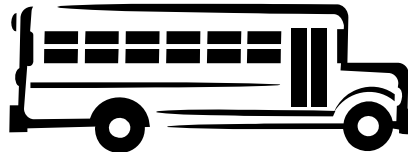


State of North Dakota
Department of Public Instruction
600 E Boulevard Avenue
Bismarck, ND 58505

STATE CLEAN DIESEL GRANT
Grant Application and Guidelines



Application Deadline:

January 30, 2009

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

1. INTRODUCTION

The Department of Public Instruction (DPI) is pleased to release the grant application guidelines to Regional Educational Associations (REAs) and school districts to apply for funding from the State Clean Diesel Grant. The State Clean Diesel Grant will provide funding to selected REAs and school districts for the purchase of new low emission school buses in order to reduce the exposure of children to school bus diesel exhaust. This funding is made available through a sub-award to the Department of Public Instruction from the North Dakota Department of Health (NDDoH) through a US Environmental Protection Agency (EPA) grant for State Clean Diesel Emissions Reduction.

The Department of Public Instruction estimates that 40,000 North Dakota children ride school buses to and from school every day. Recent studies by EPA suggest that school bus commutes potentially expose children to significantly higher concentrations of pollutants than what is measured in the community's outdoor air. Statistics show that school buses are the safest way to transport children and we want to ensure that school buses are also the cleanest way to transport children.

According to EPA, older buses can produce as much as sixty (60) times the pollution as a new school bus. About one-third of the school buses in use in the U.S. were manufactured before 1990 and the remaining two-thirds of school buses were manufactured between 1990 and 2006. Beginning in 2007, new heavy-duty vehicles such as school buses will be significantly cleaner than those with engines manufactured in prior years due to new emissions standards. However, diesel engines are durable and long lasting and it will take a long time for new vehicles to replace the heavy-duty buses currently on the road.

North Dakota's State Clean Diesel Grant targets **buses of model years 1994-2006**, because these are likely to be on the road for a number of years to come. Buses must travel at least **5,000 miles per year** to be eligible for these grant funds. The purchase of new school buses with cleaner burning engines will replace older buses, thus resulting in fewer emissions.

Additional information regarding health effects research, please consult the US EPA's Health Assessment Document for Diesel Engine Exhaust at <http://cfpub.epa.gov/ncea/cfm/recordisplay.cfm?deid=29060>.

2. GRANT APPLICATION AND GUIDELINES

DEADLINES AND REVIEW DATES

Application materials must be submitted in hard copy (paper) or electronically to the address below by 5:00 p.m. by January 30, 2009. *Faxed copies will not be permitted.* Please direct all inquiries regarding the State Clean Diesel Grant to School Organization and Special Projects at 701-328-2267.

Department of Public Instruction
State Clean Diesel Grant Application
School Organization & Special Projects
600 E Boulevard Avenue, Dept. 201
Bismarck, ND 58505-0440
E-mail: rvmarthaller@nd.gov

Applicants submitting their proposals must provide one (1) original copy with an original signature from the REA authorized agent or school district superintendent and additional two copies (3 copies total) for those submitting in paper. Electronic applicants **must** follow-up with a signed original copy by the authorized agent or school superintendent.

Applicants assume the risk of the method of delivery chosen. The State assumes no responsibility for delays caused by any delivery service. Postmarking by the due date will not substitute for actual proposal received by the State.

Award will not begin until the dates indicated on the schedule of events. Reimbursement will not be made to a REA or school district for equipment purchased prior to execution of the grant contract. Please see schedule of events as follows:

| Schedule of Events | |
|---------------------------|---|
| Application Deadline | January 30, 2009 – 5:00 p.m. |
| Grant Evaluation Process | Approximately February 2, 2009 – February 20, 2009 |
| Intent to Award Issued | Approximately – February 27, 2009 |
| Grant Start Date | Approximately – March 9, 2009 |

Applications not meeting the deadline or those applications not in accordance with the application instructions will not be accepted or considered for funding.

ASSISTANCE TO APPLICANTS WITH A DISABILITY

Applicants with a disability that need an accommodation should contact the School Organization and Special Projects office prior to the deadline for receipt of proposals so that reasonable accommodations can be made.

ELIGIBILITY

Any one of the eight REAs (Rural Education Association) is encouraged to apply for the State Clean Diesel Grant, as well as any school district. We encourage all districts to work with/through an REA as much as possible. Districts not currently a member of a REA or districts that wish to apply on their own behalf, may do so.



GRANT AMOUNTS AND PROJECT DURATION

Grants will be awarded for new school buses that meet the 2007 emission standards at approximately 25% of the total cost of a new bus with the total reimbursement grant award not to exceed \$20,000.00. Bus purchases must be completed by September 1, 2009.

SCRAPPAGE

The following requirements apply for vehicle and/or engine replacement or re-power as part of this grant. The vehicle (school bus), engine or equipment being replaced will be scrapped, or the replaced engine will be returned to the original engine manufacturer for remanufacturing to a cleaner standard. The replacement (new) vehicle, engine, or equipment will perform the same function as the school bus being scrapped and will be of the same type and similar gross vehicle weight rating or horsepower as the vehicle (school bus), engine or equipment being replaced. Emission reductions that result from vehicle (school bus), engine or equipment replacements that would have occurred through normal attrition and prior to 1994 are considered to be the result of normal fleet turnover and are not eligible for funding under this program. The purchase of new school buses to expand a fleet is not covered by this program.

Furthermore, for engine re-powers, EPA requires that the engine being replaced must be scrapped, remanufactured by an original engine manufacturer to a cleaner emission standard or rendered permanently disabled. Drilling a hole in the engine block and manifold while retaining possession of the engine is an acceptable scrapping method.

To be considered a replacement, the REA/school district must submit *evidence/certification* of the bus being *scrapped*, which is required in the final report submitted to the Department of Public Instruction and the Department of Health.

Any successful grant recipient may use a school bus as a trade-in, *provided* the dealer can provide proof (Attachment A) that the requirements in the section will be followed and applied to the school bus that is being traded in by the REA/school district. A certificate of disposal is attached as Attachment A which will be required to be signed by the authorized agent, superintendent and/or dealer and returned to the Department of Public Instruction.

USE OF FUND RESTRICTIONS

The recipient agrees that funds under this award cannot be used for emissions reductions that are mandated under Federal, State or local law. This refers to when the mandate takes effect, not when it is passed.

GOOD FAITH EFFORTS

Pursuant to 40 CFR, Part 33, subpart C, Section 33.301 and Section 33.302 and 40 CFR, Part 33, Sections 33.502 and 33.503, the Department of Public Instruction and all sub-recipients agree to follow the good faith efforts whenever procuring equipment and to ensure that sub-recipients, loan recipients also comply. Records documenting compliance with the good faith efforts shall be retained.

3. SCOPE OF WORK

PROJECT DESCRIPTION

North Dakota's proposed project is to use the State Clean Diesel Grant funding to assist with the purchase of new school buses. The North Dakota Department of Health (NDDoH), Division of Air Quality (DAQ) is the recipient of the funding, and will sub-award funds to the North Dakota Department of Public Instruction (DPI).

North Dakota is one of only 14 states to comply with all federal ambient air quality standards. The air quality in North Dakota also meets all state ambient air quality standards. There were no sulfur dioxide, nitrogen dioxide, ozone or particulate matter exceedances of either the state or federal ambient air quality standards measured during 2006. North Dakota also has been designated in attainment for both the fine particulates and the 8-hour ozone standards.

The makeup of North Dakota's diesel fleet is a mix of road and off-road vehicles and equipment. The off-road vehicles and equipment in the state are considered fairly standard when compared to other agricultural states. The off-road vehicles and equipment consist of some construction related equipment as well as a significant amount of agricultural related vehicles and equipment. The make-up of the on-road vehicles would also be considered fairly standard for similar states. Another large portion of the on-road diesel fleet in North Dakota is school buses.

The Department of Public Instruction and the North Dakota Department of Health will work together to develop and implement this grant program to meet North Dakota state school transportation needs and goals relating to the reduction of diesel engine emissions.

EMISSIONS CONTROL TECHNOLOGIES

Certified engine configurations or verified technologies may be used for Emissions Control Projects funded by the recipient pursuant to this assistance agreement. Technologies are verified under EPA or California's Retrofit Verification Program. See <http://www.epa.gov/otaq/retrofit/retroverifieldlist.htm> for an updated list of EPA's verified technologies and <http://www.arb.ca.gov/diesel/verdev/vt/htm> for a list of CARB's verified technologies. Any question as to the preference of a retrofit technology, including engine replacement and repowers, should be directed to the Special Projects office at the Department of Public Instruction at 701-328-2267. Emerging technologies may also be used.



PROGRAM PRIORITIES

The State Clean Diesel Grant priorities are as follows:

- Maximize public health benefits
- Cost Effectiveness
- Examine distribution centers or community based multi-stakeholder collative process to reduce toxic emissions.
- Include a certified engine configuration or verified technology that has a long expected useful life
- Maximize the useful life of any certified engine configuration or verified technology used or funded by the eligible entity
- Conservation of diesel fuel
- Utilization of ultra low sulfur diesel fuel (15 parts per million of sulfur content)
- Sustainability

QUALITY ASSURANCE AND QUALITY CONTROL

The project will not involve environmentally related measurements or data generations that would need quality assurance and quality control plans and procedures as pursuant to 40 CFR 31.45. North Dakota currently does not have a vehicle emissions testing program. Therefore, it is not anticipated that North Dakota will make any environmentally related vehicle measurements as part of this grant project. The ambient air is already monitored by the NDDH, Division of Air Quality, and no additional measurements will be made as part of this grant project. North Dakota meets all state and federal ambient air standards, and any upgrades in the state's diesel fleet should only be an improvement upon the current conditions.

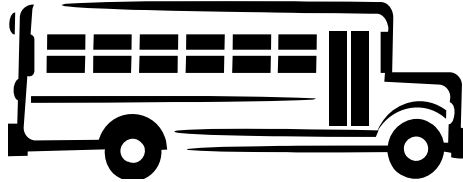
3. PROJECT BUDGET

As stated, the Department of Health (NDDoH) will sub-award funding to the Department of Public Instruction to purchase school buses meeting the 2007 emission standards. We estimate the total cost of a new bus is approximately \$80,000. Bus purchases will be 25% of the total cost of the bus with reimbursement not to exceed \$20,000.00.

Department of Public Instruction/Department of Health

State Clean Diesel Grant

Grant Program 2009 Application



For Office Use Only:

Application Number: _____ *Date Received:* _____

Section 1. Contact Information for REA/School District

Table 1-1. Please provide contact information for the REA/school district's Authorizing Agent (School Superintendent or person who is authorized to sign the grant contract on behalf of REA/school district).

| | |
|--|--|
| a. Full name of REA/School District: | |
| b. Federal Employer Identification Number (EIN): | |
| c. Street Address: | |
| d. City: | |
| e. State: | |
| f. Zip Code: | |
| g. County: | |
| h. Superintendent or Authorizing Agent for School District or REA: | |
| i. Authorizing Agent Phone Number: | |
| j. Authorizing Agent E-mail Address: | |

Table 1-2. Contact Information for Project Director (person who will oversee the purchase and implementation of the project).

| | |
|---|--|
| a. Project Director (Primary Contact): | |
| b. Title: | |
| c. Street Address: | |
| d. City: | |
| e. State: | |
| f. Zip Code: | |
| g. Phone: | |
| h. Fax: | |
| i. E-mail Address: | |
| j. Alternative or Additional Contacts (Name, Title, Phone, Email): | |

Table 1-3. Contact Information for REA/school district's Fiscal Agent (person who will prepare financial reports of grant expenditures)

| | |
|---|--|
| a. Fiscal Agent for School District: | |
| b. Title: | |
| c. Street Address: | |
| d. City: | |
| e. State: | |
| f. Zip Code: | |
| g. Phone: | |
| h. Fax: | |
| i. E-mail Address: | |
| j. Alternative or Additional Contacts (Name, Title, Phone, Email): | |

Section 2. Applicant Certification Statement

Instructions: Please have the Authorizing Agent or school superintendent read the Statement of Certification below and sign it in Table 2-1, row a. Hard (paper) copy versions of this application must include one copy with an original signature in Table 2-1, row a.; electronic submissions must submit an original signature of Table 2-1, row a.

Statement of 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 will not use funding under this Program to purchase hardware or services for which the school district has received, or will receive, payment from another source or under another program.
- The applicant will submit a closing activity and fiscal report to Department of Public Instruction upon completion of the project, and an interim progress report every six months for the duration of the project if required by the terms of the grant contract.
- The applicant will use only ultra-low sulfur diesel (ULSD) fuel in any new buses purchased under this program with diesel particulate filters or other pollution control equipment that requires ULSD fuel.
- 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 REA/school district's procedures to procure the products and services funded under this project. Applicants are encouraged to conduct competitive procurements, and to take advantage of equipment procurement opportunities offered through the State of North Dakota, State Procurement Office, if applicable. www.nd.gov/spo
- Where applicable, the applicant REA/school district is in compliance with the Federal Drug-Free Workplace Act of 1988 (41 USC Section 701, et seq.); state ethics laws and conflict of interest laws; and state regulations covering non-discrimination in hiring and affirmative action (ORC 125.111).

I authorize the Department of Public Instruction 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.

Table 2-1. Applicant Certification Signature

| | |
|--|--|
| a. Signature of REA/School District Superintendent or Authorizing Agent: | |
| b. Date: | |
| c. Name (<i>typed</i>): | |
| d. Title or relationship to applicant organization: | |
| e. Contact Information (<i>If different than the person identified in Table 1-1 of the Application</i>): | |

Section 3. Bus Data

Instructions for Completing Table 3-1. Please fill in one row of the table for each new school bus that is proposed to be purchased with funds from State Clean Diesel Grant as part of this application. Only include buses that will be purchased meeting the 2007 standards. For applicants that are combinations of more than one school district, the data in Table 3-1 should include all buses to be purchased with this grant, i.e., buses from all fleets combined. Please note that after the application deadline, any changes to the specific buses included in the grant project must be pre-approved by the Department of Public Instruction, School Organization and Special Projects.

Please fill in all columns for each of the new school buses that will purchased with funding from this grant. The columns should be filled in as follows:

- (a) **Bus Type:** (i.e., C or D. *Do not include any Type A or B buses*). Types of school buses are explained on the *School Transportation News* Web site, <http://www.stnonline.com/stn/faq/schoolbustypes.htm>
- (b) **GVWR:** Enter the vehicle’s Gross Vehicle Weight Rating.
- (c) **Bus Engine Manufacturer:** (e.g., Caterpillar, Cummins, Detroit Diesel, International, John Deere).
- (d) **Engine Model:** Enter the engine model name (e.g., 3406, C8.3, Series 50, or DT466).
- (e) **Annual Vehicle Miles Traveled:** Enter the estimated annual miles traveled by a bus in normal use. Buses that travel less than *5,000 miles per year* are not eligible for grant funds.
- (f) **Bus Location:** Identify the location of the bus (e.g., Main Street bus garage).

Table 3-1. New School Bus Data

| (a) Bus Identification Number | (b) Bus Type ("C" or "D") | (c) GVWR | (d) Bus Engine Manufactur er | (e) Engine Model Number | (f) Engine Model Year | (g) Annual Vehicle Miles Traveled | (h) Bus Location |
|-------------------------------------|------------------------------------|-------------|---------------------------------------|----------------------------------|--------------------------------|---|------------------------|
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |

The school bus being replaced *will be scrapped*. The replacement (new) school bus will perform the same function as the school bus being scrapped. The new school bus will be of the same type and similar gross vehicle weight rating or horsepower as the school bus being replaced.

Instructions for Completing Table 3-2. Please fill in one row of the table for each **OLD** school bus that is proposed to be scrapped. Please note that after the application deadline, any changes to the specific buses included in the grant project must be pre-approved by the Department of Public Instruction, School Organization and Special Projects.

Please fill in all columns for each of the **OLD** school buses that will be scrapped. The columns should be filled in as follows:

- (a) **Bus Type:** Types of school buses are explained on the *School Transportation News* Web site, <http://www.stnonline.com/stn/faq/schoolbustypes.htm>
- (b) **GVWR:** Enter the vehicle's Gross Vehicle Weight Rating.
- (c) **Bus Engine Manufacturer:** (e.g., Caterpillar, Cummins, Detroit Diesel, International, John Deere).
- (d) **Engine Model:** Enter the engine model name (e.g., 3406, C8.3, Series 50, or DT466).
- (e) **Bus Location:** Identify the location of the bus (e.g., Main Street bus garage).

Table 3-1. OLD School Bus Data

| (a) Bus Identification Number | (b) Bus Type ("C" or "D") | (c) GVWR | (d) Bus Engine Manufacturer | (e) Engine Model Number | (f) Engine Model Year | (g) Bus Location |
|-------------------------------------|------------------------------------|-------------|-----------------------------------|----------------------------------|--------------------------------|------------------------|
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |

School Bus – Scrapped

Please identify the model year, the estimated annual number of miles the bus was used, the vehicle identification number, the projected date the bus will be taken out of service and the method of disposal.

| Model Year | Miles Used / Year | VIN | Projected Out-of-Service Date | *Disposal Method |
|------------|-------------------|-----|-------------------------------|------------------|
| 1. | | | | |
| 2. | | | | |
| 3. | | | | |
| 4. | | | | |

*The bus taken out of service must be scrapped or retrofitted/remanufactured to meet 2007 emission standards. If the bus is "traded-in" the dealer/contractor is required to follow the EPA requirements on scrapping the bus and the dealer must provide written certification to the Department as to method and date of disposal. For purpose of this grant, a vehicle that is retained is considered "scrapped" by drilling a hole in the engine block and manifold.

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

Section 4. Project Schedule

Instructions. The purpose of this section is to provide the schedule for completing all major project items within one year of the grant award (the grant project period). Some of the major milestones for the project are already listed in the Summary Schedule below. Please identify your expected completion dates for these items. In addition, you may choose to insert additional milestones and completion dates, as needed, using the blank rows provided. Please describe any scheduling issues that may prevent the project from being completed on schedule.

Table 4-1. Summary Project Schedule

| Project Milestone | Completion Date <i>(Enter dates or number of days following approval of the application)</i> |
|---|---|
| Procure bids for replacement bus | |
| | |
| Award and purchase new clean diesel bus | |
| | |
| Implement anti-idling program (or other air pollution emission reduction control program) if one not previously in place | |
| | |
| | |
| Submit final report (project completion documentation) to Department of Public Instruction within 90 days of end of grant project period. | |
| | |
| | |

Section 5. Summary Funding Request

Instructions: Fill in the information below to summarize the Funding Request. The bus identification number must match the bus identification number as recorded in Table 3-1.

Table 5-1. Project Budget and Funding Request Summary

| | Bus Identification Number | Final Purchase Price |
|----------------------|---------------------------|----------------------|
| Bus 1 | | |
| Bus 2 | | |
| Bus 3 | | |
| Bus 4 | | |
| Total Purchase Price | | |

Please attach evidence of final bus purchase price such as a copy of the dealer invoice, cost estimate or bid price, etc.

Section 6. School District Emissions Reduction Policies

Emissions Reduction Policy (e.g., Anti-Idling Policy)

The Department of Public Instruction will give priority in awarding grants to school districts that have in place an anti-idling policy or an alternative program to reduce air pollution emissions. Information about anti-idling policies can be found at: www.epa.gov/cleanschoolbus/antiidling.htm. A sample anti-idling policy can be found at: www.epa.gov/otaq/schoolbus12/idling_policy.htm.

Table 6-1. School District Anti-Pollution Policies

| Anti-Idling Policy | Date Adopted |
|---|--------------|
| Please describe your school district's anti-idling policy that governs school buses and other vehicles on school property. Include the date it went into effect, and a description of measures that have been taken to date to ensure its implementation, such as how and when bus drivers were trained in anti-idling procedures; posting of signs at bus stops; and monitoring by district officials. | |
| Other Anti-Pollution Measures | Date Adopted |
| If an alternative program is used to reduce air pollution emissions, please provide a description of the program and steps taken to implement it. | |

Please attach a copy of your school district's anti-idling or other anti-pollution policy.

CERTIFICATE OF DISPOSAL

"Attachment A"

The Certificate of Disposal is required to be signed by the REA/district authorized agent or superintendent and by the dealer (if bus being replaced is traded in) and returned to the Department of Public Instruction.

Any successful grant recipient may use a school bus as a trade-in, provided the dealer can provide proof that the requirements in the requirements will be followed and applied to the school bus that is being traded in by the REA/school district. Buses and/or bus engines being traded in to a dealer must be scrapped or remanufactured to meet 2007 EPA emission standards. The EPA requires that the engine being replaced must be scrapped, remanufactured by an original engine manufacturer to a cleaner emission standard 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 model year and the vehicle identification number. Please identify if the bus/bus engine is being scrapped, the remanufacture method and the method of disposal.

| Model Year | VIN | Scrapped | Remanufacture Method | *Disposal Method |
|------------|-----|----------|----------------------|------------------|
| 1. | | | | |
| 2. | | | | |
| 3. | | | | |
| 4. | | | | |

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

Signatures below certify that that the scrapping/remanufacture/disposal methods meet the EPA and DPI requirements. This form must be returned with the application.

 Superintendent/Authorized Agent - Signature

 Dealer – Signature

Date _____

Date _____