

Questions and Answers: Tribal Clean Diesel Funding Assistance Program FY 2017 (RFP# EPA-OAR-OTAQ-17-08)

Thursday, January 11, 2018

The following Questions and Answers have been compiled for the benefit of organizations considering applying for a grant under the above Request for Proposals (RFP).

- A. Applicant Eligibility
- B. Project Eligibility
 - i. Exhaust Controls
 - ii. Engine Upgrades and Remanufacture Systems
 - iii. Cleaner Fuels Use
 - iv. Idle-Reduction Technologies
 - v. Aerodynamics and Tires
 - vi. Engine Replacements
 - vii. Vehicle/Equipment Replacements
 - viii. Clean Alternative Fuel Conversions
 - ix. Miscellaneous
- C. Vehicle, Equipment, and Engine Eligibility
- D. Application Process
- E. Project Administration
 - i. Competitive Procurement Requirements
 - ii. General

Please note that many questions are variations of each other so your exact question may not be listed; please look for similar questions.

A. Applicant Eligibility

A.1: *How does the RFP define tribal agency and intertribal consortium?*

Answer: Tribal agencies are defined as Federally recognized Indian tribal governments, which are any Indian tribe, band, nation, or other organized group or community (including Native villages) certified by the Secretary of the Interior as eligible for the special programs and services provided by her through the Bureau of Indian Affairs as well as any organization or intertribal consortium that represents Federally recognized tribes. For the purposes of this RFP, "intertribal consortium" is defined as a partnership between two or more tribes that is authorized by the governing bodies of those tribes to apply for and receive assistance under this program. Intertribal consortia are eligible to receive assistance under this program only if the consortium demonstrates that all members of the consortium meet the eligibility requirements for the program and authorize the consortium to apply for and receive assistance by submitting to EPA documentation of (1) the existence of the partnership between Indian tribal governments, and (2) authorization of the consortium by all its members to apply for and receive the assistance.

Date Posted: 10/5/2017

A.2: *Can multiple tribes collaborate on a grant proposal, assuming they are all eligible?*

Answer: Yes, there are two ways tribes can collaborate: 1) one tribe could apply with others as subgrantees and 2) the tribes could form an intertribal consortium. For the purposes of this RFP, "intertribal consortium" is defined as a partnership between two or more tribes that is authorized by the governing bodies of those tribes to apply for and receive assistance under this program. Please see Section III.A of the RFP for additional information about intertribal consortiums.

Date Posted: 10/5/2017

A.3: *Can individuals or private companies apply for funding under this competition?*

Answer: No. Only eligible entities as defined in the RFP are eligible to apply directly to EPA for funding under this RFP. However, both public and private fleets may benefit from program activities and EPA encourages private fleet owners to partner with eligible entities for the implementation of diesel emission reduction projects. There are several ways that an eligible entity can provide funding/benefits to fleet owners, including subgrants, rebates, or other types of partnerships. Please see Section III.A of the RFP for more information.

Date Posted: 10/5/2017

A.4: *Do applicants have to be located in areas with poor air quality to be eligible?*

Answer: No. All Tribes and Native Villages are eligible to apply for the DERA Tribal Grant Program, regardless of air quality in the project location. However, projects located in areas of poor air quality will be given priority as described in Section V of the RFP. A list of priority areas for the 2017 Tribal RFP can be found at www.epa.gov/cleandiesel/clean-diesel-tribal-grants#rfp and in Appendix F of the RFP.

Date Posted: 10/5/2017

A.5: *Do applicants have to be located in areas with high population density to be eligible?*

Answer: No. All federally recognized Tribes and Native Villages are eligible to apply for the DERA Tribal Grant Program, regardless of population density in the project location.

Date Posted: 11/29/2017

A.6: *How can private fleet owners partner with eligible entities?*

Answer: While EPA cannot award DERA grant funds directly to individuals or private fleets, there are several ways that an eligible entity can provide DERA funding to private entities. These include subawards, rebates, or other partnership agreements that are in accordance with the applicable EPA grant regulations and the terms and conditions of the original award.

Subawards are financial assistance transactions between an EPA recipient (the “pass-through entity”) and another organization (the “subrecipient”) to carry out an ongoing program or discrete project. The subrecipient carries out substantive tasks through its employees, contractors, and in some cases other subrecipients. Please see [EPA's Subaward Policy](#) and [Additional Resources on Subawards](#) for more information. There is no requirement for pass-through entities to compete subawards. An example of an appropriate subaward is where an EPA recipient awards funds to a large commercial fleet owner for implementation of an eligible diesel emission control project. The fleet owner then procures and installs diesel emission control technology on its vehicles in accordance with the terms and conditions of the subaward.

Subawards are rarely the appropriate instrument for providing funds to an individual or small fleet owner that is to be a beneficiary of the program. However, DERA funds can be provided to beneficiaries as “Participant Support Costs”, thereby enabling them to participate in the EPA funded program or project. These beneficiaries are not employees, contractors or subrecipients of the organization receiving the DERA funds.

EPA considers rebates for purchases of commercially available “off the shelf” emission control technologies and vehicle replacements under DERA grants to be eligible Participant Support Costs. They should be included as line items in the “Other” budget category. An example of appropriate Participant Support Costs is where the EPA recipient designs and implements a diesel emission reduction technology rebate program. Vehicle owners apply for and receive rebates after they have procured and installed eligible diesel emission control technology on their vehicle in accordance with the terms and conditions of the EPA recipient’s rebate program.

Where the EPA recipient is directly implementing the project (i.e. not issuing subawards or rebates), other types of agreements between project partners, such as a Memorandum of Understanding, may be appropriate to define partner roles, responsibilities, and commitments.

No matter the funding arrangement, the EPA recipient is ultimately responsible to EPA for the proper expenditure of funds and all required programmatic and administrative reporting.

Date Posted: 12/21/2017

New A.7: *How does EPA define jurisdiction over transportation or air quality?*

Answer: Jurisdiction is generally defined as the ability to make decisions which impact transportation and/or air quality. A Tribe/native village which owns or operates diesel vehicles and equipment is considered to have jurisdiction over transportation and/or air quality. Eligible entities should explain how they fit the definition in their proposal.

Date Posted: 1/11/2018

New A.8: *If an eligible entity wishes to partner with a local utility, does it matter whether the utility is a for-profit corporation or member-owned cooperative?*

Answer: No, an eligible entity may partner with public and/or private entities.

Date Posted: 1/11/2018

B. Project Eligibility

i. Exhaust Controls

B.i.1: *Are technologies that are CARB verified, but not EPA verified, eligible?*

Answer: Yes, funding may be used for EPA and/or CARB certified engine configurations and EPA and/or CARB verified exhaust control retrofit technologies.

Date Posted: 10/5/2017

ii. Engine Upgrades and Remanufacture Systems

No questions at this time.

iii. Cleaner Fuels Use

B.iii.1: *What is the acceptable method to determine the fuel cost differential between USLD and an alternative fuel for a proposed project?*

Answer: Applicants should contact a fuel distributor to obtain current fuel price information as close to the proposal submission date as possible. Compare that cost to the cost of standard diesel fuel during a similar period.

Date Posted: 10/5/2017

iv. Idle-Reduction

B.iv.1: *Are idle reduction technologies eligible for funding under this RFP?*

Answer: Yes. Idle reduction projects are eligible for funding. Lists of eligible, EPA verified idle reduction technologies are available at:

www.epa.gov/verified-diesel-tech/smartway-technology.

Date Posted: 10/5/2017

v. Aerodynamics and Tires

No questions at this time.

vi. Engine Replacements

B.vi.1: *What is the cost-share percentage for replacing a diesel engine with one that runs on CNG?*

Answer: The cost-share is the same whether the eligible replacement is a diesel engine or alternative fueled engine. The specific cost-share percentage will depend on the type of engine being replaced. Please see Section I.B.2.f of the RFP for full details on engine replacement.

Certified Engine Replacement:

- **Highway Diesel Vehicles, Marine and Locomotives:** EPA will fund up to 75% of the cost (labor and equipment) of replacing a diesel engine with a diesel or alternative fueled engine (including hybrids) certified to EPA emission standards, or with an electric motor or electric power source.
- **Nonroad Vehicles and Equipment:**
 - **Stationary Generators for Power Production:** EPA will fund up to 80% of the cost of replacing a diesel engine with a diesel or alternative fueled engine (including hybrids) certified to EPA emission standards, or with an electric motor or electric power source.
 - **All Other Nonroad Equipment and Vehicles:** EPA will fund up to 75% of the cost of replacing a diesel engine with a diesel or alternative fueled engine (including hybrids) certified to EPA emission standards, or with an electric motor or electric power source.

Date Posted: 11/2/2017

vii. Vehicle/Equipment Replacements

B.vii.1: *Is replacing a diesel-powered generator with one powered by an alternative fuel eligible?*

Answer: Yes. Stationary generators used for power production may be replaced with a certified alternative fueled engine.

Date Posted: 11/2/2017

B.vii.2: *In a generator replacement project, can funds be used to build structures to house the new equipment?*

Answer: No, funds awarded under this RFP may not be used to build or renovate infrastructure to house replacement equipment.

Date Posted: 11/17/2017

B.vii.3: *Is replacing a diesel-powered generator with solar power an eligible project?*

Answer: Yes. EPA will fund up to 80% of the cost of replacing a diesel stationary generator used for power production with all-electric equipment, including solar-powered battery electric equipment. Note: The original diesel generator must be scrapped.

Date Posted: 12/7/2017

New B.vii.4: *Would a tribe be permitted to replace a stationary diesel-powered generator that typically runs 500 hours with a natural gas-powered generator that might run 2,000 hours?*

Answer: A nonroad stationary diesel-powered generator is eligible for replacement under the FY17 Tribal RFP so long it operates for more than 500 hours per year and meets the following horsepower, model year and tier criteria: Tier 0 - Tier 3; 0-50 HP, 2005 and newer; 51-300 HP, 1995 and newer; 301+ HP, 1985 and newer. The replacement generator must have a Tier 2 or higher engine. However, under the Tribal RFP, replacement equipment is expected to generally perform the same function and operation as the equipment being replaced. Because the operating hours of the new generator are so much higher than the old one, the applicant would need to provide sufficient justification for the change in operation of the generator. The applicant would also need to demonstrate that the increase in operation of the new engine will not result in a net emissions increase.

Date Posted: 1/11/2018

viii. Clean Alternative Fuel Conversions

No questions at this time.

ix. Miscellaneous

B.ix.1: *Can funds be used for a project that has already been started or will be started before the expected award date?*

Answer: No. Any funding awarded under this announcement must be used for activities that will 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. Expenses incurred prior to the project period set forth in any assistance agreement resulting from this RFP are not eligible as a cost-share for proposed projects.

Date Posted: 10/5/2017

B.ix.2: *Are funds available to determine the feasibility of replacing engines?*

Answer: No, funds are not available for feasibility studies or to explore replacement options.

Date Posted: 11/17/2017

B.ix.3: *Does EPA's definition of "project location" only include reservation land?*

Answer: No. The term "project location" as used in this RFP refers to the primary area where the affected vehicles/engines operate, or the primary area where the emissions benefits of the project will be realized. EPA does not restrict project locations to reservation or facility boundaries.

Date Posted: 11/29/2017

B.ix.4: *Is new charging station infrastructure for electric vehicles eligible under the Tribal RFP?*

Answer: If the grant is funding a project to replace a diesel engine with an electric power source, or to replace a diesel vehicle with an electric vehicle, then grant funds can be used to pay for charging infrastructure necessary to make the all-electric vehicle functional (subject to the applicable cost-share). However, funds awarded under this RFP may not be used to pay for stand-alone electric vehicle charging station infrastructure.

Date Posted: 12/7/2017

C. Vehicle, Equipment, and Engine Eligibility

C.1: *Are vehicles eligible for replacement under this grant if they are scheduled to be retired and scrapped by or before the end of the project period?*

Answer: No. Vehicle/equipment or engine replacements 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 defined as a vehicle/equipment or engine replacement that is scheduled to take place within 3 years of the project start date. Normal attrition is typically defined by the vehicle or fleet owner's budget plan, operating plan, standard procedures, or retirement schedule.

Date Posted: 10/5/2017

C.2: *Please describe eligible diesel trucks.*

Answer: For the purposes of this RFP, eligible heavy-duty highway vehicles are defined as Class 5 through Class 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). Class 1 - Class 4 vehicles (i.e., 16,000 lbs or less GVWR) are not eligible.

Date Posted: 10/5/2017

C.3: *Are commercial vehicles eligible?*

Answer: Yes, commercial vehicles are eligible under this RFP as long as the applicant meets the definition of an eligible entity.

Date Posted: 10/5/2017

C.4: *Are diesel generators eligible?*

Answer: Yes, stationary generators used for power production are eligible.

Date Posted: 10/5/2017

C.5: *Is there a time requirement for a company to have owned vehicles or equipment before they can be included in a project?*

Answer: No, there are no specific ownership or acquisition requirements, however there are minimum usage requirements for existing nonroad, marine, and locomotive engines. Applicants must provide annual hours/miles and fuel use in order to calculate an emissions benefit of the upgrades. The estimates should be based on the current/future ownership, location and usage of the vehicles.

Date Posted: 10/5/2017

C.6: Are backup diesel generators eligible for funding under this RFP?

Answer: A backup diesel generator may qualify if it meets the minimum usage requirements, but most do not due to their limited use. As stated in the RFP, "No funds awarded under this RFP shall be used to retrofit, repower, replace or upgrade nonroad engines and equipment that operate less than 500 hours per year." See Section II.D.14 on page 27 for additional information.

Date Posted: 11/17/2017

C.7: Which engine model years are eligible for funding?

Answer: Engine model year or tier eligibility will depend on the type of project. Please see the tables in Section III.D of the RFP for full details on eligibility criteria.

Date Posted: 11/29/2017

C.8: Is there a minimum usage requirement for highway vehicles under this RFP? What if we have owned the equipment for less than 12 months?

Answer: There is no minimum usage requirement for highway diesel vehicles, however the existing vehicles must be in fully operational and in current, regular service. Further, the replacement vehicle should continue to perform the same function as the vehicle that is being replaced. Applicants must provide annual miles and fuel use for the existing vehicle in order to calculate an emissions benefit of the upgrades. The estimates should be based on the current/future ownership, location and usage of the vehicles.

Date Posted: 11/29/2017

D. Application Process

D.1: Can you provide a list of past applicants or recipients?

Answer: While EPA cannot release information on grant proposals, it can provide information on previously funded projects. Information on all previously funded projects may be found at www.epa.gov/cleandiesel/tribal-awarded-grants.

Date Posted: 10/5/2017

D.2: Where is the application for the grant program?

Answer: The Request for Proposals (RFP Number EPA-OAR-OTAQ-17-08) contains all project eligibility and application submission information. The RFP, as well as a Project Narrative sample template and an Applicant Fleet Description template, may be found at www.epa.gov/cleandiesel/clean-diesel-tribal-grants#rfp. Applicants can download an application package, which contains standard forms (SF) 424 and SF 424A from www.grants.gov under Funding Opportunity Number EPA-OAR-OTAQ-17-08. The Project Narrative and any supporting documents should be attached to the application package, and the full package submitted to EPA through www.grants.gov. Please refer to the Proposal Submission Checklist in Appendix G of the RFP to ensure that all required information is included in your package.

Date Posted: 10/5/2017

D.3: Can applicants get assistance with the Diesel Emissions Quantifier?

Answer: Yes, you may contact the National Clean Diesel Campaign Helpline at 1-877-NCDC-FACTS (1-877-623-2322) or cleandiesel@epa.gov for assistance. We recommend you start working with the Quantifier early.

Date Posted: 10/5/2017

D.4: *Where can I find the PowerPoint from the October 24 Tribal grant webinar?*

Answer: It is available at www.epa.gov/sites/production/files/2017-10/documents/fy17-tribal-rfp-webinar-2017-10-24.pdf.

Date Posted: 11/2/2017

D.5: *How can we propose a project and determine our voluntary cost-share if we have not received confirmation of how much funding we are to receive through the VW Mitigation Trust?*

Answer: For the first VW Mitigation Trust funding cycle, Tribes need to submit funding requests to the Trustee by January 2, 2018. For the FY 2017 DERA Tribal RFP, proposal packages must be submitted to EPA by January 18, 2018. Tribes proposing to utilize the DERA Option (i.e., use VW Trust Funds as a voluntary match) should prepare DERA workplans and budgets under the assumption that they will receive the full amount of VW Trust funds requested. Once EPA has reviewed, evaluated, and selected DERA Tribal proposals for funding, the selected applicants will be notified and final project negotiations will take place. EPA will not finalize an award which includes VW Trust Funds as a voluntary match until the Trustee has provided a final determination on the Beneficiary's funding request. If a Beneficiary's VW funding request is denied or modified, EPA will work with the selected DERA Tribal applicant to amend the DERA project workplan and budget as needed.

Date Posted: 11/29/2017

E. Project Administration

i. Competitive Procurement Requirements

E.i.1: *Are grantees required to use competitive bidding for procurements?*

Answer: Yes, any purchase of goods and services must meet the applicable procurement requirements of 2 CFR Part 200. A Grantee may use its own documented procurement procedures which reflect applicable State, local, and tribal laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in 2 CFR Sections 200.317-326.

Date Posted: 11/29/2017

ii. General

E.ii.1: *Once an application is received and is awarded a certain amount of money, is the applicant obligated to continue or can they withdraw if other funding fails to come through?*

Answer: If selected for award, an EPA Award Official will make an official offer of an award to the applicant. The applicant must formally accept or deny the award. If an award is accepted, the applicant may terminate the award for convenience, and return the funding, at any time.

Date Posted: 10/5/2017

Updated **E.ii.2:** *Can settlement funds (i.e., VW settlement) be used towards the applicant's mandatory cost share?*

Answer: No. Settlement funds (i.e., VW settlement) cannot be used towards the applicant's mandatory cost share.

Date Posted: 10/5/2017

E.ii.3: *What are the requirements you must follow after the grant is awarded?*

Answer: Grant recipients are subject to all applicable Terms and Conditions of the award, including reporting requirements and all applicable federal grant regulations and policies. You may review the General Grant Terms and Conditions here: www.epa.gov/grants/epa-general-terms-and-conditions-effective-october-2-2017-or-later.

You may review the FY2017 National Clean Diesel Programmatic Terms and Conditions here (Please note that these are for the 2017 National Program, not the FY18 Tribal Program. The FY18 Tribal Terms and Conditions will differ regarding project eligibility and cost-share requirements but are otherwise largely the same): www.epa.gov/grants/fy2017-national-clean-diesel-diesel-emissions-reduction-act-programmatic-terms-and-conditions. EPA Policies for Grant Recipients may be found here: www.epa.gov/grants/epa-policies-epa-grant-recipients.

Date Posted: 10/26/2017

E.ii.4: *Will selected Tribes receive any type of additional financial incentives (for example, tax credits or donations) in addition to the grant awarded by EPA?*

Answer: Selected applicants will receive federal financial assistance from EPA in the form of a Cooperative Agreement. EPA does not offer additional financial incentives to Tribes awarded a grant through this funding opportunity. Any available federal, state, or local tax credits or financial incentives are outside the scope of the agreement with EPA.

Date Posted: 10/26/2017

E.ii.5: *What steps must successful applicants take in order to receive their award?*

Answer: Once notified of initial selection, selected applicants will need to prepare and submit the following forms: EPA Form 4700-4 "Preaward Compliance Review Report for All Applicants and Recipients Requesting Federal Assistance"; EPA Form 5700-54 "Key Contacts Form"; EPA Form 6600-06 "Certification Regarding Lobbying"; SF-LLL "Disclosure of Lobbying Activities"; and EPA Form 6600-09 "EPA Administrative Capability Questionnaire", as applicable.

If project negotiations result in partial funding and/or budget revisions, the applicant may be required to submit revised SF 424 forms and a revised workplan.

Grantee forms may be found here: www.epa.gov/grants/epa-grantee-forms.

Date Posted: 10/26/2017

E.ii.6: *How can VW beneficiaries use funds towards the Tribal grant?*

Answer: Tribes have 90 days from when the VW Trust becomes effective (until January 2, 2018) to submit their Certification for Beneficiary Status along with their Beneficiary Eligible Mitigation Action Certification. Should they choose EMA 10 (the DERA Option), tribal entities can use trust funds as non-federal voluntary matching funds under EPA's Tribal Clean Diesel Competitive Funding Assistance Program. If Tribes miss the January 2, 2018, VW deadline, tribal entities will not be able to use VW funds for the current Tribal competitive grant cycle. However, tribal entities will have additional opportunities to submit a Beneficiary Eligible Mitigation Action Certification for VW beneficiary funds by September 1 for each year trust funds are available over a 6-10 year period. For more information, see www.epa.gov/cleandiesel/vw-dera-option-tribes-supporting-documents.

Date Posted: 11/2/2017

E.ii.7: *What is the difference between non-federal voluntary matching funds and the mandatory cost-share for the VW Mitigation Trust?*

Answer: Tribal entities can use VW Mitigation Trust funds as non-federal voluntary matching funds under EPA's Tribal Clean Diesel Competitive Funding Assistance Program. These voluntary matching funds could be used for expenses such as personnel and fringe benefits, travel, equipment, supplies, or contractors. DERA grantees cannot use VW Mitigation Trust funds towards their DERA mandatory cost-share. Further, VW Mitigation Trust Beneficiaries cannot use DERA funds to meet the cost-share requirements of the VW Mitigation Trust. For more information, see www.epa.gov/cleandiesel/vw-dera-option-tribes-supporting-documents.

Date Posted: 11/29/2017