



ENERGY AND
ENVIRONMENT CABINET

Request for Proposals
for the
Kentucky DERA State Grant Program
Previously called **Kentucky Clean Diesel Grant**
Program

Issued by:
Kentucky Division for Air Quality
October 2, 2023

Project Proposal Deadline:
November 3, 2023

Submit completed proposals electronically to:

Joan Luther
joan.luther@ky.gov

Summary

The Kentucky Division for Air Quality (DAQ) announces the availability of funds and solicits proposals for projects to implement diesel emissions reduction strategies in Kentucky's diesel school bus fleets. A total of \$353,250 is available through this program. This competitive funding opportunity is open to all public school districts and private schools located in the state of Kentucky.

Background

It is the mission of the Kentucky DAQ to protect human health and the environment by achieving and maintaining acceptable air quality. This grant program will adhere to DAQ's mission by helping to reduce the public's direct exposure to diesel emissions as well as assist in the effort to attain and maintain the federal ambient air quality standards.

Diesel engines are one of the largest sources of fine particulate matter (PM_{2.5}) in the United States, and additionally emit ozone-forming nitrogen oxides (NO_x) and toxic air pollutants. Children, with their growing lungs, faster respiratory rates, and close proximity to diesel school buses, are especially susceptible to the health effects of diesel exhaust.

Projects funded through this grant program will assist in achieving emission reductions in the state's school bus fleet and will thereby reduce the health risks to school children as a result of exposure to harmful diesel emissions.

Funding

This funding was made possible through a grant from the U.S. Environmental Protection Agency's (EPA) State Clean Diesel Grant Program. DAQ applied for funds through this program and has been awarded \$353,250 to administer through the 2023 Kentucky DERA State Grant Program.

As required by EPA, DAQ will assist grant recipients by reimbursing up to 25% of the total cost of the purchase of a new school bus. A financial match from the school district is required for all projects. The difference between the total cost of the project and the amount the district is to be reimbursed will be considered the school district's match amount. Funding requests must fall within the eligible funding of 25% of the cost per proposal. To be considered for an award, school districts must order the new school bus(es) **AFTER** notice of an award is made and Memorandum of Agreements have been signed by the Energy and Environment Cabinet (EEC) and approved by the Finance Cabinet. Proposals which request DAQ assistance in excess of the applicable amount specified are not eligible and will not be reviewed. **This is a reimbursement program.** School districts that receive an award under this RFP must pay the vendor for the entire project. After all requirements are verified, DAQ will reimburse the school for the amount agreed upon and stated

in the resulting contract. Please refer to the following example to calculate the reimbursement amount:

- **Example: Replacement School Bus**

Total cost of bus paid by school district: \$95,000

25% Award maximum from DAQ: $.25 \times \$95,000 = \$23,750.00$

75% Match required from district: $.75 \times \$95,000 = \$71,250.00$

This funding may only be used to fund the eligible diesel emission reduction solutions described below. DAQ will not fund additional project costs, such as administrative costs. Awards made through this grant program may not be used by the applicant to make sub-awards or fund partnerships. Funds received must be utilized directly by the applying party.

Eligible Entities

Under this solicitation, any public school district or private school located in the Commonwealth of Kentucky that owns and operates its own eligible school bus fleet is eligible to apply for funding through this grant program.

Eligible Vehicles

A single proposal may target multiple buses in that district's fleet. Projects shall include diesel emissions reduction solutions from the following vehicles:

- **School buses**

- **Model years 2009 and older**

- To be eligible as a school bus, a vehicle should meet the definition of a school bus as defined by the National Highway Transportation Safety Administration. This definition includes but is not limited to:

- A school bus that is used for the purposes that includes carrying students to and from school on a regular basis;
- Be identified with the words "School Bus"; and
- Be painted National School Bus Glossy Yellow.

Eligible Diesel Emission Reduction Solutions

Projects funded through this grant program must include school bus replacement.

Eligible diesel emission reduction solutions include:

- Certified Vehicle Replacement – the school bus must be powered by an engine certified by EPA
 - EPA’s annual certification data for vehicles and engines may be found at: www.epa.gov/compliance-and-fuel-economy-data/annual-certification-data-vehicles-engines-and-equipment.
 - DAQ will reimburse the cost of a newer, cleaner vehicle powered by a 2021 or newer model year diesel engine or alternative fuel school bus, up to 25% of the cost of an eligible replacement vehicle.
 - The school bus must be ordered by the school district **AFTER** notice of an award is made and Memorandum of Agreements have been signed by EEC and approved by the Finance Cabinet.
 - To be considered a replacement, the vehicle being replaced must be scrapped or rendered permanently disabled within ninety (90) days of being replaced and no later than September 16, 2024.

School Bus Replacement per EPA

School bus early replacements must meet the following criteria per EPA:

- Diesel powered school buses with engine model years 2009 and older are eligible for funding.
- The old bus to be replaced must be diesel powered and expected to be in active use for at least **three (3)** more years at the time of replacement. Remaining life is the school district’s estimate of the number of years until the bus would have been retired from service if the bus were not being replaced and scrapped because of the grant funding. The remaining life estimate is the number of years of operation remaining even if the bus 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 replacement, as well as things like usage, maintenance, and climate. The purpose of the project is to remove an older bus still in use and replace it with a new, less-polluting bus.
- The existing bus must have accumulated at least 7,000 miles each year during the two years prior to the replacement.
- New replacement buses that use alternative fuels are eligible for funding in addition to buses that are diesel powered.
- The bus to be replaced must currently be in use as part of normal fleet operations to carry students on **daily** routes to and from school. The existing bus must be fully operational. The new bus must be used for the same purpose as the old bus it will replace.

- The school district must currently own and operate the existing bus and have owned and operated the vehicle during the two years prior to the replacement.
- Eligible school buses include diesel powered school buses of Type A, B, C, and D. To be eligible as a school bus, a vehicle should meet the definition of a school bus as outlined above under Eligible Vehicles.
- The new bus must be equipped with an EPA-certified engine configuration that meets the latest EPA emission standards. EPA's annual certification data for vehicles and engines may be found at: www.epa.gov/compliance-and-fuel-economy-data/annual-certification-data-vehicles-engines-and-equipment.
- The goal of this project is to reduce diesel emissions from diesel fleets. Destruction of the old bus is required.

Destruction of the old bus engine and chassis:

- This program requires that the bus being replaced be destroyed at the end of the project. One of the following methods for destroying the engine should be conducted. 1) A large hole, at least three inches across, that leaves no room for doubt that the engine is indeed destroyed, must be cut through the engine block (the part of the engine containing the cylinders). Or, 2) A solution of sodium silicate/ water should be poured into the engine and allowed to run through the engine until it locks up.
- The chassis of the vehicle being replaced must be disabled by cutting through the frame on each side at a point located between the front and rear axles to assure that it will not be resold to another consumer.
- The destroyed engine and/or chassis may be sold as scrap. Any payment received for scrap can be applied toward the school's match amount. The amount of the payment must be reported to DAQ, but will not affect the amount of the award to the school district.
- Equipment and vehicle components that are not part of the engine or chassis (e.g. plow blades, shovels, seats, wheels and tires, mirrors, windows etc.) may be salvaged from the unit being replaced and kept by the school district for use on other buses.
- Photographic and video evidence of destruction of the engine and chassis is required as part of the verification process and must be performed by Kentucky DAQ staff.

Project Selection Criteria

Only those proposals that meet the threshold criteria of this RFP will be evaluated according to the criteria set forth below. Each proposal will be rated under a points system based on a total of 500 points possible. Applications for funding will be scored by assessing how well the project meets the following criteria:

- School districts located in areas of the state in current or previous ozone and particulate matter standard nonattainment areas, as well as areas identified by EPA as National Air Toxics Assessments areas of concern, will be granted priority over those located in attainment areas. [150 points]
- Proposals that achieve the most cost-effective emission reduction strategies (cost per ton of emissions reduced per dollar of grant funds invested). Cost-effectiveness is based on applicant provided information using the EPA software tool, the Diesel Emissions Quantifier <https://cfpub.epa.gov/quantifier/index.cfm?action=main.home>. [125 points]
- Proposals that achieve the most emissions reductions. Emission reduction calculation is based on applicant provided information. [125 points]
- Applicant's commitment to idle reduction practices or policies within their organization. For more information about idle reduction, please visit [School Bus Idle Reduction | US EPA](#) [75 points]
- The applicant's staff expertise and ability to successfully manage the grant and implement the proposed project. [25 points]

Project Selection Process

Awards will be made on a competitive basis. **Only complete applications submitted by the application deadline will be considered.** A review committee consisting of DAQ staff will review each proposal and will assign points to each proposal based on the criteria described above. Proposals will then be ranked and funding recommendations made according to ranking.

DAQ reserves the right to reject any or all proposals or to make fewer awards than anticipated. In appropriate circumstances, DAQ reserves the right to partially fund proposals by funding portions of proposed projects. If DAQ decides to partially fund a project, it will do so in a manner that does not prejudice any applicants or affect the basis upon which the proposal, or portion thereof, was

evaluated and selected for award, thereby maintaining the integrity of the competition and selection process.

Important Dates

All grant work must adhere to the timeline detailed below, and all selected applicants must be able to complete their projects no later than **September 16, 2024**.

Grant Timeline	
October 2, 2023	RFP opens
November 3, 2023	Grant proposals due
December 1, 2023	Complete grant proposal selection
February 9, 2024	Contracts drafted and signed
February 16, 2024	Announcement of awards
June 30, 2024	March – May Progress Report due
September 16, 2024	Project completion deadline – Final Report, Invoices, and Certificate of Destruction Due

Proposal Format

Applicants can download all grant information and application forms from DAQ’s website at <https://eec.ky.gov/Environmental-Protection/Air/Pages/Clean-Diesel-Grant-Program.aspx>. To obtain a hard copy of materials, please contact Joan Luther at 502-782-6691 or joan.luther@ky.gov.

The proposal package ***must*** include the following materials:

- Completed Project Narrative (See Appendix 1)
- Fleet Description (See Appendix 2)
- Eligibility Statement (See Appendix 3)
- Complete Diesel Emissions Quantifier results using EPA’s online tool: (<https://cfpub.epa.gov/quantifier/index.cfm?action=main.home>)

Optional attachments may include:

- Fleet assessment documentation
- Verified/certified technology certificates
- Résumés for all project officers and key personnel
- Letters of Support from your organization’s upper management

Proposal Submittal

The closing date for receipt of proposals is **November 3, 2023**. All submissions must be received by DAQ by 4:30 p.m. EST on this date in order to be considered for funding.

Project proposals must be submitted electronically in their original formats (Word format for the Project Narrative and Excel format for the Fleet Description). Optional attachments may be scanned and emailed in conjunction with submittal of other application materials.

All materials should be submitted to Joan Luther at joan.luther@ky.gov by the application deadline. If you are having trouble submitting electronically, please contact Mrs. Luther at (502) 782-6691 to discuss alternative methods of submittal, which may be accepted under certain circumstances with prior approval.

Appendix 1: Project Narrative Template

Appendix 2: Fleet Description Template

Appendix 3: Eligibility Statement Template