



## State of Utah VW Settlement 2018 Vehicle/Engine Replacement Projects Grant Application

<b>Entity Name:</b>			
<b>Contact Person:</b>			
<b>Phone Number:</b>	<b>Office:</b>	<b>Cell:</b>	
<b>Address:</b>	<b>Street:</b>		
	<b>City:</b>	<b>State:</b>	<b>Zip Code:</b>
<b>Email:</b>			
<b>Requested Grant Amount:</b>	\$		
<b>Date Submitted:</b>			

### INTRODUCTION

The Utah Division of Air Quality (DAQ), a division within the Utah Department of Environmental Quality (DEQ), is soliciting applications from government entities<sup>1</sup> for Class 4-8 vehicle and engine replacement projects in an effort to mitigate the excess NO<sub>x</sub> (nitrogen oxides) emissions resulting from Volkswagen Companies<sup>2</sup> (VW) admitted violations of the Clean Air Act.

### HOW TO APPLY

Applicants must complete and submit the following information via email to [vw@utah.gov](mailto:vw@utah.gov) by 5:00 p.m. on November 30, 2018:

- 1) VW grant application with authorized signature
- 2) A clear, legible photo of the **engine label** that captures the engine make, model, year, horsepower, displacement, serial number, and engine family name

<sup>1</sup> "Governmental entity" means the state and its political subdivisions. "Political subdivision" means any county, city, town, school district, community reinvestment agency, special improvement or taxing district, local district, special service district, an entity created by an interlocal agreement adopted under [Title 11, Chapter 13, Interlocal Cooperation Act](#), or other governmental subdivision or public corporation.

<sup>2</sup> Volkswagen AG, Audi AG, Volkswagen Group of America, Inc., Volkswagen Group of America Chattanooga Operations, LLC, Dr. Ing. H.c. F. Porsche AG and Porsche Cars North America, Inc. (collectively "Volkswagen Companies").

- 3) A clear, legible photo of the **vehicle identification number (VIN) plate** that includes VIN and gross vehicle weight rating (GVWR) for **each** vehicle proposed for replacement or engine replacement
- 4) Fleet Description Form completely filled out for each vehicle

Incomplete applications and/or applications without required attachments will not be considered.

## **ELIGIBILITY**

**Entities:** Government entities<sup>1</sup> as defined in Utah Code § 63G-7-102(4) and federal government agencies.

**Eligible Equipment:** Vehicle or engine replacements of Class 4-8 local freight trucks, school buses, shuttle buses, and/or transit buses, engine model years 1992-2006.

### **Eligible Funding:**

- Vehicle replacements, engine model years 1992-2006
  - Up to 50% of the cost for new Class 4-8 local freight trucks, school buses, shuttle buses, and/or transit buses
  - Up to 55% for new vehicles powered by engines certified to the California Air Resources Board's (CARB) Optional Low-NO<sub>x</sub> Standards
  - Up to 65% for new all-electric replacement vehicles. Charging infrastructure may be included
- Certified engine replacements, engine model years 1992-2006
  - Up to 50% for replacing diesel engines with new engines certified to the most stringent Environmental Protection Agency (EPA) Exhaust Emissions Standards
  - Up to 55% for replacing diesel engines with CARB's Optional Low-NO<sub>x</sub> Standards
  - Up to 65% for replacing diesel engines with an electric motor or electric power source. Charging infrastructure may be included.

## **MINIMUM REQUIREMENTS**

- Vehicles must be currently registered in the State of Utah.
- Vehicles/engines must be operable and have a minimum of three years remaining in their useful life at the time of replacement. Funding must be used to retire vehicles/engines sooner than they are regularly scheduled.
- Vehicles/equipment/engines being replaced must be scrapped or permanently disabled within 90 days of being replaced by drilling a three-inch-by-three-inch hole in the engine block and cutting the chassis rails on both sides.
- Replacement vehicles must stay within the same vehicle class and operate in the same function and areas as the vehicle being replaced.
- New vehicles/engines must meet the most stringent emissions standards.
- Vendor bids to purchase the replacement vehicles must comply with the Utah Procurement Code, Utah Code Title 63G, Chapter 6a, and any local procurement rules.

## ADDITIONAL INFORMATION

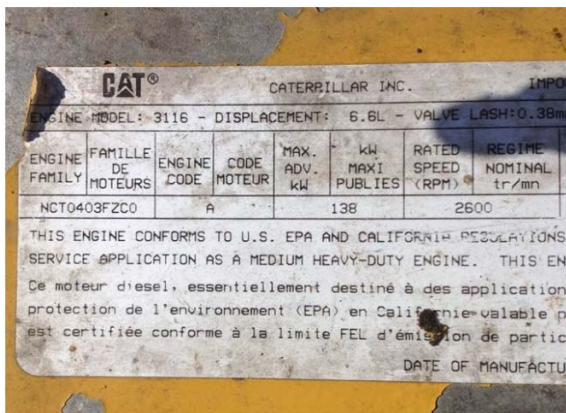
- Future funding opportunities through the VW Settlement will depend on the number and amounts of successful projects that receive awards through this current funding opportunity.
- The DAQ may elect to partially fund projects.
- Successful applicants must agree to the terms of a separately executed VW Funding Agreement
- Successful applicants will have up to three years after a VW Funding Agreement is executed to complete projects.

### Engine and VIN plate photo submissions:

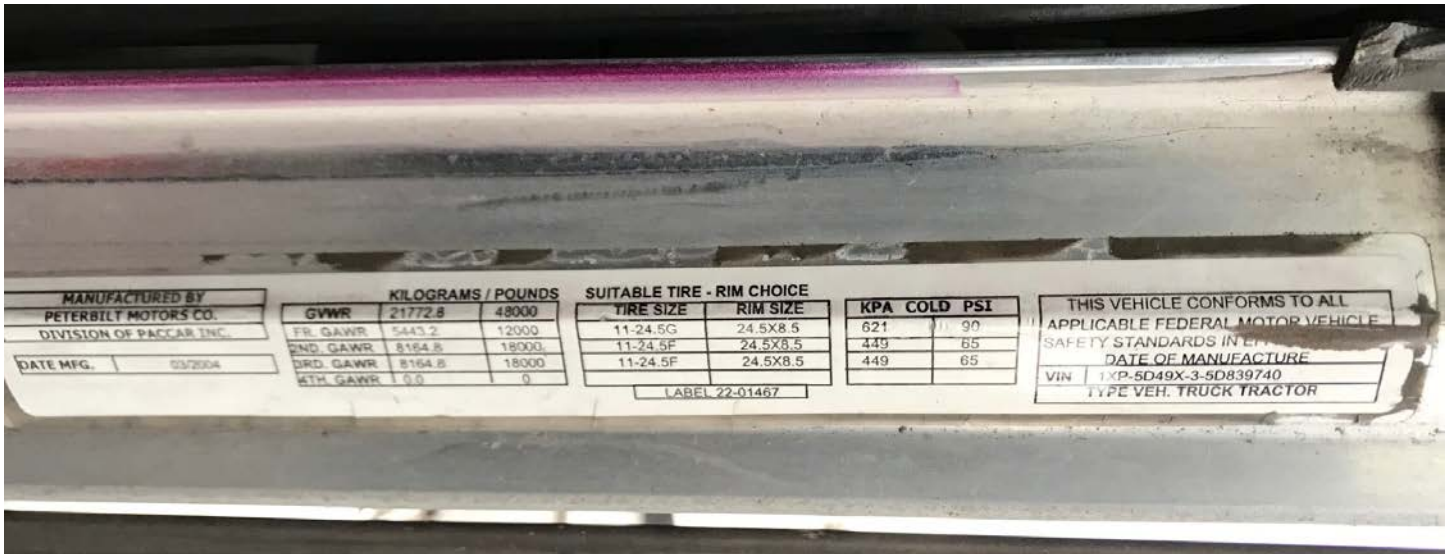
In addition to the Fleet Description Form, photos of the engine's emissions label and VIN plate are required as attachments to the application submittal. The photo(s) must be clear, legible, and capture the full label. This may require two to three photos of the left, center, and right sides of the engine label.

File attachments of the photos must be named as ***the last 4 digits of the VIN along with description of the photo (e.g. "VIN 7684 engine label left side," "VIN 7684 engine label" or "VIN 7684 VIN plate")***. Applications that include multiple vehicles/engines must compress files into a zipped folder and attach in the application submittal email.

### Examples of engine label photos:



## Example of VIN plate:



## CRITERIA/SCORING

Applications will be scored using the following criteria and point structure:

### **Cost-Per-Ton of NO<sub>x</sub> Reductions: 50 points**

Using the EPA's Diesel Emissions Quantifier tool, the DAQ will quantify the project's NO<sub>x</sub> reductions and cost-per-ton of NO<sub>x</sub> emissions reduced, using the vehicle specifications provided by the applicant in the fleet description form and budget information provided in the application.

The original vehicle's classification, type, engine model year, annual fuel usage and mileage, remaining useful life, and the amount of VW Settlement funds being requested will be factors in these calculations.

### **Location: 30 points**

Projects will be evaluated based on the location where the vehicle(s)/engine(s) operate. Higher scores will be given for projects that operate in Utah's nonattainment areas.<sup>3</sup>

### **Community Benefits: 20 points**

Projects will be evaluated on their support toward large-scale, collaborative initiatives, emerging transportation solutions, and/or added environmental benefits.

<sup>3</sup> Nonattainment designation is determined by the EPA when an area or areas within a state persistently exceed the National Ambient Air Quality Standards. The EPA has designated "nonattainment areas" for Particulate Matter having an aerodynamic diameter of 2.5 microns (µm) or less (PM<sub>2.5</sub>) and ozone. The nonattainment areas in the State of Utah are Cache, portions of Box Elder, Davis, Duchesne, Salt Lake, portions of Tooele, Uintah, Utah, and portions of Weber counties.

In addition to providing responses to the following questions, please fill out the fleet description form, which is downloadable from [vw.utah.gov](http://vw.utah.gov).

### Cost/Ton NOx: (50 points)

1) Provide a brief summary of your project.

2) Using the following list, please describe the fleet types, class, and quantity for each that are included in the proposed project:

- Class 4-5 local freight truck
- Class 4-5 school bus
- Class 4-5 shuttle bus
- Class 4-5 transit bus
- Class 6-7 local freight truck
- Class 6-7 school bus
- Class 6-7 shuttle bus
- Class 6-7 transit bus
- Class 8 local freight truck
- Class 8 school bus
- Class 8 shuttle bus
- Class 8 transit bus

*Example: Five Class 8 local freight trucks, two Class 6 local freight trucks, and three Class 7 shuttle buses.*

3) From the following list, and corresponding to the quantity and type in the previous question, specify the type of upgrade(s) being proposed:

- Diesel vehicle replacement to diesel
- Diesel vehicle replacement to natural gas
- Diesel vehicle replacement to propane
- Diesel vehicle replacement to electricity
- Diesel vehicle replacement to low NO<sub>x</sub>
- Diesel vehicle replacement to other alternative fuel (please specify)
- Diesel engine replacement to diesel
- Diesel engine replacement to natural gas
- Diesel engine replacement to propane
- Diesel engine replacement to electricity
- Diesel engine replacement to low NO<sub>x</sub>
- Diesel engine replacement to other alternative fuel (please specify)

*Example: Five Class 8 local freight truck engine replacements from diesel to electricity; two Class 6 local freight truck replacements from diesel to diesel; and three Class 7 shuttle bus replacements from diesel to propane.*

4) Please describe your fleet's normal attrition cycle and demonstrate that the proposed vehicle(s)/engine(s) replacement projects would be going through an early retirement due to the availability of the VW settlement funds. Explain how the replacement activities would not have occurred otherwise. On average, what is the remaining useful life of the vehicle(s)/engine(s) included in this application?

**Note:** Vehicle(s)/engine(s) must have a minimum of 3 years remaining in their useful life at the time of replacement.

*Example: Whoville City typically retires its refuse trucks every 20 years, depending on mileage, condition, and operating expenses. The vehicle(s)/engine(s) in this application are currently operational and have, on average, four years remaining in their useful life. Without the VW Settlement Funds, Whoville City would normally operate the vehicle(s)/engine(s) in their regular capacity until 2027.*

5) Successful applicants will be reimbursed after the project has been completed. This includes the disabling of the vehicle(s)/engine(s) by drilling a three-inch-by-three-inch hole in the engine block (the part of the engine containing the cylinders) and cutting through both sides of the frame/frame rails on each side at a point located between the front and rear axles, and submitting sufficient evidence to the Utah Division of Air Quality.

Considering that DAQ does not anticipate funding projects until the first quarter of 2019, and it may take two to three months to execute grant agreements/contracts, provide a timeline of milestones for specific activities, such as obtaining bids, placing orders for new vehicles, engine installations, placing new vehicles/engines into service, scrapping old vehicles/engines, etc. Include the month(s) and year(s) that you estimate these activities to occur. Successful projects may take up to three years to complete.

### Location: (30 points)

6) Describe each vehicle's purpose, routes, primary location(s), and daily/weekly/seasonal operation schedule.

*Example: The Class 8 local freight trucks are city maintenance truck that are used to remove snow in the winter and haul green waste in the summer. The vehicle operates primarily in Salt Lake County, Monday through Friday from 8 a.m. - 5 p.m. weekly, throughout the year.*

7) Provide the addresses where each vehicle(s)/engine(s) is based. Include street address, city, and zip code.

8) Provide the travel radius from the base location (in miles) of each vehicle(s)/engine(s).

9) Detail the percentage of time each vehicle operates in the following counties: Box Elder, Cache, Davis, Duchesne, Salt Lake, Tooele, Uintah, Utah, and Weber.

*Example: Salt Lake: 50%, Davis: 25%, Tooele: 0%, Weber: 10%, Box Elder: 0%, Utah: 15%, and Cache: 0%*



## Community Benefits: (20 points)

10) Does this project support a large-scale, collaborative initiative? Please explain.

11) Does this project support emerging transportation solutions that result in zero exhaust emissions? Please explain.

12) Please describe any added environmental and/or community benefits.

**Additional information:**

13) Describe the process by which your organization will purchase new vehicle(s)/engine(s) replacements to ensure low-cost purchases are made.

14) Using the budget table on the following page, please provide a detailed budget for your proposed project. Include vehicle/engine costs, quantity, components necessary for the new vehicle/engine to operate in the same capacity as the original vehicle/engine, and if applicable, electric vehicle charging infrastructure for any new electric vehicle purchases. For engine replacement projects, provide estimated costs for labor. Each section should include a breakout of total costs for each funding source.

**Note:** Leases are not an eligible means for meeting the cost-share requirements and administrative costs are not eligible for reimbursement.

**Eligible Projects and Funding Limits:**

- Vehicle replacements, engine model years 1992-2006
  - Up to 50% of the cost for new Class 4-8 local freight trucks, school buses, shuttle buses, and/or transit buses
  - Up to 55% for new vehicles powered by engines certified to the California Air Resources Board's (CARB) Optional Low-NOx Standards
  - Up to 65% for new all-electric replacement vehicles. Charging infrastructure may be included.
- Certified engine replacements, engine model years 1992-2006
  - Up to 50% for replacing diesel engines with new engines certified to the most stringent EPA Standards
  - Up to 55% for replacing diesel engines with CARB's Optional Low-NOx Standards
  - Up to 65% for replacing diesel engines with an electric motor or electric power source. Charging infrastructure may be included.

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<sup>4</sup> Eligible expenses include necessary components for the replacement vehicle(s)/engine(s) to operate in the same function, operation, and capacity as the vehicle(s)/engine(s) being replaced.

VW Vehicle/Engine Replacement Projects Budget Form				Funding Sources		
Equipment (Vehicle/Engine/Other/EV Charging)	Cost/Unit	QTY	Total	VW Settlement Requested Funding \$ Amount:	Applicant's Cost-Share \$ Amount:	Other Sources Funding \$ Amount:
Vehicle/Engine Equipment						
Total Vehicle/Equipment Costs:				Divide total "Vehicle/Equipment" costs into appropriate funding source		
Other (If applicable, itemize necessary components for the replacement vehicle(s)/engine(s) to operate in the same function, operation, and capacity as the vehicle(s)/engine(s) being replaced)						
Total Other Costs:				Divide total "Other" costs into appropriate funding source		
EV Charging Equipment (if applicable)						
Total EV Charging Equipment Costs:				Divide total "EV Charging Equipment" costs into appropriate funding source		
TOTAL EQUIPMENT:						
Description of Labor (if applicable)	Labor rate (\$/hour):	Labor Hours Required:	Labor \$ Amount			
TOTAL LABOR \$ AMOUNT:				Divide total "Labor" costs into appropriate funding source		
TOTALS (Equipment Costs + Labor Costs):						
TOTAL PROJECT COST:				% of Total Cost For Each Category		

NOTE:  
TOTALS (Equipment Costs + Labor Costs) and  
TOTAL PROJECT COST should equal each other.

15) Applicants must include the following required documents for their project to be considered for funding. If any required documents are not included, please identify the reason why below.

**Required application documents**

- A clear, legible image file of the full engine plate for every vehicle/engine replacement<sup>5</sup>
- A clear, legible image file of the VIN plate for every vehicle/engine replacement
- Rename the aforementioned image files “VIN XXXX Engine Plate” or “VIN XXX VIN Plate”
- Complete, sign, and attach the application form
- Complete and attach the Fleet Description Form
- Complete and attach the Vehicle/Engine Projects Budget Form

Comments:

**16) Certification:**

**I certify as if I signed my name that under penalty of perjury:**

- i. I am duly authorized to request VW eligible funding, as described in this application, on behalf of the named governmental entity and to submit all necessary information and documentation requested;
- ii. that the information I provided in this application and accompanying documents is true and correct, to the best of my knowledge;
- iii. that the entity named in this application is a governmental entity as defined in Utah Code § 63G-7-102(4);
- iv. I acknowledge, on behalf of the named entity, the requirements and conditions specified in this application;
- v. I acknowledge on behalf of the named entity that approved projects must meet all eligibility requirements listed in the Utah VW Environmental Mitigation Plan;
- vi. I acknowledge, on behalf of the named entity, that in order for the requested vehicle or engine replacement to be funded, the named entity must provide all required information about each proposed new vehicle or engine, each proposed vehicle or engine must meet all eligibility requirements and pre-approved projects are not guaranteed reimbursement unless the entity complies with all terms specified in a separately executed VW Funding Agreement, including timely reporting and that prior to reimbursement, any replaced vehicle must be taken off the road and permanently disabled by cutting a 3 inch by 3 inch hole in the engine block and cutting through the frame rails;

<sup>5</sup> If multiple vehicle(s)/engine(s) are included in the application, please compress image files into a zipped folder and submit as attachments to the application submission email.

- vii. I acknowledge on behalf of the named entity that any and all costs to complete this application and to meet the terms of the Volkswagen Environmental Mitigation Trust Agreement are the responsibility of the named entity;
- viii. I acknowledge on behalf of the named entity that upon notification of award, an individual authorized to execute a VW Funding Agreement must sign and return the agreement within thirty (30) calendar days upon notification of an award and if the Agreement is not signed and timely returned, the DEQ may terminate the award; and
- ix. that approved projects must be completed within three years after executing the VW Funding Agreement in order to be reimbursed.

\_\_\_\_\_  
**Applicant Name (print)**

\_\_\_\_\_  
**Applicant Signature**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Applicant Title**

**Questions about application submittals should be directed to:**

State of Utah VW Committee  
[vw@utah.gov](mailto:vw@utah.gov)  
Lisa Burr, 801-536-4019, or Courtney Ehrlich, 801-536-4430