more alternative fuels, the conversion process must take place as part of the original sale or lease of the vehicle.
- d) The vehicle may not have been purchased prior to September 1, 2020. Under this provision, the vehicle may have been ordered, but the expenses may not have been paid to finalize the purchase prior to this date.
- e) The vehicle and/or engine must be legally imported, if applicable, and certified by the EPA to the current federal emissions standards or a lower family emissions limit (FEL).
- f) A grantee may not use money from a grant under the program to replace a motor vehicle, transit bus, or school bus that operates on an alternative fuel unless the replacement vehicle produces fewer emissions and has greater fuel efficiency than the vehicle being replaced.

- g) A motor vehicle lease agreement must extend for at least three years.

### **2.3.2 REFUELING INFRASTRUCTURE AND SERVICES REQUIREMENTS**

The purchase, lease, installation or procurement of refueling infrastructure or equipment must meet the following requirements to qualify for a grant:

- a) The infrastructure or equipment must be associated with charging or providing fuel to the vehicles included in the application. The number of charging and refueling units may not exceed the number of vehicles included in the application.
- b) The applicant must demonstrate in the application that infrastructure or equipment necessary for the applicant's refueling needs is not available within five miles of the location at which the applicant's vehicles will be stored or primarily used.
- c) The infrastructure or equipment must be owned or leased and operated by the applicant for at least three years.

### **2.4 GRANT AMOUNTS AND ELIGIBLE COSTS**

- a) TCEQ has established pre-determined grant amounts for the purchase or lease of new motor vehicles. Grant amounts by vehicle class are provided below.
  - Class 1 Vehicles: \$15,000
  - Class 2-3 Vehicles: \$20,000
  - Class 4-6 Vehicles: \$35,000
  - Class 7-8 Vehicles, School Buses, and Transit Buses: \$70,000
- b) The total requested grant amount for refueling infrastructure or equipment may not exceed 10% of the total requested grant amount for the project.
- c) Funds will be advanced through a contract, and then reconciled with documented, eligible, final costs, along with any other financial incentives received. Grantees will retain all advanced funds that do not exceed the total eligible cost of the project plus financial incentives. Any financial incentives that directly reduce the cost of the proposed activity, such as tax credits or deductions, other grants, or any other public financial assistance must be disclosed along with proof of purchase documentation to the TCEQ. The advanced grant amount plus financial incentives must not exceed the total eligible cost of the project.
- d) Eligible costs for the purchase or lease of new motor vehicles and the purchase, lease, installation or procurement of refueling infrastructure or equipment are provided below.
  - Eligible Costs:
    - Purchase or Lease of New Motor Vehicles

- Purchase or operating lease invoice cost or capital lease cost basis of the vehicle, including taxes, duty, protective in-transit insurance, and freight charges.
- Purchase, Lease, Installation or Procurement of Refueling Infrastructure or Equipment
  - Invoice cost or cash basis of the lease or service agreement costs for the infrastructure or equipment including taxes, duty, protective in-transit insurance, and freight charges for the term of the contract.
  - Invoice cost of additional equipment with a per unit acquisition cost of \$5,000 or more that is necessary for the completion of the project.
  - Installation of the infrastructure or equipment and associated on-site electrical work. Technical design, testing, and other engineering services required as part of the installation work should also be included under this subcategory. The costs for permitting required as part of the installation may also be included.
- Ineligible Costs:
  - Any fees charged by a consultant are the responsibility of the applicant or the vendor and may not be charged to the grant.
  - Administrative costs and other internal costs to the grantee, including but not limited to personnel expenses, internal salaries, indirect costs, and travel, are not eligible.
  - The purchase of land or an interest in land.
  - Site improvements, construction and buildings, and other costs not directly associated with the purchase and installation of the equipment may not be included.

## 2.5 ADDITIONAL REQUIREMENTS

Additional criteria that apply to activities funded under this RFGA are explained below.

- a) TCEQ provides no assurances that a project will be awarded a grant. TCEQ has no liability for expenses incurred by an applicant prior to the execution of a grant contract.
- b) Under Texas Family Code §231.006, 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% is not eligible to receive a state-funded grant or loan. All applicants for this RFGA must include 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 Authorized 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.

- c) Applicants may not simultaneously apply to replace the same vehicle(s) under this RFGA and a separate TERP grant program without written approval from TCEQ. If an eligible application is not selected for funding under one TERP grant program, the applicant may then apply under a different TERP grant program.
- d) Activities funded under this program are not eligible to generate marketable credits under state or federal emissions reduction credit averaging, banking, or trading programs.

### **3.0 FUNDING**

The total amount to be awarded under this grant program will depend upon the amount of revenue received into the TERP account. TCEQ may offer to fund less than the total dollar amount requested for a project.

### **4.0 APPLICATION PROCESS**

#### **4.1 APPLICATION SUBMISSION**

Applicants must complete and submit a grant application using one of the methods below.

- Using the GAFF Application Form (TCEQ-20908) available at [www.terpgrants.org](http://www.terpgrants.org). The completed and signed forms should be submitted by electronic mail to [TERPapply@tceq.texas.gov](mailto:TERPapply@tceq.texas.gov), via TERP Online, or by mail to one of the addresses provided below.

**Regular Mail:**

Texas Commission on Environmental Quality  
Air Grants Division  
GAFF, MC-204  
P.O. Box 13087  
Austin, TX 78711-3087

**Express Mail:**

Texas Commission on Environmental Quality  
Air Grants Division  
GAFF, MC-204  
12100 Park 35 Circle  
Austin, TX 78753

- Using the TERP Online Application available through the [State of Texas Environmental Electronic Reporting System \(STEERS\)](#). Applicants will be required to create a STEERS account before submitting an application.

## **4.2 DEADLINE FOR SUBMISSION**

Applications will be accepted for consideration during this grant period only if received before 12:00 a.m. Central Time on June 15, 2021. Applicants are encouraged to submit an application as early as possible.

## **4.3 APPLICATION PROCESSING**

TCEQ staff will review all grant applications received by the submission deadline. TCEQ staff will notify the applicant if any additional information is needed or if there are any discrepancies in the application. Submission of an application does not guarantee grant funding.

## **4.4 USE OF CONSULTANTS**

- a) Private consultants may be available to assist an applicant in completing and submitting an application. Consultants do not represent TCEQ. TCEQ neither encourages nor discourages the use of a consultant to assist with the application process.
- b) The applicant must indicate in the application if the application was prepared by a third party. If a third party prepares the application, the third-party preparer must also sign the application and certify that the information provided is correct.
- c) The applicant must follow its procurement policies to ensure purchases are free from any actual or potential conflicts of interest. No employee, officer, or agent may participate in the selection, award, or administration of purchases under this grant if they have an actual or potential conflict of interest with a vendor under consideration. Additionally, procurements should be free of organizational conflicts of interest, where there is not arms-length bargaining due to the relationships with a parent company, affiliate, or subsidiary organization. See the example contract's General Terms and Conditions, Section 8. Conflict of Interest for further detail and requirements. Contact TCEQ staff with any questions.

## **4.5 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.

## **5.0 APPLICATION SELECTION PROCESS**

### **5.1 SELECTION CRITERIA AND SCORING**

TCEQ staff will evaluate, score, and rank proposals based on information provided in the grant application and the program priorities identified below.

**Entity Type (Maximum 50 points):** Points will be assigned according to entity type, with state agencies receiving the most points.

50 points - State Agency

30 points - Other Political Subdivision

10 points - Mass Transit or School Transportation Provider

**Project Primary Area (Maximum 35 Points):** Points will be assigned based on the primary area of the project. To receive points under this category, each vehicle included in the project application must operate at least 51% of its total annual mileage in a nonattainment area or affected county.

35 points - Nonattainment Area

20 points - Affected County

**Emissions Reductions (Maximum 40 Points):** Points will be assigned based on a project's ability to demonstrate emissions reductions through the replacement of existing fleet vehicles with qualifying vehicles of the same type. To receive points under this category, applicants must agree to destroy the vehicle(s) being replaced.

1 point - Each Class 1 Vehicle

2 points - Each Class 2-3 Vehicle

5 points - Each Class 4-6 Vehicle

10 points - Each Class 7-8 Vehicle, School Bus, or Transit Bus

**Number of Qualifying Vehicles Purchased or Leased (Maximum 20 Points):** Points will be assigned based on the number of qualifying vehicles included in a project application.

1 point - Each Class 1 Vehicle

2 points - Each Class 2-3 Vehicle

5 points - Each Class 4-6 Vehicle

10 points - Each Class 7-8 Vehicle, School Bus, or Transit Bus

**Fleet and Refueling Infrastructure or Equipment (Maximum 10 Points):** Points will be assigned based on the anticipated number of vehicles that will be served by the refueling infrastructure or equipment per day.

1 point- Each Vehicle Served by Refueling Infrastructure or Equipment

## 5.2 OTHER SELECTION CRITERIA

In addition to the selection criteria above, and regardless of the scores and ranking assigned to a project, the TCEQ may also consider the additional criteria listed below when selecting applications for grant funding.

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

- b) TCEQ may establish a cut-off level for grant selections that is less than the available funding, and projects may be offered a smaller amount of funding or may be held until a later date.
- c) TCEQ is not obligated to fund a project from an applicant that has demonstrated marginal or unsatisfactory performance on previous grants and contracts with 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.
- d) TCEQ may choose not to fund a project from an applicant based on a determination of project risks as determined by TCEQ.
- e) TCEQ is not obligated to fund a project from an applicant that is under federal, state, or local enforcement action for violation of environmental laws or permit conditions.
- f) TCEQ is not obligated to fund a project from an applicant with an overall compliance history classification of Unsatisfactory (55.01 or greater) on TCEQ's Compliance History Database.

## **6.0 GRANT ADMINISTRATION**

### **6.1 GRANT AWARD AND CONTRACTING**

Successful applicants will be notified by phone or other means of their selection and the amount of grant funds that may be awarded. Applicants selected to receive grant funding will be required to enter into a contract with TCEQ if they wish to proceed with the grant. All services or work carried out under this contract must be completed within the scope, time frames, and funding limitations specified in the contract.

An example contract is available on the TERP website at [www.terpgrants.org](http://www.terpgrants.org). For commercial mass transit or school transportation providers, additional contract terms will be included.

### **6.2 PAYMENT**

TCEQ will award grant funds to grantees through up-front payments. Grantees will be required to provide proof of purchase documentation to TCEQ once all project costs have been incurred and paid, grant-funded vehicles have been received, and the installation or procurement of refueling infrastructure has been completed.

The grantee must complete all activities by April 22, 2023, and submit the final proof of purchase documentation to the TCEQ no later than 45 days after this date.

For replacement activities, the grantee must also provide verification to the TCEQ that an existing vehicle of the same type has been destroyed. Vehicles being replaced, including the engine, must be destroyed within 90 days of receiving verification from the TCEQ that the proof of purchase documentation for the grant-funded vehicles has been approved.

Grantees can obtain the form for submitting proof of purchase on the TERP website [www.terpgrants.org](http://www.terpgrants.org) or by contacting TERP staff at [terp@tceq.texas.gov](mailto:terp@tceq.texas.gov) or (800) 919-TERP (8377).

### **6.3 DESIGNATED CONTRACT PERIOD**

The Contract Period will run from execution of the Contract until August 31, 2026. Grantees must operate the grant vehicles and refueling infrastructure, equipment, or refueling services for three years once TCEQ has verified and approved the proof of purchase documentation.

### **6.4 MONITORING & REPORTING**

- a) Grantees will be required to maintain the grant-funded vehicles and any refueling infrastructure or equipment in proper operating condition, and to obtain sufficient replacement insurance to repair or replace the vehicles and refueling infrastructure or equipment if they are damaged or destroyed during the Contract Period.
- b) Grantees must agree to notify the TCEQ of any termination of use, change in use, sale, transfer, or accidental or intentional destruction of grant-funded vehicles or refueling infrastructure or equipment during the Contract Period.
- c) Grantees will not be required to submit annual reports on the use of the grant-funded vehicles and equipment. However, the grantee must agree to provide information on the use of the vehicles upon request by the TCEQ. The grantee must also agree to provide the TCEQ and/or the State Auditor, or their representatives, access to the vehicles and refueling infrastructure or equipment, and access to records regarding use of the vehicles.
- d) Grantees will be required to return all, or a pro-rata share of the grant funds for failure to maintain and operate the vehicles for the duration of the Contract Period.

### **6.5 TAXES**

Grantees are responsible for complying with all U.S. Internal Revenue Service (IRD) laws and rules regarding the taxable status of grants.

### **6.6 GRANTEE EVALUATION**

TCEQ may prepare written evaluations of the performance of the grantee upon completion of the life of the project, or more frequently as deemed necessary by TCEQ.

# APPENDIX A: NONATTAINMENT AREAS & AFFECTED COUNTIES

## Nonattainment Areas and Affected Counties



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**Austin Area:**  
Bastrop  
Caldwell  
Hays  
Travis  
Williamson

**Beaumont-Port Arthur:**  
Hardin  
Jefferson  
Orange

**Corpus Christi Area:**  
Nueces  
San Patricio

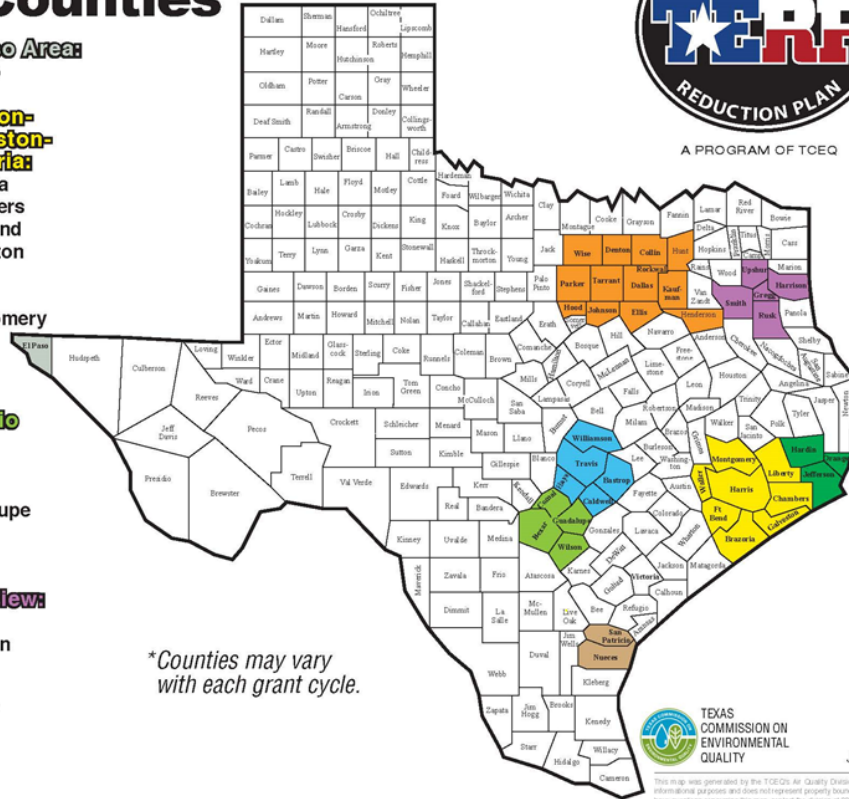
**Dallas-Fort Worth:**  
Collin  
Dallas  
Denton  
Ellis  
Henderson  
Hood  
Hunt  
Johnson  
Kaufman  
Parker  
Rockwall  
Tarrant  
Wise

**El Paso Area:**  
El Paso

**Houston-Galveston-Brazoria:**  
Brazoria  
Chambers  
Fort Bend  
Galveston  
Harris  
Liberty  
Montgomery  
Waller

**San Antonio Area:**  
Bexar  
Comal  
Guadalupe  
Wilson

**Tyler-Longview:**  
Gregg  
Harrison  
Rusk  
Smith  
Upshur



\*Counties may vary with each grant cycle.



July 2019

This map was generated by the TCEQ's Air Quality Division solely for informational purposes and does not represent property boundaries. If you have questions concerning this map, contact the Division at 800-975-7297.