



**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS**  
**DEPARTMENT OF ENVIRONMENTAL MANAGEMENT**  
235 Promenade Street  
Providence, Rhode Island 02908

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## **2018 State Clean Diesel (Diesel Emission Reductions Act)**

### **Announcement of Request for Proposals (RFP)**

October 15, 2018

All proposals due by close of business on November 12, 2018

Submit proposals to: Rhode Island Department of Environmental Management  
Office of Air Resources, 2<sup>nd</sup> Floor  
c/o Catherine Menke  
235 Promenade Street  
Providence, RI 02908

For questions email: [Catherine.Menke@dem.ri.gov](mailto:Catherine.Menke@dem.ri.gov)

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The Rhode Island Department of Environmental Management (the Department) is pleased to announce the availability of grants for projects that achieve significant reductions in diesel emissions in terms of tons of pollutions produced and exposure, particularly from fleets operating in areas designated by the Environmental Protection Agency (EPA) as poor air quality areas.

### **1. Purpose of Available Grants**

The Clean Diesel Program provides support for projects that protect human health and improve air quality by reducing harmful emissions from diesel engines. This program includes grants funded under the Diesel Emissions Reduction Act (DERA).

### **2. Applicant Eligibility**

Applicants eligible to apply for the above listed grants include, but are not limited to independent owner operators (IOOs), fleet operators, local businesses, municipalities, and others that meet the program requirements.

Equipment eligible for grant funding shall meet the following requirements:

- On Road Diesel Vehicle
  - Buses, medium duty trucks, and heavy-duty trucks (Class 5 through Class 8)
  - Be registered with the Rhode Island Division of Motor Vehicles;

- Be kept or garaged in Rhode Island as indicated on the vehicle registration issued by the Division of Motor Vehicles; and
  - The applicant shall certify to the Department on the application that fifty percent (50%) or more of the vehicle miles traveled, or hours of operation, shall be projected to be in Rhode Island for at least five (5) years following the reimbursement grant award.
  - The applicant must commit to reporting usage information for at least five (5) years following the reimbursement grant award.
- Marine
    - Be registered with the Department's Office of Boat Registration or with the Coast Guard (Documentation is required);
    - Must operate more than 1000 hours per year;
    - Be used to provide goods and/or services to Rhode Island residents;
    - If the vessel is identified as a commercial fishing vessel at least fifty percent (50%) or more of the fish landed in the last year were in Rhode Island ports; and
    - The applicant must commit to reporting usage information for at least five (5) years following the reimbursement grant award.

Applicants must demonstrate administrative capacity to manage their grant funds and comply with applicable state and federal fiscal requirements including, but not limited to, accounting, recordkeeping, procurement, and reporting procedures. Grants are administered on a **reimbursement** basis. Applicants must also demonstrate ability to manage their project, document matching funds, and report on progress of deliverables specified in a Grant Agreement.

It is the Department's policy that financial assistance shall neither directly or indirectly benefit parties whose willful action or inaction has resulted in damage to the environment. At the Director's discretion, the Department may restrict, delay, or limit funding due to the occurrence of criminal, civil enforcement actions, or compliance matters. To be eligible for grants, applicants must disclose any existing violations and compliance actions. This includes the issuance of any Notice of Intent to Enforce.

### 3. Project Eligibility

As outlined in the *State Clean Diesel Grant Program Information Guide*, the following types of costs are eligible to receive grant monies from the State Clean Diesel (DERA) Fund this year:

- On Road Vehicle Replacements (Diesel, Alternative Fuel, Low NOx, All-Electric); and
- Marine Engine Replacement (Diesel, Alternative Fuel, Low NOx);

Examples of types of costs that are ineligible to receive grant monies from the State Clean Diesel (DERA) Fund include:

- a. Any costs incurred before a fully executed Grant Agreement is in place;
- b. Administrative costs including clerical support, monthly utility expenses, the purchase of office equipment, personnel costs associated with fund raising for the entity, etc.;

- c. State or Federal lobbying costs, penalties, fines, or regulatory fees including, but not limited to RIDEM permit fees, or any municipal fees. Response costs for emergency response actions caused or exacerbated solely by the applicant or their agents or assigns; and/or
- d. Proposed projects associated with unresolved litigation (administrative or judicial) with the Department or conditions or activities that have violated or are violating statutes or regulations administered by the Department shall be ineligible to receive Fund monies without the express written consent of the Director and the resolution of said litigation or violation(s).

Please be aware that the Department and the State of Rhode Island take no responsibility for project work done outside the term or scope of a valid Grant Agreement or prior to full approval of an agreement. Grant Agreements are not valid until the Rhode Island Department of Administration issues the appropriate encumbrance (i.e. purchase order (PO) or PO release). All Grant Agreements must be signed and dated by an authorized agent of the applicant and the Department.

## **4. Available Project Categories**

### **4.1 – On Road Diesel Vehicle Replacement**

On road highway diesel vehicles and equipment can be replaced under this program with newer, cleaner vehicles and equipment that operate on diesel or alternative fuels and use engines certified by EPA and, if applicable, CARB to meet a more stringent set of engine emission standards. Replacement includes, but is not limited to, diesel vehicle/equipment replacement with newer, cleaner diesel, electric (grid, battery or fuel cell), hybrid or alternative fuel vehicles/equipment. All-electric (i.e. zero emission) vehicles and equipment do not require EPA or CARB certification. Marine vessels are not eligible for full vessel replacement. The eligible cost of a vehicle/equipment replacement includes the cost of modifications, attachments, accessories, or auxiliary apparatus necessary to make the equipment functional. The cost of additional “optional” components or “add-ons” that significantly increase the cost of the vehicle may not be eligible for funding under the grant; the replacement vehicle should resemble the replaced vehicle in form and function. For grid electric powered equipment replacements, examples of eligible replacement costs include, but are not limited to, the purchase and installation of electrical infrastructure or equipment to enable the use of power. Examples of ineligible costs include, but are not limited to, electricity, and operation and maintenance costs.

- On Road Diesel Vehicles and Buses (other than Drayage):
  - The state may fund up to 25% of the cost of a replacement vehicle powered by a 2017 model year or newer engine certified to EPA emission standards. Highway engine emission standards are on EPA’s website at: [www.epa.gov/emission-standardsreference-guide/epa-emission-standards-heavy-duty-highway-engines-and-vehicles](http://www.epa.gov/emission-standardsreference-guide/epa-emission-standards-heavy-duty-highway-engines-and-vehicles).
  - The state may fund up to 35% of the cost of a replacement vehicle powered by a 2017 model year or newer engine certified to meet CARB’s Optional Low-NOx Standards of 0.1 g/bhp-hr, 0.05 g/bhp-hr, or 0.02 g/bhp-hr NOx. Engines certified to CARB’s Optional Low NOx Standards may be found by searching CARB’s

Executive Orders for Heavy-duty Engines and Vehicles, found at:  
[www.arb.ca.gov/msprog/onroad/cert/cert.php](http://www.arb.ca.gov/msprog/onroad/cert/cert.php).

- The state may fund up to 45% of the cost of an all-electric replacement vehicle.

## **4.2 – Marine Engine Replacement**

Marine Engine Replacement includes, but is not limited to, diesel engine replacement with an engine certified for use with diesel or a clean alternative fuel, diesel engine replacement with an electric power source (grid, battery or fuel cell), and/or diesel engine replacement with an electric generator(s) (genset). All-electric (i.e., zero emission) engine replacements do not require EPA or CARB certification.

The eligible cost of engine replacement includes the cost of modifications, attachments, accessories, or auxiliary apparatus necessary to make the equipment functional, including related labor expenses. Charges for equipment and parts on engine replacement projects are only eligible for funding if they are included in the certified engine configuration and/or are required to ensure the effective installation and functioning of the new technology, but are not part of typical vehicle or equipment maintenance or repair.. Examples of ineligible costs include, but are not limited to, electricity, and operation and maintenance costs.

- Marine Vehicles and Equipment:
  - The state may fund up to 40% of the cost (labor and equipment) of replacing a marine diesel engine with a 2017 model year or newer engine certified to EPA emission standards. Previous engine model year engines may be used if the engine is certified to the same emission standards applicable to the engine in EMY 2017. Marine engine emission standards are on EPA’s website at: [www.epa.gov/emissionstandards-reference-guide/epa-emission-standards-nonroad-engines-and-vehicles](http://www.epa.gov/emissionstandards-reference-guide/epa-emission-standards-nonroad-engines-and-vehicles).

## **5. Project Time Periods**

All projects that receive grants must be completed by September 2019. Any project that finishes after this deadline will not be funded. The Department encourages applicants to take into consideration and to plan adequate time for procurement and installation of materials in their project schedule.

## **6. Match Requirements**

“Match” refers to the funds or services used to conduct a project that are not borne by grant funds. All project matches must: (1) relate directly to the project for which the match is being applied; (2) be reasonably valued; and (3) be supported by documentation. The table below explains the match requirements for each project type.

<b>Project Type</b>	<b>DERA Funding Limits</b>	<b>Minimum Mandatory Match (Owner Contribution)</b>
On Road Vehicle/ Equipment Replacement - Diesel or Alternative Fuel	25%	75%
On Road Vehicle/Equipment Replacement - Low NOx	35%	65%
On Road Vehicle/Equipment Replacement - All-Electric	45%	55%
Marine Engine Replacement - Diesel or Alternative Fuel	40%	60%

## 7. Updated RFP Information

During the application period, as the need arises, the Department may post additional information concerning this RFP and funding opportunity on its website. This may include clarification of commonly asked questions. Potential applicants are advised to periodically check the Department's website.

## 8. Proposal Evaluation Criteria

To be awarded a grant, applicants must possess adequate fiscal and project management capabilities. Past performance on prior Department grants will be taken into account when assessing organizational capacity to effectively manage a project. Eligible proposals will be referred to an internal review by the Program Manager. The Program Manager will evaluate the eligible proposals consistent with the scoring criteria developed in conjunction with the *State Clean Diesel Grant Program Information Guide* and applicable state requirements.

Scoring criteria:

- Percent reduction of diesel emissions and/or greenhouse gas emissions (50%);
- Cost Effectiveness of emission reductions (20%)
- **(On-Road Vehicle Replacements Only)** Percent time vehicle travels or is operated in Rhode Island (20%);
- **(Marine Engine Replacements Only)** Percent of fish landed in Rhode Island (20%); and
- Additional measures to reduce emissions and improve greener practices (10%)

Projects will also be evaluated on the degree of which they meet the six criteria listed below. Locational criteria are based on where the vehicle/equipment operates, which may not be the same as the owner's business address.

- Areas that receive a disproportionate quantity of pollution from diesel fleets, including ports, rail yards, terminals, construction sites, and school bus depots/yards
- Location in an environmental justice community
- Proximity to transportation hubs or corridors
- Location in an urban area, as defined by the U.S. Census Bureau
- Timeliness of implementation

## 9. How to Apply – Final Submission Deadline – November 12, 2018

Final proposals must be received by the Department no later than 4:00 p.m. on Monday, November 12, 2018. The proposal must include mandatory application forms, and all other supporting materials as appropriate; e.g. letters of support, photographs, etc. (Refer to Appendix A for the application).

## 10. Preparing the Proposal for Final Approval

For projects that are selected, the Department may request the applicant to modify the project proposal based on comments identified during the project review and selection process. The applicant must submit a revised project proposal to the Department prior to final approval. The Department will conduct a final review of the proposal and, if satisfied that all comments have been adequately addressed, the final proposal or scope of work will become the basis for the Grant Agreement that will be executed to formalize the grant award.

## 11. Project Administration

### 11.1 Grant Agreements

Grants will be awarded on a competitive basis until funds for that grant period are exhausted. Successful applicants will receive a grant offer specifying the amount, duration and conditions of the award. The grant offer will be in the form of a binding contract, the Grant Agreement. Other requirements to secure funding shall be the following:

- Recipients will be required to sign, accept, and return the original signed Grant Agreement to the Department within forty-five (45) days of the date of approval. Failure to execute the agreement within the forty-five (45) days may result in the cancellation of the grant award and may result in these funds being awarded to the next highest rated project;
- Recipients will have ninety (90) days from the date of the acceptance of the Grant Agreement to provide proof of the necessary grant match by letters of credit, loan agreements, dedicated escrow accounts or any other pre-approved proof of matching funds by the Department; and

All grant payments will be paid in the form of **reimbursement** payments for eligible expenses incurred in accordance with an approved project. Refer to Section 3 above for examples of eligible and ineligible costs. Requests for reimbursement must include an invoice, and documentation of the incurred, eligible costs. The type of documentation required to receive reimbursement will be detailed in the grant offer and/or grant agreement. Grant recipients must enter into an agreement with the Department to establish mutually agreeable terms for completing the project. Items in the agreement include, *but are not limited to*:

- Scope of project, including schedule;

- Interim and final reporting requirements;
- Statement of the project's total budget, matching budget, and grant;
- Project payment schedule; and/or
- Record-keeping and reporting.

**Payments will be made on a reimbursement basis** in accordance with the payment schedule and terms contained in the Grant Agreement.

Grant recipients may be required to provide progress reports to the Department. Projects are expected to be completed in the timeframe of the Grant Agreement. All projects must be completed by September 2019. Time extensions will not be granted.

**11.2. Pre-project and Pre-contract Costs** – The Department and the State of Rhode Island take no responsibility for project work done outside the term or scope of the Grant Agreement or prior to full approval of a Grant Agreement. Applicants should NOT anticipate any funding for work that is done before approval of a Grant Agreement. Grant Agreements are not valid until the Rhode Island Department of Administration issues the appropriate encumbrance (i.e., purchase order). All Grant Agreements must be signed and dated by the Department.

**11.3 Procurement** - The expenditure of funds pursuant to these grants is subject to state law governing procurement, including requirements for competitive bidding and goals for participation by minority or woman business enterprises (MBE/WBE). The Department reserves the right to review and approve the award of any contract or subcontract.

**11.4 Suspension, modification or revocation** - The Director may suspend, modify or revoke any awards granted in the event that subsequent examination reveals any data included in an application form, submittal, reimbursement request, plan or sketch to be incorrect or not in compliance with the *State Clean Diesel Grant Program Information Guide* and applicable state requirements.

**11.5 Stop Payment** - The Director may take appropriate action to stop payment of and/or seek the return of grant funds expended for any project where: (1) the applicant has obtained said grant based upon incomplete, false, misleading or erroneous information; or (2) the applicant has not completed the work approved under the grant in accordance with any and all conditions of approval issued by the Director in the grant award.

## Appendix A: Final Application Content & Forms

*Form 1 and Form 2 should be completed one per company/owner. Form 3 should be completed according to the type of project, one for each piece of equipment.*

*Your completed application should include the following:*



FORM 1: Required Applicant and Project Information



FORM 2: Required Application Cover Sheet



FORM 3: Required Supplemental Application Form  
*(One per qualifying vehicle, engine, or equipment)*



Attachments/ Other Supporting Material  
*(Vehicle/Vessel Registration, Title, etc)*