

Request for Grant Applications (RFGA)

Texas Clean School Bus Program (TCSB)

Texas Commission on Environmental Quality (TCEQ)

Texas Emissions Reduction Plan (TERP)

Solicitation No. 582-26-85003-CB

Este documento es la Solicitud de Aplicaciones de Subvenciones para el Programa de Autobuses Escolares Limpios de Texas [(TCSB) por sus siglas en inglés]. La información en este documento lo ayudará a determinar si califica para una subvención. Comuníquese al 800-919-TERP (8377) para obtener ayuda con esta información.



Important Dates	Date
Program Opening Date	October 29, 2025
Application Submission Deadline	May 22, 2026
Request for Reimbursement Deadline	April 30, 2028

Contact Information

TCEQ

Air Grants Division

TCSB, MC-204

P.O. Box 13087

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800-919-TERP (8377)

terpgrants.org

Applications will be accepted for consideration during this grant period only if received by TCEQ **no later than 5:00 p.m. Central Time on the application submission deadline listed on the cover page of this RFGA as long as funds are available.** Refer to Section 4.0 for detailed instructions for submitting an application.

The award of a TCSB grant is dependent in part upon the availability of funding. Any changes to this solicitation will be made through an addendum in the Electronic State Business Daily (ESBD), as well as posted on TERP's [TCSB webpage](#).

There will not be a pre-proposal conference.

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1.0 Purpose

The Texas Commission on Environmental Quality (TCEQ) invites applications from public school districts, open-enrollment charter schools, and transportation systems provided by a countywide 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.

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.

2.0 Program Requirements

All applicants and activities must meet the eligibility requirements listed in this section at the time of application submittal to be considered for a grant. TCEQ may waive the registration requirements of this section upon a finding of good cause. Applicants must submit waiver requests with the application to be considered. Refer to Appendix C for instructions on completing and submitting a waiver request.

2.1 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.

2.2 Eligible Project Categories

2.2.1 Replacement Projects

This category is for the replacement of a model year 2006 or older diesel-fueled school bus. A school bus proposed for purchase to replace a model year 2006 or older school bus must be of the current model year or the year before the current model year at the time the application is submitted.

The standards that apply to replacement projects are listed below:

- a) The applicant must own the school bus being replaced at the time of application and must have continuously owned and operated the school bus for a minimum of two years immediately preceding the application signature date. The applicant must provide the copy of title showing ownership for the prior two years.
- b) The school bus being replaced 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 certify to the registration requirement and provide a copy of the most recent registration for the school bus.
- c) The school bus being replaced must be in good, operating condition and currently operating on a regular, daily route to and from a school during the regular school year.
- d) The new school bus must be of the same or similar type as the school bus being replaced. For allowable exceptions to this requirement, refer to Appendix B. For this grant round, school bus types are defined by the chassis configuration and the gross vehicle weight rating (GVWR), among other relevant features (see Appendix A: School Bus Types and Appendix B: Maximum Grant Amount Table).

2.2.2 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 currently 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 types of diesel-fueled school buses are eligible for retrofit.

School buses that are otherwise eligible for a grant but are owned by a private leasing company may qualify if the school district leasing and operating the buses is the applicant, the leasing company certifies its willingness to be a party to the resulting contract, and the lease agreement for the bus either extends for at least the five-year Activity Life or includes a binding commitment to purchase at the end of the lease term. Special terms and conditions relevant to such an arrangement will be negotiated prior to the signature of the contract. (See also, Section 7: Leasing Company Certification in the Retrofit Project Application.)

Many retrofit systems are manufactured for application with only specific engines. Applicants are responsible for researching and confirming that the proposed retrofit system is compatible with the intended bus. Eligible retrofit systems are:

- a) **Closed crankcase filtration systems (CCFS).** For this program, CCFS must be able to reduce crankcase PM emissions and reduce the PM emissions that are most likely to enter the interior of the bus. CCFS may be funded independently or in conjunction with another eligible retrofit system.
- b) **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.
- c) **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:
 - 1. Buses manufactured **before 1994**; and
 - 2. 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 emissions reductions.

2.3 Operation of Grant Equipment (New School Bus)

An applicant selected for funding will be contractually required to operate the grant equipment on a regular daily route to and from a school during the school year for a five-year period called the "activity life." The activity life will start on the date TCEQ approves disposition for replacement projects or on the date of reimbursement for retrofit projects and end on the fifth anniversary of the activity life start date.

2.4 Marketable Emissions Reductions Credits

A project 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:

- a) 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
- b) the reductions are permanently retired.

3.0 Available Funding, Grant Amounts, and Costs

3.1 Available Funding

- a) 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.
- b) 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.
- c) To assist applicants in determining whether sufficient funds will be available to cover their application, TCEQ may post updates on the [TCSB program webpage](#) 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).

3.2 Replacement Activity Eligible Costs and Grant Amounts

Amounts available for replacing a school bus are listed in the Maximum Grant Amount Table included in Appendix B of this RFGA. The Maximum Grant Amount Table is available to view and download from the [TCSB program webpage](#).

- a) Grantees will receive the lesser amount of either:
 - The grant amount shown in the Maximum Grant Amount Table; or
 - 80% of the incremental cost.
 - 1) The incremental cost is the eligible costs associated with the purchase of the replacement school bus minus the scrap value of the school bus being replaced.
 - 2) Eligible costs include the invoice cost of the new school bus, including taxes, duty, protective in-transit insurance, cooperative fees, and freight charges.
 - 3) TCEQ has established a default scrap value of \$1,000.

3.3 Retrofit Activity 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 \$10,000 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 \$10,000 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 the 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 \$10,000. 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.
- 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.

3.4 Ineligible Costs

- a) Any costs paid prior to the opening date of the grant round.
- b) 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.
- c) 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.
- d) Food and drinks.

3.5 Deduct Incentives from Eligible Grant Amounts

The maximum eligible grant amount will be reduced by the value of any existing financial incentives that directly reduce the cost of the proposed project. This includes:

- a) Tax credits or deductions;
- b) Other grants; or
- c) Any other public financial assistance.

4.0 Grant Application and Administration

4.1 Application Forms

- a) The replacement project application can be found at the TERP Online Single-Use Non-CROMERR Submission System (SUNSS). The SUNSS application link as well as the online application instructions are available on the [TCSB program webpage](#).
- b) The retrofit project application and this RFGA may be downloaded from the [TCSB program webpage](#). Copies may also be obtained by calling the TERP toll free number at 800-919-TERP (8377).
- c) All applications for funding must be submitted within the application submission period listed on the cover page of the RFGA. If an application is found to be incomplete, TCEQ will notify the applicant in writing and provide details about what is missing from the application. Applicants will be provided a deadline to submit the missing information to TCEQ. Failing to provide the missing information by the deadline may result in the application being considered ineligible. A complete application must include:
 - 1) All pages of the application (retrofit projects);
 - 2) All required attachments;
 - 3) Applicant's contact information;
 - 4) All required signatures; and
 - 5) All the information necessary for TCEQ to review the eligibility of the project and subsequently award grant funds.
- d) Applicants are limited to applying for a maximum of ten (10) replacement or retrofit activities per application.
- e) TCEQ reserves the right to limit the amount awarded to a single applicant. For the purposes of this limitation, applicant includes an individual or business and all of its associated legal affiliates. At the sole discretion of TCEQ this may include reducing the requested grant amount of one or more applications from an applicant.
- f) Make sure to use the application that matches your project type. Applications must only contain one project type. Multiple project types must be separated into multiple applications.

4.2 Application Process

- a) Applications will be accepted for consideration during this grant period only if received by TCEQ no later than 5:00 p.m. Central Time on the application submission deadline listed on the cover page of this RFGA, as long as funds are available.
- b) Applications must be submitted using the method applicable to your project type, as detailed below.

Replacement Project Applications: Submit via the TERP Online Single-Use Non-CROMERR Submission System (SUNSS). The SUNSS application link as well as the online application instructions are available on the [TCSB program website](#).

Retrofit Project Applications: See TCSB Program Website. Please visit the [TCSB program website](#) for application submission instructions for retrofit projects. It is preferable that the application and its attachments be submitted as a single PDF, but it is not required. If the attachments for an application are submitted as separate files, each attachment must be grouped by activity and clearly labeled with the activity number at the top of each page.

- c) **Consultants & Third-Party Preparers.** Applicants may enlist private consultants to assist with completing and submitting an application. TCEQ neither encourages nor discourages

the use of a consultant to assist with the application process. Consultants do not represent TCEQ, and TCEQ has no agreements where applications submitted by a particular consultant will receive more favorable treatment than other applications. As noted under the requirements of Section 3.4, 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.

The applicant must indicate in the application if the application was prepared by a third party (someone other than the applicant or an employee of an applicant). If a third party prepares the application, the third party must also sign the application and certify that the information provided in the application is true and correct and as represented to the third party by the applicant. A third party's failure to sign the application or signing it with a false statement may make the application ineligible, may make any resulting contracts voidable, and may subject the third-party preparer to criminal or civil penalties.

- d) **Application Certifications.** By signing the application, the applicant is certifying its understanding and compliance with the statements in the application, including the Program Certifications. If any of these certifications materially change after submittal of the application, you will provide prompt notification to TCEQ within three (3) business days of becoming aware of the change. Failure to notify TCEQ and/or any changes to your certifications may make the application ineligible and may make any resulting contracts voidable.
- e) **Sample Contract.** A Portable Document Format (PDF) version of the draft contract may be viewed and downloaded from the [TCSB program website](#). This draft contract is for reference only and contains terms and conditions that are standard provisions for grants awarded under this program. Any requested changes to a draft contract must be submitted to TCEQ in writing at the time the application is submitted. However, by signing and submitting the application, the applicant understands that TCEQ will not normally change the contract language in response to individual requests from grant recipients and is under no obligation to do so. Requesting to negotiate contract terms may also result in a delay in receiving an award and may result in TCEQ rescinding an award if the parties are not able to come to a mutual agreement. TCEQ reserves the right to modify the draft contract terms as necessary due to statutory, rule, or policy changes. Modifications will be posted to the [TCSB program website](#) and the ESBD.
- f) Upon submission, all proposals become the property of the State of Texas and as such become subject to public disclosure under the Texas Public Information Act (PIA), Texas Government Code, Chapter 552.
- g) 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 800-919-TERP (8377) or TERP@tceq.texas.gov.

4.3 Acceptance and Approval

Replacement project applications will be automatically date-stamped as they are received electronically via SUNSS. Retrofit project applications will be date stamped as they are received by TERP program staff. Applications with eligible projects will be processed for approval and awarded on a first-come, first-served basis until all available funding is exhausted.

4.4 Additional Considerations

Regardless of the date and time that an otherwise eligible application is received, TCEQ may consider the following factors when reviewing applications for grant funding:

- a) TCEQ is not obligated to fund any project for any reason or may offer to fund less than the eligible grant amounts for any reason.

- b) TCEQ is not obligated to fund projects from applicants:
 - 1) With an outstanding invoice from TCEQ or who are not in compliance with existing or prior TERP grants;
 - 2) Where the proposed projects are required by any state or federal law, rule, or regulation, memorandum of agreement, or other legally binding contract;
 - 3) Under federal, state, or local enforcement action for violation of environmental laws or permit conditions; or
 - 4) With an overall compliance history classification of Unsatisfactory (greater than 55.00) on TCEQ's Compliance History Database for applicants that are subject to the rating.
- c) TCEQ may also:
 - 1) Require additional conditions or changes to the project pertaining to equipment, logistical considerations, expenses, and other program elements;
 - 2) Make a determination of risks associated with the applicant and/or project and may include additional conditions to the contract to address identified risks;
 - 3) Hold applications to be funded at a later date.
- d) If an applicant is applying for the same project under this RFGA and an RFGA under a separate TERP or Texas Volkswagen Environmental Mitigation Plan (TxVEMP) grant program, funding will only be awarded under the first program that awards a grant for the submitted project.
- e) Applicants must cooperate with TCEQ, the State of Texas, the State Auditor's Office, and any of their authorized representatives to allow access to all vehicles and equipment being replaced and all grant-funded vehicles, equipment, and refueling infrastructure for the purpose of on-site inspections and/or audit. Failure to respond to or cooperate with any authorized review, inspection, or audit of the grant activities will result in the application being determined ineligible and make any resulting contracts voidable.

4.5 Grant Award and Contracting

Applicants selected to receive grant funding will be required to sign a contract with TCEQ. The approved activities outlined in the application will be represented in the contract's Scope of Work. Grant recipients commit to taking all actions necessary to ensure the successful completion and subsequent operation of the new vehicle (referred to in the contract as Grant Equipment) within the contract's time frames and funding limitations.

Successful applicants will be notified of their selection and the amount of grant funds that may be awarded. Upon the applicant's signature and final 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.

4.6 Reimbursement of Expenses

- a) Eligible expenses must have been paid on or after October 29, 2025, to be considered for funding.
- b) Payments will be made on a reimbursement basis for eligible costs paid in full by the grantee minus the scrappage value and any other financial incentives, as referenced in Sections 3.2 through 3.5.
- c) Grantees will be required to provide documentation in accordance with the contract to show that the grant equipment has been received and costs have been paid in full before reimbursement will be provided by TCEQ unless otherwise approved.

- d) All costs must be paid in full by the grantee; grant equipment must be received, retrofit equipment installed, and operational; and final requests for reimbursement submitted to TCEQ by the request for reimbursement deadline listed in the contract. Grantees experiencing project delays may submit a written extension request to TCEQ via electronic mail at terp_revise@tceq.texas.gov. Unless otherwise approved by TCEQ, an extension request must be submitted no later than 60 days prior to the request for reimbursement deadline. TCEQ's decision to grant or deny an extension request will be provided in writing to the grantee and will depend on factors including the availability of grant funds.
- e) If the grantee finances the grant equipment, the reimbursement will be assigned to the company that provided the financing. To be paid directly, the grantee must show that the grantee paid eligible expenses that are equal to, or greater than, the reimbursement amount with cash-on-hand (non-borrowed funds).
- f) Grant-funded equipment may not be acquired under a lease or lease-purchase agreement.
- g) TCEQ may advance funds to grantees who are governmental entities on a case-by-case basis. These grantees must agree to any special terms or conditions that may be required by TCEQ. If TCEQ advances funds to the grantee, TCEQ will reconcile the advanced funds with the actual documented, eligible, final project costs to ensure the grantee only received sufficient funds to reimburse those costs.

4.7 Disposition (Replacement Projects Only)

- a) The grantee must agree to dispose of the equipment and engines being replaced (old bus or buses) by complete destruction or otherwise rendering the equipment permanently inoperable or permanently removing the equipment and engines from operation in Texas.
- b) **Standard Disposition.** Standard disposition requires making a 3-inch or larger diameter hole on both sides of the engine block and cutting both frame rails **or** by completely crushing the equipment, including the engine. The structural damage to the equipment must be such that repairs are not possible.
- c) **Alternative Disposition.** TCEQ may consider alternative methods of rendering the equipment and engines permanently inoperable in lieu of the standard method of disposition. See the Alternative Disposition section of the application.

The applicant must provide a detailed explanation of the alternative method of disposition, in writing to TCEQ. If approved, TCEQ will include the alternative disposition method in the Special Terms and Conditions of the contract. If TCEQ does not approve the alternative method, the grantee must follow the Standard Disposition requirements as outlined above.
- d) The grantee is responsible for completing the disposition of the equipment and engines being replaced and submitting disposition documentation to TCEQ within 90 days of the reimbursement payment being issued by TCEQ.
- e) It is a material breach of the contract if the grantee fails to complete disposition and submit completed disposition documentation to TCEQ within the 90 day timeframe. TCEQ will take action to enforce the terms of its contract and may require the return of grant funds.
- f) The destruction of the equipment and engines being replaced must be documented on TCEQ's disposition form. The disposition form and the required supporting documentation must be submitted within 90 days of the reimbursement payment being issued by TCEQ. Supporting documentation includes:
 - 1) A Texas Nonrepairable Vehicle Title issued by the Texas Department of Motor Vehicles for the equipment being destroyed.

- 2) Before and after photographs of the equipment being destroyed or rendered inoperable.
- g) TCEQ must approve the forms and supporting documentation submitted by the grantee to meet the disposition requirement. Such approval is at the sole discretion of TCEQ. The grantee shall provide TCEQ with any clarification and additional documentation as requested by TCEQ to approve disposition.
- h) The grantee must maintain records of the disposition, including copies of forms, documentation, and photos submitted to TCEQ. The grantee is responsible for maintaining access to the disposed equipment and engine, keeping records regarding who completed the disposition, the dates the disposition was completed, and any chain-of-custody tracking the disposed equipment from the grantee to the final disposition site until disposition has been approved by TCEQ.
- i) **Permanent Removal.** TCEQ may consider proposals for the permanent removal of the equipment and engines being replaced in lieu of the standard method of disposition or an alternative method. Permanent removal will only be approved for the export of equipment and engines to a destination outside of the United States, Canada, and the United Mexican States. See the Permanent Removal section of the application.

The applicant must provide a detailed plan of the export and transfer of ownership, in writing to the TCEQ. The plan must include:

- 1) A detailed explanation of the transfer of ownership of the equipment and engines being replaced, including any available information about the final destination of the export;
- 2) The receiving entity's identity and contact information;
- 3) The method by which the applicant will transfer ownership, and any additional details explaining what will happen to the equipment and engines; and
- 4) Drafted contractual language to be included in any transfer agreement stating that the transferee is prohibited from operating the equipment and engines in the United States, Canada, and the United Mexican States, 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 a request is approved, the conditions of the plan for the permanent removal will be included in the Special Conditions of the contract. If TCEQ does not approve the plan for the permanent removal, the grantee must follow the Standard Disposition requirements as outlined above in Section 4.7 c).

4.8 Annual Usage and Reporting

The grantee must agree to operate and monitor the use of the grant equipment for the duration of the five-year activity life.

- a) The time period used to determine the emissions reductions for each activity is referred to as the activity life. The activity life will start on the date TCEQ approves disposition (or the date of reimbursement for retrofit projects) for an activity and will end on the fifth anniversary of the activity life start date. TCEQ will notify the grantee in writing upon the end of the activity life.
- b) For the duration of the activity life, a grantee must:
 - 1) own (all projects) or lease (retrofit projects only) the grant equipment;
 - 2) register and operate the grant equipment on a regular daily route to and from school during the regular school year;

- 3) maintain records regarding the operation of the grant equipment, documents, amendments, and other reasonable information pertinent to the grant equipment, and maintain these records for four (4) years after the termination of the contract;
 - 4) maintain the grant equipment and make any necessary repairs to keep it in proper operating condition;
 - 5) obtain sufficient commercial insurance for each piece of grant equipment to protect against loss, damage, or liability (proof of self-insurance will be sufficient for governmental entities);
 - 6) provide notice to TCEQ and request approval for any changes to the use or ownership of the grant equipment, and return any funds as required by contract for circumstances including, but not limited to:
 - the termination of use,
 - the change in use,
 - the intentional destruction of grant-funded vehicles, or
 - the sale of grant-funded vehicles. Any sale of the grant-funded vehicle during the contract period will be subject to written approval and consent to assignment by TCEQ in accordance with the contract terms; and
 - 7) provide written notice to TCEQ via email at TERP-Monitoring@tceq.texas.gov within ten (10) calendar days of the occurrence of loss, theft, or irreparable damage of the grant funded equipment. The grantee will replace the lost, stolen, or damaged grant with similar equipment that achieves the same performance or better. The grantee must replace the grant equipment no later than ninety (90) consecutive days from the occurrence of loss, theft, or damage, unless TCEQ expressly agrees to a longer period.
- c) During the activity life, grantees will submit annual usage reports provided by TCEQ. The usage reports are used to ensure compliance with the annual operation requirements identified in the contract Scope of Work and to identify any issues preventing performance.
- d) Failure to meet the requirements of Section 4.8, or other contract terms regarding disposition and ownership, may invoke the contract's remedies, including termination of the contract and the return of all or a prorated share of the grant funds. The prorated share of grant funds to be returned will be based on the percentage of the Annual Usage requirement fulfilled by the grantee over the Activity Life. This percentage is calculated by dividing the number of years in which the Annual Operation commitment was met by the total number of years in the Activity Life.

4.9 Performance Evaluation

TCEQ may prepare written performance evaluations for grantees upon the completion of the Activity Life, or as needed. Evaluations may be based upon the grantee's compliance with contract terms and providing timely, complete and accurate requests for reimbursement, disposition, and annual usage documentation. A grantee's past performance evaluation may be considered when applying for future TCEQ grant programs. A rating of marginal or unsatisfactory performance may be used as a basis to lower or otherwise change the priority and ranking of a future application. Any misuse of the grant funds will be reported as unsatisfactory performance, and the grantee and any involved party will be barred from receiving any other grants. Grantees and any involved party may also be subject to criminal or civil penalties.

Appendix A: 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.

- a) **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 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.
- b) **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 10,000 lbs.
- c) **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 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."
- d) **Type D:** A body installed upon a chassis, with the engine mounted in the front, mid-bus, or rear with a GVWR of more than 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 B: Maximum Grant Amount Tables

Determining your Maximum Grant Amount

The Maximum Grant Amount Tables for replacement projects are included below and are also available to view and download from the [TCSB program website](#). Funding amounts for retrofit projects are determined based upon eligible costs and are not included in the following maximum grant amount tables (see Section 3.3 of this RFGA for eligible costs for retrofit projects).

Use Appendix A: School Bus Types to identify the type of school bus you are applying to replace. Select the Maximum Grant Amount Table that corresponds to this school bus type. Regardless of the Maximum Grant Amount in the table, reimbursement is limited to no more than 80% of the incremental cost of the replacement school bus.

School Bus Type A

Model Year of Old Bus	Fuel Type of New Bus	Maximum Grant Amount
2003 or older	Diesel	N/A
2003 or older	LNG, LPG, CNG, Gasoline	\$104,720
2003 or older	Electric	\$238,000
2004 to 2006	Diesel	N/A
2004 to 2006	LNG, LPG, CNG, Gasoline	\$65,450
2004 to 2006	Electric	\$148,750

School Bus Type B

Model Year of Old Bus	Fuel Type of New Bus	Maximum Grant Amount
2003 or older	Diesel	\$101,620
2003 or older	LNG, LPG, CNG, Gasoline	\$103,768
2003 or older	Electric	N/A
2004 to 2006	Diesel	\$62,734
2004 to 2006	LNG, LPG, CNG, Gasoline	\$64,855
2004 to 2006	Electric	N/A

School Bus Type C

Model Year of Old Bus	Fuel Type of New Bus	Maximum Grant Amount
2003 or older	Diesel	\$106,721
2003 or older	LNG, LPG, CNG, Gasoline	\$126,616
2003 or older	Electric	\$333,200
2004 to 2006	Diesel	\$63,366
2004 to 2006	LNG, LPG, CNG, Gasoline	\$79,135
2004 to 2006	Electric	\$208,250

School Bus Type D

Model Year of Old Bus	Fuel Type of New Bus	Maximum Grant Amount
2003 or older	Diesel	\$116,676
2003 or older	LNG, LPG, CNG, Gasoline	\$153,510
2003 or older	Electric	\$380,800
2004 to 2006	Diesel	\$70,508
2004 to 2006	LNG, LPG, CNG, Gasoline	\$95,944
2004 to 2006	Electric	\$238,000

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

- a) 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.
- b) 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.
- c) 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.
- d) No other exceptions will be considered.

Appendix C: Waiver Requests

This appendix explains what TCEQ will consider when reviewing a waiver request under Section 2.0, and what an applicant must submit to request a waiver of the registration requirements.

Appx. C-1. Good Cause Waiver of Registration Requirements

Section 2.2.1.b) requires 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. TCEQ may consider a request to waive this requirement based on TCEQ's finding of good cause, which may include short lapses in registration due to maintenance or other circumstances. The burden is on the applicant to demonstrate why there is good cause to grant the waiver request.

Appx. C-2. Submitting a Waiver Request

Waiver requests must be submitted with the application for which it is intended. See Section 4.2 of this RFGA for application submission instructions.

Appx. C-3. TCEQ's Consideration of Waivers

All waiver requests will be considered by TCEQ on a case-by-case basis, with no assurance that a waiver will be granted.

Appx. C-4. Approval of Waiver Requests

If a grant is awarded and a waiver request is approved, the conditions under which the waiver was granted may be included in the grant contract. By signing the contract, the applicant attests to the validity of the conditions under which the waiver was granted.