



CITY OF DETROIT
OFFICE OF THE CHIEF FINANCIAL OFFICER
OFFICE OF DEVELOPMENT AND GRANTS

COLEMAN A. YOUNG MUNICIPAL CENTER
2 WOODWARD AVENUE, SUITE 1026
DETROIT, MICHIGAN 48226
PHONE: 313 • 628-2158
FAX: 313 • 224 • 0542
WWW.DETROITMI.GOV

April 22, 2022

The Honorable Detroit City Council
ATTN: City Clerk Office
200 Coleman A. Young Municipal Center
Detroit MI 48226

RE: Request to Accept and Appropriate a Sub-award from the Reducing Emissions from Diesel—Helping Eliminate Asthma in Detroit Grant

Southwest Detroit Environmental Vision has awarded the City of Detroit General Services Department with a sub-award from the Reducing Emissions from Diesel—Helping Eliminate Asthma in Detroit Grant for a total of \$258,750.00. This Grant was awarded to Southwest Detroit Environmental Vision by the U.S. Environmental Protection Agency. The funder's share of the sub-award is 25 percent or \$258,750.00 of the approved amount, and there is a required cash match of 75 percent or \$776,250.00. The total project cost is \$1,035,000.00.

The objective of the grant is to improve the air quality in Southwest Detroit by reducing pollution from City-owned vehicles, thereby helping to eliminate asthma in Detroit. The funding allotted to the department will be utilized to reimburse costs for the purchase of five (5) new clean diesel trucks and decommission old trucks that have surpassed their useful life. This is a reimbursement grant.

If approval is granted to accept and appropriate this funding, the appropriation number is 21093, with the match amount coming from fund 3401, appropriation 26190, and cost center 190410.

I respectfully ask your approval to accept and appropriate funding in accordance with the attached resolution.

Sincerely,
DocuSigned by:
Terri Daniels
4D2BEEE23C8D489...

Terri Daniels
Director of Grants, Office of Development and Grants

CC:
Sajjiah Parker, Assistant Director, Grants

DocuSigned by:
Steven Watson
42C91AA10FE84AD...

Office of Budget

DocuSigned by:
[Signature]
3925B7659A3D409...

Agreement Approved as to Form
By the Law Department

Office of Development and Grants

RESOLUTION

Council Member _____

WHEREAS, the General Services Department is requesting authorization to accept a sub-award grant of reimbursement from Southwest Detroit Environmental Vision, in the amount of \$258,750.00, to improve the air quality in Southwest Detroit by reducing pollution from City-owned vehicles; and

WHEREAS, the Law Department has approved the attached agreement as to form; and

WHEREAS, this request has been approved by the Office of Budget; now

THEREFORE, BE IT RESOLVED that the Director or Head of the Department is authorized to execute the grant agreement on behalf of the City of Detroit, and

BE IT FURTHER RESOLVED, that the Budget Director is authorized to establish Appropriation number 21093, in the amount of \$1,035,000.00, which includes a cash match coming from fund 3401, appropriation 26190, and cost center 190410, for the Reducing Emissions from Diesel—Helping Eliminate Asthma in Detroit Sub-award Grant.

**MEMORANDUM OF AGREEMENT
BETWEEN
THE CITY OF DETROIT
AND
SOUTHWEST DETROIT ENVIRONMENTAL VISION
FOR
CLEAN DIESEL VEHICLE FLEET MODERNIZATION**

This Memorandum of Agreement (“Agreement”) is entered into by and between **THE CITY OF DETROIT**, a Michigan municipal corporation acting through its General Services Department, located at 115 Erskine Street, Detroit, Michigan 48201 (“CITY”), and **THE SOUTHWEST DETROIT ENVIRONMENTAL VISION PROJECT**, a Michigan non-profit corporation, located at 2525 South Clark Street, Detroit, Michigan 48209 (“SDEV”) for the purpose of establishing SDEV as the CITY’s fiscal sponsor for certain pass-through funding to support the CITY’s modernization of its diesel truck fleet. SDEV and the CITY may each be referred to herein as a “Party” or collectively as the “Parties” to this Agreement, as applicable.

RECITALS:

Whereas, the CITY owns and operates a fleet of vehicles, including certain diesel-powered medium-duty and heavy-duty trucks; and

Whereas, the CITY desires to operate its fleet as efficiently and cleanly as possible, utilizing reasonably available fuel economy and emissions control technologies; and

Whereas, SDEV has been awarded a cooperative agreement (Agreement No. DE00E03009, the “3009 Agreement”), included in **Exhibit A**, from the U.S. Environmental Protection Agency (“USEPA”) with a total budget of One Million, Eight Hundred Eighty-Six Thousand, Five Hundred and Five and 00/100 Dollars (\$1,886,505.00) in support of the National Clean Diesel Funding Assistance Program; and

Whereas, the City is a participating member of SDEV’s Clean Diesel Collaborative under this Program, known as the Reducing Emissions from Diesel: Helping Eliminate Asthma in Detroit (RED HEAD) project and as a RED HEAD participant, the City desires to undertake, and SDEV desires to support, a project to modernize the City’s diesel vehicle fleet as set forth in Phase I of the workplan and program requirements included in **Exhibit B** (the “Project”), the total expected cost of which is One Million, Thirty-Five Thousand and 00/100 Dollars (\$1,035,000.00); and

Whereas, the 3009 Agreement contemplates a total federal contribution of 25 percent of the final funding for the Project, totaling Two Hundred and Fifty-Eight Thousand, Seven Hundred and Fifty and 00/100 Dollars (\$258,750.00, the “Program Funding”), thereby requiring SDEV to obtain additional funds from other sources to satisfy the recipient contribution of 75 percent of the final funding obligation; and

Whereas, the CITY has appropriated funding in an amount not less than Seven Hundred and Seventy-Six Thousand, Two Hundred and Fifty and 00/100 Dollars (\$776,250.00), which amount constitutes its cooperative funding share (the City's "cost share") for the Project, as outlined in **Exhibit B**; and

Whereas, the Project will entail the replacement of up to five dumpster/tender diesel trucks that have surpassed their useful lives with an equal number of new trucks that meet current USEPA diesel emissions standards and CARB Optional Low-NO_x engine standards, respectively, resulting in significantly reduced emissions of oxides of nitrogen (NO_x), carbon dioxide (CO₂), fine particulates (PM_{2.5}), and hydrocarbons (HC); and

Whereas, SDEV desires to serve as the CITY's fiscal sponsor of the Project Funds for the Project, which will require management and disbursement of the Project Funds to the CITY in accordance with the terms of the 3009 Agreement and this Agreement; and

Whereas, SDEV and the CITY mutually desire to enter into this Agreement in order to set forth their respective rights, remedies, roles and responsibilities regarding management and disbursement of the Project Funds in support of the Project.

NOW THEREFORE, in consideration of the mutual promises herein set forth and for such other consideration the receipt and sufficiency of which is hereby acknowledged, SDEV and the CITY agree as follows:

Section 1: Project Description. In this Project, the CITY will replace up to five diesel-powered dumpster/tender trucks manufactured prior to 2009, as outlined in Exhibit B (collectively, the "Retiring Trucks"). Each of the Retiring Trucks will be permanently disabled at or about the time of replacement, not later than 90 days following replacement, as required under the 3009 Agreement and applicable federal regulations, and retired from the CITY's fleet. The CITY will replace the Retiring Trucks with new trucks that meet current EPA emissions standards, per the 3009 Agreement (collectively, the "Replacement Trucks").

Section 2: CITY Responsibilities. The CITY will be responsible for procuring the Replacement Trucks and permanently disabling the Retiring Trucks, including the following activities:

- (1) Identification, prioritization, and timing for replacement of the Retiring Trucks.
- (2) Planning, budgeting, and overseeing all procurement activities related to the Replacement Trucks, including preparation and issuance of competitive solicitation, receipt, and evaluation of offers, selection of vendors and award of contracts/orders, oversight of vendors and deliveries, and compliance verification.
- (3) Removal from service, and the disabling and disposal of Retiring Trucks, to include an accurate accounting and reporting of all proceeds received from disposal of disabled trucks ("Project Income") in accordance with Section 8 of this Agreement; and
- (4) SDEV acknowledges that the CITY will have sole discretion, in accordance with its own

standards and procedures, to solicit, select, engage, and oversee all Vendors, including sole discretion to negotiate the unit pricing, quantities, delivery schedule, warranty provisions and terms of invoicing and payment (subject to Section 5 below) with respect to any and all Vendor agreements and orders; provided, however, that the CITY will comply with the requirements mandated by the 3009 Agreement; and

- (5) the CITY will have sole discretion to determine whether any Vendor has failed to adequately perform in accordance with its contract; and
- (6) the CITY will endeavor to provide SDEV with a periodic project report (“Project Report”) by the fifth day of each month and in any event will make reasonable efforts to deliver such report no later than the 15th day of the month. The Project Report will describe the status of all activities relating to the Project including procurement activities, delivery schedules, and invoicing and payment actions; and
- (7) the CITY will make reasonable efforts to timely support SDEV’s reporting obligations to USEPA as required by the 3009 Agreement.

Section 3: SDEV Responsibilities as Fiscal Sponsor. SDEV will serve as the CITY’s fiscal sponsor for the Project. In this capacity, SDEV will:

- (1) Manage the Project Funds as provided in Section 4 of this Agreement.
- (2) Disburse Project Funds to the CITY as provided in Section 5 of this Agreement; and
- (3) Retain a portion of the Program Funding, net of the Project Funds, as compensation for SDEV’s fiscal and administrative services as provided in Section 6 of this Agreement and the Grant Agreement.

Section 4: Sponsor’s Establishment of Funding Account. To the extent permitted under the 3009 Agreement, SDEV will endeavor to establish and maintain the Project Funds in a segregated account (the “Project Account”) in accordance with the requirements under the 3009 Agreement. For avoidance of doubt a segregated account is deemed to be permitted if such an account is not expressly prohibited by USEPA or the express terms of the 3009 Agreement.

Section 5: SDEV’s Disbursement of Project Funds to the City. SDEV will disburse Project Funds to the CITY as provided in the 3009 Agreement.

- (1) It is contemplated that the CITY will structure its Vendor agreements and orders to require issuance of a Vendor invoice at the time of delivery of any Replacement Truck. The CITY will transmit each such Vendor invoice and record proof of payment to SDEV for processing and partial reimbursement, not to exceed 25% of the total invoice value for vehicles meeting USEPA emissions standards up to the estimated unit price of \$207,000. With each Vendor invoice, the City will furnish (i) Vendor documentation of vehicle delivery and receipt by the City, (ii) a copy of the contract or purchase order under which the vehicle was purchased/delivered, (iii) record proof of payment of invoice taking into

account any rebates, discounts, incentives, promotional credits, taxes, and such, (iv) a current summary of Retiring Trucks that have been disabled, disposed of and are in the process of being disposed, and (v) an accounting of all Project Income accrued from the City's disposal of Retiring Trucks.

- (2) Upon receipt of Vendor invoice and supporting documentation, and following review/approval of same, SDEV will endeavor to reimburse the City within thirty (30) days following the date of receipt of such records, 25% (see Section 5 (1), above) of the invoiced amount, it being understood that the City is obligated to pay 75% (see Section 5 (1), above) of the purchase price using the City's cost share (see Section 7 below). All payments will be remitted via electronic funds transfer or check. Under no circumstance shall SDEV be obligated to reimburse the City until such time as the City has paid the Vendor for the full purchase price of the subject vehicle.
- (3) SDEV shall not use or obligate the Project Funds for any purpose other than those set forth in this Agreement. The City shall not use or obligate the Project Funds or City Funds or any portion of either funding source for any purpose other than those permitted under the 3009 Agreement. The City acknowledges that if it re-programs any of the City Funds appropriated for use on the Project, or fails to fully liquidate the City Funds SDEV is required to make a proportionate reduction in the amount of Project Funds that can be reimbursed to the City.
- (4) SDEV shall not expend any amounts in excess of the Project Funds. Overdrafts of the Project Account are at SDEV's sole risk and expense.
- (5) The CITY assumes all risk of loss if it incurs any costs in excess of the available Project Funds that are not otherwise expressly approved by SDEV and USEPA in advance of incurring any such costs, and SDEV and USEPA shall have no obligation to reimburse the CITY for any such unapproved excess costs and no liability whatsoever for payment of such unapproved costs. If the CITY invoices SDEV for any amount that exceeds the existing balance of available Project Funds but does not exceed the balance of Project Funds obligated under the 3009 Agreement, SDEV may provide reimbursement in multiple installments as additional funds become available for reimbursement. Under no circumstance shall SDEV or USEPA bear any liability for costs incurred by the City in excess of federal funds obligated and apportioned to the Project Funds. The City shall immediately return to SDEV any Project Funds that were used for any purpose not expressly authorized under this Agreement or the 3009 Agreement.
- (6) Except with respect to reimbursements paid to the City or a refund to the U.S. Government of unused Project Funds, SDEV shall not disburse any Project Funds to any third party.

Section 6: Fiscal Sponsor's Compensation for Administrative and Sponsor Services. SDEV's compensation for administrative and sponsor services in support of the Project are to be paid out of the Program Funding and shall not be deducted from the Project Funds.

Section 7: Expenditure of City Appropriated Funds. In furtherance of the Project, the CITY

represents that it has appropriated the City Funds, which amount does not include any portion of the Project Funds or federal funds. The CITY will expend the City Funds solely for the purchase of clean-diesel Class 6 dump trucks within the scope of the Project. The CITY understands that if its actual total expenditures for the Project exceed the total amount of City Funds, its total recovery of federal funding shall not exceed the Project Funds, but if its total expenditures for the Project are less than the City Funds, its total recovery of federal funding from the Project Funds will be proportionately reduced.

Section 8: Project Income – Accounting and Reporting. In furtherance of the requirements of Paragraph I of the Programmatic Conditions recited in the 3009 Agreement (addressing Project Income), any revenue generated by the City as a result of the sale of scrapped engines/chassis or salvaged engine/vehicle/equipment components (“Project Income”) may be retained by the City, but must be accounted for and reported to SDEV. Project Income may be included toward the City’s cost share under the 3009 Agreement. The City shall (i) use its best efforts when disposing of Retiring Trucks to maintain accurate accounting records of each disposal transaction, and (ii) with each Vendor invoice presented to SDEV include an accounting of all Project Income accrued for and attributed to disposal of the Retiring Trucks.

Section 9: Meetings. The Parties will meet at their mutual convenience, whether in person or via video conference, telephone, or other convenient means on a periodic basis to review the progress of each Party’s activities under this Agreement, to coordinate further activities as may be necessary in furtherance of the purpose of this Agreement, and to discuss other relevant issues that may arise from time to time.

Section 10: Recordkeeping and Reporting. Each Party will maintain, and the CITY will request that its Vendors maintain, information and records pertinent to its activities under this Agreement for at least three (3) years following the expiration or earlier termination of this Agreement, but in no case for less time than may be required to maintain compliance with all federal, state and local laws applicable to the Grant Agreement.

Section 11: Compliance with Laws. Each Party acknowledges that it is individually responsible for its own compliance as required by the terms and conditions of the 3009 Agreement, as well as with all federal, state, and local laws, rules, regulations, and orders having the binding effect of law, each as may be applicable to this Agreement, to the subject matter of this Agreement and to the Project; and that neither Party will be responsible for ensuring the other Party’s compliance with such laws at any time, except to the degree expressly mandated by such laws.

- (1) In carrying out its responsibilities under this Agreement, the CITY will comply with all federal, state, and local requirements specified in the 3009 Agreement applicable to any recipient of Program Funding.
- (2) The Parties agree that no current or future truck Vendor may be considered a third-party beneficiary under this Agreement and that neither Party shall hereafter take a position in any legal or administrative proceeding to the contrary.
- (3) The Parties expressly agree that nothing hereunder shall create contractual obligations

between SDEV and any Project Vendor.

Section 12: Non-Discrimination. The Parties will, in performing its respective activities set forth herein, refrain from refusing, restricting, withholding, or denying any accommodations, services, privileges, advantages or facilities or otherwise discriminating, whether directly or indirectly, on the basis of race, color, ethnicity, national origin, religious beliefs or practices, age, disability, pregnancy, marital status, parental status, military status, employment or educational status, gender, sex, sexual orientation, gender identity or expression, or any other protected classification, in accordance with Chapter 27 of the Detroit City Code and other Applicable Laws.

Section 13: Accordance with Tax-Exemption. SDEV is incorporated as a nonprofit corporation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended.

- (1) The Parties will use their best efforts to perform all activities required under this Agreement and in support of the Project consistent with SDEV's nonprofit status and to refrain from any activities that could foreseeably jeopardize such status, including but not limited to efforts to influence legislation or participate or intervene in any political campaign on behalf of or in opposition to any candidate for public office or otherwise engage in the carrying on of propaganda, within the meaning of Section 501(c)(3).
- (2) In the event that SDEV determines, in its sole but reasonable discretion, that the Project or any Project activities could foreseeably jeopardize its tax-exempt status, it may terminate this Agreement immediately as contemplated by Sections 15(4, 5) of this Agreement.

Section 14: Avoidance of Conflicts. Neither Party presently has any interest, direct or indirect, and does not intend during the Term (as defined below) of this Agreement to acquire any such interest or employ any person having any such interest, which would conflict in any manner or degree with the performance of this Agreement.

Section 15: Effective Date, Term, and Termination. This Agreement is effective upon its execution by an authorized representative of each of the Parties, approval by the City of Detroit Law Department and Purchasing Director, and adoption by resolution of the Detroit City Council, approved by the Mayor of the City of Detroit, in accordance with the terms of the 2012 City Charter ("Effective Date").

- (1) This Agreement will be effective for a term commencing on the Effective Date and continuing until the later of (a) expiration or termination of the 3009 Agreement, or (b) September 30, 2023 (the "Term"), unless earlier terminated as set forth in this Section.
- (2) This Agreement can be terminated for cause by either Party upon a finding of material breach and failure to timely cure such breach by the other Party. If a Party determines that the other Party is in material breach of this Agreement, it shall provide written notice of such determination and allow the breaching Party not less than thirty (30) days in which to cure the breach. If the breaching Party fails to timely cure, the aggrieved Party may terminate this Agreement, effective fifteen (15) days after giving notice of termination to the breaching Party.

- (3) This Agreement can be terminated without cause by mutual agreement of the Parties. Such mutual agreement must be in writing and executed by both Parties and is effective fifteen (15) days following the date of its execution by both Parties.
- (4) This Agreement may be terminated by SDEV at any time that it may be at risk of losing its tax-exempt status, provided, however, that SDEV shall notify the CITY and USEPA of such termination in writing.
- (5) Upon the expiration or termination of this Agreement, each Party will wind down its activities under this Agreement in an effort to mitigate the inconvenience to the other Party without aggravating any inconvenience to itself. Among other wind down activities, the CITY will provide to SDEV final invoicing for all reimbursable obligations and SDEV will provide a final accounting of its fiscal sponsorship activities to the CITY. The Parties understand and agree that, upon expiration or termination of this Agreement, the CITY has no obligation to terminate or otherwise wind down its contracts with any Vendor; however, monetary obligations of the CITY to the Vendor incurred after the date of expiration or termination of this Agreement are not eligible for reimbursement under this Agreement.

Section 16: Amendments. No amendment to this Agreement will be effective unless it is in writing, expressly references this Agreement, is executed by a duly authorized representative of each Party and is approved in accordance with the procedure for approval of this Agreement.

Section 17: Notices. Notices, requests, notifications, and other communications (collectively, “Notices”) related to this Agreement by either Party will be given in writing, signed by an authorized representative of the Party, and hand delivered, mailed by first-class mail or by overnight courier, or emailed with receipt confirmation enabled, and addressed as follows:

If to SDEV: Southwest Detroit Environmental Vision
2525 South Clark Street
Detroit, MI 48209
Attention: Maria Cercone, Project Manager – Clean Diesel Initiative
Email: maria@sdevweb.org

If to the CITY: City of Detroit General Services Department
115 Erskine Street
Detroit, Michigan 48226
Attention: Leirae Smith
Email: smithle@detroitmi.gov

Section 18: Miscellaneous Terms.

- (1) **Independent Parties.** Each Party acknowledges that SDEV and the CITY are independent of each other and that this Agreement does not create a joint venture, partners, employees,

servants, agents, representatives, contractors, or any type of related business entities to one another with respect to the subject matter of this Agreement.

- (2) **Assignment.** This Agreement sets forth each Party's intended activities in furtherance of the purpose of this Agreement and neither Party will delegate or assign this Agreement, or any portion of this Agreement without the prior written consent of the other Party it being agreed that such consent shall not be unreasonably withheld.
- (3) **Merger.** This Agreement sets forth the entire understanding between the Parties as to their activities in the purpose of this Agreement and all prior discussions, negotiations, communications, and understandings, whether written or verbal, are hereby merged into this Agreement.
- (4) **Choice of Law and Venue.** The Parties acknowledge that this Agreement will be governed by the laws of the State of Michigan, excluding its choice of laws rules; provided, however, that any requirements, terms, conditions or clauses recited in the 3009 Agreement that bear upon the Project and this Agreement shall be construed under applicable federal law and precedent. Any legal suit, action or proceeding arising out of or relating to this Agreement may only be instituted in the state or federal courts of competent jurisdiction located in Wayne County, Michigan
- (5) **Severability.** In the event that any provision in this Agreement is found by a court to be impermissible or illegal, then that provision shall be stricken from the Agreement, and the remainder of the Agreement shall remain in full force and effect in accordance with its original overall intent.
- (6) **Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original, all of which together shall constitute but one document. Each counterpart may be executed by facsimile or electronic signature, which will be deemed to be an original signature, to the extent permitted by Applicable Laws.

[signatures provided below]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the dates shown below, to be effective as of the Effective Date.

SOUTHWEST DETROIT ENVIRONMENTAL VISION,
a Michigan nonprofit corporation

By: _____

Name: Raquel Garcia

Its: Executive Director

Date: _____

CITY OF DETROIT,
a Michigan municipal corporation

By: _____

Name: _____

Its: _____

Date: _____

THIS CONTRACT WAS APPROVED BY
THE CITY COUNCIL ON _____

APPROVED BY LAW DEPARTMENT
PURSUANT TO SECTION 7.5-206 OF
THE CHARTER OF THE CITY OF DETROIT

Purchasing Director Date

Corporation Counsel Date

**THIS AGREEMENT IS NOT VALID OR AUTHORIZED UNTIL APPROVED BY
RESOLUTION OF THE CITY COUNCIL AND SIGNED BY THE PURCHASING
DIRECTOR.**

EXHIBIT A:
U.S. Environmental Protection Agency
Grant Agreement No. DE00E03009

[attached]

EXHIBIT B:
SDEV Clean Diesel Collaborative
Reducing Emissions from Diesel: Helping Eliminate Asthma in Detroit (RED HEAD)
City of Detroit Commitment Letter

[attached]

Summary of City of Detroit Activities in Southwest Detroit Environmental Vision (SDEV) Clean Diesel Initiative Project Reducing Diesel Emissions: Helping Eliminate Asthma in Detroit (RED-HEAD) (10/01/2021 – 09/30/2023) (U.S. EPA Grant Contract #DE-00E03009)

PARTNER REQUIREMENTS

- **Environmental Clearance:** Please be sure that your company has no outstanding state or federal environmental compliance issues. Environmental compliance clearance review may be done by U.S. EPA. Compliance issues can affect project eligibility and partners that do not address these issues will likely be removed from the project.
- **Equipment List (Fleet Description):** This is the list of the current equipment you will replace in the project. We will need to maintain specific information about your trucks/equipment including engine year, make and model, HP, annual fuel usage, annual miles/hours, etc. **We also need the **Manufacturer Certificate of Conformity** for each new engine model included in the project from bidders.*
- **Memorandum of Understanding (Contract/Agreement):** A MOU must be in place between SDEV and City of Detroit outlining City of Detroit's and SDEV's commitment to and responsibilities in the project. This MOU will be provided once the contract is in place between U.S. EPA and SDEV (expected October 2021). No project activities may begin prior to U.S. EPA contract with SDEV being in place.
- **Mandatory Cost-Share (Company Match):** City of Detroit truck replacements will be reimbursed up to 25% by grant funding, requiring at least a 75% cost share as outlined in the grant application. (See Cost Share Commitment Letter.)

Vehicle Type

Five (5) dumper/tender diesel trucks (Phase I)

EPA Funding

\$258,750

Alco Match

\$776,250

Five (5) dumper/tender diesel trucks (Phase II) *

\$258,750

\$776,250

**Note: as of 10/2021, phase II is NOT funded. If funding becomes available, you will be notified.*

- **Administrative Fees:** Generally, SDEV asks that each company partner provide an administrative contribution based on a percentage of the amount of grant funding the partner receives. This is to support SDEV administrative and project management costs that are not fully covered by the grant funding. The suggested contribution is 2% of the amount of grant funding received, but any amount offered is up to the grant partner. **The contribution is voluntary and, if offered by the City of Detroit, will be included in the MOU.**
- **Participation in SDEV Clean Diesel Activities:** SDEV's Clean Diesel Program partners are included as SDEV's Healthy Business Partners. As such, we invite and encourage participation in SDEV events and activities of mutual interest and benefit, such as Clean Diesel press events, our annual garden party in August, and our annual member meeting each December. We look forward to your company's attendance and participation as a Clean Diesel "ambassador" in the community.

PARTNER RESTRICTIONS

- All vehicles and equipment that are retrofitted or replaced **MUST** remain operating in the same capacity at the same location for at least 5 years
- Grant funding is eligible for reimbursement of equipment cost, labor, & accessories needed to make equipment work, but **does not** cover maintenance or incidentals, as laid out in the project proposal and federal regulations
- Even though you may have a regular supplier, an open bidding process is required for the grant (certain exceptions apply)
- Inspection of work is required after equipment installation/receipt to document receipt/commissioning of equipment
- **IMPORTANT regarding truck/equipment replacements and engine repowers:** Old engines and chassis must be permanently disabled by drilling a 3" hole through the engine block and severing both chassis frame rails (parts may be sold for scrap or kept for future use). We will verify that this process has been done correctly
- Anything purchased prior to the start of the government contract date is **NOT** eligible for grant reimbursement and cannot be included in the project



For more information, contact Ms. Maria Cercone, Project Manager - Clean Diesel Initiative, Southwest Detroit Environmental Vision at (313) 842-1961 or maria@sdevweb.org



Guidelines and Important Information for Clean Diesel Initiative Project Partners

If grant funding is awarded, it is important that the guidelines in this document are followed so that grant money is not jeopardized, and so that you are able to receive the grant money as outlined in your signed commitment letter.

Required Documentation:

- Photographs (SDEV will complete)
- Letter verifying destruction (fleet will complete, SDEV will provide this form)
- Invoice(s) for equipment purchased (From truck vendor)
- Proof of payment to vendor/supplier (fleet will provide)
- Truck Titles (for decommissioned AND procured trucks)
- U.S. EPA/California Air Resources Board Emissions Standards Certificate(s) of Conformity (from dealer/engine manufacturer)
- Copy of Scrap Ticket, Proof of Payment received from scrap yard

Ordering New Trucks and Equipment

U.S. EPA requires that we have an open bidding process for ordering new trucks and equipment. Some exceptions apply. The Project Manager at SDEV will be responsible for making sure the process is completed according to the EPA regulations.

Note: When ordering the new truck(s) the horsepower policy allows up to 25% increase from the truck written into the grant (Truck data on page 3). EPA approval will be required for horsepower beyond 25%.

Proof of Destruction of Old Engine and Chassis

As outlined in your signed commitment letter, the engine and chassis of the old trucks must be disposed of in accordance with EPA regulations. The engine and chassis must be rendered permanently disabled, which can be done by drilling a 3" hole through the engine block and severing both frame rails of the chassis.

The SDEV Project Manager must obtain proof of this destruction, which includes *taking photographs of the old engine and chassis once they have been permanently disabled*. In addition, a *statement verifying the destruction* must be submitted to SDEV. The Project Manager will provide you with a form to review and sign. This form includes eligibility statements from participating fleet owners in which fleet owners attest to the criterion in term and condition D.6. of the contract, and which include each vehicle make, model, year, vehicle identification number, odometer/usage meter reading, engine make, model, year, horsepower, engine ID or serial number, and vehicle/equipment registration/licensing number and state. The statement will include what you have done with the old engine and chassis, the Vehicle owner's name and address; Vehicle make, vehicle model, vehicle model year, VIN, odometer reading or usage meter reading, engine make, engine model, engine model year, engine horsepower, engine ID or serial number, as applicable; Name, address, and signature of dismantler; Date engine and/or vehicle/equipment was scrapped; Statement attesting to scrapping of vehicle/engine as defined above; Signature of participating fleet owner. You can keep them to use as spare parts, or you can sell the parts for scrap. If you decide to sell them for scrap, you must also provide SDEV with a *copy of the scrap ticket/check* verifying the amount of money you received.

Payment Terms for New Trucks and Equipment

Required Documentation: Proof of Payment for purchase(s)

You must provide SDEV with your proof of payment to the vendor for the total cost of the vehicles/equipment as outlined in your signed letter. This is to ensure the required cost share is met during the grant term, based on EPA guidance. Once SDEV receives your proof of payment and required forms, SDEV will reimburse you based on the agreed upon amount of grant funding, as outlined in your commitment letter and the grant contract.

The maximum amount of grant funding that SDEV can reimburse to you is the amount outlined in your commitment letter and the grant contract. In addition, the maximum percentage of the purchase that can be covered by grant funding is what is outlined in your letter, even if the total cost of the purchase is lower than originally estimated. If the cost of the purchase(s) is higher than what is outlined in the commitment letter, you are responsible for covering any costs above what was originally estimated. For example, if you committed to an 80% cost share on a \$100,000 truck, you will be offered \$20,000 (20%) in grant funding, and your cost share will be \$80,000 (80%). If the truck comes in lower, at \$90,000 instead, you will be reimbursed at 20% of the actual cost.

SDEV Administrative Fee


SDEV invites project partners to contribute toward administrative costs of the SDEV Clean Diesel Initiative. This is a voluntary contribution and not a requirement of receiving grant funding. The organizational contribution is generally based on the amount of grant funding you actually receive. For example, if you voluntarily agree to a 2% administrative contribution, you will be invoiced for 2% of the amount of grant funding you are awarded. If you don't use the entire amount of grant funding, your administrative contribution invoice will be adjusted to reflect that.

Trucks assigned for decommissioning with this project:

Please **do NOT deviate from these VINs**. They vehicles are written into the grant contact and should not be changed.

If a vehicle needs to change for any reason, please let the SDEV Project Manager know as soon as possible. Any changes need to be approved by the EPA.

CURRENT VEHICLE INFORMATION	Fleet Information		Group 37
	Group Name:		COD 2009 (10 of 10)
	Fleet Owner:		City Of Detroit General Service
	Publicly or Privately Owned?:		Public
	Group Type:		On Highway
	Place of Performance		Wayne 100%
	- State(s):		Michigan
	- County:		Wayne
	- City:		Detroit
	- Zip Code:		48226
	Vehicle or Engine Group Sector:		Construction
	Target Fleet Type:		Dumper/Tender
	On Highway Weight Class:		Class 8
	On Highway Description:		Utility
	Quantity:		10
	Vehicle Identification Number(s):		2FZHAZCVX9AAK2817, 2FZHAZCVX9AAK2218, 2FZHAZCV19AAK2219, 2FZHAZCV89AAK2220, 2FZHAZCVX9AAK2221 2FZHAZCV19AAK2222, 2FZHAZCV39AAK2223, 2FZHAZCV59AAK2224, 2FZHAZCV79AAK2225, 2FZHAZCV9AAAP9661,
	Vehicle Make:		Freightliner, Sterling
	Vehicle Model:		Century Class, LT-95 Series, L-line
	Vehicle Model Year:		2009
	Engine Serial Number(s) :		N/A
	Engine Make:		Detroit Diesel
	Engine Model:		DD13, MBE 4000
	Engine Model Year:		2009
	Engine Tier:		
	Engine Horsepower:		400
	Engine Cylinder Displacement:		12.8L
	Engine Number of Cylinders:		6
	Engine Family Name:		
	Engine Fuel Type:		ULSD
	Annual Amount of Fuel Used:		3,993
	Annual Usage Hours:		N/A
	Annual Miles Traveled:		23,646
	Annual Idling Hours:		50
	Annual Hoteling Hours:		N/A
	Remaining Life:		18

	U.S. ENVIRONMENTAL PROTECTION AGENCY Cooperative Agreement		GRANT NUMBER (FAIN): 00E03009 MODIFICATION NUMBER: 0 PROGRAM CODE: DE	DATE OF AWARD 07/30/2021	
			TYPE OF ACTION New		MAILING DATE 08/06/2021
			PAYMENT METHOD: ASAP		ACH# 50326
RECIPIENT TYPE: Not for Profit			Send Payment Request to: Contact EPA RTPFC at: rtpfc-grants@epa.gov		
RECIPIENT: Southwest Detroit Environmental Vision 2525 S. Clark St. Detroit, MI 48209-1337 EIN: 38-3068006			PAYEE: Southwest Detroit Environmental Vision 2525 S. Clark St. Detroit, MI 48209-1337		
PROJECT MANAGER Maria Cercone 2525 S. Clark St. Detroit, MI 48209 E-Mail: maria@sdevweb.org Phone: 586-648-8050		EPA PROJECT OFFICER Rachel Kirpes 77 West Jackson Blvd., AR-18J Chicago, IL 60604-3507 E-Mail: kirpes.rachel@epa.gov Phone: 312-886-0221		EPA GRANT SPECIALIST Donna Stingley Assistance Section, MA-10J 77 West Jackson Blvd. Chicago, IL 60604-3507 E-Mail: Stingley.Donna@epa.gov Phone: 312-353-1677	
PROJECT TITLE AND DESCRIPTION Reducing Emissions from Diesel: Helping Eliminate Asthma in Detroit (RED HEAD) This project will replace 67 diesel trucks with new diesel trucks meeting current U.S. EPA emissions standards as a Phase I/Phase II project. Eligible project activities to be accomplished in each Phase include: Phase I: Truck Replacements (diesel to diesel): seventeen (17) Class 8 Long Haul Combination trucks, one (1) Class 8 Short Haul Combination truck, nine (9) Class 8 Long Haul Single unit trucks, one (1) Class 8 Short Haul Single Unit truck, four (4) Class 8 Dumper/Tenders, and two (2) Class 6/7 Short Haul Single Unit trucks. Phase II: Truck Replacements (diesel to diesel): fourteen (14) Class 8 Long Haul Combination trucks, eleven (11) Class 8 Long Haul Single Unit trucks, six (6) Class 8 Dumper/Tenders, and two (2) Class 6/7 Short Haul Single Unit trucks. Removing old engines/vehicles from operation reduces exposure to toxic diesel emissions, which can be especially harmful to vulnerable populations such as elderly persons and children, which is a serious concern in Detroit and the surrounding areas given high rates of asthma and other respiratory illness, cardiovascular disease, and cancer - all of which are linked with exposure to diesel emissions. This project delivers impact in the Detroit/Toledo/Windsor Trade Corridor and within Southeast Michigan. This project will benefit the community by eliminating diesel pollution that would otherwise be emitted without this project.					
BUDGET PERIOD 10/01/2021 - 09/30/2023	PROJECT PERIOD 10/01/2021 - 09/30/2023	TOTAL BUDGET PERIOD COST \$11,521,682.00	TOTAL PROJECT PERIOD COST \$11,521,682.00		
NOTICE OF AWARD Based on your Application dated 03/16/2021 including all modifications and amendments, the United States acting by and through the US Environmental Protection Agency (EPA) hereby awards \$1,886,505.00. EPA agrees to cost-share <u>26.04%</u> of all approved budget period costs incurred, up to and not exceeding total federal funding of \$1,886,505.00. Recipient's signature is not required on this agreement. The recipient demonstrates its commitment to carry out this award by either: 1) drawing down funds within 21 days after the EPA award or amendment mailing date; or 2) not filing a notice of disagreement with the award terms and conditions within 21 days after the EPA award or amendment mailing date. If the recipient disagrees with the terms and conditions specified in this award, the authorized representative of the recipient must furnish a notice of disagreement to the EPA Award Official within 21 days after the EPA award or amendment mailing date. In case of disagreement, and until the disagreement is resolved, the recipient should not draw down on the funds provided by this award/amendment, and any costs incurred by the recipient are at its own risk. This agreement is subject to applicable EPA regulatory and statutory provisions, all terms and conditions of this agreement and any attachments.					
ISSUING OFFICE (GRANTS MANAGEMENT OFFICE)		AWARD APPROVAL OFFICE			
ORGANIZATION / ADDRESS U.S. EPA Region 5 Mail Code MCG10J 77 West Jackson Blvd. Chicago, IL 60604-3507		ORGANIZATION / ADDRESS U.S. EPA, Region 5, Air and Radiation Division, A-18J R5 - Region 5 77 West Jackson Blvd. Chicago, IL 60604-3507			
THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY					
Digital signature applied by EPA Award Official William Massie - Chief, Acquisition and Assistance Branch				DATE 07/30/2021	

FUNDS	FORMER AWARD	THIS ACTION	AMENDED TOTAL
EPA Amount This Action	\$0	\$1,886,505	\$1,886,505
EPA In-Kind Amount	\$0	\$0	\$0
Unexpended Prior Year Balance	\$0	\$0	\$0
Other Federal Funds	\$0	\$0	\$0
Recipient Contribution	\$0	\$24,486	\$24,486
State Contribution	\$0	\$0	\$0
Local Contribution	\$0	\$0	\$0
Other Contribution	\$0	\$8,497,196	\$8,497,196
Allowable Project Cost	\$0	\$10,408,187	\$10,408,187

Assistance Program (CFDA)	Statutory Authority	Regulatory Authority
66.039 - Diesel Emission Reduction Act (DERA) National Grants	Diesel Emission Reduction Act of 2010, codified at 42 U.S.C. 16132	2 CFR 200, 2 CFR 1500 and 40 CFR 33

[illegible]

Budget Summary Page

Table A - Object Class Category (Non-Construction)	Total Approved Allowable Budget Period Cost
1. Personnel	\$105,800
2. Fringe Benefits	\$37,030
3. Travel	\$1,401
4. Equipment	\$0
5. Supplies	\$3,100
6. Contractual	\$0
7. Construction	\$0
8. Other	\$11,345,595
9. Total Direct Charges	\$11,492,926
10. Indirect Costs: 0.00 % Base SEE TABLE B	\$28,756
11. Total (Share: Recipient <u>73.96</u> % Federal <u>26.04</u> %)	\$11,521,682
12. Total Approved Assistance Amount	\$3,000,000
13. Program Income	\$0
14. Total EPA Amount Awarded This Action	\$1,886,505
15. Total EPA Amount Awarded To Date	\$1,886,505

Table B Budget Worksheet #1

Table B - Program Element Classification (Non-construction)	Total Approved Allowable Budget Period Cost
1. 27.18% Salary -Valid-- 05/01/2016-04/30/2019	\$0
2.	\$0
3.	\$0
4.	\$0
5.	\$0
6.	\$0
7.	\$0
8.	\$0
9.	\$0
10.	\$0
11. Total (Share: Recip % Fed %)	\$0
12. Total Approved Assistance Amount	\$0

Administrative Conditions

General Terms and Conditions

The recipient agrees to comply with the current EPA general terms and conditions available at: <https://www.epa.gov/grants/epa-general-terms-and-conditions-effective-november-12-2020-or-later>.

These terms and conditions are in addition to the assurances and certifications made as a part of the award and the terms, conditions, or restrictions cited throughout the award.

The EPA repository for the general terms and conditions by year can be found at: <https://www.epa.gov/grants/grant-terms-and-conditions#general>.

A. Correspondence Condition

The terms and conditions of this agreement require the submittal of reports, specific requests for approval, or notifications to EPA. Unless otherwise noted, all such correspondence should be sent to the following email addresses:

- Federal Financial Reports (SF-425): rtpfc-grants@epa.gov and **Donna Stingley** at Stingley.Donna@epa.gov
- MBE/WBE reports (EPA Form 5700-52A): **Donna Stingley** at Stingley.Donna@epa.gov and region5closeouts@epa.gov
- All other forms/certifications/assurances, Indirect Cost Rate Agreements, Requests for Extensions of the Budget and Project Period, Amendment Requests, Requests for other Prior Approvals, updates to recipient information (including email addresses, changes in contact information or changes in authorized representatives) and other notifications: **Donna Stingley , Grant Specialist** at Stingley.Donna@epa.gov and **Rachel Kirpes, Project Officer** at Kirpes.Rachel@epa.gov
- Payment requests (if applicable rtpfc-grants@epa.gov and **Rachel Kirpes, Project Officer** at Kirpes.Rachel@epa.gov
- Quality Assurance documents, workplan revisions, equipment lists, programmatic reports and deliverables: **Rachel Kirpes, Project Officer** at Kirpes.Rachel@epa.gov

B. Contingent Funding

EPA is funding this agreement incrementally. There is no guarantee of funding beyond the first year. The **Total Approved Assistance Amount** identified on Line 12 of the budget table of this award is contingent upon the availability of appropriated funds, EPA funding priorities, and satisfactory progress in carrying out the activities described in the scope of work. If EPA informs the recipient that the amount on Line 12 will be reduced, the recipient agrees to provide an updated workplan and budget information, as needed, to amend the agreement.

Programmatic Conditions

1. DERA FY2021 National Programmatic Terms and Conditions

A. Substantial Federal Involvement for Cooperative Agreements

EPA will provide substantial involvement in the form of technical assistance, development of outputs, and oversight. Specifically, substantial federal involvement will take the form of monitoring the recipient's project by EPA, participation and collaboration between EPA and the recipient in program content, review of project progress, and quantification and reporting of results.

B. Delays or Favorable Developments:

The recipient agrees that it will promptly notify the EPA Project Officer of any problems, delays, or adverse conditions which may materially impair its ability to deliver on the outputs/outcomes specified in the work plan. This disclosure must include a statement of the action taken, or contemplated, and any assistance needed to resolve the situation. Failure to make satisfactory progress achieving the timeline and/or milestones defined in the approved workplan may result in termination of the award. The recipient agrees that it will also notify the EPA Project Officer of any favorable developments which may enable meeting time schedules and objectives sooner or at less cost than anticipated or producing more beneficial results than originally planned.

C. Final Approved Workplan and Modifications

Recipient agrees to carry out the project in accordance with the final approved workplan. Recipients are required to report deviations from budget or project scope or objective, and must request prior written approval from EPA for:

- any change in the scope or objective of the project or program (even if there is no associated budget revision requiring prior written approval);
- any change in a key person specified in the application or workplan;
- the disengagement from the project for more than three months, or a 25% reduction in time devoted to the project, by the approved project director or principal investigator;
- the inclusion of costs that require prior approval in accordance with 2 CFR Part 200 Subpart E—Cost Principles or 48 CFR part 31, "Contract Cost Principles and Procedures," as applicable;
- the transfer of funds budgeted for participant support costs as defined in 2 CFR Section 200.1 Definitions to other categories of expense;
- unless described in the final approved workplan and budget, the subawarding, transferring or contracting out of any work under the award;
- changes in the approved cost-sharing or matching provided by the recipient; or the need arises for additional Federal funds to complete the project.

Proposed modifications to the approved workplan or budget, including additions, deletions, or changes in the schedule, shall be submitted in a timely manner to the EPA Project Officer for approval. Depending on the type or scope of changes, a formal amendment to the award may be necessary. Major project modifications which include changes to the approved types and number of affected vehicles, engines, or equipment, or the approved types of emission reduction technologies to

be implemented, or to the approved project location(s) may not be allowed.

D. Use of Funds Restrictions:

D.1. Federal Matching Funds: Recipient agrees that funds under this award cannot be used for matching funds for other federal grants unless expressly authorized by statute. Likewise, recipient may not use federal funds as cost-share funds for the DERA National Grants, including funds received under EPA's DERA State Grants program, DERA Tribal and Insular Area Grants, DERA School Bus Rebates, and federal Supplemental Environmental Project (SEP) funds.

D.2. Emissions Testing: Recipient agrees that funds under this award cannot be used for emissions testing and/or air monitoring activities (including the acquisition cost of emissions testing equipment), or research and development.

D.3. Fueling Infrastructure: Recipient agrees that funds under this award cannot be used for fueling infrastructure, such as that used for the production and/or distribution of biodiesel, compressed natural gas, liquefied natural gas, and or other cleaner fuels.

D.4. Leasing: Recipient agrees that all vehicles, engines, and equipment purchased with funds under this award will be purchased, in full, before the end of the project period. Extensions will not be granted for the purpose of extending payments on purchases.

D.5. Mandated Measures: Recipient agrees that funds under this award cannot be used for emissions reductions that are mandated under federal law. This refers to specific compliance dates within the mandate, not when the mandate is passed. Voluntary or elective emissions reductions measures shall not be considered "mandated", regardless of whether the reductions are included in the State Implementation Plan of a State.

D.6. Ownership, Usage and Remaining Life Requirements: Recipient agrees that funds under this award, including subawards/subgrants, cannot be used to upgrade engines, vehicles, and equipment that does not meet the following criteria:

D.6.1. The existing vehicle, engine, or equipment must be fully operational. Operational equipment must be able to start, move, and have all necessary parts to be operational.

D.6.2. The participating fleet owner must currently own and operate the existing vehicle or equipment and have owned and operated the vehicle during the two years prior to upgrade.

D.6.3. The existing vehicle, engine, or equipment must have at least three years of remaining life at the time of upgrade. Remaining life is the fleet owner's estimate of the number of years until the unit would have been retired from service if the unit were not being upgraded or scrapped because of the grant funding. The remaining life estimate is the number of years of operation remaining even if the unit were to be rebuilt or sold to another fleet. The remaining life estimate depends on the current age and condition of the vehicle at the time of upgrade, as well as things like usage, maintenance and climate.

D.6.4. Highway Usage: The mileage of multiple units may be combined to reach the thresholds below where those units will be scrapped and replaced with a single unit.

D.6.4.1. School Buses: To be eligible for funding, the existing vehicle must have accumulated at least 7,000 miles/year during the two years prior to upgrade, or during calendar year 2019.

D.6.4.2. All Other Highway Engines: To be eligible for funding, the existing vehicle must have accumulated at least 7,000 miles/year during the two years prior to upgrade.

D.6.5. Nonroad, Locomotive and Marine Usage: The engine operating hours of multiple units may be combined to reach the thresholds below where those units will be scrapped and replaced with a single unit.

D.6.5.1. Agricultural Pumps: To be eligible for funding, agricultural pumps must operate at least 250 hours/year during the two years prior to upgrade.

D.6.5.2. All Other Nonroad Engines: To be eligible for funding, nonroad engines must operate at least 500 hours/year during the two years prior to upgrade.

D.6.5.3. Locomotive and Marine Usage: To be eligible for funding the existing locomotive and marine engines must operate at least 1,000 hours/year during the two years prior to upgrade.

D.7. Fleet Expansion: Recipient agrees that funds under this award, including subawards/subgrants, cannot be used for the purchase of vehicles, engines, or equipment to expand a fleet. Engine, vehicle, and equipment replacement projects are eligible for funding on the condition that the following criteria are satisfied:

D.7.1. The replacement vehicle/engine/equipment will continue to perform similar function and operation as the vehicle/engine/equipment that is being replaced.

D.7.2. The cost of optional components or "add-ons" that significantly increase the cost of the vehicle may not be eligible for funding under the grant; the replacement vehicle should resemble the replaced vehicle in form and function.

D.7.3. The replacement vehicle, engine, or equipment will be of similar type and similar gross vehicle weight rating or horsepower as the vehicle, engine, or equipment being replaced.

D.7.3.1. Nonroad, Locomotive, and Marine: Horsepower increases of more than 40 percent will require written approval by the EPA Project Officer prior to purchase, and the applicant may be required to pay the additional costs associated with the higher horsepower equipment.

D.7.3.2. Highway: The replacement vehicle must not be in a larger weight class than the existing vehicle (Class 5, 6, 7, or 8). Exceptions may be granted for vocational purposes and will require written approval by the EPA Project Officer prior to purchase.

D.7.4. The vehicle, equipment, and/or engine being replaced must be scrapped or rendered permanently disabled within ninety (90) days of being replaced.

D.7.4.1. If a 2010 engine model year (EMY) or newer highway vehicle is replaced, the 2010 EMY or newer vehicle may be retained or sold if the 2010 EMY or newer vehicle will replace a pre-2009 EMY vehicle, and the pre-2009 EMY vehicle will be scrapped. It is preferred that the scrapped unit currently operates within the same project location(s) as the 2010 EMY or newer vehicle currently operates, however alternative scenarios will be considered. The term "project location" refers to the primary area where the affected vehicles/engines operate. All existing and replacement vehicles are subject to the funding restrictions in this section. All equipment must operate within the United States. Under this scenario, a detailed scrappage plan must be

submitted and will require prior EPA approval.

D.7.4.2. If a Tier 2, Tier 3 or Tier 4 locomotive, marine, or nonroad vehicle, equipment and/or engine is replaced, the units may be retained or sold if they will replace a similar, lower Tiered unit, and the lower Tiered unit will be scrapped. It is preferred that the scrapped unit currently operates within the same project location(s) as the original Tier 2 or 3 unit currently operates, however alternative scenarios will be considered. The term “project location” refers to the primary area where the affected vehicles/engines operate. All existing and replacement equipment are subject to the funding restrictions in this section. All equipment must operate within the United States. Under this scenario, a detailed scrappage plan must be submitted and will require prior EPA approval.

D.7.4.3. Cutting a three-inch by three-inch hole in the engine block (the part of the engine containing the cylinders) is the preferred scrapping method. Other scrappage methods may be considered and will require prior written approval from the EPA Project Officer.

D.7.4.4. Disabling the chassis may be completed by cutting through the frame/frame rails on each side at a point located between the front and rear axles. Other scrappage methods may be considered and will require prior written approval from the EPA Project Officer.

D.7.4.5. Evidence of appropriate disposal is required in a final assistance agreement report submitted to EPA as detailed in Term and Condition L.

D.7.4.6. Scrapped engines and equipment and vehicle components may be salvaged from the unit being replaced (e.g. plow blades, shovels, seats, tires, etc.). If scrapped or salvaged engines, vehicles, equipment, or parts are to be sold, program income requirements apply.

D.7.4.7. For tire replacement projects, the original tires should be scrapped according to local or state requirements, or the tires can be salvaged for reuse or retreading. If salvaged tires are sold, program income requirements apply.

D.8. Replacement Technologies: Recipient agrees that funds under this award cannot be used for the purchase of engine retrofits, idle reduction technologies, low rolling resistance tires or advanced aerodynamic technologies if similar technologies have previously been installed on the truck or trailer.

D.9. Project Eligibility Criteria: Recipient agrees that funds under this award cannot be used to fund projects that do not meet the following eligibility criteria:

D.9.1 Medium and Heavy-Duty Truck, Transit Bus, and School Bus Project Eligibility

Current Engine Model Year (EMY)	DOC +/- CCV	DPF	SCR	Verified Idle Reduction, Tires, or Aerodynamics	Vehicle or Engine Replacement: EMY 2019+ (2015+ for Drayage)	Vehicle or Engine Replacement: EMY 2019+ Zero Emission ² or Low-NOx ³	Clean Alternative Fuel Conversion
older - 2006	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2007 - 2009	No	No	Yes	Yes ¹	Yes	Yes	Yes

2010 - newer	No	No	No	Yes ¹	No	Yes	Yes

¹ Auxiliary power units and generators are not eligible on vehicles with EMY 2007 or newer.

² Eligible fuel cell projects are limited to hydrogen fuel cell engine replacements for eligible urban transit buses, shuttle buses and drayage trucks, and hydrogen fuel cell engine replacements for eligible urban transit buses, shuttle buses, and drayage trucks.

³ Please see the Low-NOx Engine Factsheet found at www.epa.gov/dera/national#rfa for guidance on identifying engines certified to meet CARB's Optional Low NOx Standards.

D.9.2. Nonroad Engine Project Eligibility

Current Engine Tier	Vehicle/Equipment Replacement					Verified Retrofit
	Compression Ignition			Spark Ignition	Zero Emission ³	
	Tier 0-2	Tier 3-4i	Tier 4	Tier 2		
Unregulated – Tier 2	No	Yes ¹	Yes	Yes	Yes	Yes
Tier 3	No	No	Yes	Yes	Yes	Yes
Tier 4	No	No	No	No	Yes	No
Current Engine Tier	Engine Replacement					Verified Engine Upgrade
	Compression Ignition			Spark Ignition	Zero Emission ⁴	
	Tier 0-2	Tier 3-4i	Tier 4	Tier 2		
Unregulated – Tier 2	No	Yes ²	Yes	Yes	Yes	Yes
Tier 3	No	No	Yes	Yes	Yes	Yes
Tier 4	No	No	No	No	Yes	No

¹ Tier 3 and Tier 4 interim (4i) allowed for vehicle/equipment replacement only when Tier 4 final is not yet available from OEM for 2021 model year equipment under the Transition Program for Equipment Manufacturers (TPEM).

² Tier 3 and Tier 4i engines may be used for engine replacement only if Tier 4 is demonstrated to not be available or feasible through a best achievable technology analysis as defined in Section E, below.

³ Eligible fuel cell projects are limited to hydrogen fuel cell equipment replacements for eligible terminal tractors/yard hostlers, stationary generators, and forklifts.

⁴ Fuel cell engine replacement is not eligible.

D.9.3. Marine Engine Project Eligibility

Engine Category	Engine Horsepower	Current Engine Tier	Engine & Vessel Replacement				Certified Re-manufacture System ³	Verified Engine Upgrade
			Compression Ignition			Spark Ignition		
			Tier 1-2	Tier 3	Tier 4	Zero Emission ²		

C1, C2	<803	Un-regulated – Tier 2	No	Yes	No	Yes	Yes	Yes	Yes
C1, C2	804	Un-regulated – Tier 2	No	Yes ¹	Yes	Yes	Yes	Yes	Yes
C1, C2	<803	Tier 3	No	No	No	Yes	Yes	No	No
C1, C2	804	Tier 3	No	No	Yes	Yes	Yes	No	No
C1, C2	804	Tier 4	No	No	No	No	No	No	No
C3	All	Un-regulated - Tier 2	No	Yes	No	No	No	No	No
C3	All	Tier 3	No	No	No	No	No	No	No

¹ Tier 3 engines may be used for engine replacement only if Tier 4 is demonstrated to not be available or feasible through a best achievable technology analysis as defined in Section E, below. Over 800 HP, Tier 3 engines are not eligible for full vessel replacement.

² Fuel cell engine and vessel replacements are not eligible.

³ Some marine engine projects may be subject to the restriction on mandated measures.

D.9.4: Locomotive Engine Project Eligibility

Current Locomotive Tier	Engine & Locomotive Replacement				Verified Retrofit	Idle-Reduction ² Technology	Certified Remanufacture System 4
	Tier 0–2+	Tier 3	Tier 4	Zero Emission ¹			
Unregulated - Tier 2+	No	Yes ³	Yes	Yes	Yes	Yes	Yes
Tier 3	No	No	Yes	Yes	Yes	Yes	Yes
Tier 4	No	No	No	No	No	Yes	No

¹ Fuel cell engine and locomotive replacements are not eligible.

² Automatic engine start-stop technologies are only eligible to be installed on locomotives currently certified to Tier 0 or unregulated, subject to the restriction on mandated measures.

³ Tier 3 engines may be used for engine replacement only if Tier 4 is demonstrated to not be available or feasible through a best achievable technology analysis as defined in Section E., below. Tier 3 is not eligible for locomotive replacement.

⁴ Some locomotive engine projects may be subject to the restriction on mandated measures.

D.10. Marine Shore Connection: Recipient agrees that funds under this award cannot be used for marine shore connection system projects that are expected to be utilized less than 1,000 MW-hr/year.

D.11. Locomotive Shore Connection: Recipient agrees that funds under this award cannot be used for locomotive shore connection system projects that are expected to be utilized less than 1,000 hours per year.

D.12. Tires and Aerodynamics: Recipient agrees that funds under this award cannot be used to purchase aerodynamic technologies or low rolling resistance tires, unless they are combined on the same vehicle with a new installation of a verified engine retrofit funded under this award. Ineligible costs include aluminum wheels.

D.13. Battery Electric Powered Replacements: Recipient agrees that funds under this award cannot be used to purchase power distribution to the pedestal, electrical panels and their installation, upgrades to existing electrical panels or electrical service, transformers and their installation, wiring/conduit and its installation, electricity, operation and maintenance, stationary energy storage systems that power the equipment (e.g. batteries) and their installation, and on-site power generation systems that power the equipment (e.g., solar and wind power generation equipment) and their installation.

D.14. Grid Electric Powered Replacements: Recipient agrees that funds under this award cannot be used to purchase power distribution to the property line, electricity, operation and maintenance, stationary energy storage systems that power the equipment (e.g. batteries) and their installation, and on-site power generation systems that power the equipment (e.g., solar and wind power generation equipment) and their installation.

D.15. Engine Replacements: Recipient agrees that funds under this award cannot be used to purchase cabs, tires, wheels, axles, paint, brakes, and mufflers.

D.16. Engine Remanufacture Systems: Recipient agrees that funds under this award cannot be used to purchase the entire cost of an engine rebuild if a certified remanufacture system is applied at the time of rebuild.

D.17. Electrified Parking Spaces: Recipient agrees that funds under this award cannot be used to purchase power distribution to the property line, electricity, operation and maintenance, stationary energy storage systems that power the equipment (e.g. batteries) and their installation, and on-site power generation systems that power the equipment (e.g., solar and wind power generation equipment) and their installation.

D.18. Locomotive Shore Power: Recipient agrees that funds under this award cannot be used to purchase power distribution to the property line, electricity, operation and maintenance, stationary energy storage systems that power the equipment (e.g. batteries) and their installation, and on-site power generation systems that power the equipment (e.g., solar and wind power generation equipment) and their installation.

D.19. Marine Shore Power: Recipient agrees that funds under this award cannot be used to purchase shipside modifications to accept shore-based electrical power, power distribution to the property line, electricity, operation and maintenance, stationary energy storage systems that power the equipment (e.g. batteries) and their installation, and on-site power generation systems that power the equipment (e.g., solar and wind power generation equipment) and their installation.

E. Best Achievable Technology:

All new nonroad and locomotive engines are now manufactured to meet the EPA Tier 4 standards. All new Category 1 and 2, 804 horsepower and above marine engines are now manufactured to meet the EPA Tier 4 standards. Recipients replacing these nonroad, marine, and locomotive engines are expected to use Tier 4 engines if Tier 4 engines with the appropriate physical and performance characteristics are available. Recipients are required to submit a best achievable technology (BAT) analysis to EPA for approval before Tier 3 or Tier 4i engines can be purchased. Recipients should consult

their EPA Project Officer for BAT requirements and approval.

F. Drayage Vehicle Replacement Project Requirements:

In addition to the applicable requirements for highway vehicles described in D above, recipients replacing drayage vehicles are required to establish and document guidelines to ensure that the scrapped vehicle has a history of operating on a frequent basis over the prior year as a drayage truck, defined as any Class 8a and 8b in-use on-road vehicle with a gross weight rating (GVWR) of greater than 33,000 pounds operating on or transgressing through port or intermodal rail yard property for the purpose of loading, unloading or transporting cargo, such as containerized, bulk or break-bulk goods.

G. Emissions Control Technologies:

Emissions Reduction Projects funded by the recipient pursuant to this assistance agreement must use verified technologies and/or must use engines and engine configurations certified by EPA and, if applicable, CARB. Technologies are verified under EPA or California's Retrofit Technology Verification Programs. See the following lists for eligible technologies:

G.1. EPA verified engine retrofit technologies and engine upgrade technologies: www.epa.gov/verified-diesel-tech/verified-technologies-list-clean-diesel

G.2. California Air Resources Board (CARB) verified engine retrofit technologies: www.arb.ca.gov/diesel/verdev/vt/cvt.htm

G.3. EPA verified idle reduction technologies: www.epa.gov/verified-diesel-tech/idling-reduction-technologies-irts-trucks-and-school-buses

G.4. EPA verified aerodynamic technologies: www.epa.gov/verified-diesel-tech/aerodynamic-devices

G.5. EPA verified low rolling resistance tires: www.epa.gov/verified-diesel-tech/low-rolling-resistance-lrr-new-and-retread-tires

G.6. EPA certified engines and certified remanufacture systems for locomotives and marine engines: www.epa.gov/compliance-and-fuel-economy-data/engine-certification-data

G.7. EPA Certified Conversion Systems for New Vehicles and Engines and compliant Conversion Systems for Intermediate-Age Vehicles and Engines: www.epa.gov/vehicle-and-engine-certification/lists-epa-compliant-alternative-fuel-conversion-systems

G.8. CARB Approved Alternate Fuel Retrofit Systems: www.arb.ca.gov/msprog/aftermkt/altfuel/altfuel.htm

Any question as to the eligibility or preference of a retrofit technology, including vehicle/engine/equipment replacements, should be directed to the EPA Project Officer.

H. Program Income:

Program income as defined at 2 CFR §200.1 means gross income received by the grantee or subrecipient that is directly generated by a grant supported activity or earned as a result of the Federal award during the period of performance. Under DERA grants, program income is generally limited to the sale of scrapped or remanufactured engines/chassis or salvaged engine/vehicle/equipment components and does not include revenue generated by recipients or subrecipients through the commercial use of vehicles and equipment purchased with grant funds. "Period of performance" is the time between the start and end dates of the period of performance as included in the Federal award.

Program income earned during the project period shall be retained by the recipient and, in accordance with 2 CFR §200.307 recipient is authorized to use program income to meet the cost-sharing or matching requirement of the Federal award, including any mandatory or voluntary cost-share. The amount of the Federal award remains the same. The recipient will maintain records adequate to document the extent to which transactions generate program income and the disposition of program income. The recipient must provide as part of its final performance report, a description of how program income is being used. Further, a report on the amount of program income earned during the award period must be submitted with the final Federal Financial Report, Standard Form 425.

I. Equipment Use, Management, and Disposition

These equipment use, management, and disposition instructions are applicable to assistance agreement recipients and subrecipients acquiring equipment under this award. State agencies may use, manage and dispose of equipment acquired a Federal award by the state in accordance with state laws and procedures.

Recipient agrees the equipment acquired under this assistance agreement will be subject to the use and management and disposition regulations at 2 CFR §200.313.

Equipment is defined as tangible personal property having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of \$5,000, or the capitalization level established by the non-Federal entity for financial statement purposes (see Capital assets at 2 CFR §200.1 Definitions). Certified or verified technologies, vehicles, engines and nonroad equipment are considered to be equipment to the extent they fall within this definition.

Recipient agrees that at the end of the project period the recipient will continue to use the equipment purchased under this assistance agreement in the project or program for which it was acquired as long as needed, whether or not the project or program continues to be supported by the Federal award. When acquiring replacement equipment, the non-Federal entity 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. Items of equipment with a current per unit fair market value of \$5,000 or less may be retained, sold or otherwise disposed of with no further obligation to the Federal awarding agency.

I. Procurement Procedures:

The recipient must follow applicable procurement procedures. EPA will not be a party to these transactions. If EPA funds are used to purchase goods or services, recipient agrees to compete the contracts for those goods and services and conduct cost and price analyses to the extent required by the fair and open competition for procurement provisions of 2 CFR §§200.317 – .327. Approval of a funding application does not relieve recipients of their obligations to compete service contracts and conduct cost and price analyses.

J. Quarterly Reporting and Environmental Results

Quarterly progress reports will be required. Quarterly reports will address the progress made achieving the work plan activities and objectives, including:

- procurements, installations and scrappage;
- milestones;
- outputs and outcomes including any project sustainability commitments;
- summary of quarterly and cumulative expenditures;

- up to date fleet description and efforts should be made to track, measure and report the actual vehicle miles traveled, hours of use/operation, and fuel use for all vehicles and equipment involved in the project;
- signed eligibility statements, signed scrappage statements, and BAT analysis submitted to EPA for approval;
- accounting of personnel hours billed to the grant;

A template for the quarterly report is available at: www.epa.gov/dera/national. Quarterly reports are due according to the following schedule. If a due date falls on a weekend or holiday, the report will be due on the next business day.

April 1 – June 30 Reporting Period: report due date July 30

July 1 – September 30 Reporting Period: report due date October 30

October 1 – December 31 Reporting Period: report due date January 30

January 1 – March 31 Reporting Period: report due date April 30

If a project start date falls within a defined reporting period the recipient must report for that period by the given due date. This quarterly reporting schedule shall be repeated for the duration of the award agreement.

K. Final Report:

The final project report will include all categories of information required for quarterly reporting, including a final, detailed fleet description. The final project report will also include a narrative summary of the project or activity, the successes and lessons learned for the entire project. project results including specific outputs and outcomes detailed in the project workplan (including any sustainability commitments), and final emissions benefit calculations. To the extent possible, final emission benefit calculations should be based on the actual number and type of technologies, vehicles, equipment and engines implemented under the award and actual vehicle miles traveled, idling and/or operating hours, and fuel use. If actual vehicle miles traveled, idling and/or operating hours, and fuel use are not available, the final report will include a detailed explanation of how these values are derived, as well as any assumptions or default values used, for the purposes of emissions benefit calculations. The final report will also detail the methodologies used for the emission benefit calculation.

The recipient must provide in the final report signed eligibility statements from participating fleet owners in which fleet owners attest to the criterion in term and condition D.6., and which include each vehicle make, model, year, vehicle identification number, odometer/usage meter reading, engine make, model, year, horsepower, engine ID or serial number, and vehicle/equipment registration/licensing number and state. A sample eligibility statement may be found at <https://www.epa.gov/dera/national>.

For projects involving vehicle/engine/equipment replacements the recipient must provide in the final report evidence of appropriate scrappage. Participating fleet owners must attest to the appropriate disposal in a signed scrappage statement. A sample scrappage statement may be found at <https://www.epa.gov/dera/national>. The scrappage statement must include: Vehicle owner's name and address; Vehicle make, vehicle model, vehicle model year, VIN, odometer reading or usage meter reading, engine make, engine model, engine model year, engine horsepower, engine ID or serial number, as applicable; Name, address, and signature of dismantler; Date engine and/or vehicle/equipment was scrapped; Statement attesting to scrappage of vehicle/engine as defined above; Signature of participating fleet owner. Digital photos as follows: Side profile of the vehicle, prior to disabling; VIN tag or equipment serial number; Engine label (showing serial number, engine family number, and engine model year); Engine block, prior to hole; Engine block, after hole; Cut frame rails or other

cut structural components, as applicable; Others, as needed.

For projects that take place in an area affected by, or includes vehicles, engines or equipment affected by federal law mandating emissions reductions, the recipient must provide in the final report evidence that emission reductions funded with EPA funds were 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 final report shall be submitted to the EPA Project Officer within 120 days after the project period end date or termination of the assistance agreement. A template for the final report is available at <https://www.epa.gov/dera/national>.

L. Employee and/or Contractor Selection:

EPA will not help select employees or contractors hired by the recipient.

M. Cybersecurity Condition

Cybersecurity Grant Condition for Other Recipients, Including Intertribal Consortia

M.1. The recipient agrees that when collecting and managing environmental data under this assistance agreement, it will protect the data by following all applicable State or Tribal law cybersecurity requirements.

M.2. EPA must ensure that any connections between the recipient's network or information system and EPA networks used by the recipient to transfer data under this agreement, are secure. For purposes of this Section, a connection is defined as a dedicated persistent interface between an Agency IT system and an external IT system for the purpose of transferring information. Transitory, user-controlled connections such as website browsing are excluded from this definition. If the recipient's connections as defined above do not go through the Environmental Information Exchange Network or EPA's Central Data Exchange, the recipient agrees to contact the EPA Project Officer (PO) no later than 90 days after the date of this award and work with the designated Regional/Headquarters Information Security Officer to ensure that the connections meet EPA security requirements, including entering into Interconnection Service Agreements as appropriate. This condition does not apply to manual entry of data by the recipient into systems operated and used by EPA's regulatory programs for the submission of reporting and/or compliance data.

M.3. The recipient agrees that any subawards it makes under this agreement will require the subrecipient to comply with the requirements in N.2. if the subrecipient's network or information system is connected to EPA networks to transfer data to the Agency using systems other than the Environmental Information Exchange Network or EPA's Central Data Exchange. The recipient will be in compliance with this condition: by including this requirement in subaward agreements; and during subrecipient monitoring deemed necessary by the recipient under 2 CFR 200.332(d), by inquiring whether the subrecipient has contacted the EPA Project Officer. Nothing in this condition requires the recipient to contact the EPA Project Officer on behalf of a subrecipient or to be involved in the negotiation of an Interconnection Service Agreement between the subrecipient and EPA.

N. Mandatory Cost-Share Requirement:

This award and the resulting federal funding share (as shown under "Notice of Award" in the award document) is based on estimated costs requested in the recipient's final approved workplan. While actual total costs may differ than those estimates, the recipient is required to provide no less than the cost-share percentages outlined below, as applicable, of the final equipment costs. EPA's participation shall not exceed the total amount of federal funds awarded or the maximum federal cost-share percentages outlined below, as applicable, of the final equipment costs. Recipients must satisfy any

applicable cost share requirements with allowable costs as set forth in 2 CFR §200.306. The cost share requirements are as follows:

Eligible Technologies	EPA Funding Limit	Mandatory Cost Share
Drayage Truck Replacement	50%	50%
Vehicle or Equipment Replacement with EPA Certified Engine	25%	75%
Vehicle or Equipment Replacement with CARB Certified Low NOx Engine	35%	65%
Vehicle or Equipment Replacement with Zero-tailpipe Emission Power Source	45%	55%
Engine Replacement with EPA Certified Engine	40%	60%
Engine Replacement with CARB Certified Low NOx Engine	50%	50%
Engine Replacement with Zero-tailpipe Emission Power Source	60%	40%
EPA Certified Remanufacture Systems	100%	0%
EPA Verified Highway Idle Reduction Technologies when combined with new or previously installed exhaust after-treatment retrofit	100%	0%
EPA Verified Highway Idle Reduction Technologies without new exhaust after-treatment retrofit	25%	75%
EPA Verified Locomotive Idle Reduction Technologies	40%	60%
EPA Verified Marine Shore Connection Systems	25%	75%
EPA Verified Electrified Parking Space Technologies	30%	70%
EPA Verified Exhaust After-treatment Retrofits	100%	0%
EPA Verified Engine Upgrade Retrofits	100%	0%
EPA Verified Hybrid Retrofit Systems	60%	40%
EPA Verified Fuel and Additive Retrofits when combined with new retrofit, upgrade, or replacement	Cost differential between conventional diesel fuel	Cost of conventional diesel fuel
EPA Verified Aerodynamics and Low Rolling Resistance Tires when combined with new exhaust after-treatment retrofit	100%	0%
Alternative Fuel Conversion	40%	60%

The eligible acquisition cost for equipment means the net invoice price of the equipment, including the cost of any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it is acquired. Ancillary charges, such as taxes, duty, protective in transit insurance and freight may be included in or excluded from the acquisition cost in accordance with the non-Federal entity's regular accounting practices.

The recipient agrees to provide the proposed leveraged funding, including any voluntary cost-share contribution that is described in its final approved workplan. If the proposed leveraging does not materialize during the period of award performance, and the recipient does not provide a satisfactory explanation, the Agency may consider this factor in evaluating future applications from the recipient. In addition, if the proposed leveraging does not materialize during the period of award performance then EPA may reconsider the legitimacy of the award; if EPA determines that the recipient knowingly or recklessly provided inaccurate information regarding the leveraged funding the recipient described in its final

approved workplan. EPA may take action as authorized by 2 CFR Part 200 and/or 2 CFR Part 180 as applicable.

R. Voluntary Cost-Share:

This award and the resulting federal funding of \$3,000,000 is based on estimated costs requested in the recipient's final approved workplan. Included in these costs is a voluntary cost-share contribution of \$24,486 by the recipient in the form of a voluntary cost-share that the recipient included in its final approved workplan. The recipient must provide this voluntary cost-share contribution during performance of this award unless the EPA agrees otherwise in a modification to this agreement. While actual total costs may differ from the estimates in the recipient's application, EPA's participation shall not exceed the total amount of federal funds awarded.

If the recipient fails to provide the voluntary cost-share contribution during the period of award performance, and does not provide a satisfactory explanation, the Agency may consider this factor in evaluating future applications from the recipient. In addition, if the voluntary cost-share contribution does not materialize during the period of award performance then EPA may reconsider the legitimacy of the award; if EPA determines that the recipient knowingly or recklessly provided inaccurate information regarding the voluntary cost-share or overmatch the recipient described in its final approved workplan, EPA may take action as authorized by 2 CFR Part 200 and/or 2 CFR Part 180 as applicable.

S. Rebates:

Rebates, subsidies, and similar one-time, lump-sum payments to program beneficiaries for the purchase of eligible emissions control technologies and vehicle replacements are eligible participant support costs under this award. Engine replacements, marine and locomotive shorepower projects, and most electrified parking space technology projects are not eligible as participant support costs. Rebates can only fund a participating fleet owner's equipment purchase and installation costs (i.e. parts and labor, including costs incurred to scrap the existing vehicle); if a participating fleet owner requires funding for project administration, travel, extensive design/engineering, construction, etc., in order to carry out the project a subaward is the more appropriate option. Questions regarding the use of rebates under this award should be directed to the EPA Project Officer. Rebates are not considered subawards/subgrants as defined in 2 CFR Part 200 and should not be treated as such under this award.

Program beneficiaries may be individual owner/operators or private or public fleet owners, however program beneficiaries cannot be employees, contractors or subrecipients of the DERA grant recipient. Rebates cannot exceed the applicable EPA cost share limits as defined in the terms of this award agreement. Participant support costs for rebates must be supported by guidelines issued by the recipient and approved by EPA's Award Official or Grants Management Officer, defining the rules, restrictions, timelines, programmatic requirements, reporting and transaction documentation requirements, eligibility, and funding levels that rebate beneficiaries must follow. Additionally, there must be written agreement between recipient or subrecipient and the program beneficiary that:

- Describes the activities that will be supported by rebates, subsidies or other payments;
- Specifies the amount of the rebate, subsidy or payment;
- Identifies which party will have title to equipment (if any) purchased with a rebate or subsidy; and
- Establishes source documentation requirements to ensure proper accounting of EPA funds.
- Specifies any reporting required by the beneficiary.

EPA Guidance on Participant Support Costs (<https://www.epa.gov/grants/rain-2018-g05-r1>) specifies requirements for

rebate program approval by Authorized EPA Officials. EPA's Award Official or Grants Management Officer must approve participant support costs on the basis of either a precise description of the participant support costs in the EPA approved budget and work plan, or on a transaction-by-transaction basis. Should a DERA recipient decide to award participant support costs that were not described in the approved work plan and budget the recipient must obtain prior written approval from EPA's Award Official or Grants Management Officer. Moreover, after a grant is awarded, should a recipient decide to modify the amount approved (upwards or downwards) for participant support costs, prior written approval from EPA's Award Official or Grants Management Officer is also required.

COMMENT HISTORY

DocuSign®

Please DocuSign: 47_SA_SDEV-PUB-Clean Diesel Program (RED HEAD) FY 2020-2021

Sender: Bashar Dimitry

Envelope Id: adb615ac-7396-4867-be4d-a9226cbb9a11

Time Zone: (UTC-05:00) Eastern Time (US & Canada)

Date Sent: 4/21/2022 | 6:08:28 PM

Date Completed: 5/6/2022 | 11:53:35 AM

Private: macklinm@detroitmi.gov, tollivert@detroitmi.gov

Melva Macklin -4/25/2022 | 7:17:47 AM
macklinm@detroitmi.gov

This is a new grant (Reducing Emissions from Diesel—Helping Eliminate Asthma in Detroit Grant) for \$258,750 awarded to GSD by Southwest Detroit Environmental Vision. There is a cash match requirement of \$776,250. The match will come from Solid Waste Mgmt, account string 3401-26190-190410, which has a budget of \$43.4M & funds available are \$7.1M. There is an Agreement on file that gives details of the grant. If approval to accept is granted, appropriation #21093 will be used to set up the grant.

All Recipients

Daniel Arking -4/25/2022 | 9:10:45 AM
arkingd@detroitmi.gov

Approval as to form is for cover letter and resolution only. Version of the agreement included here is not final. Submission to Council must include actual final version, dated 4/22/2022 (including necessary documents for both Exhibits).

All Recipients

Tina Tolliver -4/25/2022 | 1:34:09 PM
tollivert@detroitmi.gov

ODG has Final agreement.