

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

**TEXAS NATURAL GAS VEHICLE GRANT PROGRAM (TNGVGP)
Request for Proposals (RFP) for Participating Dealers
Fiscal Biennium (FY) 2016-2017**

Solicitation No. 582-16-60706

**September 1, 2015
Texas Commission on Environmental Quality
Air Quality Division
Implementation Grants Section (TNGVGP), MC- 204
P.O. Box 13087
Austin, Texas 78711-3087
512-239-4950**

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**TEXAS NATURAL GAS VEHICLE GRANT PROGRAM (TNGVGP)
Request for Proposals (RFP) for Participating Dealers
Fiscal Biennium 2016-2017**

1.0 INVITATION

The Texas Commission on Environmental Quality (TCEQ) invites proposals from entities interested in entering into an Agreement with the TCEQ as a Participating Dealer for the Texas Natural Gas Vehicle Grant Program (TNGVGP). A Participating Dealer is an entity that sells, leases, or otherwise commercially finances the sale or lease of on-road heavy-duty or medium-duty natural gas vehicles or heavy-duty or medium-duty natural gas engines. A Participating Dealer may also be an entity that repowers original vehicles with natural gas engines or conversion systems. All entities must demonstrate, at a minimum, the capability to submit grant applications for replacement and/or repower projects that result in a reduction in emissions of nitrogen oxides (NO_x) of at least 25% as compared to the original vehicle or engine. The TCEQ will make the final determination of eligibility under the TNGVGP.

Entities acting as Participating Dealers during the 2014-2015 fiscal biennium will be required to re-apply under this solicitation to participate in the TNGVGP in the 2016-2017 fiscal biennium.

1.1 PURPOSE

This RFP is to implement a portion of the TNGVGP as authorized under Texas Health and Safety Code (THSC), Chapter 394, to encourage an entity that owns and operates a heavy-duty or medium-duty motor vehicle to repower the vehicle with a natural gas engine or replace the vehicle with a natural gas vehicle. Only entities that are selected as Participating Dealers have an opportunity to submit TNGVGP grant applications on behalf of Grant Applicants for all TNGVGP grant solicitations occurring in the 2016-2017 fiscal biennium.

1.2 DEFINITIONS

Terms as they are defined in THSC, Chapter 394, apply to this RFP; additional relevant terms are included below.

Activity – The replacement or repower of a heavy-duty or medium-duty vehicle or engine to a natural gas vehicle or engine.

Agreement – The Participating Dealer Terms and Conditions.

Agreement Life – The period of time from the Effective Date of the Agreement through August 31, 2017, unless the Agreement is otherwise terminated in accordance with its terms.

Baseline vehicle or engine – A new diesel or gasoline vehicle or engine that is equivalent to the new natural gas vehicle or engine to be purchased, leased, commercially financed, or repowered with TNGVGP funding. The cost of the baseline vehicle or engine is used to calculate the incremental cost of the natural gas vehicle or engine.

Conversion system – Aftermarket systems that convert existing diesel or gasoline vehicle models to natural gas operation.

Dealer – The entity that is submitting a proposal for eligibility as a Participating Dealer under this RFP.

EPA – The U.S. Environmental Protection Agency.

Grant Applicant – The entity that is applying through a Participating Dealer for a TNGVGP grant.

Grant application – The set of forms and required attachments submitted by a Participating Dealer on behalf of a Grant Applicant applying for grant funds for the replacement or repower of heavy-duty and medium-duty vehicles or engines to natural gas vehicles and engines.

Grant solicitation – A request for grant applications for funding under the TNGVGP.

Grantee – A Grant Applicant that has received an award of a TNGVGP grant from TCEQ based upon a grant application submitted through Participating Dealer.

Heavy-duty motor vehicle – A motor vehicle with a gross vehicle weight rating of more than 8,500 pounds and an engine certified to the EPA standards for heavy-duty engines.

Incremental cost – The difference between the manufacturer's suggested retail price of a baseline vehicle, the documented dealer price of a baseline vehicle, cost to lease or otherwise commercially finance a baseline vehicle, cost to repower with a baseline engine, or other appropriate baseline cost established by the commission, and the actual cost of the natural gas vehicle purchase, lease, or other commercial financing, or repower.

Medium-duty motor vehicle – A motor vehicle with a gross vehicle weight rating of more than 8,500 pounds that is certified to the EPA light-duty emissions standard, or has an engine certified to the EPA light-duty emissions standard.

Natural gas engine – An engine that receives not less than 75% of its power from compressed or liquefied natural gas.

Natural gas vehicle – An on-road heavy-duty or medium-duty motor vehicle with a gross vehicle weight rating of more than 8,500 pounds powered by a natural gas engine.

Natural Gas Vehicle List – Natural Gas Vehicle List - the on-line listing of preapproved natural gas vehicles and engines compiled and maintained by the TCEQ that satisfies the requirements of THSC, §394.008(b)(1). **OEM** – Original Equipment Manufacturer or the entity named as the manufacturer on the EPA Certificate of Conformity for the vehicle, engine, or conversion system.

Original vehicle – The on-road heavy-duty or medium-duty motor vehicle that is either being replaced with a natural gas vehicle or repowered with a natural gas engine.

Project – The Activity or Activities comprising the application for which grant funding is requested to replace or repower vehicles or engines.

Project Life – The fourth anniversary of the date of reimbursement of the grant-funded expenses or until the date the vehicle has been in operation for 400,000 miles after the date of reimbursement of the grant-funded expenses.

Replacement – The replacement of an original vehicle with a new, natural gas vehicle, which results in a reduction in emissions of NO_x of at least 25% as compared to the engine of the original vehicle.

Repower – The replacement of an existing engine on an original vehicle with a new natural gas engine, or the installation of a conversion system, which results in a reduction in emissions of NO_x of at least 25% as compared to the engine of the original vehicle.

Request for Grant Applications (RFGA) – The solicitation document that outlines the requirements of grant applications.

1.3 ELIGIBLE DEALERS

Entities that sell, lease, or otherwise commercially finance the sale or lease of on-road heavy-duty or medium-duty natural gas vehicles or heavy-duty or medium-duty natural gas engines, or repower original vehicles with qualifying natural gas engines may submit proposals for Participating Dealer eligibility under the TNGVGP. Eligibility as a Participating Dealer is not guaranteed and the TCEQ will make the final determination.

1.3.1 Minimum Eligibility Requirements

1.3.1.1 The Participating Dealer must have the authority to conduct business in the state of Texas, maintain a physical presence within the state on a permanent basis, and maintain all permits and licenses necessary for performance under the Agreement.

1.3.1.2 The Participating Dealer must have all legal authority from OEMs to offer the natural gas vehicles, engines, conversion systems, and fuel systems proposed for sale, lease, and/or the commercial financing of sales or leases.

1.3.1.3 The Participating Dealer must be the primary entity that will sell or lease the grant equipment, perform the repower activities, or provide the commercial financing for these activities.

1.3.1.4 A Participating Dealer must be willing to accept the assignment of payment of the grant reimbursement by the grantee, if the assignment request by the grantee is approved by the TCEQ. The assignment of payment may only be made to the entity to which the grantee is obligated to pay the reimbursement funds, which in most cases will be the Participating Dealer. However, in the case of a finance lease where the lease transaction is between the grantee and a commercial finance entity that holds the security interest in the vehicle, the grantee's obligation to pay should be with the finance lease entity. If the Participating Dealer is the vehicle dealer and not the finance lease entity, the TCEQ may consider a request to assign the reimbursement payment to the finance lease entity. The TCEQ will not split reimbursement payments among multiple entities. Specific requirements regarding the assignment of payment process will be included in the grant solicitation, contract, and request for reimbursement documents.

1.3.2 Entity Type

Under the TNGVGP, retail vehicle dealers, leasing companies, commercial finance entities, and engine repower companies may apply to be approved as a Participating Dealer. Applicants must demonstrate in the proposal how they qualify as the entity type category selected in Section 3 of the proposal forms. Applicants must also meet the minimum expectations for the entity type for which they apply.

All entities, regardless of type, must accept the same responsibilities and duties under the Participating Dealer Agreement. Applicants should fully describe how they will successfully meet the requirements and perform the required duties.

1.3.2.1 Retail Vehicle Dealer

Entities offering qualifying vehicles for sale to grant recipients should establish in the proposal that they meet all legal requirements for selling the qualifying vehicle in Texas and that they are qualified to successfully oversee the grant application process for a project to purchase a qualifying vehicle.

1.3.2.2 Leasing Company

In the case of leases, the leasing entity that will hold the title to the vehicle should normally apply as the Participating Dealer. Vehicle dealerships offering vehicles for lease through a separate company should consider having the leasing entity apply as a Participating Dealer if that entity holds title for vehicles leased through the dealership. However, in the case of true finance leases, where the lease is considered a financing instrument rather than an operating lease and is issued by a commercial finance entity, the TCEQ may accept the retail vehicle dealer as the Participating Dealer for purposes of submitting the grant application, even though the finance entity will issue the lease to the grantee.

1.3.2.3 Commercial Finance Entity

It is not anticipated that an entity that strictly provides financing, including finance leases, would apply to become a Participating Dealer. However, if such an entity wishes to apply, they must show how they will be able to fulfill all obligations of a Participating Dealer, including but not limited to grant application submission, records retention, and arranging for inspection and disposition of the original vehicles.

1.3.2.4 Engine Repower Company

Entities submitting proposals under this RFP to repower original vehicles with qualifying natural gas engines should establish in Section 3 of the Participating Dealer Proposal Forms that they are qualified to successfully oversee the grant application process for those types of projects. Entities submitting proposals for repower services should understand that a change in fuel alone, from diesel or gasoline to natural gas, may not be an eligible project and these entities may not qualify as Participating Dealers.

If the engine being installed was originally a gasoline or diesel engine that has been converted to operate on natural gas, the Participating Dealer must be able to provide a copy of the EPA Certificate of Conformity for the original engine and the EPA Certificate of Conformity or EPA approval documentation for the conversion system showing the vehicle or engine family name/code for the conversion system.

Note that the certification test results or other test information for a conversion system is not the determining factor in compliance with the emissions criteria. Unless the converted engine is certified by EPA as a new engine, the emission standard or family emissions limit (FEL) to which the original vehicle or engine was certified will be the applicable standard for compliance with the emissions criteria under this program.

TCEQ Many of the conversion systems for gasoline-powered engines may be certified to operate independently on either gasoline or natural gas. However, as explained earlier in the definition of a “natural gas engine,” vehicles and engines must be certified and configured to operate only on natural gas for at least 75% of its power.

1.3.3 TERPonline Application System

Participating Dealers must use the TERPonline application system to submit TNGVGP grant applications and required documentation on behalf of grant applicants. Prior to the opening of the grant solicitation, each Participating Dealer will be assigned one TERPonline account, which will be used for application submission and to check on the status of applications submitted by that dealer. The TCEQ must activate the account and issue a personal identification number (PIN) before a Participating Dealer is able to make any submissions. More details about the TERPonline system will be provided at the mandatory Participating Dealer training sessions.

1.4 ELIGIBLE PROJECTS

The TCEQ will review each proposal submitted under this RFP to determine whether the entity is able to offer eligible natural gas vehicles and/or engines for sale, lease, or the commercial financing of a sale or lease, and/or able to offer repower services. A dealer should provide the necessary details in the Participating Dealer Proposal Forms that confirm its ability to submit eligible grant applications on behalf of Grant Applicants for replacement or repower projects. The TCEQ will only consider proposals from entities that meet the minimum conditions for general project eligibility.

General project eligibility requirements for the program are outlined below. Additional eligibility requirements apply.

1.4.1 Eligible Vehicles for Replacement Projects

An eligible vehicle:

- is a newly manufactured, on-road vehicle with a gross vehicle weight rating (GVWR) of more than 8,500 pounds (lbs);
- is powered by a natural gas engine;
- is chassis-certified by the EPA to light-duty vehicle emission standards, Bin 5 or lower; alternatively chassis-certified by the EPA to heavy-duty vehicle emission standards; or is powered by an engine certified by the EPA to a heavy-duty engine NO_x emission standard of 0.2 grams per brake horsepower-hour (g/bhp-hr); and
- results in a reduction in emissions of NO_x of at least 25% as compared to the engine of the original vehicle.

1.4.2 Eligible Heavy-Duty Engines for Repower Projects

An eligible heavy-duty engine:

- is a new natural gas engine;
- is certified to emit not more than 0.2 g/bhp-hr of NO_x; and
- results in a reduction in emissions of NO_x of at least 25% as compared to the engine of the original vehicle.

1.4.3 Eligible Conversion Systems for Repower Projects

An eligible conversion system:

- is certified by the EPA to be installed on an on-road heavy-duty or medium-duty vehicle with a GVWR of at least 8,501 pounds (lbs);
- converts a gasoline or diesel-powered engine to a natural gas engine;
- is installed on an on-road heavy-duty or medium-duty vehicle that is chassis-certified by the EPA to light-duty vehicle emission standards, Bin 5 or lower, or is alternatively chassis-certified by the EPA to heavy-duty vehicle emission standards; and
- results in a reduction in emissions of NO_x of at least 25% as compared to the unconverted engine.

1.4.4 Preliminary List of Eligible Counties for Replacement and Repower Projects

This list is subject to change, as determined by the TCEQ. The updated list of eligible counties will be included in the guidance documents for the next grant solicitation.

As a condition of receiving a grant, a grantee must continuously own, lease, or commercially finance and register and operate the grant-funded vehicle in Texas for the Project Life. Grant recipients must also agree to operate the grant-funded vehicle for a required percentage of annual mileage in one or more of the counties identified as eligible counties for the TNGVGP.

For most projects, the grantee must commit to operating the vehicle at least 75% of the annual mileage in one or more of the eligible counties listed in the grant solicitation.

However, in accordance with statutory requirements, separate percentage-of-use requirements will apply to grant-funded vehicles primarily involved in the transportation of raw agricultural products. In general, the TCEQ expects to establish lower percentage-of-use requirements for these types of projects, and may include operation in counties adjacent to the eligible counties in the requirements. The grant amounts for these types of projects may be reduced from the standard grant amounts, based on the projected net emissions reductions in the eligible counties.

The preliminary list of eligible counties is provided below. The TCEQ may further limit the counties in the grant solicitation.

1.4.4.1 Preliminary List of Eligible Counties for TNGVGP Grant Solicitation

Austin	Bastrop	Bell	Bexar	Brazoria
Brazos	Burleson	Caldwell	Chambers	Collin
Colorado	Comal	Dallas	Denton	El Paso
Ellis	Falls	Fayette	Fort Bend	Freestone
Galveston	Gonzales	Gregg	Grimes	Guadalupe
Hardin	Harris	Harrison	Hays	Henderson
Hill	Hood	Hunt	Jefferson	Johnson
Kaufman	Lee	Leon	Liberty	Limestone
Madison	McLennan	Milam	Montgomery	Navarro
Nueces	Orange	Parker	Robertson	Rockwall
Rusk	San Patricio	Smith	Tarrant	Travis
Upshur	Victoria	Walker	Waller	Washington
Williamson	Wilson	Wise		

In Section 3 of the Participating Dealer Proposal Forms, a dealer must demonstrate the capability to submit grant applications for projects that meet each of the conditions for the project type for which it intends to submit grant applications. Dealers that thoroughly explain and support any claims made in their proposal will increase their chances of selection.

1.5 AGREEMENT ACTIVITIES

Responsibilities of a Participating Dealer are listed in the Participating Dealer Terms and Conditions, a copy of which is available along with the proposal documents at www.terpgrants.org or by contacting the TCEQ at (800) 919-TERP (8377).

The TCEQ will assess each dealer's eligibility based on the information provided in the Participating Dealer Proposal Forms, including the demonstrated capability to meet the requirements and Agreement Activities assigned to Participating Dealers through the Agreement. If selected as a Participating Dealer under the TNGVGP, the Participating Dealer must continue to meet obligations for the time period specified in the Agreement. If selected, any breach or inability on the part of the Participating Dealer to fulfill the Agreement Activities and all other duties agreed to in the Agreement may result in termination of the Agreement, a low score on the contractor evaluation, which would affect a dealer's ability to qualify as a Participating Dealer in any future solicitations, and/or possible monetary damages for poor performance that results in an improper grant award.

1.6 ADDITIONAL REQUIREMENTS

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

- a. Dealers that maintain multiple dealerships or locations must submit separate proposals for each location or dealership that intends to participate in the TNGVGP.
- b. If submitting a proposal as an individual or sole proprietor, a photocopy of a state or federally issued photo identification card (e.g., driver's license) must be included in the proposal.
- c. All proposals must be completed according to the proposal instructions and submitted within the required deadline. The complete requirements and instructions are included in this RFP and the Participating Dealer Proposal Forms.
- d. All services or work carried out under the Agreement awarded as a result of this RFP must be completed within the scope, time frames, and other limitations specified in the Agreement.

1.7 PERFORMANCE EVALUATION

The TCEQ will prepare written evaluations of the performance of Participating Dealers upon completion of the Agreement Life or more frequently, as deemed necessary by the TCEQ. These evaluations may impact a dealer's eligibility in any future RFP for Participating Dealers. Agreements will not be renewed automatically and entities may be required to re-submit a new proposal each biennium for eligibility determination as Participating Dealers.

Please review Article 8 (Standards for Performing Party's Performance) of the Participating Dealer Terms and Conditions for more details.

1.8 SELECTION

- a. The TCEQ reserves the right to award multiple agreements, no agreements, or limit the number of agreements awarded based on the priorities and objectives of the TNGVGP. Selection is not guaranteed and the TCEQ will make the final eligibility determination.
- b. Participating Dealers must receive an executed, original version of the Agreement, satisfy Article 4.7 of the Participating Dealer Terms and Conditions, have an active TERPonline account, and be issued a PIN by the TCEQ before submitting grant applications on behalf of Grant Applicants under the TNGVGP.

1.9 INSTRUCTIONS FOR PROPOSAL SUBMISSION

Dealers must complete and submit the following documents in order to be considered for eligibility as a Participating Dealer under the TNGVGP 2016-2017 Fiscal Biennium:

- Participating Dealer Terms and Conditions
- Participating Dealer Proposal Forms, with original signatures, including any attachments

1.9.1 General Instructions

Sign the signature page and Section 2 of the Participating Dealer Proposal Forms. Attach the Participating Dealer Terms and Conditions along with the completed Participating Dealer Proposal Forms and any supporting documentation or responses that could not fit into the space provided in the forms. Proposals must be typed and should be signed in BLUE ink. Proposals should not be put into binders or stapled. Please rubber band or paperclip proposals. All forms must be legible and unaltered.

Participating Dealer Proposal Forms that are altered will not be accepted.

Proposals may be mailed to the TCEQ at the address in Section 2.0, Item b, of this RFP, or hand delivered to the TCEQ at the reception desk, Rm. 1301, 1st floor of Building F no later than 5:00 p.m., Central Time, on May X, 2017. 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.

The TCEQ expects to hold dealer training in Fall 2015. Dealers are strongly encouraged to submit proposals to the TCEQ as soon as possible so that they will be able to participate in the Fall training.

Each of the sections for the Participating Dealer Proposal Forms is on an individual Excel worksheet within a Workbook. Use the tabs located at the bottom of the worksheet to access each form. In order to print all the pages located in the workbook, please follow these directions:

(1) Click on "File" (2) Click on "Print" (3) Under the "Print What" section, select "Entire Workbook"

1.9.2 Confidentiality Notice

Do not submit any confidential / proprietary information anywhere in the Participating Dealer Proposal Forms. You agree that you waive any claim of confidentiality you may have in any information you submit in any part of the Participating Dealer Proposal Forms even if you have marked it confidential.

1.9.3 Public Information Notices

If you have questions on how to fill out this form or about the TNGVGP, please contact us at 1-512-239-4950 or (800) 919-TERP (8377).

Upon submission, all proposals become the property of the State of Texas and as such become subject to the Texas Open Records Act, Texas Government Code, Chapter 552.

Personal Information Policy: Individuals are entitled to request and review any personal information the agency gathers about the individual on its forms. They may also have any errors in their information corrected. To review such information for the TNGVGP, contact TNGVGP staff at 1-512-239-4950 or (800) 919-TERP (8377).

1.9.4 Participating Dealer Proposal Forms – Section 4

The TCEQ will use Sections 3 and 4 of the Participating Dealer Proposal Forms to determine eligibility for entities submitting proposals under the RFP for Participating Dealers. Please provide written responses to all of the items in this section, describing how the requirements will be met. Proposals with no response to one or more items may be deemed non-responsive and ineligible for consideration under this RFP.

For Section 4, Items 1 through 6 of the Participating Dealer Proposal Forms, please describe how the Agreement Activities (listed below) will be met or satisfied. It is not acceptable to simply agree to and restate the required activity. Please describe the business process to be used for each activity. You may also reference past experience with each activity.

1. Directing potential grant applicants to the TNGVGP grant solicitation materials

Participating Dealers will provide information about TNGVGP grants to potential Grant Applicants using materials created by the TCEQ.

2. Completing and submitting grant applications on behalf of Grant Applicants to the TNGVGP grant solicitation

Participating Dealers must use the grant application submission process as determined by TCEQ and presented at the training workshops described in Article 4.7 of the Participating Dealer Terms and Conditions. Required documentation must be submitted at the time of application.

3. Receiving and reviewing documentation provided by the Grant Applicant for the vehicle being replaced or repowered, and determining whether eligibility requirements have been met

Participating Dealers will certify to the TCEQ that a project is eligible for funding according to the eligibility requirements established in the TNGVGP Request for Grant Applications and as presented at the training workshops. Participating Dealers must follow the procedures and use the forms required by the TCEQ for eligibility review.

4. Arranging for inspection of the original vehicle and confirming that it is in operating condition

Participating Dealers must arrange for inspection of the original vehicle by a certified mechanic that meets TCEQ requirements. In accordance with criteria established by the TCEQ, the certified mechanic must confirm that the vehicle is in operating condition and has at least two years of remaining useful life.

5. Arranging the destruction of the original vehicle

Participating Dealers must arrange for the destruction of the original vehicle and assist the Grant Applicant to submit the required disposition certification forms to the TCEQ.

6. Maintaining and safeguarding project documentation

Participating Dealers must maintain any documentation pertaining to Grant Applicants and grant applications for the time period specified in the Agreement. This documentation may be subject to the Public Information Act, Texas Government Code Chapter 552, and should be safeguarded in accordance with the Terms and Conditions of the Agreement. Participating Dealers must agree to audits of records by State Auditor's Office, TCEQ, or any successor agency to the TCEQ.

2.0 PROPOSAL SUBMISSION PROCESS

- a. **Required Forms.** Participating Dealer Proposal Forms and all other forms required to be submitted for eligibility consideration under this RFP may be viewed and downloaded from the TERP website at <www.terpgrants.org>. Copies of the forms may also be obtained by calling the TERP toll free number at (800) 919-TERP (8377).
- b. **Proposal Submission.** To submit a proposal for eligibility as a Participating Dealer, dealers must complete, sign, and submit the Participating Dealer Proposal Forms and Participating Dealer Terms and Conditions. Two original copies of the completed and signed forms should be submitted to:

Regular Mail:

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

Express Mail:

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

- c. **Deadline for Proposal Submission.** Proposals will be accepted and considered until 5:00pm Central Time on April 28, 2017. There is no limit on the number of agreements that TCEQ may issue for Participating Dealers, however, TCEQ is under no obligation to select a minimum amount of proposals. The TCEQ may suspend acceptance and/or processing of proposals at any time during the proposal acceptance period with no obligation to continue processing an otherwise eligible proposal received within the deadline.

The TCEQ expects to hold dealer training in Fall 2015, shortly after the dealer solicitation period opens. Dealers are required to participate in TCEQ-delivered training.
- d. **Additional Program Information.** To request additional information, individuals should contact TERP staff at **1-800-919-TERP (8377)**.
- e. **Public Information.** Upon submission, all proposals become the property of the State of Texas and as such become subject to the Texas Public Information Act, Texas Government Code Chapter 552.

3.0 SELECTION CRITERIA

- a. **First-Come-First-Served.** Proposals will be date and time stamped as they are received in Room 1301, First Floor, Building F by the TERP program staff. The date and time a proposal 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 proposals will be returned to the dealer. Corrected or changed proposals 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.

- b. **Additional Criteria.** Regardless of the date and time that an otherwise eligible proposal is received, TCEQ may consider the additional criteria explained below when selecting proposals for eligibility.
1. The TCEQ may base eligibility decisions on other factors associated with best achieving the goals of the program.
 2. The TCEQ may make selection for eligibility contingent upon agreement by the dealer to additional conditions or changes to the Participating Dealer's Agreement Activities and other program elements.
 3. The TCEQ is not obligated to select a proposal from a dealer 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 not contract with a Dealer.
 4. The TCEQ is not obligated to select a proposal from a dealer based on a determination of the risks associated with the dealer and/or dealer's operations as may be determined by TCEQ. The TCEQ may also include additional controls in an Agreement to address the risks that may be involved with selecting a dealer considered to be high risk.
 5. The TCEQ is not obligated to select a proposal from a dealer that is under federal, state, or local enforcement action for violation of environmental laws or permit conditions.
 6. The TCEQ is not obligated to select a proposal from a dealer with an overall compliance history classification of *Poor* (45.01 or greater) on the TCEQ's Compliance History Database, for dealers that are subject to the rating.

4.0 PROPOSAL PROCESSING AND CONTRACTING

- a. **Proposal Review.** The TCEQ will review proposals in the order received. Incomplete or ineligible proposals will be returned to the dealer. TERP staff may contact dealers to address any part of the proposal that may be unclear or perceived as a risk. Properly completed proposals will be reviewed by TERP staff and recommended for approval by the authorized TCEQ official.
- b. **Contracting.** In signing the signature page of the Participating Dealer Forms, the dealer is agreeing to the conditions of the Agreement, as well as the conditions and requirements of this RFP and all applicable laws and regulations.

If the proposal is approved, an original, signed and executed Agreement will be returned to Participating Dealer.

- c. **Agreement Term.** The Agreement will terminate on August 31, 2017.