South Dakota
Department of Environment
and Natural Resources
523 E Capitol
Pierre, SD 57501

STATE CLEAN DIESEL GRANT PROGRAM

Guidelines and Grant Applications
Round Four

Application Deadline:

November 18, 2011 – 5:00 PM

This program is funded through the United States
Environmental Protection Agency State Clean Diesel Grant

Section 1 – Introduction

The primary goal of the South Dakota Clean Diesel Grant Program (Program) is to reduce school children's exposure to fine particulate and smog-forming pollution. The South Dakota Department of Environment and Natural Resources (DENR) provides the grant funding and administers the Program. The Program provides grant funds to help purchase new school buses that replace older in-use higher emitting diesel buses and to retrofit mid-age in-use diesel school buses with exhaust controls to reduce diesel particulate matter emissions.

DENR will provide State Clean Diesel Grant funding for the following:

- **To provide at least 25% funding to help purchase a 2010 or newer diesel fueled or alternative-fueled lower-emission school bus to replace an older in-use diesel school bus.**
- **To provide 100% funding for the purchase and installation of an Environmental Protection Agency/California Air Resources Board (EPA/CARB) verified diesel oxidation catalyst (DOC) exhaust control on middle-aged in-use diesel school buses.**

Program information will be posted on the Clean Diesel Grant Program website at http://denr.sd.gov/des/aq/aadera.aspx . For additional information, please contact: **South Dakota's Clean Diesel Program** at 1-800-GET-DENR (1-800-438-3367) or barb.regynski@state.sd.us .

Section 2 – Background

While South Dakota's air quality is cleaner than many states and currently meets the federal National Ambient Air Quality Standards, reducing emissions from diesel engines is one of the most important air quality challenges facing the country. The South Dakota program will provide grant funding to help school districts purchase new public school buses to replace old, high-emitting public school buses and retrofit middle-age in-use diesel school buses with exhaust controls.

School buses are a safe and effective way to transport children to and from school, but they emit pollution. According to the Environmental Protection Agency (EPA), exposure to school bus diesel exhaust, even at low levels, is a health hazard that can aggravate respiratory problems such as asthma and bronchitis and possibly increase the risk of lung damage. Asthma is currently the number one cause of missed school days for American children. According to the 2005 edition of "The Health Behaviors of South Dakotans", 11,348 children were at risk due to current asthma.

Children are especially vulnerable to the effects of diesel exhaust since their lungs are not yet fully developed, and they breathe twice as much air as adults per pound of body weight. Some children can spend an average of an hour per day on diesel powered buses, inhaling the mixture of pollutants. Diesel fuel contains 40 chemicals listed as hazardous air pollutants under the federal Clean Air Act. And, you don't have to ride the bus to breathe in these fumes. The air quality in and around schools is compromised by idling buses during morning and afternoon drop off and pick up, exposing not only students, but parents, teachers, administrators and bus drivers to unhealthy diesel emissions.

"The School Bus Pollution Report Card 2006", researched by the Union of Concerned Scientists and endorsed by the American Lung Association, found that the average South Dakota school bus ranked among the oldest and most-polluting in the country. There were about 1,670 public school buses operating in South Dakota. These school buses tended to be older vehicles operating on diesel engines that have significantly higher nitrogen oxides and particulate matter emission levels compared to current emission standards. The average bus in the state was 14 years old, with 63% of the fleet being over 10 years old. The state received a D for soot pollution and the lowest possible rankings for cleanup.

School buses, like all diesel-powered vehicles, pollute the air with harmful gases and particles. Installing diesel retrofits on school buses can decrease the amount of harmful pollution generated, helping to reduce the risk of asthma attacks, respiratory problems, and other diseases. This is especially important for children, whose developing lungs are particularly susceptible to diesel exhaust's damaging health effects.

South Dakota is generally not densely populated; therefore some school districts are rather large in size and cover many square miles. The major source of transportation to and from school for many students is school buses. Because of the size of some of the school districts, buses are operating many hours per year, and students spend many hours riding the buses every year. Replacing older buses and retrofitting mid-aged buses would be a health benefit to the students and to the environment by helping keep the air in South Dakota clean.

South Dakota's program objectives are to reduce diesel emissions and childhood exposure to harmful diesel exhaust, while maximizing school budgets.

Section 3 - Eligible Participants

For the bus replacements, any SD public school district that directly provides transportation services and has not received a replacement bus in round one, two, or three is eligible to participate. For school bus retrofits, eligibility includes any SD public school district or private contractor that directly provides transportation services for SD public schools.

Section 4 - Eligible Projects

LOWER-EMISSION SCHOOL BUS PROGRAM REPLACEMENT COMPONENT offers grant funding for the replacement of old, high-emitting diesel school buses. Only replacement school buses will be considered for funding. Fleet expansion school buses are not eligible for funding.

The eligibility criteria for existing school buses to be **replaced** are as follows:

- The existing school bus to be replaced must be an in-use diesel school bus owned by any South Dakota public school district that directly provides transportation services and has not received a replacement bus in round one, two, or three.
- The existing school bus should be disabled or scrapped within 60 days of receipt of the new bus.

The eligibility criteria for **new replacement** school buses are as follows:

- **School districts should receive the new bus by August 1, 2012.**
- New school buses with engines that use diesel, biodiesel, or an alternative fuel are eligible for funding if the new school bus meets or exceeds EPA's 2010 engine emission standards. Alternative-fueled school buses may be powered by natural gas, liquefied petroleum gas (LPG or propane), electricity, methanol, or ethanol fuels.

LOWER-EMISSION SCHOOL BUS PROGRAM RETROFIT COMPONENT offers grant funding for the purchase and installation of diesel emission control devices on eligible 1987 model year and newer school buses.

The eligibility criteria for existing school buses to be **retrofitted** are as follows:

- The existing school bus to be retrofitted must be a 1987 to2006 model year engine, in-use, diesel-fueled school bus.
- The existing school bus may be owned by any SD public school district or private contractor that directly provides transportation services for SD public schools.

The eligibility criteria for the **retrofit device** are as follows:

- The retrofit device will be an EPA/CARB verified diesel oxidation catalyst (DOC) exhaust control. DOCs use a chemical process to break down pollutants in the exhaust stream into less harmful components. DOCs can reduce emissions of particulate matter by 20%, hydrocarbon by 50% and carbon monoxide emissions by approximately 40%. Oxidation catalysts can be installed on any new or used bus, and run on regular diesel fuel. These technologies are safe and proven and do not compromise vehicle performance or raise difficult engine maintenance issues. More than 500,000 vehicles worldwide have already received similar retrofits.

Section 5 – Funding Amounts

- Approximately $300,000 is available for a school bus replacements and retrofits.
- Total award per approved school district for a replacement bus will be at least 25% of the purchase price and may be more depending on the number of successful applicants.
- DOC purchase and installation will be funded at 100%.

Section 6 – Project Awards

SCHOOL BUS REPLACEMENT

Awards will be limited to school districts not receiving a bus replacement during round one, two, or three. Preference will be given to the school districts that are also applying for exhaust control retrofit installation. Replacement eligibility of in-use diesel school buses is based on the model year of the school bus engine, where the oldest model year engine will be given preference.

School districts will enter into a written agreement with DENR and reimbursement funding is issued upon submittal of a Request for Reimbursement Form, evidence of final bus purchase price, and a Certificate of Disposal Form. DENR reserves the right to do on-site verification.

RETROFIT INSTALLATION

School districts or private contractors may request exhaust control retrofits for multiple buses. DENR will issue an Invitation for Bids (IFB) for the DOCs to include installation. After reviewing the bids, the IFB will be awarded and the DOCs ordered by DENR and installed by the selected vendor. Retrofit eligibility of in-use diesel school buses is based on the model year of the school bus engine, 1987 to 2006.

DENR will evaluate the applications. The vendor will make arrangements with the school for installation. The recipients will be called to verify that installation was completed. DENR reserves the right to do onsite verification of installation.

Section 7 – Tentative Schedule

Date	Activity
October 3, 2011	Call for Round Four Projects Opens
November 18, 2011	Call for Round Four Projects Deadline
November 18 – December 2, 2011	Evaluate & Select Round Four Projects
December 2, 2011	Announce Round Four Awarded Projects
December 2011 – August 2012	Schools will purchase buses and DENR will award DOC projects
September 2012	Deadline for all invoices and paperwork to be submitted to DENR

Section 8 – Program Application Process

The application and program participation process is as follows:

1. Program applications are attached to this document and are also available from the website at http://denr.sd.gov/des/aq/aadera.aspx

2. Applications must be submitted to DENR by 5:00 PM, November 18, 2011 to be considered for round four funding. Applications are to be submitted to DENR at:

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3. DENR will evaluate applications.

4. Applicant will be notified of application approval or denial.

5. Upon approval of the application, entities selected to receive grant funding will be required to execute an agreement with DENR.

Section 9 – Program Requirements

Successful project applicants must enter into an agreement with DENR setting forth specific performance criteria to ensure compliance with statutory and audit requirements. Agreement preparation will begin immediately upon DENR selection of a project. The agreement will include further details on complying

with program requirements. All services or work carried out under an agreement awarded as a result of this call for projects must be completed within the scope, time frames, and funding limitations specified by the agreement. Upon signature and execution of the agreement by DENR, a copy of the executed agreement will be returned to the applicant, at which time the grant will be considered awarded.

Replacement Bus Requirements

- The school district must submit an original Internal Revenue Service (IRS) Request for Taxpayer Identification Number and Certification Form W-9.
  - The information entered into the grant application must be identical to the information on Form W-9.
  - A copy of the IRS Form W-9 can be downloaded at www.irs.gov or by calling 1-800-829-3676.
- Purchase of new buses may not occur prior to both parties signing the agreement. Grants will be made on a reimbursement basis for eligible expenses incurred and paid by the grant recipient. A cost may not be considered incurred until the replacement bus has been received and accepted by the grant recipient.
- The school district verifies that the replacement activity would not have occurred without the financial assistance provided.
- Program funds must only be used to purchase a new school bus that is equipped with essential or standard equipment.
- The school district must submit a copy of the Division of Motor Vehicles registration or title for the school bus being replaced.
- The school district must insure that the replaced school bus is permanently disabled or scrapped and maintain documentation on how the replaced bus was permanently disabled or scrapped. This may include drilling a hole in the engine block or cutting the vehicle in half.
- Applicant submits a Request for Reimbursement Form, evidence of final bus purchase price, and a Certificate of Disposal Form. DENR will review the information for compliance with all grant requirements.
- Payment will be issued upon verification (documentation and/or DENR staff site visit).
- The school district agrees that program criteria and requirements may be reviewed, as new information becomes available, and can be revised at the discretion of DENR.
- DENR maintains the right to monitor the project periodically.

Retrofit Requirements

- The school districts must submit a copy of the Division of Motor Vehicles registration or title for the school buses being retrofitted.
- DENR will issue an IFB for the needed DOCs to include installation. After reviewing the bids, DENR will select a vendor. School districts do not pay anything to purchase and install these retrofits, because DENR will pay the vendors directly.

- The school districts will be notified of the selected vendor and will work directly with them to schedule the retrofit installation. School districts and vendors will have to arrange for mutually convenient dates and times for retrofit installations, but are strongly encouraged to complete the retrofit installation process as soon as possible and by September.
- After we receive the invoice, the recipients will be called to verify that installation was completed.

Section 10 - Verification Procedures

Any entity that receives School Bus Replacement/Retrofit Grant Program funds may be subject to a verification of each program or project funded. The verification may be conducted by staff from DENR. Grant documentation, records, and referenced materials must be available for review during monitoring visits.

Upon the completion of a verification, DENR will determine if the funds were used for the approved project and make the verification available to the applicant and to the public upon request.

If DENR determines that the funds were expended in a manner contrary to law or not in accordance with grant provisions, DENR will notify the grantee school district of the determination, and may, at its discretion, seek re-payment of funds misappropriated, spent for non-eligible activities, or otherwise inappropriately expended.

APPLICATION PACKET CHECKLIST
SCHOOL BUS REPLACEMENT

A complete application packet includes the following items:

- ❑ Completed **Application.**
- ❑ Completed **IRS Form W-9.**
- ❑ Copy of Department of Motor Vehicles **registration or title** for the school bus to be replaced.
- ❑ Dated and itemized dealer **quote** for replacement school bus.
  - The quote must provide a breakdown for the total cost of the new school bus.
- ❑ Applications must be submitted to DENR by 5:00 PM, November 18, 2011 to be considered for round four funding. Applications are to be submitted to DENR at:

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SCHOOL BUS REPLACEMENT APPLICATION

I. APPLICANT INFORMATION			
1	a. Applicant Name:		b. DUNS Number:
2	Applicant Address:		
3	a. City:	b. State:	c. Zip + 4:
4	a. Contact Name:	b. Contact Title:	
5	a. Contact Phone:	b. Contact Fax:	
6	Contact Email:		
7	Person with Contract Signing Authority:		
8	Number of School Buses in Fleet:		
9	Are You Applying for School Bus Retrofits: ☐ Yes ☐ No		
II. EXISTING SCHOOL BUS INFORMATION:			
1	School Bus Storage Address:		
2	a. City:		b. Zip Code:
3	School Bus Manufacturer:		
4	a. School Bus Model:		b. School Bus Model Year:
5	School Bus Type: ☐ Type C ☐ Type D		
6	Type of Fuel: ☐ Diesel ☐ CNG ☐ Propane ☐ Electric ☐ Other		
7	Estimated Annual Fuel Usage for this School Bus:		
8	a. Cumulative Mileage:	b. Estimated Annual Mileage:	
9	Gross Vehicle Weight Rating (GVWR):		
10	Vehicle License Number:		
11	Vehicle Identification Number (VIN):		
12	a. Engine Manufacturer:	b. Engine Model:	c. Engine Model Year:
13	Average Number of Riders:		
14	Average Vehicle Life (how long you usually keep your school buses):		
III. NEW REPLACEMENT SCHOOL BUS INFORMATION			
1	New School Bus Manufacturer:		
2	a. New School Bus Model:	b. New School Bus Model Year:	
3	School Bus Type: ☐ Type C ☐ Type D		
4	Type of Fuel: ☐ Diesel ☐ CNG ☐ Propane ☐ Electric ☐ Other		
5	Gross Vehicle Weight Rating (GVWR):		
6	a. Price of New School Bus:		
7	a. Estimated Purchase Order Date:	b. Estimated Date of Bus Delivery:	
8	a. Engine Manufacturer:	b. Engine Model:	c. Engine Model Year:
IV. SCRAPPING COMPANY/DISMANTLER INFORMATION			
1	Describe Method of Disposal of School Bus:		
2	Scrapping Company/Dismantler Name:		
3	Contact Name:		
4	Address:		
5	a. City:	b. State:	c. Zip Code:
6	a. Phone:	b. Fax:	
7	Email:		

SCHOOL BUS REPLACEMENT APPLICATION

V. SCHOOL BUS MANUFACTURER/DEALER INFORMATION			
1	School Bus Manufacturer/Dealer:		
2	Contact Name:		
3	Address:		
4	a. City:	b. State:	c. Zip Code:
5	a. Phone:	b. Fax:	
6	Email:		

VI. SCHOOL DISTRICT/ORGANIZATION CERTIFICATION	
I certify that to the best of my knowledge the information contained in this application and in the supplemental material is correct and complete. I certify that the funding requested satisfies the eligibility requirements for this Program as represented in the Program Description and related materials. I certify that I understand that the funding under this Program is subject to restrictions and other conditions listed in the Program Description.	
✓	The applicant will use the funding under this Program for the specific purposes defined in the Program Description.
✓	The applicant has received approval from the school board, or other governing body, to apply and make use of the funding under this program.
✓	The applicant will follow the school district's procedures to procure the products and services funded under this project.
✓	The applicant agrees to complete scrappage of the bus being replaced.
✓	The applicant verifies that the replacement activity would not have occurred without the financial assistance provided.
I authorize DENR to make any necessary inquiries to verify the information that I have presented. I acknowledge that the information in this application is not confidential and may be released as required by the Program.	

Printed Name of Responsible Party:	Title:
Signature of Responsible Party:	Date:

Applications are to be submitted to DENR at:

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APPLICATION PACKET CHECKLIST
SCHOOL BUS RETROFIT

A complete application packet includes the following items:

- ❑ Completed **Application.**
- ❑ Copy of Department of Motor Vehicles **registration or title** for each school bus to receive exhaust control retrofit.
- ❑ Applications must be submitted to DENR by 5:00 PM, November 18, 2011 to be considered for round four funding. Applications are to be submitted to DENR at:

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SCHOOL BUS RETROFIT APPLICATION

I. APPLICANT INFORMATION			
1	a. Applicant Name:		b. DUNS Number:
2	Applicant Address:		
3	a. City:	b. State:	c. Zip Code:
4	a. Contact Name:	b. Contact Title:	
5	a. Contact Phone:	b. Contact Fax:	
6	Contact Email:		
7	Person with Contract Signing Authority:		
8	Number of School Buses in Fleet:		
9	Number of School Buses You Would Like Retrofitted:		

II. EXISTING SCHOOL BUS INFORMATION: (additional vehicles can be added on next page of form)			
Complete this section for each vehicle proposed to be retrofitted: Vehicle _____ of _____			
1	School Bus Storage Address:		
2	a. City:		b. Zip Code:
3	School Bus Manufacturer:		
4	a. School Bus Model:		b. School Bus Model Year:
5	School Bus Type: ☐ Type C ☐ Type D		
6	Type of Fuel: ☐ Diesel ☐ CNG ☐ Propane ☐ Electric ☐ Other		
7	Estimated Annual Fuel Usage for this School Bus:		
8	a. Cumulative Mileage:	b. Estimated Annual Mileage:	
9	Gross Vehicle Weight Rating (GVWR):		
10	Vehicle License Number:		
11	Vehicle Identification Number (VIN):		
12	a. Engine Manufacturer:	b. Engine Model:	c. Engine Model Year:
13	Average Number of Riders:		
14	Average Vehicle Life (how long you usually keep your school buses):		

III. SCHOOL DISTRICT/ORGANIZATION CERTIFICATION	
I certify that to the best of my knowledge the information contained in this application and in the supplemental material is correct and complete. I certify that the funding requested satisfies the eligibility requirements for this Program as represented in the Program Description and related materials. I certify that I understand that the funding under this Program is subject to restrictions and other conditions listed in the Program Description.	
✓	The applicant has received approval from the school board, or other governing body, to apply and make use of the funding under this program.
I authorize DENR to make any necessary inquiries to verify the information that I have presented. I acknowledge that the information in this application is not confidential and may be released as required by the Program.	
Printed Name of Responsible Party:	Title:
Signature of Responsible Party:	Date:

Applications are to be submitted to DENR at:

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SCHOOL BUS RETROFIT APPLICATION
ADDITIONAL VEHICLE SHEET

Multiple copies of this page may be needed to provide the information for all of the vehicles proposed to be retrofitted

Applicant Name:

II. EXISTING SCHOOL BUS INFORMATION:			
Complete this section for each vehicle proposed to be retrofitted: Vehicle _____ of _____			
1	School Bus Storage Address:		
2	a. City:		b. Zip Code:
3	School Bus Manufacturer:		
4	a. School Bus Model:		b. School Bus Model Year:
5	School Bus Type: ☐ Type C ☐ Type D		
6	Type of Fuel: ☐ Diesel ☐ CNG ☐ Propane ☐ Electric ☐ Other		
7	Estimated Annual Fuel Usage for this School Bus:		
8	a. Cumulative Mileage:	b. Estimated Annual Mileage:	
9	Gross Vehicle Weight Rating (GVWR):		
10	Vehicle License Number:		
11	Vehicle Identification Number (VIN):		
12	a. Engine Manufacturer:	b. Engine Model:	c. Engine Model Year:
13	Average Number of Riders:		
14	Average Vehicle Life (how long you usually keep your school buses):		

II. EXISTING SCHOOL BUS INFORMATION:			
Complete this section for each vehicle proposed to be retrofitted: Vehicle _____ of _____			
1	School Bus Storage Address:		
2	a. City:		b. Zip Code:
3	School Bus Manufacturer:		
4	a. School Bus Model:		b. School Bus Model Year:
5	School Bus Type: ☐ Type C ☐ Type D		
6	Type of Fuel: ☐ Diesel ☐ CNG ☐ Propane ☐ Electric ☐ Other		
7	Estimated Annual Fuel Usage for this School Bus:		
8	a. Cumulative Mileage:	b. Estimated Annual Mileage:	
9	Gross Vehicle Weight Rating (GVWR):		
10	Vehicle License Number:		
11	Vehicle Identification Number (VIN):		
12	a. Engine Manufacturer:	b. Engine Model:	c. Engine Model Year:
13	Average Number of Riders:		
14	Average Vehicle Life (how long you usually keep your school buses):		

Request for Reimbursement Form

Name of School District: _____

***Instructions**:* Fill in the information below to summarize the Reimbursement Request.

Reimbursement Summary

Final Purchase Price of Bus	$
Reimbursable Amount (not to exceed awarded amount) = Final Purchase Price X percentage from award	$
*Program Income from Salvage/Scrappage	__ $
Total Reimbursement Amount	$

*If scrapped or salvaged engines/vehicles are to be sold, program income requirements apply.

- Please attach evidence of final bus purchase price such as a copy of the dealer invoice, receipt, or canceled check
- Please attach Certificate of Disposal

Requests are to be submitted to DENR at:

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CERTIFICATE OF DISPOSAL

The Certificate of Disposal is required to be signed by the school district's authorized agent or superintendent and by the scrapping company/dismantler or dealer (if bus being replaced is traded in) and returned along with the request for reimbursement.

Any successful grant recipient may use a school bus as a trade-in, provided the dealer can provide proof that the requirements will be followed and applied to the school bus that is being traded in by the school district. The EPA requires that the engine being replaced must be scrapped, remanufactured by an original engine manufacturer to meet 2010 EPA emission standards or rendered permanently disabled. Drilling a hole in the engine block and manifold while retaining possession of the engine is an acceptable scrapping method.

Please identify the bus/bus engine being disposed. Please identify if the bus/bus engine is being scrapped, the remanufacture method or other method of disposal.

Bus Manufacturer	**Bus Model**	**Bus Year**	**Bus VIN**
Engine Manufacturer	**Engine Model**	**Engine Year**	**Engine Serial Number**
***Disposal Method**			

*Please provide a "specific" description of the disposal method for the bus listed above.

If scrapped or salvaged engines/vehicles are to be sold, program income requirements apply.

If this applies, what is the amount of program income? $_____

Signatures below certify that that the scrappage/remanufacture/disposal methods meet the EPA requirements. This form must be returned with the request for reimbursement form.

Name of School District _____

_____ _____

Superintendent/Authorized Agent - Signature Scrapping Company/Dismantler/Dealer – Signature

Date _____ Date _____