

**SAN JOAQUIN VALLEY
AIR POLLUTION CONTROL DISTRICT**

**HEAVY-DUTY ENGINE INCENTIVE PROGRAM
SCHOOL BUS CNG TANK REPLACEMENT OPTION**

CNG TANK REPLACEMENT COMPONENTS

PROGRAM GUIDELINES

Section 1 – Introduction

The San Joaquin Valley Air Pollution Control District (SJVAPCD) is seeking applications to replace expired or expiring Compressed Natural Gas (CNG) tanks in school buses located within the San Joaquin Valley, according to the terms and conditions described herein.

These guidelines describe the policies and procedures of the School Bus CNG Tank Replacement Option of the Alternative Fuel Infrastructure Component of the Heavy-Duty Engine Incentive Program. The contents of this document are subject to modification. Any significant program modifications will be sent to recipients of the CNG Tank Replacement Program mailing list and will be placed on the SJVAPCD's website. Applicants are responsible for complying with all information contained in this document and proposals must adhere to all requirements.

For additional information, assistance, or to receive application materials, please contact:

**San Joaquin Valley Air Pollution Control District
Strategies and Incentives
1990 East Gettysburg Avenue
Fresno, CA 93726-0244**

You may also contact us by phone, email, or visit our website:

(559) 230-5800
weberip@valleyair.org
www.valleyair.org

Section 2 – Eligible Projects

The CNG Tank Replacement Option provides funding to help offset the cost of replacing CNG tanks in qualifying school buses that are located within the boundaries of the SJVAPCD.

The criteria for eligible projects are as follows:

- Public school districts in San Joaquin Valley that own their buses are eligible to receive funding for the replacement of the CNG tanks. Where a Joint Power Authorities (JPA) has been formed by several public school districts, and the JPA holds ownership of the school buses, then the JPA is also eligible to participate.
 - School transportation contractors are not eligible to apply for CNG tank replacement funds. Also, school buses owned by non-profit agencies, private schools, and other private companies are not eligible for program funding.
- School buses currently registered and in operation transporting children to and from school that are located in the SJVAPCD.
- School buses must be model year 1992 or newer.
- School buses must have a Gross Vehicle Weight Rating (GVWR) of at least 10,001 lbs.
- CNG tank certification must be expiring within eighteen (18) months of application submission.

PROJECT AWARDS

- The maximum amount of funding available will be 90% of the total eligible cost as submitted on the quote provided with the application.
- Funds will be awarded on a first-come, first-served basis until funds are depleted
- Projects are awarded through a non-competitive selection process.
- Funding is issued as a reimbursement upon submittal of a properly verified claim for payment that demonstrates that the CNG tank purchase and installation is complete.

Section 3 – Program Application Process

The application and program participation process is as follows:

- Application is submitted to the SJVAPCD.. Only original signed applications will be accepted. Faxed or emailed copies of the application will not be accepted.

- The application is reviewed by SJVAPCD staff for completeness within ten (10) working days of receipt of the application. If the application is incomplete, the applicant will be notified in writing with an explanation of areas in which the application is inadequate or incomplete. If the requested information is not returned within fourteen (14) calendar days from the date of the notification letter, the application will be rendered null and void. The applicant will be required to re-submit an application for consideration.
- Complete applications will be reviewed to determine that program criteria and requirements have been met.
- Applicant will be notified of application approval or denial within sixty (60) days after a completed application is submitted.
- Upon approval of the application, the SJVAPCD will prepare a contract for signature by the applicant and the SJVAPCD. The contract process may take several weeks to complete. After SJVAPCD approval and signature, the applicant will be mailed a final **executed** contract. **Applicant cannot purchase, take possession, or make a down payment on the new CNG tanks until he/she has received an executed contract from the SJVAPCD with authorized signatures.**
- Applicant completes purchase and installation of replacement CNG tanks within the timeline indicated in the contract.
- Applicant then submits invoices, insurance documents, and SJVAPCD Claim for Payment form for grant reimbursement. The SJVAPCD will review the information for completeness and compliance with all contract requirements.
- Payment will be issued upon verification by means of a SJVAPCD staff site visit (post-monitoring inspection) that the replacement CNG tanks have been installed in the appropriate buses and the buses are operating.
- Applicant submits annual reports to be provided by the SJVAPCD approximately one year from the invoice date of the CNG replacement tanks. The SJVAPCD maintains the right to monitor and audit the project for the full term of the agreement.

Section 4 – Program Requirements

Successful project applicants must enter into a contract with the SJVAPCD setting forth specific performance criteria to ensure compliance with statute and audit requirements. It will also include reporting requirements by the applicant. Contract preparation will begin immediately upon SJVAPCD approval of a project. The following elements are set forth as program requirements:

- School bus must be currently in-use and based within the geographic area of the SJVAPCD. (See map in Section 6.)

- The school district shall submit annual reports for five (5) years from the date the CNG tank replacement was invoiced. The reports shall include such information as vehicle miles traveled, fuel consumed, and details regarding maintenance.
- The incentive amount will cover the purchase and installation of the CNG tank and not exceed 90% of the total cost.
- The school district shall submit the current copy of the CHP Inspection Approval Certificate (CHP form 292) for each school bus that will have a CNG tank replaced.
- The school district shall submit an original Internal Revenue Service (IRS) Request for Taxpayer Identification Number and Certification Form W-9 (Form W-9).
 - The information entered into Section A of the application must be identical to the information on Form W-9, as this information will be used to generate all binding documents and be used to report incentive funding to the IRS.
 - A copy of the IRS Form W-9 can be downloaded at www.irs.gov or by calling 1-800-829-3676.
- The school district agrees that if the school bus does not complete the minimum five (5) year term set forth in this program, a pro-rated portion of the funds may be requested to be returned to the SJVAPCD.
- Quotes from vendor(s) and/or installer(s) will be required to be submitted with the application showing the total project costs and vendor(s)/installer(s) to be used for the project. The SJVAPCD has the discretion to question or deny claims for payment that report cost information different than that contained in these project quotes.
- The school district shall submit evidence of applicable insurance coverage, prior to reimbursement by the SJVAPCD.
- The school district shall contact the CHP for a safety inspection of the school bus CNG tank installation before the vehicle is returned to service and submit a copy of a complete CHP form 343 – Safety Compliance Report/Terminal Record Update, or a copy of a completed CHP form 343A – Vehicle/Equipment Inspection Report Motor Carrier Safety Operations.
- The school district shall submit a Resolution from the school district governing board (or a duly authorized official with authority to make financial decisions) authorizing the submittal of the application and identifying the individual authorized to implement the school bus replacement project.
- The school district agrees that criteria and requirements may be reviewed, as new information becomes available, and can be revised at the discretion of the Executive Director/Air Pollution Control Officer as needed.

CONTRACT EXTENSIONS

The SJVAPCD Executive Director/Air Pollution Control Officer has discretion in approving contract amendments. However, contract extensions will not be granted unless the school

district can prove difficulties in procurement of retrofit or infrastructure due to factors out of their control.

Section 5 – Claims for Payment

A program-specific Payment Procedures document will be sent with the executed contract outlining reimbursement procedures. Prior to the disbursement of any grant funds, the grantee must provide the SJVAPCD with the following claim documents for verification:

- **SJVAPCD CNG Tank Replacement Program Claim for Payment Form.** This form is included in the Payment Procedures document that will be mailed upon successful contract execution. Please sign and date this form in blue ink. The signing authority must be the person authorized in the contract as the person who can act on all fiscal matters on behalf of the funded agency or entity.
- **Invoices.** Include copies of all final invoices or receipts related to the purchase. The SJVAPCD may require additional proof of payment (purchase orders, cancelled checks) upon request.
- **CHP 343 (Safety Compliance Report/Terminal Record Update) or CHP 343A (Vehicle/Equipment Inspection Report Motor Carrier Safety Operations Form).** Safety certification inspection documentation provided by the California Highway Patrol indicating the CNG bus is safe to transport students.
- **Proof of Insurance.** Include verification of all insurance requirements identified in the contract.

NOTE: The SJVAPCD's CNG Tank Replacement Program is not a rebate program. Applicants must obtain approval and have a signed, executed contract from the SJVAPCD prior to purchase and installation of the CNG tank. Any CNG tanks purchased and installed prior to contract execution are ineligible and will not be reimbursed.

Section 6 – Map of the SJVAPCD

