

# Frequently Asked Questions: Recovery Act Funding for the National Clean Diesel Funding Assistance Program

**Updated April 27, 2009**

NOTE: This is the Final Version of the Frequently Asked Questions; no more questions will be added. Please read through the entire document as new questions were added and some old questions were updated. If you believe your question was not answered, please keep in mind that we received many questions, some were variations of each other. So your question was likely indirectly answered.

The American Recovery and Reinvestment Act of 2009 (Recovery Act) provides \$300 million in new funding to support the implementation of verified and certified diesel emission reduction technologies. This competitive Request for Applications (RFA) covers \$156 million that must be used to achieve significant reductions in diesel emissions in terms of tons of pollution produced and diesel emissions exposure (particularly from fleets operating in areas designated by the Administrator as poor air quality areas), and the funded projects must demonstrate the ability to maximize job preservation and creation.

Applicants must review and use the most recent version of this RFA when preparing their application packages for submission. Slight modifications were made to the RFA on March 23, 2009. See <http://www.epa.gov/otaq/eparecovery/index.htm> for more information.

The following Frequently Asked Questions are compiled for the benefit of entities that are considering applying for a grant under this Recovery Act RFA (Funding Opportunity EPA-ARRA-OAR-OTAQ-09-06).

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## A. Applicant Eligibility

Question A.1: *Can an individual apply for funding under this ARRA RFA?*

Answer: No. Only the eligible entities listed in Section III of the RFA can apply for funding under this RFA.

Date Posted: Wednesday, April 01, 2009

Question A.2: *Will this RFA fund diesel emission reductions that are required by law?*

Answer: No funds awarded under this RFA can be used to fund the costs of emissions reductions that are mandated under Federal, State or local law. Refer to See Section 1.C.7: Restriction for Mandated Measures.

Date Posted: Wednesday, April 01, 2009

Question A.3: *The RFA states that award funds cannot be used to meet federal, state, or local emissions reduction mandates. What if a mandate has been passed or approved but has not yet gone into effect? Does an "anti-idling" mandate preclude the use of award funds for anti-idling technologies?*

Answer: Mandated emissions reductions are defined by the date the mandate goes into effect, not the date the mandate is passed or approved. For proposals that include activities covered by a mandate, those activities must be completed before the mandate goes into effect, regardless of the length of the grant project period. An "anti-idling" requirement that does not require that a specific type (or types) of technology be installed or used is not considered a mandate and does not preclude use of award funds for anti-idling technologies.

Date Posted: Wednesday, April 01, 2009

Question A.4: *Our school district currently contracts with a local bus company for the use of school buses. Would we be eligible to apply for funds under this RFA and provide the funding to the bus company to retrofit the school buses?*

Answer: Yes. EPA has funded this type of project in the past since so many school districts contract with private companies for pupil transportation services. The school district would have to be the applicant, would have to maintain and be accountable for the grant funds, set up the contract with the bus company, and ensure that all

retrofits are properly installed.

Date Posted: Wednesday, April 01, 2009

Question A.5: *Is a college or university that owns buses eligible to apply for this grant?*

Answer: The college or university must first meet the eligible entity criteria in Section III (A) of the RFA. If the college or university falls into one of the eligible entity categories, the answer then depends on the actual project proposed. The project must meet all threshold eligibility criteria in Section III (C) of the RFA. All applicants should ensure that the project they are proposing is eligible based on these and any other requirements in the RFA.

Date Posted: Wednesday, April 01, 2009

Question A.6: *Are community colleges eligible to apply?*

Answer: No.

Date Posted: Wednesday, April 01, 2009

Question A.7: *Can a private company (i.e. school bus, transit bus, engine manufacturer, retrofit technology manufacturer, etc) apply for funding under this RFA?*

Answer: No. Only eligible entities as identified in Section III (A) of the RFA may apply. A private company may partner with an eligible entity but cannot apply on its own. EPA procurement rules must be followed for any contracts, partnerships, or subawards/subgrants, as explained in Section IV (G) of the RFA.

Date Posted: Wednesday, April 01, 2009

Question A.8: *If a private company partners with an eligible entity, can the eligible entity choose that company without competition?*

Answer: It depends on whether the entity is choosing a contractor or a subgrantee(s). Refer to the clause in Section IV.G for information on selecting subgrantees or contractors to help perform the project. In most cases, the eligible entity must select a contractor (i.e. technology or engine manufacturer) through a fair and open competitive process as required by the procurement rules. However, if the private company owns the fleet that will have the technology installed on its vehicles/equipment, then the eligible entity is partnering with the private company and does not have to select this private fleet owner through a competitive process. As a partner, the private company/fleet owner is considered a key component of the project.

Date Posted: Wednesday, April 01, 2009

Question A.9: *Can funds from the grant be used to pay for biodiesel infrastructure such as pumps or storage tanks?*

Answer: No. This funding cannot be used for fueling infrastructure, such as that used for the production and/or distribution of fuel such as biodiesel, or compressed natural gas fueling stations.

Date Posted: Wednesday, April 01, 2009

Question A.10: *Can a grant be used to rent a facility for biodiesel or to rent a transport vehicle for biodiesel?*

Answer: Renting of biodiesel storage or transportation services is considered infrastructure under this solicitation and is ineligible.

Date Posted: Wednesday, April 01, 2009

Question A.11: *The language in the RFA indicates that city or county agencies are eligible. Does this preclude a city or county government from applying?*

Answer: No. For this RFA, the term "agencies" is a general term that applies to all levels of government and does not exclude a city or county government.

Date Posted: Wednesday, April 01, 2009

Question A.12: *Is fuel tank cleaning an eligible expense?*

Answer: No.

Date Posted: Wednesday, April 01, 2009

Question A.13: *My fleet is not large enough for a project that falls within the award ranges in Section II. Can I include vehicles or equipment from other fleets in my proposal?*

Answer: Yes, but you must identify the other fleet(s) that you wish to include, and describe your relationship with such entity. In addition, you must also provide a description of vehicles/equipment belonging to the other entity that will be involved in the project. The recipient of any assistance agreement funds may then contract directly with the vendor/installer of the technologies to apply those technologies for all of the vehicles/equipment described under the proposal, provided that the conditions for procurement as described in Section IV (G) are followed.

Date Posted: Wednesday, April 01, 2009

Question A.14: *Can funds be used for a project that is already started or will be started before the expected award date?*

Answer: No. Any funding awarded under this announcement must be used for activities that take place within the approved project period and may not be used for unauthorized pre-award costs. However, funding could be used for a new component of an on-going project. For example, if the applicant has a fleet of 500 school buses and has already retrofitted 200, the applicant can apply for funds to retrofit the remaining 300 buses.

Date Posted: Wednesday, April 01, 2009

Question A.15: *Can applications still be submitted for demonstration projects?*

Answer: No. Demonstration projects are not eligible under this RFA.

Date Posted: Wednesday, April 01, 2009

Question A.16: *Can we view the applications that were successful in obtaining federal funds?*

Answer: Yes, you would have to file a Freedom of Information Act (FOIA) request. To do so, contact the FOIA officer in the applicable EPA Regional office. Certain Confidential Business Information and other protected information would be withheld. Additionally, the National Clean Diesel Campaign website has a list of previously funded projects from past grant programs that could be used as a reference. See link for more information: [www.epa.gov/cleandiesel/projects.htm](http://www.epa.gov/cleandiesel/projects.htm)

Date Posted: Wednesday, April 01, 2009

Question A.17: *Is replacing single-axle dump trucks with double-axle trucks eligible?*

Answer: Yes. There are several requirements however: 1) the new trucks should be able and assigned to perform the task that the old trucks did; 2) the old diesel trucks would need to be scrapped (see the definition in the RFA for scrappage); EPA will cover up to 25% of the cost of the replacement vehicle.

Date Posted: Wednesday, April 01, 2009

Question A.18: *We have already placed an order for new school buses but won't receive them or pay for them until June of 2010. Can we use this grant to pay for those buses?*

Answer: The EPA funding can not be used to pay for items which were procured outside of the award period. In the case of pre-ordering buses, the applicant must demonstrate that the pre-ordering does not constitute a procurement and commitment to purchase. If you obligated your school district to pay for the buses prior to the beginning of the grant period, then you are not eligible for reimbursement under this program. In addition, this project is not for buses that would have been replaced through attrition, but rather, early replacement. In most cases, if the buses have already been ordered, the project would not be an early replacement project.

Date Posted: Wednesday, April 01, 2009

Question A.19: *For large projects like shore power with a relatively short timeline for completion, I would like to know what the guidelines are with regard to sole sourcing projects, or components of the overall project. The terms and conditions of the grant specify that competitive processes should be used for contracts.*

Answer: If successful applicants intend to use EPA funds to purchase goods or services, such applicants must generally compete the contracts for those goods and services, make efforts to provide small and disadvantaged businesses with opportunities to compete, and conduct cost and price analyses to the extent required by the fair and open competition for procurement provisions of 40 CFR Part 30 or 31. See clause IV.G in the RFA. While applicants are not required to identify contractors or consultants in their application if they do so it does not relieve the applicant of its obligations to comply with competitive procurement requirements, nor does it guarantee that costs incurred for such contractor/consultant will be eligible under the grant/cooperative agreement. Any mention of a specific vendor or fleet in an application does not imply that that vendor or fleet will be awarded a contract for goods or services or receive particular benefits under this program. Please note that applicants cannot award sole source contracts to consulting, engineering or other firms assisting applicants with the application based solely on the firm's role in preparing the application. EPA cannot accept sole source justifications for contracts for services or products that are otherwise readily available in the commercial marketplace. The regulations also contain limitations on consultant compensation. You can find the EPA guidelines on "Purchasing Supplies, Equipment and Services under EPA Grants" at <http://www.epa.gov/ogd/recipient/procurement.htm>. In some cases, however, the case for sole source justification may be made. These cases will be approved on a case-by-case basis after award by the EPA Project Officer.

Date Posted: Wednesday, April 01, 2009

Question A.20: *Should entities in rural areas apply, or is the competition focused on urban areas?*

Answer: The competition is open to all eligible entities – as defined in Section III (A) of the RFA – and EPA encourages all types of eligible entities to apply. Please refer to the selection criteria in Section V of the RFA for additional information on how the proposals will be evaluated and scored.

Date Posted: Wednesday, April 01, 2009

Question A.21: *Does the project have to be accomplished within the collaborative in which the grantee resides?*

Answer: No. The project must be accomplished within the Region to which the applicant applies for grant funding. Where the applicant physically resides does not matter.

Date Posted: Wednesday, April 01, 2009

Question A.22: *Is there a way that an eligible entity can preselect an equipment supplier for a retrofit program?*

Answer: If the eligible entity chooses to select an equipment supplier through a competitive process that meets the requirement of 40 CFR Parts 30 and 31 prior to submitting its application then the entity would not have to recompetete the work if its project was selected. For example, a school system wants to retrofit all of its school buses with diesel particulate filters but is unsure of the details needed to develop a winning proposal. They could select a supplier through a competitive process and then coordinate with the selected supplier to develop a strong proposal.

Date Posted: Wednesday, April 01, 2009

Question A.23: *During a recent Grants Workshop, it was mentioned that nonprofits that submit winning proposals must meet certain additional requirements. What are those requirements?*

Answer: There may be some additional requirements that affect awards to non-profit organizations. For example, see the Administrative Capability clause in Section VI.G of the RFA. In addition, effective October 1, 2007, grant specialists are including a new administrative condition in each grant award and increase amendment made to a non-profit organization. The condition, which is shown below, requires two employees of the recipient organization to take an on-line grants training course. No funds will be released for payments until the

training is completed. New Administrative Condition: "The recipient acknowledges that two employees of this recipient organization must complete the mandatory on-line training, "EPA Grant Management Training for Non-Profit Applicants and Recipients." One person must be the project manager, or equivalent, for this assistance agreement. The other individual must be the person authorized to draw down funds for this assistance agreement. The training must be completed by both employees prior to the return of the award document to EPA and the receipt of any grant funds. The course can be accessed at: <http://www.epa.gov/ogd/> At the end of the course the recipient must print out, sign and return the certificate of completion with the affirmation of acceptance to the appropriate grants office. The training certification will expire 3 years from the last training date. No funds will be released to the recipient by EPA until the required training is completed."

Date Posted: Wednesday, April 01, 2009

Question A.24: *Are demonstration project funds going to be available in 2009?*

Answer: No. Any funding appropriated for FY 2009 will be for the DERA portion of the Energy Policy Act of 2005. These funds are for implementation projects, not demonstration projects. There is also an open ARRA DERA competition for Emerging Technologies. More information can be found here:  
<http://www.epa.gov/otaq/eparecovery/progemerge.htm>

Date Posted: Wednesday, April 01, 2009

Question A.25: *What funding is there for GPS/AVL applications to help control idling?*

Answer: This RFA does not fund Global Positioning Systems (GPS) or Automatic Vehicle Locators (AVL).

Date Posted: Wednesday, April 01, 2009

Question A.26: *Will level II emissions devices still be funded now that level III's are available and better protect public health?*

Answer: Yes. All EPA and CARB verified technologies are eligible.

Date Posted: Wednesday, April 01, 2009

Question A.27: *How do we apply for reimbursement of our 2008 cost of biodiesel use and cold weather additives?*

Answer: This is ineligible. Only costs incurred during the RFA-specified period are eligible.



Date Posted: Wednesday, April 01, 2009

Question A.28: *Regarding the entities eligible to apply for American Recovery and Reinvestment Act Funding for the Clean Diesel Emerging Technologies Program, please clarify whether a county highway engineer's office or a small city with an engineer's office would be an eligible applicant with the appropriate jurisdiction over transportation or air quality. Similarly, would a Port Authority in a county which doesn't physically contain a port, but partners with a regional port to finance infrastructure projects, be an eligible applicant?*

Answer: A local or regional government agency or port authority that has jurisdiction over transportation or air quality is eligible to apply for funds under this announcement.

Date Posted: Wednesday, April 01, 2009

Question A.29: *Can small school districts join together with other school districts to apply for funding to reach the \$500,000 grant minimum?*

Answer: Yes. But one entity must be the applicant and is responsible for project activities and expenditures. The others are partners in the project.

Date Posted: Wednesday, April 01, 2009

Question A.30: *On Sec. III. C. 6. "Applications that use funds for any casino or other gambling establishment..." We are a casino resort and we have has four busses that serve the Casino. We were hoping to include them in our fleet to be retrofitted. Does the above limitation prevent these four vehicles from being included in our fleet?*

Answer: Correct, those vehicles will not be eligible due to Section III.C.6.

Date Posted: Wednesday, April 01, 2009

Question A.31: *We are a private engine distributor responsible for Iowa, Minnesota, and North and South Dakota. Our engines are all off-road, and agricultural repowers would be our largest market, we believe. So, knowing that agriculture repowers are our focus, who can direct us to the interested entities and best candidates for the program?*

Answer: EPA recommends that you work with your regional collaborative. Visit this web site for more information on Diesel Collaboratives:  
<http://www.epa.gov/otaq/diesel/wherelive.htm>

Date Posted: Wednesday, April 01, 2009

Question A.32: *We are a relatively small school district, and from what I gathered via the webinar, the only way we might qualify for any funding is by partnering with a larger agency. I went to your website as a resource and was wondering if there is any partnering going on within region 8 for school districts that I should look into. Any information you can send me would be helpful.*

Answer: As a school district, you certainly qualify as an eligible entity. Some smaller school districts do find meeting the \$100,000 minimum application amount difficult, however. If you do not feel that you can apply for a grant on your own, you can also contact the State Department of Public Health and Environment, who runs the Clean School Bus Program.

Date Posted: Wednesday, April 01, 2009

Question A.33: *If a "regional, state, local or tribal agency" applies, it has to be one of those entities that has jurisdiction over transportation or air quality? Or can it be A local government, such as a municipality?*

Answer: Yes, with both "jurisdiction" and "Agency" used informally. A local government, such as a municipality, would be eligible.

Date Posted: Wednesday, April 01, 2009

Update Question A.34: *Number 9 of the "Threshold Eligibility Criteria" references that "states must demonstrate that their Governor or State Legislature has agreed to accept Recovery Act funds for this program as required by section 1607 of the Recovery Act" (page 22 of RFA). What type of documentation is required to fulfill this requirement? Or does this apply only to state agencies submitting an application? Would a nonprofit have to demonstrate agreement from the governor or legislature?*

Answer: This threshold criteria has been updated. For applications for States, the Governor or State legislature has to have agreed to accept Recovery Act funds for this program as required by section 1607 of the Recovery Act. State Certifications can be viewed at <http://www.recovery.gov/?q=content/state-certifications>

You don't need to provide a specific document. For EPA's purposes, if a state has a certification letter posted at the recovery.gov web site, then this criteria is satisfied.

Date Posted: Wednesday, April 01, 2009

Question A.35: *I would be interested to know if non-profit 501c3 organization - would be eligible for funding to reduce diesel emissions by retrofitting or*

*replacing trucks used for delivery of food to food pantries, soup kitchens, youth activity sites etc. We have a fleet of approximately 20 vehicles.*

Answer: Eligible organizations are U.S. regional, State, local or tribal agencies or port authorities with jurisdiction over transportation or air quality, or nonprofit organizations or institutions that: 1) represent or provide pollution reduction or educational services to persons or organizations that own or operate diesel fleets; or 2) have, as their principal purpose, the promotion of transportation or air quality. While we cannot fully determine the mission of your organization from your question, it appears that your organization does not fit the definition need for non-profit eligibility. As a result, in order for your organization to participate in this program, you'll have to partner with an eligible entity as described above.

Date Posted: Wednesday, April 01, 2009

Question A.36: *A large national construction company is interested in applying through two non-profit organizations. [Half of fleet listed with one, half with the other.] As long as they do not list the same equipment with each non-profit, is this acceptable?*

Answer: Yes.

Date Posted: Wednesday, April 01, 2009

Question A.37: *I have a local retrofit vendor who is willing to submit a grant application on behalf of a number of school districts who will not meet the \$500,000.00 minimum application in Region 9. The following questions arise: How does a vendor establish a consortium agreement? If we apply as part of a vendor's umbrella grant will I still need to provide my district's DUNS number and will I need to set myself up as an authorized representative of my district? What portions of the grant application will I still be responsible for?*

Answer: The vendor, as a private company, is not an eligible entity and so may not apply for this grant. However, the vendor may assist with writing the application, fostering partnerships and planning the clean diesel project. Note that if the application is chosen for award, there will be requirements for subcontracts and subawards, per Section IV.G. Contracts, Subawards and Partnerships. The school districts must pool their resources and combine efforts to submit one proposal to meet the \$500,000 minimum award amount. However, there can be only one official applicant, which is entirely responsible for grant activities and expenditures. This applicant can be one of the school districts or any other eligible entity, but not a vendor or private company. That applicant will supply the DUNS number, be the

authorized representative, fill out all the forms, etc. Other partners, such as the school districts could supply vehicle information, project details to support the project narrative and a letter of support.

Date Posted: Wednesday, April 01, 2009

Question A.38: *Can you post information on how to submit an application for Intergovernmental Review in different states in Region 2?*

Answer: For applicants in New Jersey, New York, Puerto Rico, or the US Virgin Islands, please see the instructions beginning on page 35 of the "Grant Application Kit" available at <http://www.epa.gov/region02/grants/kit.htm>

Date Posted: Wednesday, April 01, 2009

Question A.39: *Would the diesel equipment used to care for a golf course qualify for funding under this program? Would they be classified as "agriculture" or another eligible use?*

Answer: The Recovery Act funding may not be used for particular activities, including activities for golf courses. Diesel equipment used at golf courses aren't eligible. However, this equipment may be eligible under EPA's annual clean diesel funding programs to be published later this summer.

Date Posted: Wednesday, April 08, 2009

Question A.40: *Are school districts who own their own school buses eligible to apply?*

Answer: Yes

Date Posted: Wednesday, April 08, 2009

Question A.41: *Would a privately held gas utility be considered in public service?*

Answer: It's possible that a privately held gas utility's fleet would be considered a public fleet. However, a privately held utility is not an eligible entity and thus cannot directly apply for funds. To be eligible for funding, the utility must partner with an eligible entity as defined in the RFA.

Date Posted: Wednesday, April 08, 2009

Question A.42: *Is replacing diesel powered temporary construction lights with solar panels eligible under the EPA solicitation?*

Answer: No, solar panels are not a verified diesel emissions reduction technology.

Date Posted: Wednesday, April 08, 2009

Question A.43: *How does EPA define “jurisdiction over air quality” for a municipality?*

Answer: Municipalities are eligible entities.

Date Posted: Wednesday, April 08, 2009

Question A.44: *Are state energy offices eligible for funding?*

Answer: Yes.

Date Posted: Wednesday, April 08, 2009

Question A.45: *Do all school buses qualify for these grants, including private schools?*

Answer: Yes, in general, all school buses and school districts are eligible to apply under the National Clean Diesel Funding Assistance Program. Please refer to RFA for eligibility details.

Date Posted: Wednesday, April 15, 2009

Question A.46: *Our state has passed a law in December 2006 which established deadlines for retrofitting certain vehicles with emission reduction technology. Under the law, applicable entities must retrofit 33% of their vehicle fleet by December 31, 2008; 66% by December 31, 2009; and 100% by December 31, 2010. There are, however, no final regulations in effect that explicitly state which vehicles are covered under the law. The State is currently reviewing public comments on the proposed regulations, which included requests to extend these deadlines. Given the above scenario, would entities in New York be eligible for DERA funding assistance?*

Answer: If there is a law in effect, vehicles/equipment subject to that law are not eligible for funding, unless the funded activities meet (a) or (b) below. The burden is on the applicant to demonstrate that the project meets the Restriction for Mandated Measures. In the absence of clarifying regulations, we would defer to the law for applicability.

Restriction for Mandated Measures: Pursuant to Section 792(d)(2) of the EPA Act of 2005, no funds awarded under this RFA shall be used to fund the costs of emissions reductions that are mandated under Federal, State or local law. The restriction applies when the mandate takes effect (the effective date) for any affected vehicles, engines or equipment. If the project takes place in an affected area, or includes affected vehicles, engines or equipment, the Applicant must clearly demonstrate that emission reductions funded with EPA funds:

a. will be implemented prior to the effective date of the mandate;

and/or

b. are in excess of (above and beyond) those required by the applicable mandate.

Date Posted: Wednesday, April 15, 2009

Question A.47: *We are an underground mine that is working towards achieving DPM and emission standards as set forth by MSHA (Mine Safety & Health Administration). As a result, are we excluded from receiving any RFA funding under Section #7 "Restriction for Mandated Measures?"*

Answer: Funds are not eligible for emission reductions used to meet mandated measures. You may be eligible for funding for diesel emission reduction activities implemented prior to the effective date of the mandate or are in excess of those required by the mandate.

Restriction for Mandated Measures: Pursuant to Section 792(d)(2) of the EPA Act of 2005, no funds awarded under this RFA shall be used to fund the costs of emissions reductions that are mandated under Federal, State or local law. The restriction applies when the mandate takes effect (the effective date) for any affected vehicles, engines or equipment. If the project takes place in an affected area, or includes affected vehicles, engines or equipment, the Applicant must clearly demonstrate that emission reductions funded with EPA funds.

Date Posted: Wednesday, April 15, 2009

Question A.48: *Can the city department of public works, which oversees transportation projects be eligible, or does the applicant have to be a regional transportation planning entity?*

Answer: From the information you provided, if the public works department oversees transportation projects, they would be an eligible entity.

Date Posted: Wednesday, April 15, 2009

Question A.49: *Under the National Clean Diesel Program-ARRA, in section 5.b states an idle reduction program that (2) reduces unnecessary idling of the main drive engine. Would an Insulated structure to house school buses owned by a school district fall within this criteria? It is a proven technology that would eliminate idling buses due to frost on windows and subzero weather. Further we currently use electric block heaters on timers and thermostats to shorten the idling time; however we still use 71,000 kwh annually that adds pollution. This pollution from electrical generation would be reduced as well. Building such a structure would provide jobs for numerous construction workers, and*

*the pollution reduction would last for the life of the structure, not just for the life of the vehicle. Does this qualify under this grant?*

Answer: Although housing buses indoors is an effective idle reduction strategy, it is not an eligible activity under the National Clean Diesel Funding Assistance Program.

Date Posted: Wednesday, April 15, 2009

Question A.50: *Our city has six citizen refuse drop off sites; trucks at these sites run / idle all day while packing refuse. The trucks do not move from the site so an auxiliary electric hydraulic power unit could be used to power the refuse packing mechanism thereby allowing the trucks to be shut off. Would this be eligible?*

Answer: From the information you provided, it seems that the refuse trucks would be eligible for funding under the National Clean Diesel Funding Assistance Program. Auxiliary power units, as well as other diesel emissions reduction solutions are eligible for funding under this program. Please refer to the full announcement of the Request for Applications on our recovery funding website for a full description of eligible vehicles, activities, applicants, and the application process to be considered for grant funds.

Date Posted: Wednesday, April 15, 2009

Question A.51: *In Texas, the Railroad Commission is the state's chief energy agency. It has statutory responsibility to administer programs to improve air quality through the use of alternative fuels, and has administered diesel school bus replacement programs since 1999. Is the Railroad Commission eligible to apply?*

Answer: Based on the information you provided, the Railroad Commission meets the definition of an eligible entity.

Date Posted: Wednesday, April 15, 2009

New

Question A.52: *Could non-diesel vehicles qualify for the Recovery Act Funding for the National Clean Diesel Funding Assistance Program?*

Answer: No. Only heavy duty diesel vehicles, equipment, and engines are eligible for funding. Please see RFA for details.

Date Posted: Wednesday, April 22, 2009

New

Question A.53: *We are a non-profit parochial high school. Would we be eligible to apply for grant money under the American Recovery and Reinvestment Act of 2009 - Diesel Emission Reduction Act Funding?*

Answer: School districts are eligible applicants under this RFA.

Date Posted: Wednesday, April 22, 2009

New

Question A.54: *Should my organization already have completed the notice of intent to apply, work plan template, and work plan by now; to be eligible for these funds?*

Answer: Eligibility is certainly not based on the completion of these forms. Please refer to RFA for eligibility details. Although, to be considered for funding, all materials are due to EPA by the close of this RFA; April 28, 2009. Please refer to the full announcement for specific application instructions.

Date Posted: Wednesday, April 22, 2009

New

Question A.55: *Our organization is a 501c3 and is working with the Nation Clean Cities project. Does this make us eligible to apply?*

Answer: A nonprofit organization or institution that represents or provides pollution reduction or educational services to persons or organizations that own or operate diesel fleets, or has, as its principal purpose, the promotion of transportation or air quality, is an eligible entity under this announcement

Date Posted: Wednesday, April 22, 2009

New

Question A.56: *Can a non-profit that is not a 501(c)3 apply?*

Answer: Yes. A nonprofit organization or institution that represents or provides pollution reduction or educational services to persons or organizations that own or operate diesel fleets, or has, as its principal purpose, the promotion of transportation or air quality, is an eligible entity under this announcement

Date Posted: Wednesday, April 22, 2009

New

Question A.57: *We currently have a grant through the Clean Buses for Kids program. Would our school district still be eligible for school bus replacement funding?*

Answer: In general, participation on one grant program does not preclude an applicant from participating in another grant program as long as the terms and conditions of each program are met (including cost-share restrictions and requirements) and there is no overlap in project budgets.

Date Posted: Wednesday, April 22, 2009



New

Question A.58: *Please clarify what GVWR refers to for “medium-duty”. The DEQ and Fleet Application spreadsheet do not include anything less than Class 5 (16,001-19,500 lbs), but the EPA has defined vehicle weight limitations such that a “heavy-duty vehicle” is one greater than 8,500 lbs. Are vehicles over 8,500 lbs eligible for the EPA DERA opportunities?*

Answer: For highway vehicles, only medium heavy-duty and heavy-heavy duty vehicles are eligible (Classes 5-8).

Date Posted: Thursday, April 23, 2009

## **B. Project Eligibility**

### **i. After-Treatment and Anti-Idling Technologies**

Question Bi.1: *Are diesel particulate filters (DPFs) required for retrofits, or are we allowed to install diesel oxidation catalysts (DOCs) as well?*

Answer: Diesel particulate filters and/or diesel oxidation catalysts that are EPA verified technologies can be used for a project in this RFA. Please read the RFA, Section I (C), Eligible Diesel Emissions Reduction Solutions for more information.

Date Posted: Wednesday, April 01, 2009

Question Bi.2: *The RFA mentions that the funds can be used for idle reduction technologies. Can funds be used for a project to reduce idling through outreach programs (driver training, signs, etc.) and policy development? What are some examples of idle reduction technologies?*

Answer: No. Only verified idle reduction technologies can be funded. For examples of idle reduction technologies eligible for funding under this announcement, please refer to Section I(C) of the RFA.

Date Posted: Wednesday, April 01, 2009

Question Bi.3: *Would an engine that goes in a bus and runs on fuel and heats it up be allowable?*

Answer: As described on the web at <http://epa.gov/otaq/smartway/transport/what-smartway/verified-technologies.htm>, Fuel Operated Heaters (FOH) are approved idle reduction technologies. A FOH provides heat only. EPA has determined through its own test program that these devices reduce emissions on Class 8 trucks when compared to the truck's baseline emissions. In addition, the California Air Resources Board (CARB) has approved certain FOHs for compliance with applicable California

emissions standards.

Date Posted: Wednesday, April 01, 2009

Question Bi.4: *Are we able to apply for funds related to Exhaust Gas Recirculation (EGR) equipment we have installed on our fleets from 2000-2009?*

Answer: No. The funding is for future improvements to diesel fleets and equipment. However, any experience you have can be used to demonstrate your programmatic capability and experience.

Date Posted: Wednesday, April 01, 2009

Question Bi.5: *Under the Recovery Act, grants that involve projects that are defined in guidance as "Infrastructure" have several additional requirements. What are those requirements?*

Answer: Only projects involving Truck-Stop Electrification (TSE) will be defined as infrastructure for this RFA. For those projects, there are requirements for Davis-Bacon Wage Rates and Buy American provisions for construction materials (iron, steel and manufactured construction materials). If a TSE project is selected for award, more information will be provided after award in the Terms and Conditions of the grant.

Date Posted: Wednesday, April 01, 2009

Question Bi.6: *Our project would be for a competition for subgrant projects. Since the competition has not happened, we don't know if there will be subgrants involving Truck-Stop Electrification.*

Answer: More information will be provided after award in the Terms and Conditions of the grant if the project could possibly include Truck-Stop Electrification.

Date Posted: Wednesday, April 01, 2009

Question Bi.7: *Could you please clarify the use of funds for verified technologies, when the possible use of those technologies may not be in specific accord with the category the device has been verified. Example: May an agency interested in funding the retrofit of off-road equipment use program grant funds for a device "verified" for On-road applications?*

Answer: No. You must use the technology within its proper verification criteria.

Date Posted: Wednesday, April 01, 2009

Question Bi.8: *We supply APU's for diesel fleets etc. Are the fleets eligible for grants*

*when adding these APU's to their fleets? We are coming out with a certified DPF for retrofit to existing APU's for diesel particulate reduction are these eligible for grants etc.*

Answer: Eligible entities may apply for funds for the purchase of APUs and/or the retrofit of an APU with a DPF if the DPF is verified for use with the APU.

Date Posted: Wednesday, April 01, 2009

Question Bi.9: *Can a manufacturer of an aftermarket diesel emissions reduction technology qualify for these grants if it has received a Certificate of Conformity but has not been verified by the EPA?*

Answer: Aftermarket diesel emissions reduction technologies or retrofit technologies must be verified by EPA or ARB through their Diesel Retrofit Technology Verification Programs to qualify in project proposals. A certificate of conformity from a program such as EPA's aftermarket parts program does not qualify in project proposals.

Date Posted: Wednesday, April 01, 2009

Question Bi.10: *For the use of aftermarket diesel emissions reduction technologies, is verification required in all instances in order to qualify for these grants?*

Answer: Yes, for this competition. For information on an EPA competition for emerging technologies, see <http://www.epa.gov/otaq/eparecovery/progemerge.htm>

Date Posted: Wednesday, April 01, 2009

Question Bi.11: *Can a manufacturer pursue a Certificate of Conformity and verification simultaneously?*

Answer: Yes.

Date Posted: Wednesday, April 01, 2009

Question Bi.12: *Are idle timers (devices that adjust a vehicle's computer system to cause the engine to shut off after idling for a certain period of time) were eligible for funding?*

Answer: EPA has verified a number of categories of idle reduction technologies: (1) auxiliary power units and generator sets; (2) battery air conditioning systems; (3) thermal storage systems; (4) electrified parking spaces (truck stop electrification); (5) fuel operated heaters; (6) shore connection systems and alternative maritime power; (7) shore connection systems for locomotives; and (8) automatic

shutdown/start-up systems. For the purpose of submitting a grant application, idle reduction projects can be based upon the general "Verified Idle Reduction Technology" category or one or more of the eight verified idle reduction technology categories listed above. By using technology categories for the purpose of submitting a grant application, EPA confers general approval of other company products not evaluated but considered part of that particular technology category if the product is similar in design.

The specific idle reduction products/manufacturers listed at [www.epa.gov/smartway/transport/what-smartway/verified-technologies.htm](http://www.epa.gov/smartway/transport/what-smartway/verified-technologies.htm) have been verified by EPA to save fuel and reduce emissions when compared to idling the main engine. If awarded, a project must use named verified idle reduction technologies (i.e., specific products) listed at the time the technology is purchased, OR the grantee must obtain prior approval from the EPA Project Officer to purchase a product not listed by name by 1) demonstrating the emissions benefit; and 2) justifying the inclusion of the technology in one of the verified categories of idle reduction technologies.

The verified technology list is regularly updated with the latest technologies that EPA has verified. For verification of idle reduction technologies, manufacturers should send product information to the SmartWay Technical Team at [SmartWay-Tech@epa.gov](mailto:SmartWay-Tech@epa.gov) for instructions on how to have the particular product verified.

Date Posted: Wednesday, April 08, 2009

Question Bi.13: *Since a truck stop electrification system requires electricity to perform its design function, is the electrical supply portion of the TSE equipment (equipment needed to connect the heating/cooling hardware to the grid so that electricity can be supplied to the system) eligible for being funding under the DERA stimulus program, or is that considered "infrastructure" and not able to be funded?*

Answer: The electrical supply portion is eligible for funding.

Date Posted: Wednesday, April 08, 2009

Question Bi.14: *Would a land purchase for a truck stop electrification site be an allowable use of funding under this grant?*

Answer: No.

Date Posted: Wednesday, April 08, 2009

Question Bi.15: *Are new technology related to reducing carbon emissions from over*

*the road trucks thru anti-idling laws not federally mandated yet, but mandated in 17 states eligible for this RFA?*

Answer: No. Pursuant to Section 792(d)(2) of the EPA Act of 2005, no funds awarded under this RFA shall be used to fund the costs of emissions reductions that are mandated under Federal, State or local law. The restriction applies when the mandate takes effect (the effective date) for any affected vehicles, engines or equipment. If the project takes place in an affected area, or includes affected vehicles, engines or equipment, the Applicant must clearly demonstrate that emission reductions funded with EPA funds:

a. will be implemented prior to the effective date of the mandate; and/or

b. are in excess of (above and beyond) those required by the applicable mandate.

Date Posted: Wednesday, April 08, 2009

Question Bi.16: *We are an eligible entity and we have a local company that has come up with something that is not on the EPA verified list? Can we apply if the product has been submitted but is not yet verified?*

Answer: At this time, you should not be identifying specific manufacturers or vendors in your proposal; rather discuss the type or category of verified technology that you would like to use (i.e. diesel oxidation catalyst, auxiliary power units, etc). Once your project is awarded, you will be required to compete contracts for all your goods and services, including the purchase of emission reduction technologies. If by that time, a particular technology product is not on EPA or CARB's Verified Technology List (in your case, pending verification but not officially verified), that product would not be eligible for your project. If you decide to sole-source, please refer to the RFA for further instructions.

Date Posted: Wednesday, April 08, 2009

Question Bi.17: *Could purchasing a machine to be used to clean diesel particulate filters qualify for funding assistance under the recovery program?*

Answer: DPF cleaning/regeneration stations are eligible for funding.

Date Posted: Wednesday, April 15, 2009

Question Bi.18: *Are direct fired bus heaters eligible?*

Answer: Yes, diesel fired heaters are eligible under the Verified Idle Reduction Technologies category.

Date Posted: Wednesday, April 15, 2009

**New** Question Bi.19: *Does the EPA collaborative provide the actual testing or test certification for products, and performance data once the project is executed?*

Answer: Funding under this RFA is for the implementation of EPA and CARB verified and certified diesel emission reduction solutions. Testing and monitoring are not eligible activities under this RFA.

Date Posted: Wednesday, April 22, 2009

**New** Question Bi.20: *Does CARB certification automatically qualify a product or process?*

Answer: Funding under this RFA is for the implementation of EPA and CARB verified and certified diesel emission reduction solutions.

Date Posted: Wednesday, April 22, 2009

**New** Question Bi.21: *We have in the planning stages a verifiable idle reduction program that consists of installation of engine block heaters in more than 280 buses. A major portion of the project would be repowering the storage barn the buses are stored in overnight. We could reduce the idling of these buses for a period of two to three hours per day when temps are lower than 40 degrees F. Would funds from the grant be eligible to pay salaries to mechanics who get to keep their jobs by installing engine block heaters?*

Answer: Project funding can cover the costs of eligible idle-reduction technologies, including parts and labor.

Date Posted: Wednesday, April 22, 2009

**New** Question Bi.22: *In the event that equipment has been retrofitted in the past, but those past retrofits have reached the end of their useful life, is purchase and installation of new exhaust controls (muffler + catalyst) to replace the older controls that no longer work eligible for funding?*

Answer: If the past retrofits have reached the end of their useful life and will be removed, the purchase of new retrofits for this same equipment is eligible for funding.

Date Posted: Wednesday, April 22, 2009

**New** Question Bi.23: *Are diesel particulate filters that are conditionally verified eligible for funding within this RFA?*

Answer: Conditionally verified technologies on EPA and CARB's verified

technology lists are eligible for funding.

Date Posted: Wednesday, April 22, 2009

New

Question Bi.24: *Along with tire replacement, would using super singles, or reducing the number of wheels on a trailer axle be eligible under the Verified Low rolling resistance tire criteria?*

Answer: Retrofitting axles, hubs, and bearings may or may not be required, depending upon load requirements and equipment. This funding can cover up to 100% of the costs (labor and equipment) for low rolling resistance tires, so axles are included as well. The eligible acquisition cost of equipment means the net invoice price of the equipment, including the cost of modifications, attachments, accessories, or auxiliary apparatus necessary to make the property usable for the purpose for which it was acquired. Other charges, such as the cost of installation, transportation, taxes, duty or protective in-transit insurance, shall be included or excluded from the unit acquisition cost in accordance with the recipient's regular accounting practices

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Date Posted: Wednesday, April 22, 2009

## ii. Clean and Alternative Fuels

Question Bii.1: *Does "conventional diesel fuel" include low sulfur diesel (LSD)? In other words, can funding be used to displace LSD with ultra low sulfur diesel (ULSD) fuel (with less than 15 parts per million sulfur) use in off-road construction vehicles?*

Answer: Yes. You can use the grant funds to offset the cost of ULSD in non-road equipment. However, note that ULSD is required in 2010 so funds cannot be used for ULSD in some off-road scenarios after 2010. Only the incremental cost may be eligible.

Date Posted: Wednesday, April 01, 2009

Question Bii.2: *Can you include cost differential in the application even though you are already purchasing ULSD or biodiesel at a premium?*

Answer: EPA will pay for the cost differential for new fuel contracts or changes to existing contracts. If an entity is already purchasing biodiesel or ULSD at a premium, EPA will not provide reimbursement for that activity. However, EPA will pay the cost differential associated with renewing, extending or obtaining a new contract for cleaner fuel.

Date Posted: Wednesday, April 01, 2009

Question Bii.3: *Can an entity apply to fund the manufacturing process of biodiesel (or another cleaner fuel)?*

Answer: No. This competition is intended to be for implementation of verified or certified diesel emissions reduction technologies, and is not intended to fund the manufacture, research, or development of those emission reduction technologies (fuel, equipment, etc.). Section II (E) of the RFA lists other funding restrictions and requirements.

Date Posted: Wednesday, April 01, 2009

Question Bii.4: *Is there any chance of a school district receiving grants for anything more than the incremental cost difference between a diesel bus and a CNG powered or fuel cell bus?*

Answer: EPA will pay up to 25% for the replacement of school buses that meet EPA's 2007 standards for heavy-duty on-highway vehicles. EPA will pay for up to 50% for the replacement of school buses that meet EPA's 2010 standards for heavy-duty on-highway vehicles

Date Posted: Wednesday, April 01, 2009

Question Bii.5: *What are the requirements for projects to add vegetable oil (such as strained and filtered old cooking oil) to diesel fuel?*

Answer: The vegetable oil must first be registered as a fuel additive. Vegetable oil, such as strained and filtered cooking oil, is not the same as biodiesel. EPA allows up to a 5% vegetable oil blend with diesel fuel, provided the diesel continues to meet ASTM diesel specifications. The manufacturer or facility producing the vegetable oil must have it registered as a fuel additive via EPA Form 3520-13, Fuel Additive Manufacturer Notification, available at: <http://www.epa.gov/otaq/regs/fuels/ffarsfrms.htm>

Date Posted: Wednesday, April 01, 2009

Question Bii.6: *Our town is planning to use filtered, used vegetable oil from local restaurants in our highway department diesel vehicles and school buses. We would like to establish the infrastructure to collect, process and blend this vegetable oil with diesel fuel. Will this initiative fall under the guidelines for this program?*

Answer: No. Cooperative agreement funds cannot be used for fueling infrastructure, such as that used for the production and/or distribution of fuel such as biodiesel, or compressed natural gas fueling stations. SVO (straight vegetable oil) is not an EPA registered fuel. See the related question regarding vegetable oil use. The conversion kits to run an engine on SVO are not certified either and are not eligible for funding. If the SVO is converted to biodiesel that meets ASTM



standards, the purchase and use of ASTM biodiesel is allowed under the grant program. The biodiesel manufacturer must have it registered as diesel fuel, using EPA Form 3520-12 at <http://www.epa.gov/otaq/regs/fuels/ffarsfrms.htm>. However, the infrastructure costs of making and distributing the fuel are not eligible under the National Clean Diesel Funding Assistance Program. Additionally, only the incremental cost for cleaner fuel is eligible.

Date Posted: Wednesday, April 01, 2009

Question Bii.7: *If our product is registered with the EPA as a fuel detergent is this considered registered?*

Answer: Yes.

Date Posted: Wednesday, April 01, 2009

Question Bii.8: *Are projects that convert a waste product (like oily shells or byproduct) into biodiesel covered by these grants (i.e. making veggie oil from wastes)?*

Answer: No.

Date Posted: Wednesday, April 01, 2009

Question Bii.9: *In a project that proposes to use biodiesel or other clean fuels, can funding be used for additives or a higher funding level be paid for premium blends that include additives?*

Answer: If it is not on the EPA or ARB verified technology list to reduce emissions, the additive may not be funded through this RFA. Similarly a premium price may not be paid for a fuel or fuel blend with unverified additives, as that would simply be a method to avoid the requirement that the additive be verified. Further, caution must be exercised when using any fuel or lubricant additives as these products may impact emission control system performance. Fuels and fuel additives must also comply with applicable registration requirements.

Date Posted: Wednesday, April 08, 2009

Question Bii.10: *Under the ARRA National Clean Diesel solicitation, is the incremental cost difference between ULSD (the only diesel fuel available in California) and natural gas (either compressed and liquefied) eligible for 100% grant funding for onroad and off-road OEM CNG vehicles, using OEM natural gas engines? For off-road engines, is the incremental cost difference between ULSD fuel and propane fuel eligible for LSI propane OEM engines?*

Answer: In this case, no. Because the engines were designed to operate on CNG or propane, there are no marginal emissions benefit.

Date Posted: Wednesday, April 08, 2009

Question Bii.11: *My organization sells a fuel supplement that reduces emissions, fuel consumption, and increases the life of diesel engines. Can the Clean Diesel RFA grant funds be utilized to sell our product to schools administrations in my state to be used in their buses? Second, can the grant funds be used to create long term employment for low income families by establishing distribution centers to be a primary supplier to school administrations?*

Answer: Your product must be verified either by EPA or CARB and placed on the respective verified technologies list, as stated in the RFA. If your product is listed, then, yes, grant funds could be used to purchase your product. Distribution centers are not an eligible expense under this RFA.

Date Posted: Wednesday, April 08, 2009

Question Bii.12: *Will fuel additives be considered as a fuel upgrade ?*

Answer: Fuel additives must be on EPA or CARB's verified list to be considered a verified technology.

Date Posted: Wednesday, April 08, 2009

Question Bii.13: *Can this grant money go towards ethanol displacing diesel for reduction of emission?*

Answer: Under this RFA, eligible cleaner fuels include, but are not limited to, ultra-low sulfur diesel fuel (for non-road vehicles, engines and equipment prior to EPA's mandate), biodiesel, diesel emulsions or additives verified by EPA or CARB, compressed natural gas, propane and other certified alternative fuels.

Date Posted: Wednesday, April 15, 2009

Question Bii.14: *Could I replace ULSD with LNG vehicles and only request funds for the incremental cost of LNG fuel instead of the whole cost of the new vehicle?*

Answer: Yes, an application solely for the incremental cost difference of a cleaner fuel is eligible. Under this RFA, projects must include one or more of the diesel emissions reduction solutions listed in Section I.C.5.

Date Posted: Wednesday, April 15, 2009

New Question Bii.15: *Is this grant for on-road or non-road use of Biodiesel?*

Answer: This RFA includes both.

Date Posted: Thursday, April 23, 2009

New Question Biii.66: *Is a fuel additive considered an EPA and California Air Resources Board (CARB) verified and certified diesel emission reduction technology if it is on the EPA's list of registered fuel additives? Would use of this additive by a municipal bus fleet be considered eligible for grant funding?*

Answer: If it is not on the EPA or ARB verified technology list to reduce emissions, the additive may not be funded through this RFA. Similarly a premium price may not be paid for a fuel or fuel blend with unverified additives, as that would simply be a method to avoid the requirement that the additive be verified. Further, caution must be exercised when using any fuel or lubricant additives as these products may impact emission control system performance.

Date Posted: Thursday, April 23, 2009

### **iii. Engine Replacement, Repowers, and Shutdowns**

Question Biii.1: *Is replacing gasoline powered vehicles or equipment with new diesel powered vehicles or equipment eligible under this RFA?*

Answer: No, the replacement of gasoline-powered vehicles or equipment is not allowable under this RFA. However, replacement of diesel vehicles and equipment with newer, cleaner diesel or hybrid or alternative fuel vehicles or equipment is eligible for funding under this announcement per Section I(C) of the RFA.

Date Posted: Wednesday, April 01, 2009

Question Biii.2: *Is converting a truck to CNG considered an engine replacement, an engine upgrade or a retrofit?*

Answer: If the existing engine is converted to run on CNG through the installation of a "kit", it is an engine upgrade. The "kit" must be certified, and it is not verified as a retrofit. If the entire engine and fueling system are swapped out with a CNG engine configuration, it is a repower and it also must be certified.

Date Posted: Wednesday, April 01, 2009

Question Biii.3: *Would purchase of new CNG refuse trucks to replace diesel units qualify under this program?*

Answer: Yes, as an early replacement for an old diesel vehicle, CNG replacement would be an eligible activity under this RFA. Emission reductions that would have occurred through normal attrition are not eligible: it must be early retirement. In addition, the old diesel vehicle must be scrapped or remanufactured (see RFA for details).

Date Posted: Wednesday, April 01, 2009

Question Biii.4: *We would like to replace the 70 daily diesel truck trips with an approved state-of-the-art pipeline delivery system. Would this be eligible under the RFA?*

Answer: This project doesn't qualify under our program. Other Funding Opportunities offered by other Federal agencies besides EPA under the Recovery Act may cover such a project.

Date Posted: Wednesday, April 01, 2009

Question Biii.5: *Is the new purchase of alternative technology switcher locomotives (multi-engine gen sets) eligible for funding under this program? If so, what percentage of funding would this type of project be eligible to receive? If the new purchase is not eligible, could this type of project be funded as a replacement and be eligible for 25%?*

Answer: Yes, under a locomotive replacement program. The purchase of a new locomotive would not qualify if the overall fleet is expanding by the purchase and no comparable locomotive were removed from service. The grant would cover the incremental cost of new vehicles and equipment, which would be up to 25% of the cost of the new vehicle or equipment. As a replacement project, the locomotive removed from service would have to comply with RFA requirements. The engine must be permanently disabled and the locomotive chassis must also be permanently disabled. If you are just replacing the engine, that would be re-power and EPA would pay up to 75%.

Date Posted: Wednesday, April 01, 2009

Question Biii.6: *Are trailer refrigeration units eligible for replacements under this RFA?*

Answer: Yes, they would be eligible, provided that the replacement is a certified cleaner engine, and the old refrigeration unit & engine is permanently disabled. Additionally, the applicant is responsible for complying with all laws for proper recycling and handling of refrigerants in this type of replacement project.

Date Posted: Wednesday, April 01, 2009

Question Biii.7: *Are diesel-powered standby gen sets eligible for program funding?*

Answer: Yes.

Date Posted: Wednesday, April 01, 2009

Question Biii.8: *Can the grant money be used to replace existing older style diesel generators? Can the grant money be used to buy new tier 2/3 diesel generators; for Sewer Lift Stations, Water-Wells?*

Answer: Replacement/ upgrade of engines are eligible activities and include replacement/upgrade of stationary engines. Please review the limitations for replacement and upgrades in Section I.B.

Date Posted: Wednesday, April 01, 2009

Question Biii.9: *How much does EPA cover if a diesel heavy-duty vehicle is replaced with a hybrid?*

Answer: EPA covers 25% of engine/vehicle replacements, except for school buses meeting the 2010 emissions standards, for which we cover 50%.

Date Posted: Wednesday, April 01, 2009

Question Biii.10: *Does the grant for cleaning agricultural diesel emissions include replacing diesel powered water pumps with electric pumps?*

Answer: Yes, our grant funding would cover a project that replaced diesel-powered water pumps. The replacement engines would have to be certified by EPA or CARB.

Date Posted: Wednesday, April 01, 2009

Question Biii.11: *Does the term "school buses" mean buses which transport school pupils, or is a generic term in Section I.C.5.f.i in the RFA? We use school buses to transport inmates.*

Answer: The term is specific and refers to medium or heavy-duty buses which transport children to and from educational facilities.

Date Posted: Wednesday, April 01, 2009

Question Biii.12: *I am preparing an application for the ARRA Diesel Funding and would like to ask a clarifying question. We are applying for funds to administer a subgrant program for engine repowers. Engine repowers require a 25% cost share for the parts and installation, but if I include a request for funds to support staff and marketing assistance for the project, that funding use does not have a cost share requirement. Is this correct?*

Answer: The cost-share applies only to the repower costs (parts and labor).

Date Posted: Wednesday, April 01, 2009

Question Biii.13: *Are automatic shut-down systems to reduce idling eligible for funding?*

Answer: Yes, for locomotives.

Date Posted: Wednesday, April 01, 2009

Question Biii.14: *Does an engine upgrade have to be EPA or ARB verified?*

Answer: An engine upgrade does not have to be verified by EPA or ARB. Some verified engine upgrades are included on EPA's Verified Technology List. An engine upgrade that changes an engine from one certified configuration to another certified configuration may not have to be included on a verified technology list.

Date Posted: Wednesday, April 01, 2009

Question Biii.15: *What is required for an engine upgrade?*

Answer: To achieve the goals of this RFA, an engine upgrade must achieve an emissions benefit by changing the engine to comply with a lower emission standard. Consequently, some engine upgrades may also be characterized as emissions upgrades.

Date Posted: Wednesday, April 01, 2009

Question Biii.16: *How does an engine upgrade differ from an engine replacement?*

Answer: An engine upgrade or emissions upgrade is the removal of parts on a certified engine configuration and replacement with parts that cause the engine to represent an engine configuration which was certified to a lower emission standard. An engine replacement is the removal of an older engine and installation of a new or remanufactured engine configuration that was EPA certified to a lower emission standard. Consequently, both an upgrade and replacement achieve an emissions benefit by moving from one standard category to a cleaner-lower emission standard category.

Date Posted: Wednesday, April 01, 2009

Question Biii.17: *Will you give an example of an engine upgrade and an engine replacement?*

Answer: An engine certified to the 5.0 NO<sub>x</sub> emissions standard in 1996 might be rebuilt and upgraded with parts to represent an engine configuration certified in 1999 to the 4.0 g/bhp-hr NO<sub>x</sub> standard.

Similarly the 1996 engine could be replaced with an engine remanufactured to meet the 1999 emission standards. Please note that engine upgrades may not be available for all engines, and not all upgrades may achieve an emissions benefit. Similarly, it is not always possible to replace an engine with a newer cleaner engine because other vehicle/equipment modifications may be necessary. Proposals should be well researched to identify available upgrade / replacement options. If a project results in an upgrade or replacement that does not achieve an emissions benefit, the funding may be denied for failure to achieve the project purpose.

Date Posted: Wednesday, April 01, 2009

Question Biii.18: *What engine information is appropriate to include in an engine upgrade or replacement proposal?*

Answer: An engine upgrade (or emissions upgrade) or engine replacement project should include engine and vehicle information for the existing fleet. It is also appropriate to include a complete description of the engine configuration that will be achieved or installed through the project. Typically the EPA engine family name on the emission label of the engine is most useful as well as the other specific information listed in the RFA for engine and vehicle. To be funded, the upgrade or replacement must result in an emissions benefit by achieving a lower emission standard with the new engine configuration.

Date Posted: Wednesday, April 01, 2009

Question Biii.19: *If our school district is looking into purchasing new buses w/ this funding, is it accurate that the funding would pay for 25% of the cost of a current model year bus or 50% of a 2010 bus with the new emission standards.*

Answer: Yes.

Date Posted: Wednesday, April 01, 2009

Question Biii.20: *Can grantees use U.S. EPA funds to buy down a replacement vehicle by the 25% AND use the same funds to upgrade/repower the "old" vehicle to current standards?*

Answer: No, the 25% funding option can only be used for the purchase of the new vehicle. The old vehicle must be properly scrapped, and cannot be upgraded or repowered.

Date Posted: Wednesday, April 08, 2009

Question Biii.21: *For nonroad equipment replacement projects, what criteria methods*

*are used to determine similar horsepower? In the RFA, there is the following statement: "The replacement vehicle/equipment must be of the same type and similar gross vehicle weight rating or horsepower as the vehicle/equipment being replaced (e.g., a 300 horsepower bulldozer is replaced by a bulldozer of similar horsepower)." If we replace a 210 hp yard tractor with a 240 hp yard tractor, is that similar horsepower? Or replacing a 105 hp forklift with a 160 hp forklift; is that similar horsepower? Is "similar horsepower" based on the way the EPA nonroad engine standards are grouped into horsepower ranges (less than 11 hp, 11 to 25 hp, 25 to 50 hp; 50 to 100 hp; 100 to 175 hp; 175 to 300 hp; 300 to 600 hp; 600 to 750 hp; 750 hp and above)? Or is there some other method?*

Answer: In general, the horsepower rating for the replacement engine must not be greater than 125 percent of the original manufacturer rated horsepower (baseline horsepower) for the old engine. In limited situations, such as equipment in the original horsepower range was not available or the higher horsepower equipment will result in equal or less annual emissions, EPA may approve a greater than 25 percent increase in horsepower. Documentation must be provided that the replacement vehicle/equipment will be executing the same job as the old vehicle/equipment.

Date Posted: Wednesday, April 08, 2009

Question Biii.22: *We currently have a fleet of 390 propane buses. Would accelerated replacement of these vehicles with new cleaner propane vehicles be eligible for funding?*

Answer: No. Funding under this RFA is specifically dedicated to reducing emissions from the existing diesel fleet.

Date Posted: Wednesday, April 08, 2009

Question Biii.23: *Can a project propose to, for example, replace a 5 year old vehicle with a brand new vehicle, and then subsequently replace a 10 year old vehicle with the 5 year old vehicle, with the 10 year old vehicle ultimately being scrapped? Is this type of project eligible for funding as a vehicle replacement project?*

Answer: EPA has approved this type of scrappage strategy in the past and may do so in the future. The engine must be of similar horsepower and function.

Date Posted: Wednesday, April 08, 2009

Question Biii.24: *As people have come to me with interest in replacing old buses, I've been telling them that we're going to ask for a few pieces of*



*information to confirm that they're retiring buses early (our goal as well as yours): The number of buses they've retired the previous two years and the age of those buses. The total number they're retiring this year and the age of these buses (both regularly scheduled retirements and early retirements)*

*If we see that someone has been retiring three buses per year, and this year they're retiring six, they'd only be eligible for funding for three buses through DERA, even if all six of the ones being retired are being retired early, correct? Or can they receive funding for all six, even if that means they're keeping the buses that had been scheduled for retirement in their fleet longer?*

Answer: Yes, only 3 of the 6 would be eligible because of past retirement history - as being consistent with Section I.C.5.f.i.

Date Posted: Wednesday, April 08, 2009

Question Biii.25: *Please define "certified vehicle" for purposes of funding under the Vehicle Replacement Program element. In particular, please confirm that the vehicle described as follows would be certified: a heavy-duty vehicle with primary propulsion power from a certified diesel engine, and also equipped with a plug-in hybrid system used to power idle reduction equipment and provide a small amount of power used for vehicle propulsion.*

Answer: Heavy-duty vehicles are not specifically certified to emission standards. The engine itself must be EPA certified for use in a heavy-duty vehicle or nonroad application. An auxiliary power unit would typically use a certified nonroad engine. An on-highway heavy-duty vehicle must use an engine certified to on-highway engine emission standards.

Date Posted: Wednesday, April 08, 2009

Question Biii.26: *Are stationary engines eligible for repowering under this RFA?*

Answer: Yes.

Date Posted: Wednesday, April 08, 2009

Question Biii.27: *I intend to replace the engine and keep the chassis and body of my diesel vehicle. Do I have to use a verified technology or can I use a new certified engine?*

Answer: If you are replacing the engine and not the entire vehicle, it is considered an engine repower. You may either use a verified technology listed on the verified technology page or a new engine

certified to meet current or future EPA emission standards.

Date Posted: Wednesday, April 08, 2009

Question Biii.28: *In section C. Scope of Work 5. Eligible Diesel Emissions Reduction Solutions e. Certified Engine Repowers, it states that "Repower includes, but is not limited to, diesel engine replacement with an engine certified...highway engine." If proposing to repower electromotive (either AC or DC) diesel locomotives, will the 75% funding pay for replacement of the existing diesel engine and the existing electric generator set (s)?*

Answer: The 75% applies to repowering the existing diesel engine and/or the existing electric generator set. In this case, the engines would be removed and new engines would be installed.

Date Posted: Wednesday, April 08, 2009

Question Biii.29: *Under the guidelines of the current RFA, can a school district replace an existing old model gas powered school bus with a new qualified alternative fuel bus? Also, if they buy 4 new buses will they have to take 4 older buses out of service, in other words, one for one?*

Answer: This RFA does not cover the replacement of gas-powered vehicles. However, you are correct that if four new buses are purchased, four older buses must come out of service.

Date Posted: Wednesday, April 08, 2009

Question Biii.30: *Regarding the following paragraph on page 13 of the RFA*

*"Fifty percent Level: This funding will cover up to 50% of the cost of a replacement school bus with engines manufactured in model year 2007, 2008, or 2009 that satisfy 2010 model year regulatory limits for emissions of PM, NOx and NMHC. The model year 2010 regulatory requirements are: PM at 0.01 grams per brake horsepower hour, NOx at 0.20 and NMHC at 0.14."*

*The school bus manufacturers have informed us that no 2010 compliant buses will come off the line until the first quarter of 2010. Are 2010 buses that come off the assembly line in 2010 eligible for the 50% level of funding?*

Answer: Compressed natural gas –powered buses are already meeting EPA's 2010 emissions standards and thus are eligible for the 50% funding level. Model year 2010 diesel buses meeting EPA's emissions standards will be eligible for this level of funding when they become available on the market. Applicants should remember when

constructing their timelines for these projects that projects should be concluded by September 30, 2010.

Date Posted: Wednesday, April 08, 2009

Question Biii.31: *A project involves converting a crane that is currently powered by a diesel engine to being powered electrically by connecting the crane to shore side power. The crane's diesel engine would be dismantled and scrapped. Would this project be classified as a repower, idle-reduction or replacement project?*

Answer: This project would be an engine repower.

Date Posted: Wednesday, April 08, 2009

Question Biii.32: *i have a customer wondering about the grant program to swap his engine for a cleaner engine. What are the rules for the year model of engine; does it have to be new model year or just 2002 or newer?*

Answer: There is no specific model year requirement, only that the new engine be certified to a cleaner emission standard than the existing engine. However, a new 2007-2009 engine will produce the greatest emissions benefit.

Date Posted: Wednesday, April 15, 2009

Question Biii.33: *The Q&A mentions that projects are 100% federally funded, but also states that EPA will only cover up to 25% of the cost to replace heavy duty buses with hybrid buses. Can you please clarify if there is a non-federal match requirement and any exceptions?*

Answer: There is a mandatory cost-share requirement for repower (engine replacement) and vehicle/equipment replacement. All other types of eligible projects (retrofit, idle reduction, cleaner fuels) do not have a cost-share requirement. See RFA for more information on "Summary of What EPA Will Fund."

Date Posted: Wednesday, April 15, 2009

*Update* Question Biii.34: *Regarding the status of the vehicle replaced in this program, can the replaced vehicle exhaust system be upgraded to tier III and the vehicle be sold or traded in to dealer, rather than destroying or scrapping the unit?*

Answer: From the information provided, you appear to be referencing retrofitting the exhaust of the replaced vehicle instead of remanufacturing the replaced vehicle engine to a cleaner emission standard. The engine must be upgraded/remanufactured to a cleaner

emission standard, which may include the installation of an exhaust retrofit. However, exhaust retrofit alone will not meet the replacement criteria. Also, if the replaced vehicle is sold, program income requirements apply.

Date Posted: Wednesday, April 15, 2009

Question Biii.35: *According to Page 12 of the RFA, "Normal attrition is typically defined by the vehicle or fleet owner's budget plan, operating plan, standard procedures, or retirement schedule. For example, if a school bus fleet typically retires vehicles after 7 years, a bus that is currently in its 6th or 7th year of service is not eligible for replacement."*

*This definition would exclude buses funded with federal funds and which could not be retired before the end of their service life. Is it this correct, and thus, these buses are not eligible for funding?*

Answer: If a bus is at the end of its service life, as defined by the bus fleet owner's budget plan, operating plan, standard procedures, or retirement schedule, then that bus is not eligible for funding under the National Clean Diesel Funding Assistance Program.

If the fleet owner is prohibited from early retirement through a purchase agreement, contract, or other requirement, the issue should be taken up with the agency that is imposing the requirement. EPA will not provide funding for costs or penalties incurred due to early retirement.

Date Posted: Wednesday, April 15, 2009

Question Biii.36: *Is replacing a Fire Truck part of the program receiving 25% of the funding and is a State or Costars Contract considered a competitive bid to purchase the new unit?*

Answer: A fire truck would be eligible for replacement (up to 25%) to the extent it meets the definition of eligible vehicles in the RFA. All procurements are subject to the competitive procurement requirements of 40 CFR Parts 30 and 31. If awarded funds, a recipient can work with their Project Officer to determine if a particular contract mechanism meets these requirements or if a new contract must be competed.

Date Posted: Wednesday, April 15, 2009

Question Biii.37: *A fleet we are working with typically buys 30 to 40 new trucks a year. Would this year's purchase of new trucks be eligible for this funding, or would they be ineligible as this is considered "normal replacement"?*

*and not “early retirement”? How does EPA determine what is “normal” versus “early” replacement?*

Answer: Emission reductions that would have occurred through normal attrition are considered to be the result of normal fleet turnover and are not eligible for funding under this program. Normal attrition is generally defined as a replacement or repower that is already scheduled to take place between now and the end of the project period (September 30, 2010). Normal attrition is typically defined by the vehicle or fleet owner’s budget plan, operating plan, standard procedures, or retirement schedule. For example, if a school bus fleet typically retires vehicles after 7 years, a bus that is currently in its 6th or 7th year of service is not eligible for replacement. A bus that is currently in its 5th year of service and has 2 years of useful life remaining is eligible for replacement.

Based on the information you provided, this year's purchase of new trucks would not be eligible for funding under this RFA.

Date Posted: Wednesday, April 15, 2009

Question Biii.38: *With engine repowers, must an engine achieve the next certification level, or only provide for an emission improvement? Does a 1999 engine repower have to achieve the 2002 standard for on highway applications?*

Answer: Repower refers to the removal of an existing engine and its replacement with a newer or cleaner engine that is certified to a more stringent set of engine emissions standards.

Date Posted: Wednesday, April 15, 2009

Question Biii.39: *What happens if a project is approved, but it is then determined that only half of the vehicles can be serviced. For example, say we want to retrofit 20 off - road vehicles with Level 3 devices (DPFs) Once the project is approved and the preliminary work is completed, it is determined that only 10 vehicles meet the duty cycle temperature requirement. Half the funding for the project then reverts back to EPA?*

Answer: If an applicant anticipates that some of the proposed vehicles may not meet the technical requirements of the proposed technology, the applicant may wish to propose an alternate technology or plan for those vehicles. Or, if a project is funded and duty cycle testing determines that the proposed technology is not technically feasible, the recipient may work with the EPA project officer at that time to determine the appropriate options for carrying out the project. Options may include amending the work plan to allow for other eligible

activities (provided the new activities are within the original scope of work of the project), or closing the grant and returning any unspent funds to EPA.

Date Posted: Wednesday, April 15, 2009

Question Biii.40: *We are a small school district and would like to replace some of our older school buses. Is there a vehicle age group ( 9, 10, 12, years old) that we should target for replacement? In other words is there a minimum vehicle age criteria?*

Answer: There is no minimum vehicle age criteria for replacement, however emission reductions that would have occurred through normal attrition are considered to be the result of normal fleet turnover and are not eligible for funding under this program. Normal attrition is generally defined as a replacement or repower that is already scheduled to take place between now and the end of the project period (September 30, 2010). Normal attrition is typically defined by the vehicle or fleet owner's budget plan, operating plan, standard procedures, or retirement schedule. For example, if a school bus fleet typically retires vehicles after 7 years, a bus that is currently in its 6th or 7th year of service is not eligible for replacement. A bus that is currently in its 5th year of service and has 2 years of useful life remaining is eligible for replacement.

Date Posted: Wednesday, April 15, 2009

Question Biii.41: *Is replacing a 1999 diesel engine with an engine with a DPF considered a Repower?*

Answer: If the replacement engine includes a DPF as part of its certified configuration, then it is a repower.

Date Posted: Wednesday, April 15, 2009

Question Biii.42: *For a replacement project, would the 25% include costs of the box on a heavy-duty onroad truck, if the entire old truck (including box) was scrapped?*

Answer: Yes, if the entire vehicle is scrapped (tractor and box), then the entire vehicle can be replaced. If the box is being salvaged for reuse, only the tractor is eligible for replacement.

Date Posted: Wednesday, April 15, 2009

Question Biii.43: *Are lease-purchases of school buses eligible for funding? What is EPA's policy regarding the replacement of leased vehicles?*

Answer: In general, the replacement of leased vehicles is eligible. Care must

be taken to ensure compliance with the lease agreement and that the vehicle owner is aware of and allows/approves any modification to or replacement of their vehicles (including scrappage requirements). Lease-purchases are eligible to the extent that the EPA funds and the mandatory cost-share funds can be expended during the grant project period.

Date Posted: Wednesday, April 15, 2009

*Update* Question Biii.44: *Exactly what will DERA cover on a locomotive repower from a conventional EMD engine to a multi Gen Set engines which has been EPA Certified? Typically for a locomotive repower besides the complete GenSets, additional equipment is required to accommodate the Gen Sets and are an intricate part of the emissions reduction. Therefore will the 75% funding for a repower cover all the necessary electronics, cabling and wiring, cab reconfigurations, batteries, microprocessor, air brake and piping, fuel tank and any deck modifications the accommodate the new Gen Sets? This modification would take an uncontrolled locomotive to a Tier II.*

Answer: The eligible acquisition cost of equipment means the net invoice price of the equipment, including the cost of modifications, attachments, accessories, or auxiliary apparatus necessary to make the property usable for the purpose for which it was acquired. Other charges, such as the cost of installation, transportation, taxes, duty or protective in-transit insurance, shall be included or excluded from the unit acquisition cost in accordance with the recipient's regular accounting practices.

Date Posted: Wednesday, April 22, 2009

*Update* Question Biii.45: *Would replacing the diesel engine with an electric engine for an agricultural irrigation system be considered an engine repower or an equipment replacement? In most cases, the diesel engine can be removed from the system and repowered with an electric motor without replacing the entire system (i.e., the irrigation pump and appurtenances remain). In either case, would the costs to run electricity to the site be an eligible cost of the repower/replacement?*

Answer: Removing a diesel engine and replacing it with an electric engine is a repower. The eligible acquisition cost of equipment means the net invoice price of the equipment, including the cost of modifications, attachments, accessories, or auxiliary apparatus necessary to make the property usable for the purpose for which it was acquired. Other charges, such as the cost of installation, transportation, taxes, duty or protective in-transit insurance, shall be included or excluded from the unit acquisition cost in accordance with the recipient's regular

accounting practices

Date Posted: Wednesday, April 22, 2009

**New** Question Biii.46: *1.Are TRUs or Reefer units eligible for repower or replacement*

Answer: Yes.

Date Posted: Wednesday, April 22, 2009

**New** Question Biii.47: *A component of our application involves fuel switching from LSD to ULSD (up until the ULSD mandate in 2012 for locomotives). Our partners have indicated that the switch from LSD to ULSD will require a one-time replacement of seals and injectors on each engine. Since these measures are necessitated by a switch to a cleaner fuel, are these expenditures eligible for DERA funding?*

Answer: Yes, the costs of new seals and injectors necessary to run the engine on the cleaner fuel are eligible as an "engine upgrade".

Date Posted: Wednesday, April 22, 2009

**New** Question Biii.48: *Is a diesel engine that is required (permitted) to be in compliance with the State Implementation Plan (SIP) and the Clean Air Act eligible for ARRA funding?*

Answer: No funds awarded under this RFA shall be used to fund the costs of emissions reductions that are mandated under Federal, State or local law. Because the engine in question is required to comply with Federal and State emission standards, and the emission reduction is not voluntary, the engine is not eligible for funding.

Date Posted: Wednesday, April 22, 2009

**New** Question Biii.49: *Will EPA provide grant funds to upgrade locomotives from unregulated to II? From 0+ to II?*

Answer: Yes, an engine upgrade is defined as an engine that is rebuilt or remanufactured to meet higher federal emission standards. This funding can cover up to 100% of the cost (labor and equipment) for an engine upgrade with a manufacturer's kit listed in CARB or EPA's verified lists, or engine upgrade to an EPA certified configuration.

Date Posted: Wednesday, April 22, 2009

**New** Question Biii.50: *We want to replace our current fleet of 13 vehicles with 3 new vehicles, and lease the original 13 to another entity. Are these 3 new vehicles eligible as replacements?*



Answer: No. Replacement requires that one vehicle be scrapped for every new vehicle purchased and that the new vehicle continues to be used for the same purpose as the original. Please see Sections I.C.f and g of the RFA for replacement criteria and restrictions.

Date Posted: Wednesday, April 22, 2009

**New** Question Biii.51: *Under the vehicle replacement, program, would it be ok if a company that a fleet leasing company leases trucks to retires a truck, but the fleet leasing company itself buys the new truck?*

Answer: One vehicle of the same use and horsepower must be scrapped for every new vehicle purchased. In some limited cases, EPA might approve a trade to benefit various parties, as long as a vehicle was scrapped. For example, a replaced 1997 school bus would still be cleaner than a pre-1990s model year bus. A school district receiving an EPA replacement grant could give the 1997 school bus to the neighboring district on the condition that the pre-1990 bus was scrapped.

Date Posted: Wednesday, April 22, 2009

**New** Question Biii.52: *Are vessel propulsion components in addition to the diesel engine included in the scope of marine vessel re-power funding?*

Answer: The eligible acquisition cost of equipment means the net invoice price of the equipment, including the cost of modifications, attachments, accessories, or auxiliary apparatus necessary to make the property usable for the purpose for which it was acquired. Other charges, such as the cost of installation, transportation, taxes, duty or protective in-transit insurance, shall be included or excluded from the unit acquisition cost in accordance with the recipient's regular accounting practices.

Date Posted: Wednesday, April 22, 2009

**New** Question Biii.53: *Vocational trucks (such as cement mixers, dump trucks) are sold with engine/chassis and then the vocational part is added. Under the grant program, does the funding cover 25% of the chassis/engine cost or 25% of the total finished vehicle cost (chassis/engine/vocational unit)?*

Answer: Equipment and vehicle components that are not part of the engine or chassis may be salvaged from the unit being replaced (e.g. plow blades, shovels, seats, tires, etc.) If scrapped or salvaged vehicles/parts are to be sold, program income requirements apply. If the entire vehicle, including components, is scrapped, then the entire vehicle can be replaced.

Date Posted: Wednesday, April 22, 2009

**New** Question Biii.54: *For engine repowers, are we limited to EPA-verified or CARB-certified engines, even if we are switching from diesel to another fuel (propane).*

Answer: Yes, under repower a diesel engine must be replaced with a newer or cleaner engine that is EPA or CARB certified to a more stringent set of engine emissions standards. Repower includes, but is not limited to, diesel engine replacement with an engine certified for use with a cleaner fuel.

Date Posted: Wednesday, April 22, 2009

**New** Question Biii.55: *I would be interested in repowering and/or rebuilding my engines, but I'm not sure if that will qualify.*

Answer: Engine upgrades and engine repowers are eligible, to the extent they meet the definition of eligible diesel emissions reduction solutions in Section I.C.5 of the RFA. Engine rebuilds are considered general maintenance and are not eligible for funding under this RFA.

Date Posted: Wednesday, April 22, 2009

**New** Question Biii.56: *Is there no automatic shutdown/startup device that is verified for on-road diesel engines?*

Answer: Currently, there are no automatic shutdown/startup devices verified for on-road diesel engines.

Date Posted: Wednesday, April 22, 2009

**New** Question Biii.57: *Is the removal and replacement of an auxiliary generator in a marine vessel considered a repower of the vessel or a replacement of the generator under the RFA?*

Answer: This would be considered a replacement of the generator.

Date Posted: Wednesday, April 22, 2009

**New** Question Biii.58: *Would the replacement generator be funded at 75% of just the new engine component of the generator (i.e. repowering the generator), 25% as cash cost share and the new generator components listed as additional leveraged cost share above the mandatory 25%?*

Answer: If you are only removing and replacing the engine component of the generator, this is a repower and is eligible for up to 75% federal funding. If you are removing and replacing the entire generator, this is

a replacement and is eligible for up to 25% federal funding. New generator components may be listed as additional leveraged resources.

Date Posted: Wednesday, April 22, 2009

**New** Question Biii.59: *Can the 25% grant match for diesel vehicle re-power/replacement be used to purchase new vehicles that are adding to the fleet not just replacing vehicles?*

Answer: No, the purchase of new engines, vehicles or equipment to expand a fleet is not covered by this program.

Date Posted: Wednesday, April 22, 2009

**New** Question Biii.60: *What if the vehicles being replaced are long term rentals?*

Answer: In general, the replacement of leased/rented vehicles is eligible. Care must be taken to ensure compliance with the lease/rental agreement and that the vehicle owner is aware of and allows/approves any modification to or replacement of their vehicles (including scrappage requirements).

Date Posted: Wednesday, April 22, 2009

**New** Question Biii.61: *Does the replacement vehicles have to match exactly the role or function of the vehicle it is replacing?*

Answer: The replacement vehicle/equipment must perform the same function as the vehicle/equipment that is being replaced (e.g., an excavator used to dig pipelines would be replaced by an excavator that continues to dig pipelines).

Date Posted: Wednesday, April 22, 2009

**New** Question Biii.62: *If a company is using emission credits (in engine certification) to meet the 2010 emissions, will they be able to qualify for the 50% funding for school bus applications?*

Answer: No. To qualify for the 50% funding level in school bus replacements, the project must use engines certified to the Federal 2010 standard, or standards that are more stringent.

Date Posted: Wednesday, April 22, 2009

**New** Question Biii.63: *Are Ambulances and Heavy Rescues on medium duty diesel chassis eligible for replacement under this program? Are Diesel fire trucks eligible for replacement under this program?*

Answer: For highway vehicles, medium heavy-duty and heavy-heavy duty vehicles are eligible (Classes 5-8). Ambulances, fire trucks, and other diesel powered vehicles are eligible to the extent they meet the definition of eligible vehicles in Section I.C.4 of the RFA.

Date Posted: Thursday, April 23, 2009

**New** Question Biii.64: *Do eligible repowers include replacing older CNG engines with newer, 2010 certified CNG engines?*

Answer: No. Repower refers to the removal of an existing diesel engine and its replacement with a newer or cleaner engine that is certified to a more stringent set of engine emissions standards.

Date Posted: Thursday, April 23, 2009

**New** Question Biii.65: *Regarding engine upgrades, will transportation of the equipment to and from the place where the upgrades will be made, removal and reconditioning of the radiator, and the cost associated with the labeling of the new engine (quality control dynamometer test of engine) be items that EPA will fund? Also, could any of these be considered a match for the project funds?*

Answer: The eligible acquisition cost of equipment means the net invoice price of the equipment, including the cost of modifications, attachments, accessories, or auxiliary apparatus necessary to make the property usable for the purpose for which it was acquired. Other charges, such as the cost of installation, transportation, taxes, duty or protective in-transit insurance, shall be included or excluded from the unit acquisition cost in accordance with the recipient's regular accounting practices. In-kind contributions and resources may be used to meet the required cost-share.

Date Posted: Thursday, April 23, 2009

#### **iv. Scrappage**

Question Biv.1: *What constitutes the "scrappage" of a vehicle after it is replaced? Are we allowed to sell it?*

Answer: If only the engine is replaced, it must be rendered either inoperable by drilling core holes (or other destructive method) or be recycled and upgraded through the original engine manufacturer. If the entire vehicle is replaced, then the vehicle can be sold, but the engine must be scrapped or upgraded through an OEM reuse program. The vehicle must be permanently disabled such as by cutting the frame. If a vehicle or engine is sold for parts or scrap, any income must be accounted for in the project. Evidence of appropriate disposal is

required in a final assistance agreement report submitted to EPA. To be able to apply for this funding opportunity for replacement of a vehicle, engine, or equipment, the following requirements apply: 1. The vehicle, engine, or equipment being replaced will be scrapped, or the replaced engine would be returned to the original engine manufacturer for remanufacturing to a cleaner standard. 2. The replacement vehicle or engine will be of the same type and similar gross vehicle weight rating or horsepower as the vehicle or engine being replaced. The replacement vehicle/equipment must be of the same type and similar gross vehicle weight rating or horsepower as the vehicle/equipment being replaced (e.g., a 300 horsepower bulldozer is replaced by a bulldozer of similar horsepower). The replacement vehicle/equipment must perform the same function as the vehicle/equipment that is being replaced (e.g., an excavator used to dig pipelines would be replaced by an excavator that continues to dig pipelines). These projects can also include the replacement of nonroad vehicles/equipment with highway models if the highway models are capable of performing the same functions as the nonroad models.

Date Posted: Wednesday, April 01, 2009

Question Biv.2: *I would like to apply for funds to scrap old diesel trucks. There would be no retrofitting involved, or the purchase of a replacement vehicle. Am I eligible?*

Answer: No. This RFA can only be used for projects using an EPA certified engine configuration or a verified technology. A scrappage project does not use a certified engine configuration or a verified technology as those terms are defined in DERA.

Date Posted: Wednesday, April 01, 2009

Question Biv.3: *I would like to apply for funds to purchase a new truck and simultaneously scrap an old diesel truck. Could the RFA money be used to pay the administrative cost of scrapping the old vehicle (drilling a hole in the engine block, towing to a scrap yard, etc)?*

Answer: The funds could arguably be used to pay for the scrappage costs, provided that the project is using a certified engine configuration or verified technology. For the cost to be eligible, you would have to determine whether the project involving the purchase of new trucks is a project using a certified engine configuration or a verified technology. For example, a grantee could use grant funds to purchase a new truck and pay for scrappage if the new truck purchased has a certified engine configuration (a new engine configuration that has been certified or verified by EPA or CARB that meets a more stringent set of emissions standards as determined by

EPA). The scrappage would be part of the overall project using the certified engine configuration and the scrappage would contribute to the diesel emissions reductions.

Date Posted: Wednesday, April 01, 2009

*Update* Question Biv.4: *Does EPA only pay for the incremental cost of an engine/vehicle replacement AFTER the costs of scrapping the old engine are factored in?*

Answer: Program income does not have to be accounted for in the budget at the time of application. If program income is generated during the course of the project, program income requirements apply.

Program income means gross income received by the grantee or subgrantee directly generated by a grant supported activity, or earned only as a result of the grant agreement during the grant period. "During the grant period" is the time between the effective date of the award and the ending date of the award reflected in the final financial report. Program income earned during the project period shall be retained by the recipient and, in accordance with 40 CFR Parts 31.25 and 30.24 and the terms and conditions of the award, shall be used in one or more of the following ways:

(1) Added to funds committed to the project by EPA and recipient and used to further eligible project or program objectives. The program income shall be used for the purposes and under the conditions of the grant agreement.

(2) Used to finance the non-Federal share of the project or program, including any mandatory or voluntary cost-share. The amount of the Federal grant award remains the same.

(3) Deducted from the total project or program allowable cost in determining the net allowable costs on which the Federal share of costs is based. This means that the recipient shall spend program income on project activities before spending/requesting federal funds for project activities. This may result in unspent federal funds at the end of the project period.

Date Posted: Wednesday, April 01, 2009

*Update* Question Biv.5: *After reading through the RFA "program income" requirements I found in 40 CFR 31.32 (c)(4) that "when acquiring replacement equipment, the grantee or subgrantee may use the equipment to be replaced as a trade-in or sell the property and use the proceeds to offset the cost of the replacement property, subject to the approval of the awarding agency." I know that in the RFA it states that equipment replacements require that the old equipment be disabled with a hole*

*being drilled through the engine block and manifold, and the truck chassis must be cut in half, but once this is done would the old equipment be allowed to be scrapped and sold for parts with proceeds staying in possession of the subgrantee to offset their 75% of the cost that they paid for the new vehicle?*

Answer: Program income does not have to be accounted for in the budget at the time of application. If program income is generated during the course of the project, program income requirements apply.

Program income means gross income received by the grantee or subgrantee directly generated by a grant supported activity, or earned only as a result of the grant agreement during the grant period. "During the grant period" is the time between the effective date of the award and the ending date of the award reflected in the final financial report. Program income earned during the project period shall be retained by the recipient and, in accordance with 40 CFR Parts 31.25 and 30.24 and the terms and conditions of the award, shall be used in one or more of the following ways:

- (1) Added to funds committed to the project by EPA and recipient and used to further eligible project or program objectives. The program income shall be used for the purposes and under the conditions of the grant agreement.
- (2) Used to finance the non-Federal share of the project or program, including any mandatory or voluntary cost-share. The amount of the Federal grant award remains the same.
- (3) Deducted from the total project or program allowable cost in determining the net allowable costs on which the Federal share of costs is based. This means that the recipient shall spend program income on project activities before spending/requesting federal funds for project activities. This may result in unspent federal funds at the end of the project period.

Date Posted: Wednesday, April 01, 2009

Question Biv.6: *We have a school district that is wondering if CNG buses can be traded in or if they have to be destroyed as part of the stimulus for new bus purchases. Do you have any information that I can pass on to them?*

Answer: CNG buses are not eligible under this RFA. Only diesel buses and vehicles are eligible for funding.

Date Posted: Wednesday, April 08, 2009

Question Biv.7: *Could you please confirm if other options for scrap exist outside the*

*three listed above (scrap, return to OEM, sell with program income requirements).*

Answer: One vehicle or piece of equipment of the same use and horsepower must be scrapped for every new piece of equipment. In some limited cases, EPA might approve a trade to benefit various parties, as long as an engine was scrapped. For example, a replaced 1997 school bus would still be cleaner than a pre-1990s model year bus. A school district receiving an EPA replacement grant could give the 1997 school bus to the neighboring district on the condition that the pre-1990 bus was scrapped.

Date Posted: Wednesday, April 08, 2009

Question Biv.8: *For replacements of diesel vehicles, the RFA says that one acceptable scrapping method is to drill a hole through the engine block and manifold, and disabling the chassis while retaining possession of the vehicle is acceptable, but other methods may be considered, and would require EPA approval. Here is the problem, when you disable the chassis (cut the frame in half), the vehicle is no longer transportable. Would it be acceptable to donate the truck to a scrap yard, on the condition that the engine block and manifold gets a hole drilled through it, and the scrap yard issues a letter of commitment to scrap the entire vehicle, stating that no parts will be reusable except for scrap metal purposes?*

Answer: Yes.

Date Posted: Wednesday, April 08, 2009

Question Biv.9: *Would it be possible for EPA come and take the trucks after they get replaced, and they gain possession of the old trucks, so that they would be responsible for ensuring that the trucks do not get used again?*

Answer: No. EPA cannot be responsible for removing the old trucks from service. Scrappage is the responsibility of the grant recipient.

Date Posted: Wednesday, April 08, 2009

Question Biv.10: *Would an acceptable scrapping method be to sell the vehicles that are being replaced to an entity in another country, and ensure that they have been moved out of the United States?*

Answer: No, this is not an acceptable scrapping method.

Date Posted: Wednesday, April 15, 2009



**New** Question Biv.11: *If we remanufacture a vehicle as a replacement scrappage option, what are we allowed to do with the vehicle after it has been remanufactured under the above provision? Can we put the vehicle back in service? Are we allowed to sell the remanufactured unit? Does the manufacturer have to take possession? Can the Manufacturer sell this vehicle after it has been remanufactured with a cleaner burning diesel? If the vehicle is remanufactured with a new clean burning diesel, than the frame could not be disabled, please clarify.*

Answer: A remanufactured vehicle may be kept in service, or sold to the manufacturer or a third-party. If the vehicle is remanufactured, the chassis does not need to be disabled.

Date Posted: Thursday, April 23, 2009

**New** Question Biv.12: *If an applicant is proposing a replacement project and plans to return the old vehicles to the manufacturer, do they need to provide assurances from the manufacturer that the vehicles will be properly remanufactured or disposed of as part of the application package? How does the applicant show proof of the manufacturer's plans and enforce those requirements on the manufacturer?*

Answer: The application should state the scrappage/remanufacture method that will be used. Proof of appropriate scrappage/manufacture will be required in the final report submitted to EPA by the grantee.

Date Posted: Thursday, April 23, 2009

#### **v. Miscellaneous: Shore Power, Hybrids, and More**

Question Bv.1: *Will the funding assistance cover all or a portion of the design and construction of a "cold-ironing" system to provide shore-side power to a ship at berth?*

Answer: The assembly of a cold-ironing system to provide shore-side power at a ship berth is an eligible activity and project funds can be used to fund this activity.

Date Posted: Wednesday, April 01, 2009

Question Bv.2: *How can hybrid vehicles be eligible for this RFA?*

Answer: There are a couple of opportunities for medium and heavy-duty hybrid vehicles in this RFA. First - A hybrid vehicle may go through the verification process to quantify the benefits of the hybrid vehicle compared to a comparable traditional drive vehicle. In this case, the manufacturer must submit an application for verification and follow the traditional verification process. Depending on the design, the hybrid

vehicle may qualify under the Emerging Technology program. Second - A hybrid vehicle may qualify as a replacement vehicle under DERA. As a replacement strategy, the applicant would need to comply with other requirements described for replacement vehicle projects. In each of these cases, an appropriately certified engine must be used in the vehicle. Non-road engines may not be used in on-highway hybrid vehicles. Hybrid vehicles that use engines covered by a testing exemption are not eligible.

Date Posted: Wednesday, April 01, 2009

Question Bv.3: *Are railroads that are publicly or privately held companies not associated with a government or port eligible for this funding? (For instance, short line railroads or industrial operations.)*

Answer: Applicants must be eligible entities. Private companies are not eligible. Eligible entities for these funds include: A) A regional, State, local or tribal agency or port authority with jurisdiction over transportation or air quality; and B) A nonprofit organization or institution that— 1) represents or provides pollution reduction or educational services to persons or organizations that own or operate diesel fleets; or 2) has, as its principal purpose, the promotion of transportation or air quality. School districts, municipalities, metropolitan planning organizations (MPOs), cities and counties are all eligible entities under this assistance agreement program within the extent that they fall within the definition above. However, the railroad could partner with an eligible entity as outlined above and receive a subgrant or subcontract for an eligible project, if appropriate procedures are followed.

Date Posted: Wednesday, April 01, 2009

Question Bv.4: *If a company has been awarded funding from a state such as TCEQ can they apply for federal funding through DERA to make up the balance of a locomotive replacement cost?*

Answer: Yes, as long as the said “state funding” is not actually Federal funding that was allocated to the state. And for-profit entities are not eligible for this funding. So a private company would need to collaborate with an eligible entity in order to apply for funding.

Date Posted: Wednesday, April 01, 2009

Question Bv.5: *We have a project to replace two 1992 Heavy Duty buses with two Hybrid Transit Buses. Are we eligible?*

Answer: Yes, assuming you are an eligible entity. However, be aware though that EPA will only cover up to 25% of the cost of the hybrid buses if

your application is approved. So be prepared to provide the remaining 75% of the cost.

Date Posted: Wednesday, April 01, 2009

Question Bv.6: *If a locomotive is currently certified at Tier 0 emission levels, would repowering with a Tier 2 engine that has lower emissions and burns less fuel be eligible for funding under this program?*

Answer: Yes

Date Posted: Wednesday, April 08, 2009

Question Bv.7: *Is outreach to diesel truck owners to avail them of the technologies and funding available to reduce diesel emissions an eligible expense under the National Clean Diesel Funding Assistance Program?*

Answer: No.

Date Posted: Wednesday, April 08, 2009

Question Bv.8: *Will a charter fishing boat that wants to use B20 biodiesel qualify for funding if it partners with an eligible entity? Mainly the question is will the SEDC fund Fishing boats.*

Answer: In general, the use of B20 by a marine vessel is an eligible activity under this RFA.

Date Posted: Wednesday, April 15, 2009

New

Question Bv.9: *Is the purchase of new diesel or hybrid back-up generators (not replacements) for food bank freezers allowed?*

Answer: No. The purchase of new vehicles/equipment/engines to expand a fleet is not covered by this program. However, replacement projects are eligible for funding. Please see RFA for details.

Date Posted: Wednesday, April 22, 2009

New

Question Bv.10: *Is auto-tire inflation technology for transit buses eligible for funding under the ARRA clean diesel competitive grant?*

Answer: No, auto-tire inflation is not currently listed as a verified technology.

Date Posted: Wednesday, April 22, 2009

New

Question Bv.11: *Will EPA fund all or a portion of the cost of any spare parts, particularly spare batteries for diesel-electric hybrid trucks?*

Answer: In general, spare parts would be eligible for funding under "supplies". However, EPA reserves the right to partially fund applications by funding discrete portions or phases of proposed projects.

Date Posted: Wednesday, April 22, 2009

**New** Question Bv.12: *We are interested in purchasing pre-conditioned air units for the purpose of providing heated or cooled air to parked aircraft at the terminal gates, thus eliminating the need for diesel powered heating and air conditioning carts that are currently used to heat and cool the parked aircraft. This project would also require electrical upgrades to the terminal building to accommodate the new electric pre-conditioned air units. Are costs associated with the purchase of the pre-conditioned air units and electrical upgrades to support these units eligible for funding under the National Clean Diesel Funding Assistance Program?*

Answer: In general, this project may qualify as an engine repower or an equipment replacement. If you are removing the diesel engine and replacing it with an electric power source it may qualify as a repower. If you are replacing the diesel air conditioning unit with a new, electric air conditioning unit it may qualify as an equipment replacement. The electrical supply portion is eligible for funding.

Date Posted: Wednesday, April 22, 2009

**New** Question Bv.13: *Would fire apparatus (fire trucks) be eligible under the reducing diesel emissions grant?*

Answer: Fire trucks are eligible to the extent they meet the definition of eligible vehicles in Section I.C.4 of the RFA.

Date Posted: Wednesday, April 22, 2009

**New** Question Bv.14: *What kinds of aerodynamics techniques are eligible?*

Answer: This funding can cover up to 100% of the cost (labor and equipment) for aerodynamic trailer fairings - either individually or in combination with one another (e.g., skirt & either gap reducer or rear fairings). A list of EPA verified aerodynamic technologies is available at [www.epa.gov/smartway/transport/what-smartway/verified-technologies.htm](http://www.epa.gov/smartway/transport/what-smartway/verified-technologies.htm). Advanced aerodynamic technologies are not eligible for funding if installed on trucks that have NOx aftertreatment.

Date Posted: Thursday, April 23, 2009

**New** Question Bv.15: *Are mowers acceptable as off-road equipment?*

Answer: Diesel mowers are eligible to the extent they meet the definition of

eligible equipment in Section I.C.4 of the RFA.

Date Posted: Thursday, April 23, 2009

**New** Question Bv.16: *A subgrantee may wish to sell emission reduction credits gained by partnering in a shore power project. Are there any restrictions in this program regarding the sale of such credits?*

Answer: EPA would need more information on the nature and use of the credits and would evaluate this scenario on a case by case basis.

Date Posted: Thursday, April 23, 2009

**New** Question Bv.17: *Would a marine compression-ignition engine upgrade covered by a US EPA-issued "Statement of Compliance with Regulation 13 of Annex VI of the International Convention for the Prevention of Pollution from Ships" (i.e. MARPOL Voluntary Statement of Compliance) be considered as an EPA Certified configuration?*

Answer: No.

Date Posted: Thursday, April 23, 2009

**New** Question Bv.18: *What is the minimum GVWR for on-road vehicles/equipment that will be considered for the Clean Diesel Funding Assistance program?*

Answer: For highway vehicles, only medium heavy-duty and heavy heavy-duty vehicles are eligible (Classes 5-8): Class 5 (16,001 - 19,500 lbs GVWR); Class 6 (19,501 - 26,000 lbs GVWR); Class 7 (26,001 - 33,000 lbs GVWR); Class 8a (33,001 - 60,000 lbs GVWR); Class 8b (60,001 lbs GVWR and over). For a further definition of vehicles and weight classes, please see the Diesel Emissions Quantifier Default Values document available at <http://epa.gov/otaq/diesel/documents/deq-default-values.pdf>.

Date Posted: Thursday, April 23, 2009

## **C. Application Process**

Question C.1: *Where do I get an RFA and where do I send the proposal?*

Answer: The Request for Applications (RFA) can be downloaded at EPA's web site: <http://www.epa.gov/otaq/eparecovery/index.htm> and is also available through [www.grants.gov](http://www.grants.gov). The RFA contains information on how to submit an application and where to submit it. Please make sure you use the most recent version of the RFA when preparing your

application since it has been slightly modified since it was originally posted on March 19, 2009.

Date Posted: Wednesday, April 01, 2009

Question C.2: *Where do I find the actual form to submit the grant?*

Answer: Please go to [www.epa.gov/ogd/AppKit/application.htm](http://www.epa.gov/ogd/AppKit/application.htm). You will find all the forms and the process to apply for funds under this RFA. Section IV (B) of the RFA includes detailed instructions on submission and application process.

Date Posted: Wednesday, April 01, 2009

Question C.3: *What is an example budget for the SF-424A?*

Answer: The proposed budget must have budget categories that reflect those on the SF- 424A. An example of a detailed budget is provided as Appendix A of the RFA. The budget should indicate what portion of the cost will be paid by EPA, and what portion will be paid by the applicant or other partners. Leveraged funds are not included in the approved budget for the project.

Date Posted: Wednesday, April 01, 2009

Question C.4: *How do I demonstrate that an area is economically disadvantaged?*

Answer: One way to demonstrate that an area is economically disadvantaged is to cite data from the U.S. Census Bureau Web site ([www.census.gov](http://www.census.gov)) concerning the percent of area residents living in poverty. The Area Profile tool on this Web site can provide this statistic, as can using the Bureau's Small Area Income and Poverty Estimates Web site (<http://www.census.gov/hhes/www/saipe/saipe.html>).

Date Posted: Wednesday, April 01, 2009

Question C.5: *Is there a required match when applying for funding?*

Answer: There is no general match requirement for this program. However, there is a match requirement for certain repower and replacement projects as well as school bus projects. Please see section I.C and III.B for more information on replacement and repower projects.

Date Posted: Wednesday, April 01, 2009

Question C.6: *Past Performance: Is it necessary to list every federally funded grant the applicant has received in the last 3 years, if the applicant is a large organization that has received a large number of grants?*

Answer: No. If the applicant has performed grants that are not similar in size, scope and/or relevance to the proposed project, it is not necessary to list them. And the RFA says to list not more than 3.

Date Posted: Wednesday, April 01, 2009

Question C.7: *Past Performance: What if the applicant has received grants similar in scope, size and relevance, but the agreement was closed out more than 3 years ago? Can they still be listed?*

Answer: The RFA specifies that they must have been performed in the last 3 years. Agreements that were implemented and closed out more than 3 years ago will not be considered in the scoring process.

Date Posted: Wednesday, April 01, 2009

Question C.8: *Will project awards go directly from the EPA Regional Office to the recipient, or will they pass through the State of the award?*

Answer: The awards for this program will go directly from the EPA Regional office to the recipient. Once the recipient is awarded the grant, the organization commences work. As the work is completed, the organization presents invoices to EPA and funds are transferred to the organization.

Date Posted: Wednesday, April 01, 2009

Question C.9: *Is the project implementation timeline presented in the grant announcement and running from June 9, 2009 to September 30, 2010 a requirement for a) the obligation of money to a project b) the beginning of project work c) the substantial completion of a project d) the completion of a project?*

Answer: The Sept 30, 2010 date is a goal for the work to be completed, with 90 days for the last invoicing and final technical report and wrap-up of the project. If the work is not completed, the organization can ask EPA for a no-cost extension to complete the work. The Recovery Act appropriation expires on September 30, 2010, so EPA cannot obligate any Recovery Act funds after that date.

Date Posted: Wednesday, April 01, 2009

Question C.11: *Is it all right if a proposal is for multiple entities in more than one state? Would EPA prefer separate proposals for each state?*

Answer: Multiple entities within a single EPA Region can apply under the same proposal, as long as there is one primary applicant.

Date Posted: Wednesday, April 01, 2009

Question C.12: *We submitted a 2-year application in (08-09 cycle). Do we need to apply for 09?*

Answer: Yes, you will need to apply again for the 09 (2009-2010) cycle under this RFA. All of the grants under the Recovery Act will be new awards.

Date Posted: Wednesday, April 01, 2009

Question C.13: *Can you put outputs and outcomes in table form?*

Answer: Yes. You should make sure that you adequately explain the benefits of your project, in addition to the table.

Date Posted: Wednesday, April 01, 2009

Question C.14: *Are applicants required to submit the Lobbying Certification when they submit their proposal package?*

Answer: Yes. The required application materials are listed in Section IV.C of the RFA.

Date Posted: Wednesday, April 01, 2009

Question C.15: *How do we calculate job creation/retention?*

Answer: An applicant will only have to measure and report on jobs created/retained as a direct result of the project funding (recipients and tier one sub-grantees or contractors). In the application, the applicant must demonstrate how the proposed project will promote economic recovery and job creation and/or preservation.

Date Posted: Wednesday, April 01, 2009

Question C.16: *Is there a maximum amount of program administration funding that an eligible entity can request?*

Answer: No. However this will affect "cost-effectiveness" which is a criterion against which applications will be evaluated.

Date Posted: Wednesday, April 01, 2009

Question C.17: *Is there a place to look up a list of covered costs for repower and replacement by component?*

Answer: No. Allowable costs are expressed only as a percentage of the total cost of repower or replacement; up to 75% for repowers and up to 25% for replacements (except in the case of school buses that meet 2010 standards, in which case the percentage covered is up to 50%).

Date Posted: Wednesday, April 01, 2009



Question C.18: *The American Recovery and Reinvestment Act (Recovery Act) notes "That none of the funds appropriated herein for Diesel Emission Reduction Act grants shall be subject to the State Grant and Loan Program Matching Incentive provisions of section 793(c)(3) of such Act." Yet the grant notice indicates that matching funds will be required for certain projects. Can you please explain?*

Answer: The State Clean Diesel program ordinarily offers a matching incentive provision for States, but for the Recovery Act this provision was waived. For the National Clean Diesel Funding Assistance Program the only required match is for repowers and replacement projects, where there are funding limitations for what EPA will cover. For example, we only cover up to 75% for engine repowers -- the organization receiving the grant must supply the remaining 25% (or more). Since this is required for the project, it's termed a "match."

Date Posted: Wednesday, April 01, 2009

Question C.19: *Where are the priorities of Regions 1, 6 and 9 located in the RFA?*

Answer: The priorities of Regions 1, 6 and 9 are grouped in Section 1.C.3 of the RFA with Regions 2, 7 and 10, respectively.

Date Posted: Wednesday, April 01, 2009

Question C.20: *Please provide a description of the Vehicle Classes 5, 6, 7, 8, 8A and 8B as used in the optional Applicant Fleet Description spreadsheet.*

Answer: Check Appendix A, Table A.2 of the Diesel Emissions Quantifier User's Guide ( <http://cfpub.epa.gov/quantifier/view/userguide.cfm> ).

Date Posted: Wednesday, April 01, 2009

Question C.21: *Does the "50% for public fleets" restriction apply to all DERA funding categories?*

Answer: DERA legislation requires that 50% of the funds for the National program be used for the benefit of public fleets. The 50% applies nationally across all eligible vehicles and the National funding programs of DERA (National, SmartWay, and Emerging Technologies). Since the 50% is a national target, applicants do not have to meet any specific percentage regarding public fleets in their application.

Date Posted: Wednesday, April 01, 2009

Question C.22: *Will the 15 percent administration cost apply to regional grants?*

Answer: No.

Date Posted: Wednesday, April 01, 2009

Question C.23: *How many vehicles make a fleet?*

Answer: One or more vehicles, engines (i.e. APUs), and/or equipment (i.e. stationary generator).

Date Posted: Wednesday, April 01, 2009

Question C.24: *Are private utilities (such as an electricity distribution company) fleets considered "public fleets"?*

Answer: Vehicles that serve a public purpose can be considered a public fleet. However, a private company is not an eligible entity and must partner with an eligible entity to apply for this RFA.

Date Posted: Wednesday, April 01, 2009

Question C.25: *The EPA Diesel Emission Quantifier on EPA's website can calculate the emissions contributed from the project vehicles, and the emissions reduced through the project, but I can not find in the RFA where this information would need to be placed in the project narrative. Is this information required, and where in the narrative should the information be placed?*

Answer: The information is required in the Project Narrative, as outlined in Section IV.C.2.b.vii "Results: Outputs and Outcomes." In addition, the section on National Programmatic Priorities Section IV.C.2.b.iii.2 asks for information on cost-effectiveness, which can be calculated using EPA's DEQ.

Date Posted: Wednesday, April 01, 2009

Question C.26: *Is there a list of EPA or CARB certified engine configurations (names of certified engine configurations and manufacturer names) where one could look up what engines would be eligible for engine repowers?*

Answer: Please visit EPA's engine certification website <http://www.epa.gov/otaq/certdata.htm#largeng>

Date Posted: Wednesday, April 01, 2009

Question C.27: *If a substantial portion of our project will be completed by September 1, 2009, can I include a second phase for the summer of 2010?*

Answer: Yes. All projects must be completed by September 30, 2010, however. Both phases of the project should be included in the Statement of Work and budget documents.

Date Posted: Wednesday, April 08, 2009

Question C.28: *If an eligible entity partners with a private fleet owner for a project and the project is selected, how is the funding distributed? In other words, would the eligible entity or the fleet owner have to come with their own capital first and then get reimbursed, or is a check simply given to the eligible entity?*

Answer: The funding for this program will go directly from the EPA Regional office to the eligible entity. Once the recipient is awarded the grant, the recipient organization commences work. As the work is completed, the recipient presents invoices to EPA and funds are transferred to the recipient within three business days. EPA awards funds to one eligible applicant as the recipient even if other eligible applicants are named as partners or co-applicants or members of a coalition or consortium. The recipient is accountable to EPA for the proper expenditure of funds.

So in a way, yes there is a reimbursement procedure, but it has a very short turnover rate.

Date Posted: Wednesday, April 08, 2009

*Update* Question C.29: *We are a metropolitan planning organization who is compiling an application on behalf of multiple entities. The RFA indicates that "subrecipients (first-tier) must have a DUNS number". Does this mean that, if awarded, all our subgrantees must have a DUNS number? Also, would all our subgrantees be required to maintain a profile in the Central Contractor Registration database?*

Answer: Yes, all subgrantees must register in the CCR database and have a DUNS number for purposes of reporting activities for these ARRA DERA grants.

Date Posted: Wednesday, April 15, 2009

Question C.30: *For equipment, should I break out my equipment, separately from the contractual even if I plan to pay for the equipment and installation in the same invoice?*

Answer: Yes. This is because you are purchasing goods instead of services from the contractor.

Date Posted: Wednesday, April 08, 2009

Question C.31: *Somewhere in the EPA information I read something about the work having to be done in the region that provides the funding. If the repowered locomotives are to be used in the Kansas City area, EPA Region 7, but the railroad only has a maintenance shop in Shreveport, LA, which is in Region 6, can the repower work be done in Region 6 and the repowered locomotives be assigned to Region 7, where the emissions benefits will be realized?*

Answer: Yes. Since the vast majority of the emissions reductions will take place in Region 7, the application should go to Region 7.

Date Posted: Wednesday, April 08, 2009

Question C.32: *Past experience with EPA grant: My grant with the EPA was set up using the words milestones and goals--do I need to convert this language to outcomes and outputs to avoid missing out on points?*

Answer: The RFA specifies a number of items in the project narrative that are required to receive consideration under the evaluation criteria, including outcomes and outputs.

Date Posted: Wednesday, April 08, 2009

Question C.33: *Leveraged resources and project partners: Would it be appropriate to discuss complementary educational programs regarding air quality funded by other sources? Could you provide an example.*

Answer: You do need to explain any other sources of funding that are going into the project. For instance, if you are doing school bus retrofits and the school district is contributing a certain amount of money to print educational pamphlets for students and parents, you should include that in your application as a leveraged resource.

Date Posted: Wednesday, April 08, 2009

Question C.34: *I am filling out the SF- 424 application for the National Clean Diesel Funding Assistance Program. I do not know where to get the Funding Opportunity Number (#12) or the Competition Identification Number (#13) and the titles. Can someone tell me where I can locate this information?*

Answer: This information is located on the first page of the RFA.

Date Posted: Wednesday, April 08, 2009

*Update* Question C.35: *The Program Income section of the RFA states that the money must be spent on the project. Please confirm that the following is an appropriate interpretation for a \$100,000 new truck:*

*\$ 25,000 from NCDC  
\$ 10,000 from Program Income from selling scrapped part to OEM  
\$ 65,000 from applicant  
\$100,000 total project cost for low-emission replacement truck*

Answer: Yes, that is correct. The program income may be used to finance the non-Federal share of the project or program, including any mandatory or voluntary cost-share.

Date Posted: Wednesday, April 08, 2009

Question C.36: *The instructions for the SF-424, item 9, (Type of Applicant) state "Select up to three applicant type(s) in accordance with agency instruction. As a fire department -- we'd like to replace inefficient diesel engines on fire boats -- is "Other" the appropriate choice?*

Answer: Yes

Date Posted: Wednesday, April 08, 2009

Question C.37: *Could you please confirm what, if any, grant impact there would be if the engine was returned to the OEM for remanufacturing and returned to the fleet (at the fleet's cost) [for a replacement or repower project].*

Answer: There would be no impact on the grant, as the condition to scrap or remanufacture the engine would be met.

Date Posted: Wednesday, April 08, 2009

Question C.38: *Could you please confirm what, if any, grant impact there would be if the engine was returned to the OEM for remanufacturing and re-sold by the OEM. Under this scenario, could the fleet realize any of the proceeds from the sale? How would that affect its grant?*

Answer: The net revenue from such a sale would be considered program income and would have to be put towards the objectives of the grant.

Date Posted: Wednesday, April 08, 2009

Question C.39: *Instead of selling the unit to the OEM, could the fleet sell the unit outside the country? How would that impact the NCDC grant?*

Answer: Regardless of where the sale occurs, the money from that sale would be counted as part of the project income, which needs to be reported and put towards the objectives of the project.

Date Posted: Wednesday, April 08, 2009

Question C.40: *Our city started a replacement program three years ago, and to date we have replaced about 2/3 of the fleet. Our program is already accelerated and set for a six year cycle for medium heavy trucks as frontline vehicles. Would our current program qualify for matching funds?*

Answer: You could apply for funds to accelerate your six-year purchasing cycle for the remaining 1/3 of your fleet.

Date Posted: Wednesday, April 08, 2009

Question C.41: *Who should an applicant contact to negotiate an indirect cost rate, if it doesn't already have one?*

Answer: In addition to direct costs, the EPA supports a policy of full reimbursement of indirect costs also known as facilities and administrative (F&A) costs or overhead for most grant programs. EPA will review the indirect cost budget line. Universities negotiate their rates with the Department of Health and Human Services. Tribes negotiate their rates with the Department of Interior. EPA accepts rates negotiated by other Federal agencies. If the applicant does not have an approved rate the GMO will term and condition the grant appropriately.

What are Indirect Costs:

Indirect costs are those costs of an institution or organization that are not readily identifiable with a particular project or activity but are necessary to the general operation of the organization and the conduct of its grant activities.

Allowable indirect costs may include:

- Depreciation use allowance;
- Facilities operations and maintenance;
- General administration and general expense;
- Departmental administration; and
- Sponsored project administration

These costs are documented and assigned to the indirect pool from which they are distributed to all activities of an organization on the basis of a rate. The rate is a ratio of the indirect costs to a direct cost base.

An indirect cost rate is simply a device for determining fairly and expeditiously the proportion of general (non-direct) expenses that each project will bear. It is the ratio between the total indirect costs of an applicant and some equitable direct cost base. The applicant must comply with the applicable OMB Circular.

More information can be found at:

<http://www.epa.gov/ogd/manual6/4review.htm>

Date Posted: Wednesday, April 08, 2009

Question C.42: *Do Davis-Bacon and/or Prevailing Wage provisions apply to the stimulus DERA program?*

Answer: Yes, to certain projects which are defined as "infrastructure." Although, most diesel fleet projects will not be defined as infrastructure. If a project is selected for award, more information will be provided after award in the Terms and Conditions of the grant.

Date Posted: Wednesday, April 08, 2009

Question C.43: *How do we determine if we are in a "high population density" area and/or in a "poor air quality area (including non-attainment or maintenance of national ambient air quality standards for a criteria pollutant or toxic air pollutant concerns"?*

Answer: Consult your State Air Agency and/or EPA's web site for more information (<http://www.epa.gov/air/oaqps/greenbk/>).

Date Posted: Wednesday, April 08, 2009

Question C.44: *For the cost effectiveness calculation, do we use the total project cost or do we just use the EPA grant funding request which is lower than total cost (ie total cost vs. grant funding for cost in CE).*

Answer: For more information, see VIII. Other Information, "A. Quantifying Environmental Outputs, 2. Cost-Effectiveness Calculation," in the RFA.

Date Posted: Wednesday, April 08, 2009

Question C.45: *We are a railway company interested in joining with local air quality agencies to repower some old locomotives, some of which may be already certified to Tier 0 levels and others which may be unregulated, with modern, Tier 2 low emissions engines that consume less fuel. Would it be permissible to perform the repower projects in our own locomotive shop using our own labor (as opposed to being required to contract out the work)? The labor cost, estimated at 25-30% of the total repower cost, would be our contribution to the projects*

Answer: Yes, it would be permissible to perform the labor in your own locomotive shop. The labor costs (personnel) could be an allowable cost for a match, although it cannot be determined from the information provided above whether the labor costs would be 25% of the entire project cost.

Date Posted: Wednesday, April 08, 2009

Question C.46: *I am a state agency that operates a fleet of vehicles. I plan to apply for funding to replace some of these vehicles. I will properly scrap the engine and chassis, and then auction off the scrap. (Auction of excess state property is required.) The proceeds of that auction process will not come back to my agency, but rather will go into the state treasury. Because the proceeds will not come back to me, because the auction process may take place outside the grant period, and because the proceeds will be very difficult to estimate before the auction is conducted, am I excused from representing these proceeds in my application as program income?*

Answer: You should document the fact that they are being auctioned off, and that the proceeds are going to the State Treasury. But since the funds are not going to the agency, then yes, it is not considered program income.

Date Posted: Wednesday, April 08, 2009

Question C.47: *There was a statement at a presentation that multiple projects can be applied for in one region. I assume this means the public entity can only apply within one region, but a private company could partner with public entities in multiple regions for diesel projects at their various locations. Is this correct?*

Answer: Yes, a private company can partner with many public entities within the same region or across different regions. An eligible entity may submit more than one proposal within a region, as long as the proposals are different (although the entity should realize that the proposals would be competing with each other within that region).

Date Posted: Wednesday, April 08, 2009

Question C.48: *EPA provides a spreadsheet to fill in with vehicles proposed. It is relatively clear how to fill this in for vehicles which are receiving upgrades such as exhaust retrofits or aerodynamic devices. But if we are replacing vehicles, would you like details for the vehicles that are being replaced, or the new vehicles?*

Answer: You document the old vehicle in its entirety, and then for "Technology," you can put in "Vehicle Replacement." And realize that while the spreadsheet doesn't allow too much space to elaborate on the new vehicle, you can give more information in the workplan narrative.

Date Posted: Wednesday, April 08, 2009



Question C.49: *In my reading the RFA and the instructions, there was no mention of using the grant.gov to file the application. Is filing the proposal by way of grant.gov an option for those who have registered and have access to grant.gov?*

Answer: You may not use grants.gov to apply. Follow the directions per IV.B.

Date Posted: Wednesday, April 08, 2009

Question C.50: *I am looking into the ARRA Funding and I could not identify in the packet if there is an authority needed at our level in order to present this to you. Is something like a City Council Resolution needed?*

Answer: The Standard Forms must be signed by an authorized representative. Usually this is someone within the executive branch of the government or organization, such as a superintendent, department head, executive director. A City Council Resolution would not be needed.

Date Posted: Wednesday, April 08, 2009

Question C.51: *What is the minimum font size that can be used in preparing the Project Narrative?*

Answer: There is no minimum font size specified, but please be kind and use something legible. In the past we suggested Times New Roman 12.

Date Posted: Wednesday, April 08, 2009

Question C.52: *In the answer to question C.18 in the "Questions and Answers about the ARRA DERA RFA", EPA explains that the "organization receiving the grant" is responsible for the remaining portion of the project not funded by EPA. As a pass-through governmental agency applying for this grant, we would contract with the organization or business receiving the emission-reducing technology to provide the remaining portion of the funding needed for the project. Therefore, we are providing the match by contracting with the owners of the equipment to provide the remaining funding. It is our understanding that this satisfies the required match under the AARA DERA RFA. Can you please confirm this understanding, and provide direction for how to clearly address this in our DERA proposals?*

Answer: Your understanding is correct. You just need to clearly document in the project narrative and budget details the match amount and how it will be calculated. Note that your organization, as the recipient, will be responsible for the match even though it is being provided by another party. If that party(ies) fail to make the match, your organization is still responsible for that amount.

Date Posted: Wednesday, April 08, 2009

Question C.53: *I am developing a project with multiple partners in different parts of my state. How do you address Air quality for this type of project? Should I mention the air quality for each area?*

Answer: There is no set way to reflect air quality information for a multi-regional project. The applicant should use best judgment to reflect AQ information from multiple areas in order to clearly reflect the potential positive impacts of the project.

Date Posted: Wednesday, April 08, 2009

Question C.54: *We are looking at a project that has a variety of fleet components but are unsure of the exact vehicles that will be in the program. What should I use for Diesel Emissions Quantifier (DEQ) calculations?*

Answer: In the case of a project where you are issuing sub grants and are unsure of the exact fleet, you should use your best judgment and any past history you have with such a program to make estimates in the DEQ.

Date Posted: Wednesday, April 08, 2009

Question C.55: *The DEQ have buttons for B-20 and B-100 but nothing in between. The RFA indicates that any blend of Biodiesel (B-5 to B100) is eligible. Are any blends eligible or just B20 and B100. How do I use the DEQ to calculate emission reductions?*

Answer: Yes, any blend of Biodiesel is eligible. However, the DEQ at this time is not able to accommodate blends other than B20 and B100. Realize that the DEQ is simply a tool for estimates and you are welcome to seek out other tools that may be more geared toward fuels.

Date Posted: Wednesday, April 08, 2009

Question C.56: *In previous RFAs, it was clearly stated that I should use the DEQ for estimating emission reductions. This RFA does not state that. What should I use?*

Answer: Actually, this RFA does say to use the DEQ as a way to estimate reduction. See Section I.D.2.c. Although, you are certainly welcome to use other tools/methods for estimation as long as you explain how and why they were used.

Date Posted: Wednesday, April 08, 2009

Question C.57: *Do VIN numbers have to be included in the application?*

Answer: You have to indentify the fleet that you are replacing or retrofitting. This is necessary to check emission calculations and to demonstrate that you have thoroughly developed your proposal.

Date Posted: Wednesday, April 08, 2009

Question C.58: *What kind of paper work do you need to show for a public private partnership?*

Answer: There is no specific requirement for agreements between partners. However, a letter of support from the partnering organization which details what activities they will perform does help demonstrate that there is a good partnership and commitment to perform the proposed tasks.

Date Posted: Wednesday, April 08, 2009

Question C.59: *We are looking at partnering with several private companies. Some of those companies have business both in EPA Region 4 and in other Regions. If we submit an application which includes projects outside of the Region, will the project be considered? If we submit a single proposal for activities both inside and outside of Region 4 will it be considered or will it be disqualified?*

Answer: Section I.C.3.of the proposal shows that any project submitted to a specific region must take place within that region. Applications are considered as a whole so if a portion of the project will take place outside of the region, it will not be considered.

Date Posted: Wednesday, April 08, 2009

Question C.60: *When you say activities have to occur in a certain region, do you mean the work has to be done there?*

Answer: Projects must involve that region's fleets or engines and it is anticipated that most of the retrofit/repower activities will occur in that region. However, in some circumstances an engine must be sent to other locations for repower or rebuild. This is acceptable.

Date Posted: Wednesday, April 08, 2009

Question C.61: *We have fleet which travel in and out of Region 4, would we have to commit to keeping that fleet in Region 4 the entire time?*

Answer: No.

Date Posted: Wednesday, April 08, 2009

Question C.62: *In our past Regional 8 call when we (as the state) were the qualifying entity for a private firm, had asked whether both the private firm the state as submitting partner must fill out one each of the application forms, and were told only the 424 and 424A: Not \* Assurances, Non-Construction Programs (SF-424B) \* Pre-Award Disclosure of Lobbying Activities (SF-LLL) \* Pre-Award Compliance Review Report for All Applicants Requesting Federal Financial Assistance (EPA Form 4700-4) \* Key Contacts Form (EPA Form 5700-54) In reading the RFA, it is not clear. Are these the only forms each has to fill out? (or do both fill out a set each?) And in filling out Form 424A, it appears that one or both would need to include the required repower match in the 424A and Appendix budget sheets (RFA pages 29 and 30), but is this in both 424A's or just for the entity providing the match?*

Answer: Only the eligible entity fills out the forms, including the 424A and 424B. The eligible entity has the entire responsibility for the project. The partnering private firm or other organization can write a letter in support of the project which can be included with the application. All the forms you listed above must be included with the application for this RFA and be signed by the authorized representative on behalf of the applicant organization. This may be a change from previous competitions.

Date Posted: Wednesday, April 08, 2009

Question C.63: *EPA Regions 6 and 7 together comprise the Blue Skyways Collaborative, and their regional priorities are lumped together. Is the Blue Skyways Collaborative considered a single region for the purpose of completing projects (and ensuring that all project activities are completed within the EPA region which funded the project)?*

Answer: Regions 6 and 7 have worked together to build the Blue Skyways Collaborative and so they have common regional priorities. However, each application must be for a project within one region only. Applicants wishing to propose projects within both Region 6 and Region 7 must send in an application to each, covering only the States within that Region's borders.

Date Posted: Wednesday, April 08, 2009

Question C.64: *In the budget, should postage go under supplies?*

Answer: Yes

Date Posted: Wednesday, April 08, 2009

Question C.65: *We are having trouble getting prices for the 2010 buses. How do we handle that in an application?*

Answer: Obtain the best estimates you can using your existing procurement programs.

Date Posted: Wednesday, April 08, 2009

Question C.66: *We are applying on behalf of a number of school districts and municipal fleets.*

*One school district is interested in funding for replacement buses. In many New York State school districts, a public vote decides if funding will be available for new school buses. This vote will occur in May. This school district is fairly confident that the vote for new buses will pass. However, does EPA hold the school district to their cost match if we receive the grant and the public does NOT vote for new buses?*

Answer: The grant recipient is responsible to EPA for the cost-share on all school bus replacement purchases. Your application should explain that the cost-share for these particular buses is not yet secured, is subject to vote, and may not come through. In the event of the funding being voted down, these particular buses could be removed from the project and budget and the rest of the project (with all required cost-sharing) could continue. This may require a formal amendment to the grant agreement. You and your partners/subgrantees should also be aware of the Repower and Replacement Restrictions as outlined in the RFA.

Date Posted: Wednesday, April 15, 2009

Question C.67: *We are a high school district and have a one time chance to use (CMAQ) funds as our 50% match to replace old diesel buses with CNG buses. Is this allowable? They are Federal funds but are controlled through our local County Government along with Cal-Trans.*

Answer: Federal funds can not be used to match Federal funds, therefore CMAQ is not an eligible match for the National Clean Diesel funding.

Date Posted: Wednesday, April 15, 2009

Question C.68: *Our municipality wishes to replace an existing vehicle with an International brand truck to maintain brand uniformity in our fleet. Also, the state has an open bid for Internationals, which the county may utilize as a subsidiary. Is specifying an International brand replacement truck allowed under project guidelines?*

Answer: It is best not to name specific vendors in the application. Procurements are subject to the competition requirements in 40 CFR Parts 30 and 31, as applicable. It may be possible for the county to use the State bid to satisfy the procurement competition requirements. If a grant is awarded, the recipient can work with the

EPA Project Officer to work out the details and ensure compliance with the procurement regulations.

Date Posted: Wednesday, April 15, 2009

*Update* Question C.69: *Is sales tax (state and local taxes, FET taxes) on new vehicles included in the funding, or do our customers need to ask for 25% of the pre-tax amount?*

Answer: The eligible acquisition cost of equipment means the net invoice price of the equipment, including the cost of modifications, attachments, accessories, or auxiliary apparatus necessary to make the property usable for the purpose for which it was acquired. Other charges, such as the cost of installation, transportation, taxes, duty or protective in-transit insurance, shall be included or excluded from the unit acquisition cost in accordance with the recipient's regular accounting practices

Date Posted: Wednesday, April 15, 2009

Question C.70: *The RFA states that "Each regional office will only accept applications for projects that take place solely within that EPA region". However, Region 8 priorities specifically include "long distance freight trucks". Many trucking fleets operate over a broader geographical range than one EPA region. Consider if an eligible applicant was partnered with a private trucking fleet to implement eligible technology. The fleet is based in one EPA region (to which the application would be submitted), but its trucks are long distance and therefore also frequently operate outside that EPA region. Would such a project be permissible? If so, are there any stipulations that would apply to the application we should be aware of.*

Answer: Long distance truck fleets are eligible. The applicant needs to make a judgment call as to where the application should be submitted and provide justification as to why that Region was selected - whether it is the Region where the truck fleet is based, or the Region where the truck fleets operates the majority of the time, or other factors that would justify why a particular Region would want to fund a particular project.

Date Posted: Wednesday, April 15, 2009

Question C.71: *If there is a trucking/ loading facility in Missouri but the headquarters of the company is in Illinois, can I submit one application to Region 7 without submitting another one to Region 5? Also, except for off-road diesel equipment, it may be difficult to separate fleet vehicles as either Missouri or Illinois serving vehicles.*

Answer: Long distance or bi-state and bi-regional fleets are eligible. The applicant needs to make a judgment call as to where the application should be submitted and provide justification as to why that Region was selected - whether it is the Region where the truck fleet is based, or the Region where the truck fleet operates the majority of the time, or other factors that would justify why a particular Region would want to fund a particular project. However, the same vehicles may not be included on separate applications submitted to separate Regions.

Date Posted: Wednesday, April 15, 2009

Question C.72: *In section iii. (National Programmatic Priorities) of the Recovery Act National Clean Diesel RFA, item number 4 asks to "...include information on the quantity of air pollution produced by the diesel fleets in the area affected by the project". Is this referring to emissions associated with all diesel vehicles in the project area or only emissions from vehicles affected by the project?*

Answer: Applicants should answer the question to the best of their ability. The question is asking for emissions associated with all diesel vehicles in the project area. The emissions from the vehicles affected by the project should be included as part of the emission benefit calculations.

Date Posted: Wednesday, April 15, 2009

Question C.73: *If a partner provides funding above the required match percentage, is the additional funding considered 'leveraged' funds, or should all funds from the partners be considered 'match'? Do leveraged funds have a place on the SF424a budget forms?*

Answer: In addition to any mandatory cost-share, recipients and partners may choose to contribute additional leveraged funds. Leveraged funds may take the form of 1) a voluntary cost-share, or 2) additional or other Leveraged funding.

Applicants may include leveraged funds in the form of a voluntary cost-share in the official project budget. However, if EPA accepts an offer for a voluntary cost-share, applicants must meet their sharing commitment as a condition of receiving EPA funding. Applicants can use their own funds or other resources for voluntary cost-share if the standards at 40 CFR 30.23 or 40 CFR 31.24, as applicable, are met. Only eligible and allowable costs can be used for voluntary cost-share. To be included in the total project budget, voluntary cost-share funds should be indicated in at least one of the following blocks in Section 15, Estimated Funding, on the SF-424: b. Applicant; c. State; d. "Local" or "Other." The cost-shared funds must also be indicated in Sections A-C of the SF-424A, and in the Budget Detail portion of the Work Plan. Additional or other Leveraged resources need not be for

eligible and allowable project costs under the EPA assistance agreement, and are not included on the 424A. Additional or other Leveraged resources and their source should be included in the budget detail and narrative (Appendix A of the RFA) as well as an explanation of if and how the leveraged resources will be secured.

Date Posted: Wednesday, April 15, 2009

Question C.74: *For replacement of school buses, our school district normally has funds of approximately \$690,000 budgeted annually to replace busses. In our grant application, we would like to request approximately \$4.92 million to replace 41 busses which qualify under this program. The district would like to know if the matching fund requirement of 50% can be financed using our \$690,000 budgeted annually? This would mean that we would use our \$690,000 budgeted for the next four years to match this grant to pay for financing on these buses. Also, do we need to submit two separate applications because we are planning to apply for both the Replacement for School Bus funds and the Idle Reduction for the entire fleet?*

Answer: All grant funds (EPA funds and any mandatory matching funds) must be spent during the grant period. Due to the nature of the Recovery Act funding, grants funded under this announcement will have an initial project period of June 2009 through September 2010. If you are unable to secure the matching funds to replace your entire fleet during this time frame, EPA anticipates that additional funding will be available under separate competitions for its 2009, 2010, and 2011 annual appropriations. One application may be submitted that covers replacement, idle reduction, and any other eligible diesel emission reduction solutions.

Date Posted: Wednesday, April 15, 2009

Question C.75: *The checklist provided for applications requests: "Quality assurance narrative statement, if applicable"*

*I have not been able to find anything in the RFA providing guidelines as to what circumstances would require this. Can you please advise?*

Answer: Quality Assurance requirements apply to projects that collect environmental data, such as testing or monitoring. Testing and monitoring are not eligible activities under the National Clean Diesel Funding Assistance Program and the SmartWay Clean Diesel Finance Program - therefore the Quality Assurance narrative statement is not applicable to these programs

Date Posted: Wednesday, April 15, 2009



Question C.76: *In regards to the Budget Detail section of the work plan, do we have to list the personnel staff and their salaries if we are only requesting funding for the equipment and installation cost?*

Answer: The budget detail section of the workplan must contain all federal funds requested as well as any mandatory cost-share funds. There is no requirement to list additional costs if they are not part of the federal share or mandatory cost-share. Please see Section III.B of the RFA for additional information on cost-share and leveraged resources.

Date Posted: Wednesday, April 15, 2009

Question C.77: *We are thinking of applying for Clean Diesel Funding to replace some of our diesel fuel with B-20. I understand that the program pays for the incremental cost between regular and biodiesel. My question is how can we determine how much that cost will be when the diesel rate we pay fluctuates regularly?*

Answer: You should base your application on a conservative estimate/average/projection of your diesel fuel costs to allow for price fluctuations.

Date Posted: Wednesday, April 15, 2009

Question C.78: *Is there money set a-side for Tribes under this RFA?*

Answer: No, under the Recovery Act Funding for the National Clean Diesel Funding Assistance Program, there is no funding set aside for Tribes. Tribal applications will be considered equally against all other eligible applications received.

Date Posted: Wednesday, April 15, 2009

Question C.79: *The "award offer," signed by the EPA Award Official, is identified as an "authorizing document." At what point, if at all, does a grant applicant have the opportunity to review the award offer and decline the award offer? Does an applicant have the ability to reject a cooperative agreement or grant offered by EPA after the EPA's evaluation of its application? Will the cooperative agreements or grants with the EPA specifically designate the federal laws that shall apply to the applicant, and/or contain negotiable terms?*

Answer: An applicant may withdraw their application at any point in the review, evaluation, and award process. If an applicant is selected for award, the award documents and all applicable Terms and Conditions must be signed and returned to EPA as an official acceptance of the award.

Date Posted: Wednesday, April 15, 2009

Question C.80: *We are trying to figure out if there is some type of consideration for the fact that Schools have to BID these buses. Sometimes there are loopholes regarding bidding. We have a lot of schools interested in buying the new Blue Bird Propane Vision, but there is NOT enough time to bid these buses. In Ohio, schools have to bid anything over \$25,000.00, where in Indiana it is anything over \$150,000.00. As you can see, this does not even meet the \$500,000.00 minimum.*

Answer: An applicant may contact vendors/manufactures to conduct market research to obtain estimates of product pricing in order to complete the grant application, however specific vendors and manufacturers should not be named in the grant application. If an applicant is selected for award, all procurements of goods and services by EPA grant recipients are required to comply with competitive procurement/bidding requirements (see Section IV.G of the RFA). Any procurement and bidding would take place after an award is made to a grant recipient.

The minimum amount of federal funds requested refers to the entire project, not the cost of individual vehicles. For example, an application requesting replacement of 20 buses @ \$100,000 each bus = total project cost of \$2,000,000. Factoring in a 75% recipient cost share required for model year 2009 buses, the federal funds requested for the project = \$500,000 - thereby meeting the minimum funding threshold.

Date Posted: Wednesday, April 15, 2009

Question C.81: *When is the 50% EPA grant applied to the cost of a bus, specifically a propane-powered bus? For the buses being replaced they use a sliding computation based on vehicle age and mileage. Additionally, there was a federal excise tax rebate that amounted to \$7,000.00 per bus. Is the EPA grant based on the total cost of the bus before or after applying any other grants/rebates?*

Answer: The % of EPA funding is applied to the buyers purchase price of the bus. If a buyer is receiving a discounted price on a bus due to rebates or other incentives the purchase price of the bus to the buyer is reduced.

Date Posted: Wednesday, April 15, 2009

Question C.82: *Does the EPA want applicants and partners of funding to report progress over the Central Data Exchange ([www.exchangenetwork.net](http://www.exchangenetwork.net))? If not, what is the CDX to be used for as it is mentioned in VI.J of the RFA? Does it have any bearing with*

*the application?*

Answer: If an applicant receives an award, the final reporting requirements and methods will be defined in the Terms and Conditions of the award (and may or may not require the use of the CDX). Applicants do not need to provide information about the CDX in their application.

Date Posted: Wednesday, April 15, 2009

Question C.83: *On the application checklist, Biographical Sketch is one of the items to be checked, but the RFA does not reference what a biographical sketch is. Also, it has Complete Application Receipt Letter (if you want to receive notification of receipt). Please provide more information on what is required for the biographical sketch and application receipt letter.*

Answer: The application content instructions allow for the optional attachment of resumes for key personnel named in the application. A biographical sketch and a resume are considered the same thing.

If an applicant wishes to receive notification that EPA received the application, the applicant should draft a letter of receipt to be signed by EPA upon receipt of the application and mailed back to the applicant.

Date Posted: Wednesday, April 15, 2009

Question C.84: *Although a truck is eligible to receive funding for up to 25% of the cost, can EPA award a project less than the 25% of the truck cost? If an award is made by EPA, will the award definitely be for the amount applied for? Is it an "all or nothing" type of award, or can EPA make adjustments to the awards?*

Answer: Yes, EPA will fund up to 25% of the purchase price of a new truck. An applicant may request EPA funding for less than the 25%.

In appropriate circumstances, EPA reserves the right to partially fund applications by funding discrete portions or phases of proposed projects. If EPA decides to partially fund an application it will do so in a manner that does not prejudice any applicants or affect the basis upon which the application (or portion thereof) was evaluated and selected for award, thereby maintaining the integrity of the competition and selection process.

Date Posted: Wednesday, April 15, 2009

Question C.85: *A fleet we are working with has been told by their salesman that "they will definitely get them the 25% discount" from the EPA NCDC*

*program if they just switch from the brand of truck they are thinking of buying, to the brand the salesman is selling. Is there anyway that someone can guarantee they will get the funding from the EPA Program?*

Answer: There is no way for anyone (inside or outside of EPA) to guarantee the receipt of funding. All applications must be competitively selected according to the process defined in Section V of the RFA. In addition, grantees must compete contracts for services and products, and conduct cost and price analyses, to the extent required by the procurement provisions of the regulations at 40 CFR Parts 30 or 31, as appropriate. Applicants are not required to identify subgrantees and/or vendors/contractors in their application. However, if they do, the fact that an applicant selected for award has named a specific subgrantee, contractor, vendor in the application EPA selects for funding does not relieve the applicant of its obligations to comply with subgrant and/or competitive procurement requirements as appropriate.

Date Posted: Wednesday, April 15, 2009

Question C.86: *We are working with a number of large national fleets and there is a lot of confusion about how they need to apply in the event they want to deploy new trucks in a number of different EPA regions. Can you please confirm if an eligible non-profit organization can submit a single application to EPA, on behalf of a large national fleet to deploy new trucks all over the country in different EPA regions? Or, must individual applications be submitted to each individual EPA region where the vehicles will be deployed?*

Answer: Applicants must submit their applications to the EPA regional office which covers the project location. Each regional office will only accept applications for projects that take place solely within that EPA region. Applicants are allowed to submit multiple applications under this RFA so long as each application is for a separate project, is separately submitted and takes place within only one EPA region. If an applicant is selected to receive funding for multiple projects and/or from multiple EPA regions, EPA will coordinate and streamline the funding of multiple projects through one award, as appropriate.

For long-distance trucking fleets, or vehicles/equipment that are used in more than one Region, the applicant needs to make a judgment call as to where the application(s) should be submitted and provide justification as to why that Region was selected - whether it is the Region where the truck fleet is based, or the Region where the truck fleets operates the majority of the time, or where the majority of the emissions benefits will occur, or other factors that would justify why a particular Region would want to fund a particular project. If part of

the fleet spends the vast majority of its time in one Region and part of the fleet spends the vast majority of its time in another Region, an applicant may want to consider submitting a separate application for a separate project to each Region. The same vehicles may not be included on separate applications submitted to separate Regions.

Date Posted: Wednesday, April 15, 2009

Question C.87: *Can projects be bundled together in one proposal? We had been under the assumption that this was acceptable, but the following language in the RFA was troubling.*

*“Applicants must submit their application to the EPA regional office which covers the project location. Each regional office will only accept applications for projects that take place solely within that EPA region. Each application must be for a project within one region only. Applicants are allowed to submit multiple applications under this RFA so long as each application is for a separate project, is separately submitted, and each project takes place within only one EPA region. Applicants requesting funds for projects outside of the EPA region to which the application was submitted, and applications covering projects in more than one region, will not be reviewed.”*

Answer: "Project" refers to all of the activities under one application. Multiple fleets and multiple diesel emission reduction solutions can be bundled into one project/application, provided all of the activities are in the same Region. For example, construction retrofits and marine vessel retrofits that all take place in Region 3 may all be included on one project/application that is submitted to Region 3.

For long-distance trucking fleets, or vehicles/equipment that are used in more than one Region, the applicant needs to make a judgment call as to where the application(s) should be submitted and provide justification as to why that Region was selected - whether it is the Region where the truck fleet is based, or the Region where the truck fleets operates the majority of the time, or where the majority of the emissions benefits will occur, or other factors that would justify why a particular Region would want to fund a particular project. If part of the fleet spends the vast majority of its time in one Region and part of the fleet spends the vast majority of its time in another Region, an applicant may want to consider submitting a separate application for a separate project to each Region. The same vehicles may not be included on separate applications submitted to separate Regions.

Date Posted: Wednesday, April 15, 2009

Question C.88: *With cash flow an issue with many cities, states and school districts,*

*is it possible for applicant to utilize a bank loan to pay the required match for replacement/repower projects?*

Answer: Yes, provided all of the cost-share requirements and restrictions defined in the RFA are met.

Date Posted: Wednesday, April 15, 2009

Question C.89: *Could school districts in Texas use Texas Emissions Reduction Plan (TERP) funding as part of their matching funds for diesel school bus replacements under this EPA program?*

*Under the TERP program, the applicant is required to certify that "The applicant verifies that any activity funded under this initiative is not required by any state or federal law, rule, regulation, memorandum, or agreement, or other legally binding document. The applicant agrees that the emission reductions generated over the activity life of the equipment are transferred to the Texas Commission on Environmental Quality ( TCEQ ) for the state implementation plan and those reductions are permanently retired."*

*Does the EPA program require applicants to transfer the emissions reductions under the National Clean Diesel Funding Assistance Program toward the State Implementation Plan as well?*

Answer: Yes, TERP funds may be used to match DERA funds provided that the source of the TERP funding is not Federal. An applicant should verify with their TERP contact that the TERP funds are not from a Federal source.

The EPA program does not require the applicant to transfer emission credits to the State Implementation Plan.

Date Posted: Wednesday, April 15, 2009

Question C.90: *We are considering a public-private partnership project, whereby a public sector transit agency would act as grant applicant/administrator, and the clean diesel vehicle initiatives would be carried out on a privately-owned intercity bus fleet operating regularly scheduled public transportation services in a region. Only grant-eligible capital expenses of the project will be included on the private partner side of the project; can the public transit agency include reasonable and documented management fees to cover administrative and monitoring expenses involved with the project? Do you have any guidelines or guidance as to what percent of the total project expenses these administrative expenses should be limited to?*

Answer: Yes, the grant applicant can request EPA funding for project

management/administration costs. There are no guidelines on what percent of the total these costs should be limited to.

Date Posted: Wednesday, April 15, 2009

Question C.91: *Our marine repower market has a limited number of engine suppliers. Some in the towing industry have corporate policies to stay with the same type of equipment for their entire fleet. Do they need to go with the lowest price proposal in the competitive bidding process?*

Answer: Applicants must compete contracts for services and products, including consultant contracts, and conduct cost and price analyses, to the extent required by the procurement provisions of the regulations at 40 CFR Parts 30 or 31, as appropriate. Awards shall be made to the bidder or offeror whose bid or offer is responsive to the solicitation and is most advantageous to the recipient, price, quality and other factors considered. So no, they do not have to go with the lowest price, necessarily. However, they must provide justification for the bidder that they do select.

Date Posted: Wednesday, April 15, 2009

Question C.92: *Are applicants required to use the EPA fleet description spreadsheet provided at:  
<http://www.epa.gov/otaq/diesel/documents/appl-fleet-2009.xls>  
or may they provide a spreadsheet in their own format?*

Answer: We definitely encourage all applicants to use the Applicant Fleet Description spreadsheet, especially if there are a large number of fleets. However, use of the spreadsheet is optional, not mandatory.

Date Posted: Wednesday, April 15, 2009

Question C.93: *Is there a place one could find a list of certified or verified kits or engine configurations for upgrades or repowers that would convert a diesel engine to a an engine that would operate with CNG or Propane?*

Answer: EPA and CARB's verified technology lists do not contain any verified alternative fuel engine upgrade kits. Engine Certification data and information can be found at <http://www.epa.gov/otaq/certdata.htm>.

Date Posted: Wednesday, April 15, 2009

Question C.94: *Is there a Minority Business Enterprise/Woman Business Enterprise (MBE/WBE) goal or is it waived because my application is only purchase and installation.*

Answer: Yes, this program has a MBE/WBE requirement. The rule (40 CFR Part 33) applies to procurement under grants. If the grantee is not involved in any procurement, they still have to report. Information and forms can be found on: <http://www.epa.gov/osbp/grants.htm>

Date Posted: Wednesday, April 15, 2009

Question C.95: *Can you post information on how to submit an application for Intergovernmental Review in different states?*

Answer: Executive Order 12372, Intergovernmental Review of Federal Programs may be applicable to awards resulting from this announcement. Applicants selected for funding may be required to provide a copy of their application to their State Point of Contact (SPOC) for review, pursuant to Executive Order 12372, Intergovernmental Review of Federal Programs. Please visit the SPOC (state point of contact) website at <http://www.whitehouse.gov/omb/grants/spoc.html> to see if your state is listed, and if so contact the SPOC for specific submission instructions.

Not all States require such a review. States that are not listed on this page have chosen not to participate in the intergovernmental review process, and therefore do not have a SPOC. If you are located within a State that does not have a SPOC, you may send application materials directly to a Federal awarding agency.

Date Posted: Wednesday, April 15, 2009

*Update* Question C.96: *Can an eligible entity submit more than one bid package. For example - if a Trucking Association is working with several trucking fleets for Idle reduction can they submit in separate bids for each fleet up to the maximum award amount or is the maximum award amount limited to each eligible entity.*

Answer: Applicants are allowed to submit multiple applications under this RFA so long as each application is for a separate project. However, the same vehicles may not be included on separate applications submitted to separate Regions. If an applicant is selected to receive funding for multiple projects and/or from multiple EPA regional offices, EPA will coordinate and streamline the funding of multiple projects through one award, as appropriate. The maximum award amount applies to each application.

Date Posted: Wednesday, April 15, 2009

Question C.97: *For the purpose of this grant, what is the definition of an*



*"Environmental Justice Area"?*

Answer: This RFA does not request information on "Environmental Justice Areas." Under this RFA, programmatic priorities include projects that are in areas: with high population density, that are poor air quality areas (including nonattainment or maintenance of national ambient air quality standards for a criteria pollutant; Federal Class I areas; with toxic air pollutant concerns); that receive a disproportionate quantity of air pollution from diesel fleets, including truck stops, ports, rail yards, terminals, and distribution centers or that use a community-based multi-stakeholder collaborative process to reduce toxic emissions.

Date Posted: Wednesday, April 15, 2009

Question C.98: *I am having problems using the Diesel Emissions Quantifier (DEQ). When I try to access it, I receive an error message.*

Answer: The DEQ tends to malfunction when many users are logged on at once. We advise everyone to plan ahead as traffic will be high around the close of the RFAs and to try using the DEQ during off-peak hours (early morning or late evening, depending on your time zone, and possibly weekends). If you are unable to access the DEQ, please try again later.

Date Posted: Wednesday, April 15, 2009

New

Question C.99: *If a public transit agency is interested in converting some engines to CNG-powered engines, would this fall under Certified Vehicle and Equipment Replacements category (not repower)? And does the \$500k minimum for blue skyways ARRA projects mean \$500k including the match? Or would it need to be a minimum of \$500k of actual blue skyways funding to be eligible?*

Answer: If the CNG conversion is accomplished by applying a certified conversion kit to an existing diesel engine, the project is considered an engine upgrade. If the CNG conversion is accomplished by removing and scrapping the existing diesel engine and replacing it with a certified CNG engine, the project is considered a repower. If the entire vehicle is scrapped and replaced with an entire new vehicle, the project is considered a vehicle replacement.

The amount of federal funding requested must fall within the eligible funding range, not including any mandatory match.

Date Posted: Wednesday, April 22, 2009

New

Question C.100: *When is the 50% EPA grant applied to the cost of a bus, specifically a*

*propane-powered bus? Is the EPA grant based on the total cost of the bus before or after applying any other grants/rebates?*

Answer: The % of EPA funding is applied to the what the buyer pays for the bus. If a buyer is receiving a discounted price on a bus due to rebates or other incentives, the purchase price of the bus to the buyer is reduced.

Date Posted: Wednesday, April 22, 2009

**New** Question C.101: *The application checklist states: "If your project requires an Environmental Impact Statement or Environmental Assessment, or both, please indicate it on a separate sheet of paper." How do we know if a project requires an Environmental Impact Statement or Environmental Assessment?*

Answer: EPA's National Clean Diesel Program has conducted a Programmatic Environmental Assessment to comply with the National Environmental Policy Act (NEPA). Applicants applying for funding under the Diesel Emissions Reduction Act, including this RFA will not be required to complete an Environmental Impact Statement or Environmental Assessment.

Date Posted: Wednesday, April 22, 2009

**New** Question C.102: *For marine engine re-powers, may proposed projects include the cost of associated components necessary to support proper operation of the new engine in the vessel? Can the costs of these associated components be included as part of the requested funding and / or be part of proposed matching funds?*

Answer: Costs for necessary associated components and work may be included in a marine engine replacement project. These costs may be part of the total requested funding or they may be part of the proposed matching funds. These necessary components and costs should be fully described in the project proposal.

Date Posted: Wednesday, April 22, 2009

**New** Question C.103: *Can you please clarify the procurement provisions of 40 CFR 31, as it relates to consultants? We have reviewed this, and this section of the CFR specifies that consultant salary rates are capped at the maximum daily rate for a GS-18. However, it is our understanding that there is no longer a pay rate of GS-18, and instead there is an executive schedule? Can you please clarify this? Also, can you please clarify if these requirements apply to per unit services (e.g., instead of services priced by the hour, services could be priced per unit)?*

Answer: EPA participation in the salary rate (excluding overhead) paid to individual consultants retained by recipients or by a recipient's contractors or subcontractors shall be limited to the maximum daily rate for a Level IV of the Executive Schedule (formerly GS-18), to be adjusted annually. This limit applies to consultation services of designated individuals with specialized skills who are paid at a daily or hourly rate. As of January 1, 2009, the limit is \$587.20 per day and \$73.40 per hour. This rate does not include transportation and subsistence costs for travel performed (the recipient will pay these in accordance with their normal travel reimbursement practices).

Subagreements with firms for services which are awarded using the procurement requirements in 40 CFR 30 or 31, as applicable, are not affected by this limitation unless the terms of the contract provide the recipient with responsibility for the selection, direction, and control of the individuals who will be providing services under the contract at an hourly or daily rate of compensation. See 40 CFR 31.36(j) or 30.27(b).

Also, this limitation applies to consultation services of designated individuals with specialized skills who are paid at a daily or hourly rate.

Date Posted: Wednesday, April 22, 2009

**New** Question C.104: *If a privately or publicly held and for-profit company partners with a city government (as a sponsor) to receive funding under the ARRA, does the privately or publicly held and for-profit company have the requirement to competitively bid for the purchase of a replacement engine or can it buy such engine from its own parent company, subsidiary or affiliate without competitive bidding? If competitive bidding is required, what are the requirements?*

Answer: All purchases of commercially available goods or services must be competed. Grant recipients and subgrantees must compete contracts for services and products, including consultant contracts, and conduct cost and price analyses, to the extent required by the procurement provisions of the regulations at 40 CFR Parts 30 or 31, as appropriate. Successful applicants cannot use subgrants or subawards to avoid requirements in EPA grant regulations for competitive procurement by using these instruments to acquire commercial services or products from for-profit organizations to carry out its assistance agreement. The fact that an applicant selected for award has named a specific subgrantee or contractor in the application EPA selects for funding does not relieve the applicant of its obligations to comply with subgrant and/or competitive procurement requirements as appropriate. Please note that applicants may not award sole source contracts to consulting, engineering or other firms assisting applicants with the proposal solely based on the

firm's role in preparing the proposal/application. The nature of the transaction between the recipient and the subawardee or subgrantee must be consistent with the standards for distinguishing between vendor transactions and subrecipient assistance under Subpart B Section .210 of OMB Circular A-133 , and the definitions of subaward at 40 CFR 30.2(ff) or subgrant at 40 CFR 31.3, as applicable. Applicants acquiring commercial goods or services must comply with the competitive procurement standards in 40 CFR Part 30 or 40 CFR Part 31.36 and cannot use a subaward/subgrant as the funding mechanism.

Date Posted: Wednesday, April 22, 2009

*Update* Question C.105: *Is the installation of electrical infrastructure necessary for the retrofit (Diesel Particulate Filter) technology eligible for funding along with the installation of the retrofit device?*

Answer: The eligible acquisition cost of equipment means the net invoice price of the equipment, including the cost of modifications, attachments, accessories, or auxiliary apparatus necessary to make the property usable for the purpose for which it was acquired. Other charges, such as the cost of installation, transportation, taxes, duty or protective in-transit insurance, shall be included or excluded from the unit acquisition cost in accordance with the recipient's regular accounting practices

Date Posted: Wednesday, April 22, 2009

*New* Question C.106: *If a for profit partners with an eligible entity such as a metropolitan planning organization (MPO), do the funds become state funds or are they still considered federal funds? For example, if a company has received state funds for an emission reduction project can they partner with a MPO and receive federal funds.*

Answer: Funds awarded under this RFA are federal funds, regardless of whether they are subgranted through an eligible entity to a subgrantee. In general, a company that has received state funds can also receive federal funds, provided all cost-share requirements and restrictions are met.

Date Posted: Wednesday, April 22, 2009

*New* Question C.107: *In the RFA scoring section, there are 4 points listed for providing fleet details. I can think of several types of projects that would not include fleet information such as energy projects and subaward projects. Is there a way to make up for these points?*

Answer: For energy projects, the "fleet" would consist of all equipment and

engines for which funding is being requested. For subaward projects where the exact fleet/vehicle/engine/equipment information is not yet known, applicants should make their best guess as to the numbers and types of projects that will be funded/targeted through subgrants.

Date Posted: Wednesday, April 22, 2009

**New** Question C.108: *Where can I find the sample project narrative?*

Answer: The optional Project Narrative Suggested Format is available at <http://www.epa.gov/otaq/eparecovery/documents/project-narrative-suggested-format.doc>

Date Posted: Wednesday, April 22, 2009

**New** Question C.109: *Can a project be submitted based on PM emissions alone or does it have to include regulated air emissions?*

Answer: Each application will be reviewed based on its overall impact on air quality. All applications will be evaluated based on the extent and quality to which they address the evaluation criteria in Section V of the RFA.

Date Posted: Wednesday, April 22, 2009

**New** Question C.110: *If subawards are allowed, should the sub-grantee be an initial partner in the project proposals, or should there be a separate application process overseen by the awardee?*

Answer: It could be either. Subgrants do not have to be competed, but EPA grant recipients may wish to define a competitive or other process by which subgrantees will be selected. Subgrantees may be named as project partners, however please see Section IV.G of the RFA for more information on subgrant requirements.

Date Posted: Wednesday, April 22, 2009

**New** Question C.111: *If projects apply in more than one region, will they have to meet minimum project budget threshold for each region, or for the combined cost of the project in all regions?*

Answer: The minimum funding threshold applies to each application submitted.

Date Posted: Wednesday, April 22, 2009

**New** Question C.112: *Is a separate request for funding required for each type of reduction solution? (example-one application for idle reduction technology and another for low rolling resistance tires or can they be combined into*

*one application)?*

Answer: No, separate applications do not need to be submitted for each type of diesel emission reduction solution. A single project/application may contain multiple fleets and multiple diesel emission reduction solutions.

Date Posted: Wednesday, April 22, 2009

**New** Question C.113: *Is the NCDC program only available to US Legislation/Companies? An interested company is headquartered in Canada [with US operations] and wonders if they are eligible?*

Answer: Foreign entities are not eligible to directly apply for funding under this RFA. However, a foreign manufacturer may be considered in the bidding process by an entity that receives funding under this RFA.

Date Posted: Wednesday, April 22, 2009

**New** Question C.114: *Page 3 of the RFA discusses EPA coordination to fund multiple, approved projects under one award. Is it possible to receive two awards (one for projects with cost share and another without cost share)?*

Answer: EPA would prefer to streamline the award of multiple projects to reduce the administrative burden, however separate awards may be made if justified.

Date Posted: Wednesday, April 22, 2009

**New** Question C.115: *Will EPA expect return of grant funds if usage does not meet the original projections used to calculate the emissions reductions?*

Answer: EPA will evaluate this on a case-by-case basis.

Date Posted: Wednesday, April 22, 2009

**New** Question C.116: *For Program Income Requirements, would income from a truck stop electrification site be required to be reimbursed to EPA for funds collected after the projects period ends?*

Answer: No.

Date Posted: Wednesday, April 22, 2009

**New** Question C.117: *What documentation/information is considered adequate to demonstrate that "the project meets the Restriction for Mandated Measures as defined in Section I.C.7?"*

Answer: If the project takes place in an affected area, or includes affected vehicles, engines or equipment, the Applicant must clearly

demonstrate that emission reductions funded with EPA funds will be implemented prior to the effective date of the mandate and/or are in excess of (above and beyond) those required by the applicable mandate. The applicant should include a detailed discussion of all applicable mandates, effective dates, compliance measures, and other information necessary to demonstrate the project meets the Restriction for Mandated Measures.

Date Posted: Wednesday, April 22, 2009

**New** Question C.118: *Will the EPA pay retroactively for expenditures incurred prior to the effective date of the grant contract?*

Answer: No. Any funding awarded under this announcement must be used for activities that take place within the approved project period and may not be used for unauthorized pre-award costs.

Date Posted: Wednesday, April 22, 2009

**New** Question C.119: *Does the applicant have to register and have a current profile in the Central Contractor Registration database before submitting an application package? Form SF-424 Item 8a. says that the legal name of the applicant should be entered as it is registered with the Central Contractor Registry?*

Answer: No. Only if selected for award. On Form SF-424 Item 8a, enter the legal name of the applicant.

Date Posted: Wednesday, April 22, 2009

**Update** Question C.120: *Page 36 of the RFA says "if selected for an award, recipients and subrecipients must maintain active and current profiles in the Central Contractor Registration database. Does the project partner have to register with the Central Contractor Registry as well, if an award is granted?"*

Answer: Recipients and their first-tier recipients (subgrantees and contractors) must maintain current registrations in the Central Contractor Registration ([www.ccr.gov](http://www.ccr.gov)) at all times during which they have active federal awards funded with Recovery Act funds. A Dun and Bradstreet Data Universal Numbering System (DUNS) Number ([www.dnb.com](http://www.dnb.com)) is one of the requirements for registration in the Central Contractor Registration.

Date Posted: Wednesday, April 22, 2009

**New** Question C.121: *On page 9 of the RFA it states that the project period should be June 2009-September 30, 2010. Is this time frame set in stone? And if the*

*projects are awarded later than June, will the ending dates shift as well?*

Answer: The project timeline in the application must be based on project completion by September 30, 2010, and no, the ending dates will not shift.

Date Posted: Wednesday, April 22, 2009

**New** Question C.122: *If a proposal is submitted with a long list of equipment projects, and one of the items turns out to be ineligible for whatever reason, does that then make the entire proposal ineligible or can EPA just choose to exclude the one unit that is ineligible and fund the rest?*

Answer: If the application meets the threshold criteria in Section III.C of the RFA, the application will be reviewed. If costs or activities are deemed ineligible during the review, those portions of the project will not be considered and the rest of the project will be evaluated.

Date Posted: Wednesday, April 22, 2009

**New** Question C.123: *Section two of the Applicant Fleet Description Spreadsheet has a cell for Funding Amount Requested. Should this cell contain only the funding requested for project costs or should any administrative costs requested be included here as well?*

Answer: This cell should contain the total amount of federal funding requested for the project, including personnel and all other budget categories.

Date Posted: Wednesday, April 22, 2009

**New** Question C.124: *Section three of the Applicant Fleet Description Spreadsheet has a cell for Retrofit Year. Should this cell be left blank for projects that do not include a retrofit (i.e. vehicle replacements or repowers)?*

Answer: No. This cell should contain the year the vehicle was retrofit, replaced, or repowered. The activity will be specified in the "technology" column.

Date Posted: Wednesday, April 22, 2009

**New** Question C.125: *If a proposal is submitted for an amount greater than \$1 million and EPA decides to only fund a portion of the proposal, and because of the EPA choices for which equipment to fund the value of the overall proposal then drops below \$1 million, can EPA still make an award?*

Answer: If the application meets the threshold criteria in Section III.C of the RFA, the application will be reviewed. If costs or activities are deemed ineligible during the review, those portions of the project will not be considered and the rest of the project will be evaluated for



funding.

Date Posted: Wednesday, April 22, 2009

**New** Question C.126: *Section three of the Applicant Fleet Description Spreadsheet has a column for Technology that includes an option for "Engine Repower" or "Diesel Particulate Filter". How should we enter projects that combine engine repowers with diesel particulate filters as this option does not exist under the Technology column?*

Answer: You may enter the fleet twice with the two different technologies, but be sure to make a note that both are applied to the same fleet of vehicles.

Date Posted: Wednesday, April 22, 2009

**New** Question C.127: *Would it run afoul of federal competitive bid requirements to note in the application the existing relationship of the marine services company and the local shipyard, that the work proposed is expected to create a certain number of jobs that could be within the applicant's district and EPA region?*

Answer: No. However, if they do, the fact that an applicant selected for award has named a specific contractor in the proposal/application EPA selects for funding does not relieve the applicant of its obligations to comply with competitive procurement requirements as appropriate.

Date Posted: Wednesday, April 22, 2009

**New** Question C.128: *If the applicant, a municipality, proposes to partner with the local council of governments (COG) which will have responsibility for implementing the school bus retrofits element of the grant (as a subgrantee), is it acceptable for the COG to handle the bid process for the retrofit technologies itself or does that process have to be carried out by the applicant (in this case the municipality)?*

Answer: Yes, the subgrantee may bid and procure the equipment as part of their subgrant.

Date Posted: Wednesday, April 22, 2009

**New** Question C.129: *If a grantee already has a qualified competitive bid for buses in hand, do they need to rebid as part of this program?*

Answer: No, provided the grantee can demonstrate that the competitive procurement process used to secure the contract meet the requirements of 40 CFR Parts 30 and 31, as applicable.

Date Posted: Wednesday, April 22, 2009

**New** Question C.130: *I am in Region 4. According to II A page 17 of the guidelines, applications must be for between \$500,000 and \$2,000,000. "However, a minimum of \$250,000 will be allowed if the project involved retrofitting or upgrading the applicant's entire fleet." We have already retrofit our on road fleet. May we qualify for the \$250,000 exception since it is for our entire off road diesel fleet.*

Answer: Since it is the only fleet left that is not retrofitted, your project to retrofit your entire off road fleet is eligible provided it meets the \$250,000 minimum funding requirement.

Date Posted: Wednesday, April 22, 2009

**New** Question C.131: *Is there a limitation on what funds can be used to leverage the remaining 50%? Specifically, can funding from a combination of CMAQ funding through CALTRANS and 1-B funding be used in combination with ARRA funding?*

Answer: In general, you may use other sources of funds to meet the cost-share requirement provided that federal funds are not used to meet the mandatory match requirement of for this RFA.

Date Posted: Wednesday, April 22, 2009

**New** Question C.132: *Can ARRA funding be applied in this fiscal year 2009?*

Answer: Yes, EPA anticipates making awards under this RFA in June 2009

Date Posted: Wednesday, April 22, 2009

**New** Question C.133: *Once the award is made, does the state agency have to abide by any federal procurement guidelines to award a sub contractor to do the work?*

Answer: States are subject to the procurement requirements of 40 CFR Part 31. Under Part 31, when procuring property and services under a grant, a State will follow the same policies and procedures it uses for procurements from its non-Federal funds. The State will ensure that every purchase order or other contract includes any clauses required by Federal statutes and executive orders and their implementing regulations.

Date Posted: Wednesday, April 22, 2009

**New** Question C.134: *Once the award is made and the private fleet owner receives a subgrant from the state and agrees to follow federal requirements for*

*awarding the work to any subcontractors does that suffice (the state wouldn't have to oversee the fleet owner process for awarding subcontractors to do the work).*

Answer: The state is responsible for the proper expenditure of all funds, including those activities performed by subgrantees.

Date Posted: Wednesday, April 22, 2009

**New** Question C.135: *Are we eligible to fund the director of our plant as the oversight director of a grant funded by clean diesel funds to replace vehicles in our fleet.?*

Answer: A grant application may include personnel costs associated with the administration of the project by the applicant.

Date Posted: Wednesday, April 22, 2009

**New** Question C.136: *How are the minimum and maximum grant applicant amounts counted? Are the limits the total project costs or do they represent only the 25% share of EPA grant money?*

Answer: The minimum amount of federal funds requested refers to the federal share of the project budget. For example, an application requesting replacement of 20 buses @ \$100,000 each bus = total project cost of \$2,000,000. Factoring in a 75% recipient cost share required for model year 2009 buses, the federal funds requested for the project = \$500,000 - thereby meeting a minimum funding threshold of \$500,000.

Date Posted: Thursday, April 23, 2009

**New** Question C.137: *What if as of 9/30/2010 the grant recipient had only spent 95% of the grant funds? Would the grantee be obligated to return the funds that had been used because the EPA grant contract/agreement had not been fulfilled?*

Answer: Typically, if at the end of the project period all of the project activities have been completed and some of the funding remains, the grant is closed and any unspent funds are returned to EPA. If at the end of the project period there are still project activities to complete, the grantee can request a no-cost time extension to extend the project period in order to complete the project activities and draw down the remaining funds.

Date Posted: Thursday, April 23, 2009

**New** Question C.138: *Can a stakeholder be part of two separate applications to the Clean Diesel RFA? Can that same stakeholder utilize the same fleet data to complete two distinct applications to the Clean Diesel RFA?*

Answer: Yes, an applicant or project partner may submit more than one application. If the same fleet is included in two separate applications care must be taken to ensure that funds are not requested for the same activities in both applications. The same vehicles may not be included on separate applications submitted to separate Regions.

Date Posted: Thursday, April 23, 2009

**New** Question C.139: *In the Applicant Fleet Description spreadsheet, under vehicle class I do not see options for marine vessels, other than ferries. I am trying to enter tug boats and a dredge, what should I classify them as?*

Answer: Classify them as ferries and make a note on the spreadsheet with the actual information.

Date Posted: Thursday, April 23, 2009

**New** Question C.140: *Is there any way we can include the tables from the budget detail section (Appendix A) as an appendix, and not have this count against our page limit?*

Answer: No, the page limit is 10 pages, including the budget detail. When using the budget detail template, please remove all instructions and descriptions provided by EPA. Your Project Narrative should then include the resulting table with your budget information filled in and accompanying narrative detail to explain the budget.

Date Posted: Thursday, April 23, 2009

**New** Question C.141: *If an application is selected for funding, would there be any penalties if the applicant's situation changes and they become unable to carry out the project?*

Answer: No, an applicant may withdraw their request for funding at any time during the application review or award process.

Date Posted: Thursday, April 23, 2009

**New** Question C.142: *The form SF-424 instructions reference the Central Contracting Registry. Must applicants register with the Central Contracting Registry prior to submitting their application?*

Answer: No.

Date Posted: Thursday, April 23, 2009

**New** Question C.143: *How can applicants show that the job preservation criterion has been met? What type of proof is necessary? Also, is there a formula we*

*should apply to arrive at a jobs created number based on the size of our project?*

Answer: There is no set formula for this RFA. We would like our applicants to provide the methodology for estimating the number of jobs created (again, this does not have to be a complicated or elaborate formula). Then, provide the estimation and for this, you may give the number of previously existing filled positions that are maintained and the number of previously filled positions that are maintained as a result of funding by the American Recovery and Reinvestment Act.

Date Posted: Thursday, April 23, 2009

**New** Question C.144: *Are there grant funds available for replacing old marine diesel engines in the commercial fisheries to new low emission engines in the state of Alaska in the private sector.*

Answer: Marine engines are eligible for funding under this RFA. However, private/commercial entities are not eligible to apply directly for funding. EPA encourages private fleet owners to partner with eligible entities for the implementation of diesel emission reduction projects.

Date Posted: Thursday, April 23, 2009

**New** Question C.145: *Will the EPA accept a Letter of Intent from potential subgrantees as sufficient evidence for cost sharing?*

Answer: Yes. However, the EPA grant recipient is ultimately responsible for producing all mandatory cost-share funds.

Date Posted: Thursday, April 23, 2009

**New** Question C.146: *A subgrantee may wish to retrofit older ships to accommodate shore power, but then replace those ships in a few years with new ships that are also capable of shore-powering. Are there any requirements that ships retrofitted with grant funds must remain in use for a specified amount of time, considering their replacement ships would also meet emission reduction goals?*

Answer: There are no specific requirements for the time retrofitted equipment must remain in use. However, programmatic priority is for projects that include a verified technology that has a long expected useful life, and projects that maximize the useful life of any verified technology funded.

Date Posted: Thursday, April 23, 2009

**New** Question C.147: *Can we apply for funds to sub grant out competitively to interested parties in our region? We would include in the application to EPA*

*requirements sub grantors would need to meet and use the guidelines and parameters that EPA has established for us to frame the sub grant program.*

Answer: Yes.

Date Posted: Thursday, April 23, 2009

**New** Question C.148: *What percentage or amount of any grant can cover the operational costs of carrying that grant out? Is that percentage taken out of the funds provided by EPA, or out of the total project cost?*

Answer: Under the Recovery Act Funding for the National Clean Diesel Funding Assistance Program, there is no cap on administrative costs. However, total project cost effectiveness is a programmatic priority and a key criteria in proposal evaluations.

Date Posted: Thursday, April 23, 2009

**New** Question C.149: *What is the timeframe for grant funds to be spent for Truck Stop Electrification. Do projects have to start in June of 2009 and end September 30, 2010? Do any funds have to be committed in June 2009 or is there only the requirement that 100% of the funds be spent before September 30, 2010.*

Answer: The estimated project period for awards resulting from this solicitation will begin in June 2009 and it is expected that projects will be completed by September 30, 2010. The project timeline and milestones should reflect this project period. To meet the goals of the Recovery Act funding, projects should be commenced as quickly as possible consistent with prudent management.

Date Posted: Thursday, April 23, 2009

**New** Question C.150: *EPA provides a list of eight categories of idle reduction technologies, which includes such categories as auxiliary power units, fuel operated heaters, battery air conditioning systems, etc., which serves as the EPA approved list of verified idle reduction technology categories. We note that EPA does provide an online list of individual products that that have been verified to date by EPA for these technology categories. However we also note that the Smartway materials contain a general verification note that reads as follows:*

*"General Verification Note: By using technology categories, EPA confers approval of other company products not evaluated but considered part of that particular technology category if the product is similar in design. For example, in 2002 EPA evaluated the Espar Heater SystemR fuel operated heater and found this device to*

*effectively reduce main engine idling. Webasto Product North AmericaR manufactures a similar fuel operated heater. Consequently, both companies' products are considered effective technologies to reduce main engine idling. For any questions regarding the verifiability of a product not listed above, please send an e-mail message to CleanDiesel@epa.gov. For any product not included in the recognized categories above, EPA cannot confer its verification of the product. EPA does not endorse any specific company or product."*

*How are we to interpret this language?*

Answer: EPA has verified a number of categories of idle reduction technologies: (1) auxiliary power units and generator sets; (2) battery air conditioning systems; (3) thermal storage systems; (4) electrified parking spaces (truck stop electrification); (5) fuel operated heaters; (6) shore connection systems and alternative maritime power; (7) shore connection systems for locomotives; and (8) automatic shutdown/start-up systems. For the purpose of submitting a grant application, idle reduction projects can be based upon the general "Verified Idle Reduction Technology" category or one or more of the eight verified idle reduction technology categories listed above. By using technology categories for the purpose of submitting a grant application, EPA confers general approval of other company products not evaluated but considered part of that particular technology category if the product is similar in design.

The specific idle reduction products/manufacturers listed at [www.epa.gov/smartway/transport/what-smartway/verified-technologies.htm](http://www.epa.gov/smartway/transport/what-smartway/verified-technologies.htm) have been verified by EPA to save fuel and reduce emissions when compared to idling the main engine. If awarded, a project must use named verified idle reduction technologies (i.e., specific products) listed at the time the technology is purchased, OR the grantee must obtain prior approval from the EPA Project Officer to purchase a product not listed by name by 1) demonstrating the emissions benefit; and 2) justifying the inclusion of the technology in one of the verified categories of idle reduction technologies.

The verified technology list is regularly updated with the latest technologies that EPA has verified. For verification of idle reduction technologies, manufacturers should send product information to the SmartWay Technical Team at [SmartWay-Tech@epa.gov](mailto:SmartWay-Tech@epa.gov) for instructions on how to have the particular product verified.

Date Posted: Thursday, April 23, 2009

New Question C.151: *Our state has approved vendors, through state contracts, for*

*purchase and installation of approved technologies. It is possible to make use of the State Contract (NJ) or would a separate procurement per EPA rules be required?*

Answer: Whether a county can access the state contract is a matter of state law. Intergovernmental transactions are exempt from competition per 40 CFR 31.36(b)(5).

Date Posted: Thursday, April 23, 2009

## **D. Recovery Act Requirements**

### **i. Requirements for Infrastructure Investments**

Question Di.1: *What projects constitute "infrastructure investments"?*

Answer: Certain Diesel Emission Reductions Act (DERA) projects may be considered infrastructure investments for purposes of the Recovery Act under the Agency's interpretation of the term "infrastructure". The term infrastructure refers to the substructure or underlying foundation or network used for providing goods and services; especially the basic installations and facilities on which the continuance and growth of a community, State, etc., depend. Examples include roads, water systems, communications facilities, sewers, sidewalks, cable, wiring, schools, power plants, and transportation and communication systems. The DERA program provides funding for diesel emissions reductions projects that generally do not constitute infrastructure investments. Truck Stop Electrification (TSE) projects and diesel emissions reductions projects for heavy generators used in public energy production are considered to be infrastructure investments.

Date Posted: Friday, April 17, 2009

Question Di.2: *The project I am proposing is for an infrastructure investment. What additional requirements must I satisfy because of the type of project that I have proposed?*

Answer: If you are proposing an infrastructure investment project, in your proposal you must give preference to activities that can be started and completed expeditiously, including a goal of using at least 50 percent of the funds for activities that can be initiated not later than June 17, 2009 (If a project is an infrastructure investment, the grantee must comply with Division A, Title XVI, §1602 of Preference for Quick-Start Activities). Additionally, grant recipients that are State or local governments must complete a certification for infrastructure investment projects in order to receive funding for the infrastructure investment project (if the grantee is a State or local government and the project is an infrastructure investment, then the grantee must also



comply with Recovery Act Division A, Title XV, Subtitle A, §1511 of Certifications). There are also reporting requirements applicable to infrastructure investments (If the grantee is a State or local government conducting a project that constitutes an infrastructure investment, there are additional reporting requirements for the infrastructure investment imposed under the Recovery Act Division A, Title XV, Subtitle A, §1512(c)(3)(E)).

Date Posted: Friday, April 17, 2009

Question Di.3: *Our grant would be for a competition for subgrant projects. Since the competition has not happened, we don't know if there will be subgrants involving infrastructure investments. What should we do?*

Answer: More information will be provided after award in the Terms and Conditions of the grant if the project could possibly include an infrastructure investment.

Date Posted: Friday, April 17, 2009

## **ii. Buy American Requirements for Public Works Projects**

Question Dii.1: *What projects are subject to the "Buy American" provision of ARRA?*

Answer: Only projects conducted by governmental entities constitute "public" projects subject to the Buy American provision. If your project does not involve public buildings or public works of a governmental entity (governmental entities include the United States; the District of Columbia, commonwealths, territories, and minor outlying islands of the United States; State and local governments; and multi-State, regional, or interstate entities which have governmental functions), then your project will not be subject to the Buy American provision. If you are using Recovery Act funds for a project for the construction, alteration, maintenance, or repair of a public building or public work, all of the iron, steel, and manufactured goods for that project must be produced in the United States. In certain circumstances, EPA may grant a waiver from this requirement.

Date Posted: Friday, April 17, 2009

Question Dii.2: *What type of project could I propose under this RFA that would constitute a "public building" or "public work" subject to the Buy American provision?*

Answer: The Diesel Emissions Reduction (DERA) program provides funding for diesel emissions reductions projects that generally do not meet the definition of public building or public work ('public building' and 'public work' mean a public building of, and a public work of, a governmental

entity. These buildings and works may include, without limitation, bridges, dams, plants, highways, parkways, streets, subways, tunnels, sewers, mains, power lines, pumping stations, heavy generators, railways, airports, terminals, docks, piers, wharves, ways, lighthouses, buoys, jetties, breakwaters, levees, and canals, and the construction, alteration, maintenance, or repair of such buildings and works).

Truck Stop Electrification (TSE) projects and diesel emissions reductions projects for heavy generators (such as those used in public energy production) are considered to be public works when a governmental entity is conducting the project. In those cases, all of the steel, iron, or manufactured goods purchased for the construction, alteration, maintenance, or repair of a those public works must be produced in the United States (the Buy American provision, however, will not be applied if doing so is inconsistent with United States obligations under international agreements. Additionally, EPA, in certain circumstances, may waive the Buy American provision).

Date Posted: Friday, April 17, 2009

Question Dii.3: *What if I think the Buy American provision is not applicable to my proposal?*

Answer: You may request a determination regarding the inapplicability of the Buy American provision by submitting a request to the award official in time to allow a determination before submission of applications or proposals. The information and supporting data that must be submitted is set forth in OMB regulations (see paragraphs (c) and (d) of the award term and condition at 2 CFR 176.140). If you have not requested a determination regarding the inapplicability of the Buy American provision before submitting your application or proposal, or you have not received a response to a previous request, you must include the information and supporting data in the application or proposal.

Date Posted: Friday, April 17, 2009

Question Dii.4: *Our grant would be for a competition for subgrant projects. Since the competition has not happened, we don't know if there will be subgrants involving public works projects. What should we do?*

Answer: More information will be provided after award in the Terms and Conditions of the grant if the project could possibly include a public works project.

Date Posted: Friday, April 17, 2009

Question Dii.5: *Where can I find more information about the Buy American provision?*

Answer: OMB has issued regulations regarding the Buy American provision of the Recovery Act that are codified at 2 CFR Part 176, Subpart B.

Date Posted: Friday, April 17, 2009

### **iii.Wage Rate Requirements**

Question Diii.1: *What is the wage rate requirement imposed by the Recovery Act?*

Answer: The Recovery Act requires that all laborers and mechanics employed by contractors and subcontractors on projects funded directly by or assisted in whole or in part by and through the Federal Government pursuant to the Recovery Act be paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by the Department of Labor. The Davis-Bacon Act requires contractors or their subcontractors of projects costing \$2,000 or more to pay laborers and mechanics employed directly upon the site of the work no less than the locally prevailing wages and fringe benefits schedule set by the Department of Labor. Section 1606 of the Recovery Act explicitly expands the coverage of the Davis-Bacon Act to include all "projects funded directly by or assisted in whole or in part by and through the federal government". Contractors and subcontractors of entities receiving assistance awards (such as grants and cooperative agreements) funded with any amount provided by the Recovery Act are required to abide by the requirements of the Davis-Bacon Act. The Department of Labor (DOL) is currently developing further guidance related to the Davis-Bacon Act in relation to Recovery Act funding. For more information on the Davis-Bacon Act generally, as well as more detailed information on requirements for contractors and agencies, go to <http://www.dol.gov/esa/whd/contracts/dbra.htm>. Initial inquiries concerning the applicability of Davis-Bacon requirements to your DERA project should be directed to EPA.

Date Posted: Friday, April 17, 2009

Question Diii.2: *Where can I find more information about the Wage Rate Requirements imposed by the Recovery Act?*

Answer: OMB has issued regulations regarding the Wage Rate provision of the Recovery Act that are codified at 2 CFR Part 176, Subpart C.

Date Posted: Friday, April 17, 2009

New

Question Diii.3: *Does the Davis Bacon Act apply to the type of projects listed in Section I.C.5, "Eligible Diesel Emissions Reduction Solutions," of RFA*

*number EPA-ARRA-OAR-OTAQ-09-06? Or, does Davis Bacon only apply to work performed on public buildings? As an example, will a non-union shop repowering tugboats be subject to the Davis Bacon requirements?*

Answer: For projects proposed under RFA Number EPA-ARRA-OAR-OTAQ-09-06 , the Davis Bacon wage rate requirements will be incorporated in contracts that are in excess of \$2,000 for construction, alteration, or repair (including painting and decorating) of a public building or a public work, or building or work financing in whole or in part from Federal funds. A shop repowering tugboats does not constitute a public building or public work project that would be subject to the wage rate requirements of the Recovery Act.

Date Posted: Wednesday, April 22, 2009

#### **iv. Reporting Requirements**

Question Div.1: *If I receive a grant award under this competition, will there be additional reporting requirements because my grant is funded with funds from the Recovery Act?*

Answer: Yes. There are reporting requirements and records retention requirements unique to the Recovery Act.

Date Posted: Friday, April 17, 2009

Question Div.2: *Where can I find more information about the reporting requirement imposed by the Recovery Act?*

Answer: OMB has issued regulations regarding the reporting requirement imposed by the Recovery Act that are codified at 2 CFR Part 176, Subpart A.

Date Posted: Friday, April 17, 2009