



**Request for Proposals
for the
Kentucky Clean Diesel Grant Program**

**Issued by:
Kentucky Division for Air Quality
October 3, 2013**

**Project Proposal Deadline:
November 15, 2013**

Submit completed proposals electronically to:

**Kenya Stump
Kenya.Stump@ky.gov**

Summary

The Kentucky Division for Air Quality (DAQ) announces the availability of funds and solicits proposals for projects to implement diesel emissions reduction strategies in Kentucky's nonroad and onroad diesel fleets. \$90,000 is available through this competitive funding opportunity.

Background

Reducing emissions from diesel engines is one of the most important air quality challenges facing the country. There are approximately 20 million mobile-source diesel engines in operation nationwide, and these engines annually account for approximately 300,000 tons of particulate matter (PM) emissions and 6.4 million tons of nitrogen oxides (NO_x), which contribute to the formation of ozone. Even with more stringent heavy-duty highway and non-road engine standards taking effect over the next decade, millions of diesel engines already in use – known as the “Legacy Fleet” – will continue to emit large amounts of PM, NO_x, and toxic air pollutants. These pollutants contribute to a range of public health problems, including asthma, lung cancer, and many serious cardiac and respiratory diseases. These health problems result in thousands of premature deaths, millions of lost work and school days, and numerous additional negative health and economic impacts annually.

To meet the challenge of reducing exhaust from older diesel engines, DAQ has been awarded \$90,000 to administer the 2013 Kentucky Clean Diesel Grant Program through the U.S. Environmental Protection Agency's (EPA) State Clean Diesel Grant Program. This program will assist entities across Kentucky in building sustainable diesel emission reduction programs, thus adhering to the Division's mission to protect human health and the environment by achieving and maintaining acceptable air quality.

Funding

The total funding for this competitive opportunity is \$90,000. Funding requests must fall within the eligible funding range of \$30,000 to \$90,000 per proposal. Proposals which request DAQ assistance funds below or in excess of the applicable amounts specified are not eligible and will not be reviewed.

This funding may only be used to fund the eligible diesel emission reduction solutions described below. DAQ will not fund additional project costs, such as administrative costs. Awards made through this grant program may not be used by the applicant to make sub-awards or fund partnerships. Funds received must be utilized directly by the applying party.

Eligible Entities

Under this solicitation, any public or private entity located in the Commonwealth of Kentucky that owns and operates its own eligible diesel vehicles, engines, and/or equipment, is eligible to apply for assistance. This includes but is not limited to: any city, county, or other local government agency; private organizations or businesses; universities; school districts; and nonprofits.

Eligible Vehicles, Engines, and Equipment

A single proposal may target multiple fleets, fleet types, and/or diesel emissions reduction solutions. Projects may include diesel emissions reduction solutions from the following heavy duty diesel emissions source types:

- Medium-duty or heavy-duty onroad vehicles
 - Model years 1990 – 2006
- Transit or school buses
 - Model years 1990 – 2006
- Marine engines
 - Any marine engine not subject to the 2008 Locomotive and Marine Engine Rule
- Locomotives
 - Note that locomotives and marine engines that are subject to the requirements of EPA’s Locomotive and Marine Engine Rule, “Control of Emissions of Air Pollution from Locomotives and Marine Compression-Ignition Engines Less than 30 liters per Cylinder,” will not be considered for funding under this RFP if the upgrade/remanufacture proposed for funding is required by regulation.
 - Lists of certified remanufacture systems for locomotives and marine engines, and additional information on remanufacture systems, are available at: www.epa.gov/otaq/certdata.htm.
- Nonroad engines, equipment or vehicles (mining, construction, agriculture, etc.)
 - Any nonroad engine with 7 or more years of useful life remaining (see Appendix 1)
 - Note that in 2008, new EPA standards began to be phased in for nonroad engines. Projects utilizing post-2008 engines will only be considered if the technology proposed will achieve significant emission reductions beyond those required by EPA regulations at the time of engine certification.

Eligible Diesel Emission Reduction Solutions

Projects funded through this grant program must include one or more of the following diesel emissions reduction solutions that utilize a certified engine configuration and/or a verified technology. A list of eligible EPA-verified technologies is available at

www.epa.gov/cleandiesel/verification/verif-list.htm, and a list of eligible California Air Resources Board (CARB) verified technologies is available at www.arb.ca.gov/diesel/verde/vt/cvt.htm. See Appendix 1 for a more detailed description of these eligible diesel emission reduction solutions.

The list of eligible diesel emission reduction solutions includes:

- Verified Retrofit Technologies
 - DAQ will fund up to 100% of the cost (labor and equipment) of eligible exhaust controls.
- Verified Engine Upgrades
 - DAQ will fund up to 40% of the cost (labor and equipment) of eligible engine upgrades.
- Cleaner Fuels Use
 - DAQ will not fund stand-alone cleaner fuel use.
 - This funding can cover the cost differential between a cleaner fuel and conventional diesel fuel if the cleaner fuel is used in combination, and on the same vehicle, with a new eligible verified exhaust control or an eligible clean alternative fuel conversion or an eligible engine upgrade or an eligible certified engine repower or an eligible certified vehicle/equipment replacement funded under this RFP.
- Verified Idle Reduction Technologies
 - DAQ will not fund stand-alone idle reduction technologies except for use on locomotives, shore connection systems, or truck stop electrification technologies.
 - DAQ will fund 40% of the cost (labor and equipment) of the installation of eligible verified idle reduction technologies on locomotives and 25% of the cost of eligible shore connection systems and truck stop electrification.
 - DAQ will fund up to 100% of the cost (labor and equipment) for all other eligible, verified idle reduction technologies if the technology is combined on the same vehicle with a new eligible verified exhaust control funded under this RFP.
 - For this RFP, auxiliary power units (APUs) and generators are not eligible for vehicles with 2007 model year or newer certified engine configurations on long haul Class 8 vehicles.
- Verified Aerodynamic Technologies and Verified Low Rolling Resistance Tires
 - DAQ will not fund stand-alone aerodynamic technologies or low rolling resistance tires.
 - DAQ will fund up to 100% of the cost (labor and equipment) for all other eligible, verified aerodynamic technologies or verified low rolling resistance tires installed on long haul Class 8 trucks if the technology is combined on the same vehicle with a new eligible verified exhaust control funded under this RFP.
- Certified Engine Repower
 - DAQ will fund up to 40% of the cost (labor and equipment) of an eligible engine repower.
- Certified Vehicle/Equipment Replacement

- DAQ will fund the incremental cost of a newer, cleaner vehicle or piece of equipment powered by a 2011 or newer model year certified nonroad engine, up to 25% of the cost of an eligible replacement vehicle or piece of equipment.
- DAQ will fund the incremental cost of a newer, cleaner medium or heavy-duty vehicle powered by an engine certified to the 2011 model year or newer standards for highway heavy-duty engines, up to 25% of the cost of an eligible replacement vehicle/equipment (except for drayage vehicles) that is particulate filter equipped and meets regulatory requirements for vehicles or equipment manufactured in 2011 or later.
- DAQ will fund up to 50% of the cost of eligible replacement drayage trucks.
- Clean Alternative Fuel Conversions
 - DAQ will fund up to 40% of the cost (labor and equipment) of an eligible clean alternative fuel conversion.

Project Selection Criteria

Only those proposals that meet the requirements of this RFP will be evaluated according to the criteria set forth below. Each proposal will be rated under a points system based on a total of 100 points possible. Applications for funding will be scored by assessing how well the project meets the following criteria:

- EPA's National Statutory Priorities (50 points)
 - Projects shall, to the greatest extent possible, adhere to EPA's statutory priorities as found in 42 U.S.C. 16132(c)(4). The highest scoring projects will:
 - serve areas of poor air quality (20)
 - be the most cost-effective (15)
 - maximize public health benefits (5)
 - maximize the useful life of certified & verified engine technologies (5)
 - conserve diesel fuel (3)
 - use a community-based multi-stakeholder collaborative process to reduce toxic emissions (2)
- Kentucky Clean Diesel Program Priorities (20 points)
 - Although DAQ will not exclusively limit funding to the following projects, the Division will award additional points for projects that:
 - promote the development of a Green Corridors program focusing on idle reductions or alternative fueling options for interstate trucking (10)
 - occur within the nonroad, nonconstruction sector (mining, forestry, agriculture, etc.) (10)
- Staff Expertise and Capability (15 points)
 - The applicant's staff expertise and ability to successfully manage the grant and implement the proposed project will be evaluated.
- Fleet Assessment (10 points)

- Applicants that have their fleet assessed and/or tested by an outside vendor prior to submitting their application, in order to ascertain that their fleet can accommodate the proposed technology, will be awarded additional points.
- Matching Funds (5 points)
 - Matching funds provided to assist in the overall cost of the project will be assessed.

Project Selection Process

Awards will be made on a competitive basis. Only complete applications submitted by the application deadline will be considered. A review committee consisting of DAQ staff will review each proposal and will assign points to each proposal based on the criteria described above. Proposals will then be ranked and funding recommendations made according to ranking.

DAQ reserves the right to reject any or all proposals or to make fewer awards than anticipated. In appropriate circumstances, DAQ reserves the right to partially fund proposals by funding discrete portions or phases of proposed projects. If DAQ decides to partially fund a project, it will do so in a manner that does not prejudice any applicants or affect the basis upon which the proposal, or portion thereof, was evaluated and selected for award, thereby maintaining the integrity of the competition and selection process.

Important Dates

All grant work must adhere as closely as possible to the timeline detailed below, and all selected applicants must be able to complete their projects no later than **September 30, 2014**. Additional documents and details can be found on DAQ’s Clean Diesel website at <http://air.ky.gov/Pages/KentuckyCleanDieselGrantProgram.aspx>.

Grant Timeline	
October 3, 2013	RFP opens
November 15, 2013	Grant proposals due
November 29, 2013	Anticipated notification of selection
December 2013-January 2014	Contracts drafted and signed
February 11, 2014	Anticipated award date & project start date
February 18, 2014	Selected grantees issue RFP to solicit bids from vendors
April 1, 2014	Grantees select vendors & begin preliminary fleet analysis
April 10, 2014	Progress report due to DAQ and interim meeting if necessary
April 30, 2014	Grantees order equipment
May - June, 2014	Vendor begins equipment installation
July 10, 2014	Progress report due to DAQ and interim meeting if necessary
August 15, 2014	All equipment installations complete

September 15, 2014	All invoices and proof of payment due to DAQ
September 30, 2014	End of project period
October 10, 2014	Final report due to DAQ

Proposal Format

Applicants can download all grant information and application forms from DAQ’s Clean Diesel website at <http://air.ky.gov/Pages/KentuckyCleanDieselGrantProgram.aspx>. To obtain a hard copy of materials, please contact Kenya Stump at 502-564-3999 or Kenya.Stump@ky.gov.

The proposal package ***must*** include the following materials:

- Completed Project Narrative (See Appendix 3)
- Fleet Description (See Appendix 4)

Optional attachments may include:

- Fleet assessment documentation
- Verified/certified technology certificates
- Résumés for all project officers and key personnel
- Letters of Support from your organization’s upper management

Proposal Submittal

The closing date for receipt of proposals is Friday, **November 15, 2013**. All submittals must be received by DAQ by 4:30 p.m. EST on this date in order to be considered for funding.

Project proposals must be submitted electronically in their original formats (Word format for the Project Narrative and Excel format for the Fleet Description). Optional attachments may be scanned and emailed in conjunction with submittal of other application materials.

All materials should be submitted to Kenya Stump at Kenya.Stump@ky.gov by the application deadline. If you are having trouble submitting electronically, please contact Ms. Stump at (502) 564-3999 to discuss alternative methods of submittal, which may be accepted under certain circumstances with prior approval.

- Appendix 1: Eligible Technologies and Vehicles
- Appendix 2: Quantifying Emissions Reductions, Cost Effectiveness, and Health Benefits
- Appendix 3: Project Narrative Template
- Appendix 4: Fleet Description Template