

Request for Applications (RFA)



Alabama Department of Economic and Community Affairs (ADECA) Energy Division

Volkswagen Settlement Eligible Mitigation Action Item Projects

Issue Date: June 15, 2019

Application Due Date: July 31, 2019

The Energy Division of the Alabama Department of Economic and Community Affairs is seeking applications from Alabama Government and Non-Government entities. Projects under this Request for Applications (RFA) will be funded, in whole or in part, with funds from the Volkswagen Settlement Beneficiary Mitigation.

Note: Applicants looking to upgrade equipment in multiple Eligible Mitigation Action Items, MUST submit separate applications. Each application MUST contain equipment that is eligible under ONLY ONE Mitigation Action Item Category.

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PART I General Information

A. Purpose

The purpose of this solicitation is to procure projects to reduce levels of nitrogen oxides (NOx) within the state of Alabama. The successful respondent to this RFA will be responsible for implementing their submitted project based on the goals established in the *Alabama Volkswagen Settlement Beneficiary Mitigation Plan*.

B. Funds Available

The ADECA Energy Division intends to issue awards totaling no more than \$5,810,000 under this solicitation.

C. Eligible Applicants

Eligible applicants are Government and Non-Government entities in Alabama looking to upgrade equipment approved by the Volkswagen Settlement as Eligible Mitigation Actions in order to reduce NOx emissions.

D. Background

In 2016 and 2017, the U.S. Government and automaker Volkswagen AG (VW) resolved civil complaints which alleged that VW violated the Clean Air Act by installing software in approximately 590,000 diesel vehicles with deliberate intent to disable emission controls under normal use and turn on emission controls only when the vehicles were undergoing emissions testing. As part of the court settlement, funds were placed in an Environmental Mitigation Trust (the “Trust”) to be allocated to beneficiaries (states, tribes, and certain territories) based on the number of impacted VW vehicles in their jurisdictions. The Trust is to be used to mitigate environmental damage caused by the polluting VW vehicles by funding projects that reduce NOx emissions where the vehicles were, are, or will be operated.

For additional information on the Volkswagen Settlement, visit our website at <http://www.adeca.alabama.gov/Divisions/energy/vw/Pages/default.aspx>.

E. Due Date and Delivery Address

Applications are due by July 31, 2019 and must be received electronically no later than 12:00 PM at vwsettlement@adeca.alabama.gov.

Applications submitted after the due date will not be considered for funding.

F. Volkswagen Program Goals

a. NOx Reductions

As specified in the Trust Agreement, the primary goal of the Environmental Mitigation Trust is to reduce NOx emissions where the polluting VW vehicles were, are, or will be operated. Alabama considers this a priority goal, recognizing that NOx and particulate matter from diesel emissions is linked to serious environmental and health impacts. In Alabama, the primary mobile sources of NOx are on-road vehicles (both light and heavy duty) followed by non-road equipment, locomotives, commercial marine vessels and aircraft.

To directly impact NOx emissions in Alabama, distribution of funding has been primarily based on the amount of current emissions reported by EPA's National Emissions Inventory (NEI). In addition, the funding application process will require viable estimations of NOx reductions for proposed projects and those with the most potential will receive priority consideration for award.

b. Economic Development

Economic development potential is a major focus for the state of Alabama and was identified as an important consideration by respondents to the survey and in public comments. Directing funding to projects that rely on domestic sources of fuel and utilize vehicles and technologies produced in Alabama can have a significant economic impact for the state by ensuring that more money stays in our local economy to create more local jobs. In addition, projects that take into consideration life cycle costs, including fuel and maintenance cost reductions, can have a significant economic impact by helping to increase profit margins for businesses making them more sustainable. To that end, extra consideration will be given to funding applications demonstrating the potential to advance economic development in addition to the other major goals of the Volkswagen Program.

c. Fuel Security and Energy Assurance

To address the goal of increasing fuel security and energy assurance, projects that repower or replace vehicles with those that rely on domestically sourced energy will be encouraged and will receive extra consideration during the evaluation process. These types of projects increase our fuel security and energy assurance by reducing dependence on foreign fuels and the global oil market.

d. Benefit Areas that Share a Disproportionate Share of the Air Pollution Burden

Areas that bear a disproportionate share of the air pollution burden in Alabama will be given priority for project funding. These areas include EPA designated non-attainment and maintenance areas for air quality and locations near busy urban areas and highways, industrial development, rail yards, bus terminals, airports, or ports. Proximity of proposed projects to vulnerable populations such as day cares, schools, senior centers, and hospitals will also result in additional scoring priority during the application evaluation process.

G. Eligible Mitigation Action Items and Required Match Amounts

a. On-Road Heavy Duty Vehicles

Eligible Mitigation Project Types: Class 8 Local Freight Trucks and Port Drayage Trucks (Large Trucks), Class 4-8 School Bus, Shuttle Bus, or Transit Bus (Buses), and Class 4-7 Local Freight Trucks (Medium Trucks).

- Eligible trucks and buses include 1992 - 2009 engine model years. Eligible trucks and buses may be repowered with any new diesel or alternate fueled engine or all-electric engine or may be replaced with any new diesel or alternate fueled or all-electric vehicle, with the engine model year in which the mitigation action occurs or one engine model year prior.

Required Match Amounts for Non-Government Owned Eligible Local Freight Truck and Eligible Buses:

- 60% of the cost of a repower with a new diesel or alternate fueled (e.g., compressed natural gas (CNG), propane, hybrid) engine, including the costs of installation of the engine,
- 75% of the cost of a new diesel or alternate fueled (e.g., CNG, propane, hybrid) vehicle,
- 25% of the cost of a repower with a new all-electric engine, including the costs of installation of such engine, and charging infrastructure associated with the new all-electric engine, and
- 25% of the cost of a new all-electric vehicle, including charging infrastructure associated with the new all-electric vehicle.

Required Match Amounts for Non-Government Owned Eligible Drayage Trucks:

- 60% of the cost for a repower with a new diesel or alternate fueled (e.g., CNG, propane, hybrid) engine, including the costs of installation of the engine,
- 50% of the cost for a new diesel or alternate fueled (e.g., CNG, propane, hybrid) vehicle,
- 25% of the cost for a repower with a new all-electric engine, including the costs of installation of such engine, and charging infrastructure associated with the new all-electric engine, and

- 25% of the cost for a new all-electric vehicle, including charging infrastructure associated with the new all-electric vehicle.

Required Match Amounts for Government Owned Eligible Freight Trucks, Eligible Buses, and Privately-Owned School Buses Under Contract with a Public-School District:

- 20% of the cost of a repower with a new diesel or alternate fueled (e.g., CNG, propane, hybrid) engine, including the costs of installation of such engine,
- 20% of the cost of a new diesel or alternate fueled (e.g., CNG, propane, hybrid) vehicle,
- 20% of the cost of a repower with a new all-electric engine, including the costs of installation of such engine, and charging infrastructure associated with the new all-electric engine, and
- 20% of the cost of a new all-electric vehicle, including charging infrastructure associated with the new all-electric vehicle.

b. Non-Road Equipment

Eligible Project Types: Airport Ground Support Equipment, and Forklifts and Port Cargo Handling Equipment.

- Eligible airport ground support equipment includes Tier 0, Tier 1, or Tier 2 diesel powered airport ground support equipment, and uncertified, or certified to 3 grams per brake horsepower-hour or higher emissions, spark ignition engine powered airport ground support equipment.
- Eligible forklifts include reach stackers, side loaders, and top loaders with greater than 8,000 pounds lift capacity.
- Eligible port cargo handling equipment includes rubber-tired gantry cranes, straddle carriers, shuttle carriers, and terminal tractors, including yard hostlers and yard tractors that operate within ports.

Required Match Amounts for Non-Government Owned Eligible Airport Ground Support Equipment, and Forklifts and Port Cargo Handling Equipment:

- 25% of the cost of a repower with a new all-electric engine, including the costs of installation of the engine, and charging infrastructure associated with the new all-electric engine, and

- 25% of the cost of new all-electric equipment, including charging infrastructure associated with the new all-electric equipment.

Required Match Amounts for Government Owned Eligible Airport Ground Support Equipment, and Forklifts and Port Cargo Handling Equipment:

- 20% of the cost of a repower with a new all-electric engine, including the costs of installation of such engine, and charging infrastructure associated with the new all-electric engine, and
- 20% of the cost of new all-electric equipment, including charging infrastructure associated with the new all-electric equipment.

c. Locomotives

Eligible Project Types: Eligible freight switchers include pre-Tier 4 switcher locomotives that operate 1,000 or more hours per year.

- Eligible Freight Switchers may be repowered with any new diesel or alternate fueled or all-electric engines (including generator sets) or may be replaced with any new diesel or alternate fueled or all-electric (including generator sets) freight switchers that are certified to meet the applicable EPA emissions standards as published in the federal code for the engine model year in which the eligible freight switcher mitigation action occurs.

Required Match Amounts for Non-Government Owned Freight Switchers:

- 60% of the cost for a repower with new diesel or alternate fueled (e.g., CNG, propane, hybrid) engines or generator sets, including the costs of installation,
- 75% of the cost for a new diesel or alternate fueled (e.g., CNG, propane, hybrid) freight switcher,
- 25% of the cost for a repower with new all-electric engines, including the costs of installation and associated charging infrastructure, and
- 25% of the cost for new all-electric freight switchers, including associated charging infrastructure.

Required Match Amounts for Government Owned Freight Switchers:

- 20% of the cost for a repower with new diesel or alternate fueled (e.g., CNG, propane, hybrid) engines or generator sets, including the costs of installation,

- 20% of the cost for a new diesel or alternate fueled (e.g., CNG, propane, hybrid) freight switcher,
- 20% of the cost for a repower with new all-electric engines, including the costs of installation and associated charging infrastructure, and
- 20% of the cost for new all-electric freight switchers, including associated charging infrastructure.

d. Commercial Marine Vessels

Eligible Project Types: Ferries or Tugs, and Shorepower for Ocean-Going Vessels.

- Eligible ferries or tugs include unregulated, Tier 1 or Tier 2 marine engines. Eligible ferries and/or tugs may be repowered with any new Tier 3 or Tier 4 diesel or alternate fueled engines, or with all-electric engines, or may be upgraded with an EPA Certified Remanufacture System or an EPA Verified Engine Upgrade. Eligible marine shorepower comprises systems that enable a compatible vessel's main and auxiliary engines to remain off while the vessel is at berth, and include cables, cable management systems, shore power coupler systems, distribution control systems, and power distribution.

Required Match Amounts for Non-Government Owned Eligible Ferries or Tugs and Shore Power for Ocean-going Vessels:

- 60% of the cost of a repower with a new diesel or alternate fueled (e.g., CNG, propane, hybrid) engines, including the costs of installation of the engines for ferries or tugs,
- 25% of the cost of a repower with new all-electric engines, including the costs of installation and associated charging infrastructure,
- 75% for the costs associated with the shore-side system, including cables, cable management systems, shore power coupler systems, distribution control systems, installation, and power distribution systems.

Required Match Amounts for Government Owned Eligible Ferries or Tugs and Shore Power for Ocean-Going Vessels:

- 20% of the cost of a repower with new diesel or alternate fueled (e.g., CNG, propane, hybrid) engines, including the costs of installation,

- 20% of the cost of a repower with new all-electric engines, including the costs of installation and associated charging infrastructure, and
- 20% for the costs associated with the shore-side system, including cables, cable management systems, shore power coupler systems, distribution control systems, installation, and power distribution systems.

H. Right to Reject

ADECA reserves the right to reject, at its sole discretion, any and all applications submitted and to request additional information from applicants. ADECA reserves the right to award a grant on an “all or none” basis or to negotiate a grant for certain work elements. ADECA reserves the right to negotiate with any applicant(s). Grant awards will be made to the entity (entities), which, in the opinion of ADECA, is (are) determined to be the best qualified and whose application(s) best meet(s) the requirements of this RFA and the goals of the Alabama VW Settlement Beneficiary Mitigation Plan.

I. Proprietary Information

The information contained in applications will be public information. Applications and supporting materials submitted shall become the property of ADECA.

PART II Application Requirements

A. Application Contents

The Applicant must submit the application with the following content:

The Grant Application Form includes the following sections and must be completed in full:

Section A: Grant Applicant Information

Section B: Project Budget

Section C: Risk Assessment

Section D: Project Detail and NOx Savings Information

Note: All fields on each line item **must be completed** to be considered.

B. Organization’s Audit

The Applicant must submit a copy of the organization’s most recent audit.

PART III – APPLICATION EVALUATION
Applications shall be evaluated on the following criteria

VW RFA Application Review Sheet

Category: **Volkswagen Settlement Eligible Mitigation Action Item Projects** Reviewer: _____
 Applicant: _____ Date: _____
 Mitigation Action Item: _____
 Requested Award Amount: \$ _____ Proposed Match Amount: \$ _____

REQUIREMENTS		Notes
Proposed Project is eligible under one of the Mitigation Action Items	Y <input type="checkbox"/> N <input type="checkbox"/>	
Proposed match meets or exceeds percentage required	Y <input type="checkbox"/> N <input type="checkbox"/>	
Grant application Sections A-D are complete	Y <input type="checkbox"/> N <input type="checkbox"/>	
Applicant agrees to scrap replaced equipment/vehicle	Y <input type="checkbox"/> N <input type="checkbox"/>	
Applicant agrees to maintain Property Management for purchased/repowered equipment/vehicles	Y <input type="checkbox"/> N <input type="checkbox"/>	
Applicant submitted the organization's most recent audit	Y <input type="checkbox"/> N <input type="checkbox"/>	

Section B: Project Budget (20 possible points)		Max	Score
Proposed Match meets or exceeds percentage required	Y <input type="checkbox"/> N <input type="checkbox"/>	<u>5</u>	
Expenses are included in the appropriate budget categories and are reasonable	Y <input type="checkbox"/> N <input type="checkbox"/>	<u>5</u>	
The applicant leveraged additional funds/programs/partnerships for this project	Y <input type="checkbox"/> N <input type="checkbox"/>	<u>10</u>	

Section C: Risk Assessment (15 possible points)		Max	Score
<u>Risk Assessment Score</u>	<u>Score</u>	<u>Risk Assessment Score</u>	<u>Score</u>
Excellent 0 – 5 points	15	Moderate Risk 16 - 20 points	6
Good Standing 6 - 10 points	12	High Risk ≥ 21 points	3
Average Risk 11 - 15 points	9	Not submitted	0

Section D: Project Detail and NOx Savings Information (65 possible points)		Max	Score
The Project Description is complete and replaces/repowers an Eligible Mitigation Action Item	Y <input type="checkbox"/> N <input type="checkbox"/>	<u>5</u>	
The project benefits are reflective of the Volkswagen Settlement goals	Y <input type="checkbox"/> N <input type="checkbox"/>	<u>15</u>	
The project benefits areas that share a disproportionate share of the air pollution burden and/or vulnerable population areas	Y <input type="checkbox"/> N <input type="checkbox"/>	<u>5</u>	
The project is sustainable both in a local setting and if the equipment will be used for travel	Y <input type="checkbox"/> N <input type="checkbox"/>	<u>10</u>	
The qualifications and experience of the staff is reflective of the project roles	Y <input type="checkbox"/> N <input type="checkbox"/>	<u>5</u>	
The applicant's plan for scrappage meets the requirements of the Mitigation Trust	Y <input type="checkbox"/> N <input type="checkbox"/>	<u>5</u>	
The project plan deliverables represent a complete project	Y <input type="checkbox"/> N <input type="checkbox"/>	<u>5</u>	
NOx Emissions Calculations reflect a significant improvement in NOx discharge	Y <input type="checkbox"/> N <input type="checkbox"/>	<u>15</u>	

Total Points: 100

NOTES:

The Energy Division has the right to reject incomplete applications without review
 Criteria evaluated with a "Y" will be allotted a Score ranging from 1 to the maximum points indicated

PART IV Reporting Requirements

The Energy Division will provide additional information on reporting requirements once grant awards are made. In addition to standard management and financial reporting requirements, grant recipients will be required to submit semiannual and final reports. Semiannual reports will be due no later than January 15 (for the preceding six-month period of July 1 to December 31) and July 15 (for the preceding six-month period of January 1 to June 30). The final report will be due no later than 30 days upon completion of the project. Reports must include a complete description of the project status (including actual or projected completion date), development, implementation, and any modification to the project.

PART V Additional Requirements

Applicants chosen for award under this solicitation will be required to submit the following upon notification of selection:

Certificate of Compliance with the Beason-Hammon Alabama Taxpayer and Citizen Protection Act – AND– E-Verify MOU

A form entitled CERTIFICATE OF COMPLIANCE WITH THE BEASON-HAMMON ALABAMA TAXPAYER AND CITIZEN PROTECTION ACT (Act 2011-535 as amended by Act 2012-491) must be submitted in addition to the following (the form must be signed, dated, and notarized):

The Beason-Hammon Alabama Taxpayer and Citizen Protection Act, Code of Alabama, Section 31-13, imposes conditions that apply to contracts, grants, or incentives by the state, any political subdivision of the state or any state-funded entity where the co-party is a “business entity or employer.” This act will require selected proposers to submit a completed copy of the E-Verify Memorandum of Understanding (MOU) which is generated when the business entity or employer enrolls in that program bearing the number assigned to that MOU by Homeland Security at <https://verify.alabama.gov>.

The following clause will be included in the agreement with the selected proposer:

“By signing this contract, grant, or other agreement, the parties affirm, for the duration of the agreement, that they will not violate federal immigration law or knowingly employ, hire for employment, or continue to employ an unauthorized alien within the state of Alabama. Furthermore, a contracting party found to be in violation of this provision shall be deemed in breach of the agreement and shall be responsible for all damages resulting therefrom.”

Local governments, state agencies, state universities, two-year colleges, or instrumentalities of the State are not required to submit an Immigration Compliance form or E-Verify MOU.

State of Alabama – Disclosure Statement

Alabama Act 2001-955 requires the Vendor Disclosure Statement to be completed and filed with all proposals, bids, contracts, and grant proposals to the state of Alabama in excess of \$5,000. Complete all lines as indicated. If an item does not apply, denote ‘N/A’ (not applicable). If you cannot include

required information in the space provided, attach additional sheets as necessary. The form must be signed, dated, and notarized.

PART VI Payment Information

Subrecipients will be paid on an advance payment basis provided that they maintain a cash management plan, demonstrate the willingness and ability to maintain both written procedures to minimize the transfer of funds and their disbursement, and financial management systems. Subrecipients may also elect to be paid through reimbursement. Based on a risk assessment conducted by ADECA, all subrecipients will be assigned a risk score. Those subrecipients with higher scores may be required to follow different payment procedures. Those Subrecipients considered high risk may be placed on reimbursement only status.

The successful applicant must register in the State of Alabama Accounting and Resource System (STAARS) Vendor Self Service (VSS) portal in order to receive payment. Recipients can elect to be paid via Electronic Funds Transfer (EFT) or paper check when registering.

This RFA does not indicate acceptance or approval of any application in response to this request. No payment can be made until a fully executed grant document is in place. Therefore, applications selected for funding shall not perform any work prior to an executed agreement.

QUESTIONS

Questions pertaining to this RFA may be submitted by email to vwsettlement@adeca.alabama.gov.

For additional information on the Volkswagen Settlement, visit our website at <http://www.adeca.alabama.gov/Divisions/energy/vw/Pages/default.aspx>.

ADECA RESERVES THE RIGHT TO REJECT WITHOUT REVIEW ANY APPLICATIONS DETERMINED TO BE
INCOMPLETE.

APPLICATION CHECKLIST

Your Application Should Include The Following:

- Grant Application Form
- Organization's most recent audit
- Certificate of Compliance with the Beason-Hammon Alabama Taxpayer and Citizen Protection Act – AND– E-Verify MOU
- State of Alabama – Disclosure Statement

NOTE: Please keep a complete copy of your APPLICATION (including a copy of all completed and signed attachments).