

**Kern County
Air Pollution Control District**

**Lower-Emission School Bus Program
Retrofit Component
Heavy-Duty Engine Incentive Program**

Guidelines

Section 1 - Introduction

LOWER-EMISSION SCHOOL BUS PROGRAM RETROFIT COMPONENT

The San Joaquin Valley Air Pollution Control District (SJVAPCD) is partnering with the Kern County Air Pollution Control District (KCAPCD) to administer the Lower-Emission School Bus Program (LESBP). The SJVAPCD is currently accepting applications for projects to reduce emissions from school buses, according to the terms and conditions described in these guidelines.

The purpose of the LESBP Retrofit Component of the Heavy-Duty Engine Incentive Program (Heavy-Duty Engine Program) is to assist the KCAPCD in attaining federal and state air quality standards by encouraging the use of verified diesel emission control devices. The widespread use of these technologies can provide significant improvements to air quality in Kern County.

KCAPCD is providing incentives to eligible school districts and transportation contractors interested in the purchase of eligible retrofit devices for school buses. KCAPCD will provide funding for the following:

- **The purchase and installation of ARB-verified, Level 3 retrofit technologies for eligible school buses.**

These guidelines describe the LESBP Retrofit Component of the Heavy-Duty Engine Program. The contents of this document are subject to modification. Any significant program modifications will be posted on the SJVAPCD'S website at <http://www.valleyair.org/>. Applicants are responsible for complying with all information contained in this document and proposals must adhere to all requirements.

For additional information, assistance or to receive application materials, please contact:

**San Joaquin Valley Air Pollution Control District
Emission Reduction Incentive Program
1990 E. Gettysburg Ave.
Fresno, CA 93726-0244
(559) 230-5800
www.valleyair.org**

Section 2 - Background

The California Air Resources Board (ARB) designated PM from diesel-fueled engines and vehicles as a toxic air contaminant in 1998. School buses expose children riding the school buses and the public to harmful emissions. The program was created to reduce school children's exposure to cancer-causing and smog-forming pollution. By reducing exhaust emissions from old diesel school buses, the risk to our most sensitive groups (children and elderly) will be greatly reduced. The SJVAPCD has over seven (7) years of experience in administering successful school bus retrofit programs.

Section 3 - Eligible Projects

Any California public school district that directly provides transportation services, Joint Power Authority (JPA) that owns school buses, or private transportation agency that provides student transportation services under contract to public school districts are eligible to participate in this program.

The criteria for eligible retrofit projects are as follows:

- The existing vehicle must be a 1987 or newer model year, in-use, diesel-fueled school bus
- School bus must have current California Highway Patrol (CHP) safety certification (CHP form 292) and have been certified since December 2005
- The retrofit must be:
 - ARB-verified, Level 3 retrofit device
 - Warranted by retrofit manufacturer and/or authorized dealer
- School bus must be a Type I or Type II
- The emission reductions must not be required by any local, state, or federal rule, regulation, memorandum of understanding, memorandum of agreement, or used to comply with any such rule or regulation

NOTE: The level 3 retrofit technology must be available and approved by ARB for this program prior to submission of the application to the SJVAPCD. To view the most current list of eligible PM retrofit kits, please visit: <http://www.arb.ca.gov/diesel/verdev/verdev.htm>.

PROJECT AWARDS

Projects are awarded through a non-competitive selection process. Project awards will be issued on a first-come, first-served basis for eligible applicants until funds are depleted. School buses selected for retrofit will receive funding for up to \$20,000 (which includes the purchase and installation of the device as well as data logging up to \$300 and filter maintenance up to \$2,500 of the funding amount) for the cost of the retrofit device. Funding is issued as a reimbursement upon submittal of a properly verified claim for payment that demonstrates that the retrofit purchase and installation is complete.

Note: Credits for emission reductions from a project or program funded by the LESBP Retrofit Component are not transferable and may not be used by the applicant as emission

offsets. The KCAPCD or ARB will use the credits to meet emission reductions mandated by the California Clean Air Act (CCAA) and the Federal Clean Air Act (FCAA) amendments of 1990.

Section 4 – Program Application Process

The application and program participation process is as follows:

1. Application is submitted to the SJVAPCD.
2. The application is reviewed by SJVAPCD staff for completeness within five (5) working days of receipt of the application. If the application is incomplete, the applicant will be notified of how the application is inadequate. If the information is not received within fourteen (14) calendar days, the application is rendered null and void, and re-submittal is required.
3. Complete applications will be reviewed to determine that program criteria and requirements have been met.
4. Applicant will be notified of application approval, denial, or placement on the waiting list due to current unavailability of funds within sixty (60) working days of receipt. Upon approval of the application, the SJVAPCD will prepare a contract for signature by the applicant and the SJVAPCD. The contract process may take several weeks to complete.
5. Funds will be awarded on a first-come, first-serve basis to all applications that meet the criteria and requirements, while program funds are available.
6. Applicant orders and places the retrofit technology into service within one (1) year of contract execution date.
7. Applicant submits invoice, receipts, and SJVAPCD Claim for Payment form. The SJVAPCD will review the information for compliance with all contract requirements.
8. Payment will be issued upon verification (KCAPCD staff site visit) that the retrofit device is installed and operating.
9. Applicant submits simple annual reports. KCAPCD and the SJVAPCD maintain the right to monitor the project periodically.

Section 5 – Program Requirements

Successful project applicants must enter into a contract with the SJVAPCD setting forth specific performance criteria to ensure compliance with statute and audit requirements. The contract will require the applicant to perform adequate record keeping allowing the KCAPCD to take credit for the emission reductions resulting from the project. It will also include reporting requirements by the applicant. Contract preparation will begin immediately upon SJVAPCD approval of a project. The following elements are set forth as program requirements:

- The school district/vehicle shall be based within the geographic area of the KCAPCD. (See map in Section 8)
- The school district shall ensure that seventy-five percent (75%) or more of the vehicle miles traveled or fuel consumption will be within the boundaries of the KCAPCD for at least five (5) years from the date the vehicle is placed into service with the new reduced-emission technology.
- The school district shall submit annual reports for five (5) years from the beginning of vehicle operation with the retrofit technology. The reports shall include such information as vehicle miles traveled, fuel consumed, and details regarding maintenance.
- The incentive amount will cover the purchase and installation of the ARB-verified, Level 3 retrofit. Within the \$20,000 funding cap, the SJVAPCD will allocate up to \$2,500 to pay for filter maintenance and up to \$300 for data logging.
- The school district shall submit a copy of ARB's Executive Order for the Level 3 retrofit device.
- The school district shall submit a copy of the CHP Inspection Approval Certificate (CHP form 292) for each school bus to be retrofitted.
- The school district shall submit an original Internal Revenue Service (IRS) Request for Taxpayer Identification Number and Certification Form W-9 (Form W-9).
 - The information entered into Section A of the application must be identical to the information on Form W-9, as this information will be used to generate all binding documents and be used to report incentive funding to the IRS.
 - A copy of the IRS Form W-9 can be downloaded at www.irs.gov or by calling 1-800-829-3676.
- The school district agrees that if the vehicle does not complete the minimum five (5) year term set forth in this program, a pro-rated portion of the funds must be returned to the SJVAPCD.
- The school district agrees that any emission reductions associated with this program will be claimed and retired by the KCAPCD in the interest of air quality improvement for the residents of Kern County. The school district shall waive, for all time, the right to claim emission reduction credits which may accrue at any time as a result of this program, and agrees not to apply to the KCAPCD or any other agency for such credits.
- The school district shall submit evidence of applicable insurance coverage prior to reimbursement by the SJVAPCD.
- The school district shall contact the CHP for a safety inspection of the school bus retrofit installation before the vehicle is returned to service and submit a copy of a complete CHP form 343 – Safety Compliance Report/Terminal Record Update, or a copy of a completed CHP form 343A – Vehicle/Equipment Inspection Report Motor Carrier Safety Operations.

- The school district shall have a fuel management process in place to prevent mis-fueling of the funded school buses (i.e., using conventional diesel fuel that could affect PM filter performance).
- The school district shall submit a Resolution from the school district governing board (or a duly authorized official with authority to make financial decisions) authorizing the submittal of the application and identifying the individual authorized to implement the school bus replacement project.
- The school district agrees that criteria and requirements may be reviewed, as new information becomes available, and can be revised at the discretion of the SJVAPCD's Executive Director/Air Pollution Control Officer as needed.

CONTRACT EXTENSIONS

The SJVAPCD Executive Director/Air Pollution Control Officer has discretion in approving contract amendments. However, contract extensions will not be granted unless the school district can prove difficulties in procurement of retrofit or infrastructure due to factors out of their control.

Section 6 – Claims for Payment

A Project Guidance document will be sent with the executed contract outlining reimbursement procedures. Prior to receiving any grant funds, the grantee must provide the SJVAPCD with the following claim documents for verification:

1. **Claim for Payment form.** This document is included in the Guidance Document that will be mailed upon successful contract execution. Please sign and date this form in blue ink. The signing authority must be the person authorized in the contract as the person who can act on all fiscal matters on behalf of the funded agency or entity.
2. **Invoices.** Include copies of all final invoices or receipts related to the purchase. The SJVAPCD may require additional proof of payment (purchase orders, cancelled checks) upon request.
3. **Proof of Insurance.** Include verification of all insurance requirements identified in the contract. If self-insured, a letter from a risk manager will be acceptable.
4. **CHP form 343 or CHP form 343A.** Include a copy of a completed CHP form 343 – Safety Compliance Report/Terminal Record Update, OR a copy of a completed CHP form 343A – Vehicle/Equipment Inspection Report Motor Carrier Safety Operations.

NOTE: The KCAPCD's LESBP is not a rebate program. Applicants must obtain approval and have a signed, executed contract from the SJVAPCD prior to purchase and installation of the retrofit kit. Any retrofit kit purchased and installed prior to contract execution is ineligible.

Section 7 - Audit Procedures

Any entity that receives LESBP retrofit funds may be subject to an audit of each project funded. Upon the completion of an audit, the SJVAPCD will make the audit available to the public and to the applicant upon request. The SJVAPCD will review the audit to determine if the funds were used for the reduction of air pollution from motor vehicles pursuant to the CCAA.

In addition to the aforementioned audit, contract monitoring may be performed by SJVAPCD staff on a regular basis. The SJVAPCD and KCAPCD shall at any time during regular business hours, and as often as the SJVAPCD and KCAPCD may deem necessary, examine all records and data with respect to the matters contained in the contractual agreement. The applicant will be required to permit the SJVAPCD and KCAPCD access to such records and data to ensure the applicant's compliance with the terms of said agreement.

If the SJVAPCD or KCAPCD determines that the funds were expended in a manner contrary to law or not in accordance with contract provisions, the SJVAPCD or KCAPCD will notify the contractor of the determination, and within forty-five (45) days, the Governing Board may hold a public hearing at which time the contractor may present information related to the expenditure of funds. After the hearing, if the SJVAPCD or KCAPCD determines that the contractor has expended the funds in a manner that is contrary to law or not in accordance with contract provisions, the SJVAPCD or KCAPCD shall withhold funds from the contractor in an amount equal to the amount that was inappropriately expended. In addition to all other available remedies, the SJVAPCD or KCAPCD may, at its discretion, also seek repayment of funds misappropriated, spent for non-eligible activities, or otherwise inappropriately expended.

Section 8 – Map of the KCAPCD

