

**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) 2022**

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

Solicitation No. 582-22-31834-CB



A PROGRAM OF TCEQ

February 7, 2022

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

Applications will be accepted for consideration during this grant period on a first-come, first-served basis on the premises of TCEQ or via electronic mail to TERPapply@tceq.texas.gov no later than 5:00 p.m. Central Time on October 20, 2022. The award of a TCSB grant is dependent upon the availability of funding, and TCEQ may suspend the acceptance of applications prior to this closing date. Any changes to this solicitation will be made through an addendum in the Electronic State Business Daily (ESBD).

There will be no pre-proposal conference.

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**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) 2022**

1.0 INVITATION

The Texas Commission on Environmental Quality (TCEQ) invites applications from public school districts, open-enrollment charter schools, and transportation systems provided by a county-wide school district 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_x), volatile organic compounds, air toxins, 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 (TCSB) Program, as authorized under Texas Health and Safety Code Chapter 390. TCEQ adopted rules to implement this program under 30 Texas Administrative Code (TAC), Chapter 114, Subchapter K, Division 4. Further authority is contained in Texas Water Code, Chapter 5, Subchapter D, Section 5.124 (authority to award grants) and the Texas Water Code, Section 5.229, pertaining to TCEQ's general authority to enter contracts.

1.2 TERP OBJECTIVES

The objectives of the TERP are to:

- achieve maximum reductions in NO_x to demonstrate compliance with the state implementation plan;
- implement new technology and monitoring of that technology to reduce 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_x emissions and other emissions from facilities and stationary sources.

2.0 ELIGIBLE APPLICANTS

Any Texas school district or open-enrollment charter school that operates one or more diesel-fueled school buses or a transportation system provided by a countywide school district may apply for and receive a grant under this program. A “school district” must be authorized and created pursuant to Chapter 11 of the Texas Education Code. A “charter school” must be a school authorized and created by Chapter 12 of the Texas Education Code. Private schools are not considered school districts for the purposes of this grant. A “private school” is any school that offers instruction for one or more grades from prekindergarten through grade 12 and is not operated by a governmental entity.

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 grantee after the date of issuance of this RFGA. To be eligible for funding, the cost of a replacement or retrofit project may not have been incurred and paid prior to the opening date of the grant round.

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 owned by a private leasing company, but are otherwise eligible for a TCSB grant, must have: 1) the school district in which the buses are leased and operated be the applicant; and 2) the private leasing company certify 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. Many retrofit systems are manufactured for application with only specific engines. Eligible retrofit systems are:

- 1) **Closed crankcase filtration systems (CCFS)** that are shown to reduce crankcase PM emissions are effective at reducing the PM emissions most likely to enter the bus interior. CCFS may be funded independently or in conjunction with another eligible retrofit system.
- 2) **Diesel particulate filters (DPF)** are for diesel-fueled school buses built from **1994 to 1998**. A DPF must be verified by the EPA or the California Air Resources Board (CARB). 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**; and
 - 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 grantee may be eligible for reimbursement of up to 100% of the cost to purchase and install the retrofit device and associated equipment. Eligible budget categories include Equipment, Supplies and Materials, and Contractual Costs as defined below:

- a) *Equipment* is defined as non-construction related, tangible personal property having a unit acquisition cost of \$5,000 or more (including sales tax and delivery, protective in-transit insurance, and freight charges) with an estimated useful life of over one year. Equipment purchased with grant funds should be budgeted as Equipment if the sum of the separate component parts (including tax and delivery) has an original value of \$5,000 or more. 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 category. An itemized invoice and proof of payment will be required for reimbursement of all equipment costs. Equipment costs that do not involve an arms-length transaction (e.g. use of inventory without a proof of purchase) are not reimbursable.
- b) *Supplies and Materials* are defined as non-construction related costs for goods and materials having a unit acquisition cost (including sales tax and delivery) of less than \$5,000. Basic items such as telephones, tools (wrenches, screwdrivers, etc.), and office supplies are considered to be a cost of doing business and will not be funded. An itemized invoice and

proof of payment will be required for reimbursement of all supplies and materials costs. Food and drinks are not reimbursable expenses.

- c) *Contractual expenses* are defined as non-construction related costs for professional services or tasks provided by a firm or individual who is not employed by the applicant. Each subcontractor/consultant should be listed separately.

Activity Life and Leases

The applicant must agree to an operational commitment period (i.e., Activity Life) of five years from the date the reimbursement is issued. For any retrofit activity where the grant-funded equipment will be used under a lease, the period of the lease agreement must extend for at least the five-year Activity Life.

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 model year or the year before the current 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 and have been listed as the owner on the title for a minimum of two years immediately preceding the application signature date.
- Unless the vocational type of the school bus is exempt from inspection and registration requirements, the school bus must currently be registered and have been continuously registered for operation in Texas for the two years immediately preceding the application signature date.
- Applicants must submit documentation with the application to show compliance with the ownership or lease and registration requirements, including a copy of the school bus title or lease agreement.
- The school bus must be currently, and for the two years immediately preceding the application signature date, operating on a **regular daily route to and from a school during the regular school year.**
- A replacement school bus must be of the similar type as the school bus being replaced. For this grant round, school bus types are

defined by the chassis configuration and the gross vehicle weight rating, among other relevant features (see Appendix B: School Bus Types and Appendix C: Maximum Grant Amount Table).

Eligible Costs and Grant Amounts

The grantee may be eligible for reimbursement of up to 80% of the eligible incremental costs associated with the purchase of the replacement school bus, not to exceed the maximum grant amount established by 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. TCEQ has established a default scrap value of \$1,000.

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. Applicants replacing a school bus must refer to Maximum Grant Amount Table No. 1 to determine the eligible grant amount.

Eligible costs include the invoice cost of the new school bus, including taxes, duty, protective in-transit insurance, and freight charges.

Activity Life and Leases

The applicant must agree to an operational commitment period (Activity Life) of five years. Replacement equipment is not eligible for a grant under this program if it is used under a lease or lease-purchase agreement.

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 or retrofit 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 applicant may not receive funding for the same project under multiple TERP grant programs.
- Applicants must list in the application all other financial incentives and tax credits received and/or expected to be received for the replacement 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.

- 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. 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, then this restriction does not apply. 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 Texas Health and Safety Code Section 386.055; 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 with the application forms.
- Under Section 231.006 of the 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.

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 grantee. A cost may not be considered incurred until the grant-funded goods and services paid for have been received and accepted by the grantee.

5.1 REQUEST FOR REIMBURSEMENT

Grantees may submit a request for reimbursement when all project costs have been incurred and the grant-funded retrofit equipment is installed and operational, or the school buses are received. All final requests for reimbursement must be received by TCEQ no later than the Request for Reimbursement Deadline indicated on the Signature Page of the contract.

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 or by calling the toll-free TERP number at (800) 919-TERP (8377). Before reimbursement is provided by TCEQ, grantees must complete the forms and provide documentation to show:

1. that equipment or services have been received, and
2. the expenses have been incurred and paid by the grantee.

The reimbursement amount may not be more than the Total Contract Amount Not to Exceed on the signed contract, and may be adjusted based on final, approved costs.

5.2 ASSIGNMENT OF PAYMENT

Subject to approval of TCEQ, if the grantee has paid TCSB-eligible expenses that are equal to, or greater than, the reimbursement amount with cash-on hand (non-borrowed funds), the reimbursement may be paid directly to the grantee. If the purchase of the grant equipment is financed, the reimbursement may be assigned to the company that provided the financing. Supporting documentation must be submitted to establish that the vehicle(s) or equipment were

received, and that the reimbursement amount is owed to the company that provided the financing.

5.3 OTHER FUNDING SOURCES OR COMPENSATION

Grantees must report any compensation received from the scrap value of the school bus being replaced. This includes any money or any in-kind value, item, or service received in exchange for the scrapped vehicle. TCEQ has established a default scrap value of \$1,000 that may be used in lieu of the grantee reporting the actual amount received. Any scrap value reported must be reasonable and as the result of arms-length bargaining with the entity taking the old school bus.

5.4 INELIGIBLE COSTS

Administrative costs and other internal costs to the grantee, including personnel expenses, internal salaries, indirect costs, and travel will not be eligible for reimbursement. This restriction also applies to situations where the grantee 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 administration of 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.

6.0 DISPOSITION OF SCHOOL BUSES BEING REPLACED

This section applies to school bus replacement projects only.

The grantee must complete the disposition process within ninety days from the date reimbursement is issued. 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 TCEQ, a grant applicant must agree to dispose of a school bus and engine replaced under this program by complete destruction or otherwise rendering them permanently inoperable. This is achieved by either crushing the bus and engine, or cutting a 3-inch or larger hole in the engine block on both sides and cutting both frame rails in half.

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 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 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 TCEQ as part of the review of the application.

If the alternative destruction method is not approved, the grant applicant must follow the standard destruction methods to complete the disposition of the school bus and 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 must be submitted to TCEQ, and receive approval either through amendment to the grant contract or by other official means, as determined by TCEQ.

6.3 PERMANENT REMOVAL FROM NORTH AMERICA

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 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 TCEQ in the contract. The Activity Life start date begins on the date TCEQ accepts verification of the permanent destruction or permanent removal of the school bus being replaced.

Usage reports on the use of the grant-funded school buses will be required throughout the life of each activity, using forms provided by TCEQ. These forms will be required annually, or more frequently as determined by TCEQ.

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

8.0 FUNDING

TCEQ will determine an estimated amount to be awarded under this grant application period and may provide information on this amount to potential applicants. The total amount to be awarded under this grant program will depend upon the amount of revenue received into the TERP fund. TCEQ will not be obligated to fund projects up to these amounts and may adjust or exceed these amounts without an addendum to this RFGA or other notice.

TCEQ may offer to fund less than the dollar amount requested in an application. TCEQ may make funding contingent upon additional conditions or changes to the project pertaining to equipment, logistical considerations, expenses, and other program elements.

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

9.0 APPLICATION PROCESS

9.1 REQUIRED FORMS

Application forms 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 1-800-919-TERP (8377) or emailing TERP@tceq.texas.gov.

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. The completed and signed forms should be submitted via electronic mail to TERPapply@tceq.texas.gov or by mail to one of the addresses below:

Regular Mail:

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

Express Mail:

Texas Commission on Environmental Quality
Air Grants Division
TCSB, MC-204
12100 Park 35 Circle, Bldg. F

Austin, TX 78753

9.3 DEADLINE FOR SUBMISSION

Fully complete, accurate, and eligible applications will be accepted and considered on a first-come, first-served basis during this grant period. 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 by the deadline. Unless the acceptance of applications is suspended by TCEQ prior to the application deadline, applications must be received on the premises of TCEQ or via email to TERPapply@tceq.texas.gov no later than 5:00 p.m., Central Time, October 20, 2022.

9.4 USE OF CONSULTANTS

Private consultants may be available to assist an applicant in completing and submitting an application. Consultants do not represent TCEQ, and TCEQ neither encourages nor discourages the use of a consultant to assist with the application process. 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 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.

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 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 TCEQ under the reasonableness requirements of the contract. Please contact 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

Additional information may be obtained by contacting TERP staff at 1-800-919-TERP (8377) or terp@tceq.texas.gov.

9.6 PUBLIC INFORMATION

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.

Personal Information Policy. Individuals are entitled to request and review their personal information the agency gathers on its forms. They may also have any errors in their information corrected. To review such information, contact TERP staff at 1-800-919-TERP (8377) or terp@tceq.texas.gov.

10.0 SELECTION CRITERIA

10.1 FIRST-COME, FIRST-SERVED

Applications will be date stamped as they are received by TERP staff. Subject to the additional criteria in this section, properly completed applications for eligible projects will be processed for approval on a first-come, first-served basis. TCEQ will work with applicants, to the extent possible, to correct problems with applications and to obtain all necessary information and documentation to consider the application complete. However, the amount of time available for this will be limited, and TCEQ is not obligated to wait for all missing information to be submitted or for corrections to be completed before making grant selections. Incomplete or corrected applications will be considered based on the date and time at which the corrected or completed versions are received by TERP staff. Properly completed applications for eligible projects 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, TCEQ may consider the additional criteria explained below when selecting applications for grant funding:

- TCEQ may base funding decisions on other factors associated with best achieving the goals of the program. 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.
- 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. Not

meeting contractual commitments or having an outstanding invoice from TCEQ will be used as a basis to lower or otherwise change the priority and ranking of an application.

- TCEQ is not obligated to fund a project 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 TCEQ. TCEQ may also include additional controls in a contract to address the risks that may be involved with providing a grant to an applicant considered to be high risk.
- 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.
- 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, for applicants that are subject to the rating.

11.0 CONTRACTING

Entities selected to receive grant funding will be required to enter into a contract with 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 draft contract terms is available on the TERP website, www.terpgrants.org. TCEQ reserves the right to make any necessary changes to the posted contract terms.

11.1 GRANT AWARD AND CONTRACT

Successful applicants will be notified by phone, email, 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 sign a contract with TCEQ if they wish to proceed with the grant. Upon signature and execution of the contract by TCEQ, a copy of the signed contract will be returned to the applicant, at which time the grant will be considered awarded and executed.

11.2 REIMBURSEMENT

The grantee may submit a request for reimbursement after the expenses are both incurred and paid, and the equipment has been received, which must be prior to the Request for Reimburesement Deadline, as specified in the contract.

11.3 GRANTEE EVALUATION

TCEQ may prepare a written evaluation of the performance of the grantee upon completion of the Activity Life, or more frequently, as deemed necessary by TCEQ.

12.0 CONSIDERATION OF APPLICATION IN FUTURE GRANT ROUNDS

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 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.

APPENDIX A: ALTERNATIVE DISPOSITION REQUEST PROCEDURES FOR REPLACEMENT PROJECTS

1.0 PURPOSE

Unless otherwise approved by TCEQ, school buses replaced under the 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

TCEQ will consider proposals for the permanent removal of school bus(es) from North America in lieu of destruction. Permanent removal will only be approved for export of the school bus(es) 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) must be submitted in writing to 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 or electronic 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;
 - Vehicle Identification Number (VIN);
 - 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 applicant will transfer ownership, and any additional details explaining what will happen to the school bus(es) and engine. The applicant must also include drafted contractual language to be included in any transfer agreement stating that the transferee is prohibited from operating the school bus(es) in

North America and that if this term is breached, the transferee will pay an amount sufficient to cover any return of funds required by the TERP program.

- If multiple school buses are included on a single grant application, only one request is necessary. 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 emailed to terp@tceq.texas.gov or sent by mail to one of the address below:

Regular Mail:

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

Express Mail:

Texas Commission on Environmental Quality
Air Grants Division
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4.0 REVIEW AND APPROVAL PROCEDURES

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

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

- TCEQ will attempt to notify grant applicants of 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 phone, electronic mail, letter, or a combination of one or more methods. Grant applicants must include the request and plan 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 Special Terms and Conditions of the Contract.

APPENDIX B: SCHOOL BUS TYPES

For school bus replacement activities under this grant program, maximum grant amounts are based upon 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 TCEQ for assistance in determining whether the activity may be eligible for consideration under this grant program.

TYPE A: 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 may not exceed 19,500 Gross Vehicle Weight Rating (GVWR). The entrance door is behind the front wheels. No single rear wheel vehicles will be allowed.

TYPE B: A school bus 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.).

TYPE C: 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; 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. 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** 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 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 80% 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

Engine Year of Old School Bus and Ignition Type¹ of New School Bus

| | <2003 | <2003 | <2003 | 2004-2006 | 2004-2006 | 2004-2006 |
|-----------------|----------|-----------|-----------|-----------|-----------|-----------|
| School Bus Type | CI | SI | Zero | CI | SI | Zero |
| Type A | | \$88,000 | \$200,000 | | \$55,000 | \$125,000 |
| Type B | \$84,349 | \$87,200 | | \$52,718 | \$54,500 | |
| Type C | \$73,800 | \$106,400 | \$280,000 | \$46,125 | \$66,500 | \$175,000 |
| Type D | \$94,799 | \$129,000 | \$320,000 | \$59,250 | \$80,625 | \$200,000 |

¹ Ignition Types are as follows: CI = Compression-Ignition (e.g., Diesel), SI = Spark-Ignition (e.g., LPG, CNG, Gasoline), Zero = zero emission vehicles (e.g., electric, hydrogen).

Note: For applicants proposing to replace a school bus with another Type, please use the guidance below:

- Applicants proposing to replace a Type B School Bus with a Type C School Bus should use the Type C table amounts and proposed fuel type for the new bus.
- Applicants proposing to replace a Type C School Bus with a Type D School Bus should use the Type C table amounts and proposed fuel type for the new bus.
- Applicants proposing to replace a Type D School Bus with a Type C School Bus should use the Type D table amounts and proposed fuel type for the new bus.