

3 Volkswagen Settlement Environmental Mitigation Trust

IMPLEMENTATION GUIDELINES FOR
CATEGORIES 1-3 – FUNDING CYCLE 3



Thank you to the following for assistance in the development of this guidance.



Contents

Overview	1
Eligibility	2
Eligible Applicants	2
Ineligible Applicants	2
Application Limitations and Requirements.....	2
Eligible NOx Reduction Project Categories	2
Category 1 - Class 4-8 School Bus, Shuttle Bus, or Transit Bus	2
Category 2 – Freight Trucks and Port Drayage Trucks	3
Category 3 - Non-Road Transport and Equipment	4
Ineligible Projects.....	6
Costs Eligible for Reimbursement.....	7
Costs Ineligible for Reimbursement.....	7
Funding and Cost-Share Requirements	7
Cost-Share Requirements	7
Disqualification from Funding.....	7
Evaluation of Applications	8
Award Timeline and Requirements	9
Agreement Terms	9
Scrapping of Vehicles or Equipment	10
How to Apply.....	11
Application Questions.....	11
Amendment or Withdrawal of an Application.....	11
Iowa DOT Discretion	12
Disqualification of Applications	12
Process for Clarification of Application Information	13
Disposition of Applications and Copyrights	13
Appendix A: Definitions	14

Overview

In 2016, the Environmental Protection Agency (EPA) filed a complaint alleging Volkswagen (VW) violated the federal Clean Air Act with the sale of motor vehicles between 2009 and 2016 equipped with "defeat devices" designed to perform differently during normal vehicle operation than during emissions tests; exceeding the EPA compliant levels of nitrogen oxides (NOx) during normal use. VW agreed to settle some of the allegations with the creation of an Environmental Mitigation Trust (Trust) to fund a specific set of mitigation actions ([Appendix D-2 of the Trust Agreement](#)) that will reduce NOx emissions. Iowa will receive approximately \$21 million in Trust funds for NOx mitigation projects. Iowa DOT has been designated the lead state agency to administer the funds. [Iowa's Beneficiary Mitigation Plan](#) details the state's funding priorities and groups the Trust allowed mitigation actions into the five categories in Table 1.

Table 1: Beneficiary Mitigation Plan – Mitigation Categories and Targeted Funding

Mitigation Category	Funding Target
Category 1 - Class 4-8 School Bus, Shuttle Bus, or Transit Bus	\$9,450,000
Category 2 - Freight Trucks and Port Drayage Trucks	\$3,150,000
Category 3 - Non-Road Transport and Equipment	\$2,100,000
Category 4 – Zero Emission Vehicle (ZEV) Supply Equipment	\$3,150,000
Category 5 – Diesel Emission Reduction Act (DERA) Grant Program	\$3,150,000
TOTAL	\$21,000,000

Trust funds allocated to the [DERA program](#) will be administered through that pre-existing grant program now administered by Iowa DOT. The remaining categories will be distributed through competitive application programs and applications will be solicited through at least three funding cycles for each category.

This document provides program and application guidance for the third \$4.9 million funding cycle for categories 1, 2, and 3. Table 2 lists the available funding amounts for each category during this cycle. For more information on this funding cycle as well as the other Iowa VW Trust funding programs, visit <https://www.iowadot.gov/vwsettlement> and sign up to receive updates.

Table 2: Second Funding Cycle – Mitigation Categories and Funding Available

Mitigation Category	Funding Available
Category 1 - Class 4-8 School Bus, Shuttle Bus, or Transit Bus	\$3,150,000
Category 2 - Freight Trucks and Port Drayage Trucks	\$1,050,000
Category 3 - Non-Road Transport and Equipment	\$700,000
TOTAL	\$4,900,000

Eligibility

Eligible Applicants

Eligible applicants for this program are private organizations, public transit system operators, cities, counties, and schools that own and operate diesel fleets and equipment in Iowa.

Ineligible Applicants

State agencies (or their employees) are not eligible applicants for this program with the exception that state agencies serving as public transit system operators are eligible applicants for Category 1 projects as defined within this guidance. Ineligible applicants also include entities or individuals that are currently suspended or debarred by the federal government.

Application Limitations and Requirements

An application may include a request for more than one vehicle replacement or repower within the same project category. If an applicant desires to apply for funding across more than one project category, an application must be submitted for each project category. If submitting more than one application, the applicant must prioritize the applications at the time of submission. Awards will be made on a cost reimbursement basis. This means applicants must incur the cost of the project prior to being repaid. Costs must be incurred only after a project is selected for award and a project funding agreement has been executed with the Iowa DOT.

Eligible NOx Reduction Project Categories

Three NOx reduction project categories are eligible for funding during this funding cycle. These categories include:

Category 1 - Class 4-8 School Bus, Shuttle Bus, or Transit Bus

This category includes replacing or repowering a 2009 engine model year or older diesel school bus, shuttle bus, or transit bus with a new diesel, alternate fueled, or all-electric bus or engine with an engine model year of the current year (the year in which the replacement or repowering occurs) or one engine model year prior. The conversion of a new vehicle to an alternate fueled vehicle is an eligible replacement project if the conversion is completed by the dealer or manufacturer prior to the applicant receiving the certificate of title for the vehicle. Projects selected for funding will be reimbursed up to the maximum dollar amount per vehicle or percentage of total costs per vehicle, whichever is less, shown in Table 3. Total reimbursements will not exceed the total amount awarded to the project. If charging infrastructure is required in conjunction with an all-electric replacement or repower, the applicant may receive up to \$10,000 per vehicle toward those costs. In order to preserve access to funding across all vehicle fuel types, the total number of all-electric vehicle replacements funded by this grant cycle may be limited at the discretion of Iowa DOT.

Replaced or repowered buses and engines must be scrapped according to the requirements described on page 10 of this guidance.

Table 3: Category 1 - Class 4-8 Buses Funding Limits Per Vehicle

Replacement	Vehicle Ownership	Diesel	Alt Fuel/ Hybrid	All-Electric	Electric Charging Infrastructure w/ Replacement
School or Shuttle Bus (Class 4-7)	All Applicants	n/a	n/a	\$250,000	\$10,000
	Non-government	25%	25%	50%	50%
	Government	30%	40%	50%	50%
Transit Bus (Class 8)	All Applicants	\$175,000	\$250,000	\$475,000	\$10,000
	Non-government	25%	25%	50%	50%
	Government	30%	40%	50%	50%
Repower	Vehicle Ownership	Diesel	Alt Fuel/ Hybrid	All-Electric	Electric Charging Infrastructure w/Repower
All Class 4-8 Buses	All Applicants	30%	40%	50%	50%

Category 2 – Freight Trucks and Port Drayage Trucks

This category includes replacing or repowering 1992-2009 engine model year class 4-8 local freight trucks or class 8 drayage trucks with a new diesel, alternate fueled, or all-electric truck or engine with an engine model year of the current year (the year in which the replacement or repowering occurs) or one engine model year prior. The conversion of a new vehicle to an alternate fueled vehicle is an eligible replacement project if the conversion is completed by the dealer or manufacturer prior to the applicant receiving the certificate of title for the vehicle. Projects selected for funding will be reimbursed up to the maximum dollar amount per vehicle or percentage of total costs per vehicle, whichever is less, shown in Table 4. Total reimbursements will not exceed the total amount awarded to the project. If charging infrastructure is required in conjunction with an all-electric replacement or repower, the applicant may receive up to \$10,000 per vehicle toward those costs. In order to preserve access to funding across all vehicle fuel types, the total number of all-electric vehicle replacements funded by this grant cycle may be limited at the discretion of Iowa DOT.

Replaced or repowered trucks and engines must be scrapped according to the requirements described on page 10 of this guidance.

Table 4: Category 2 - Class 4-8 Local Freight & Class 8 Drayage Trucks Funding Limits Per Vehicle

Replacement	Vehicle Ownership	Diesel	Alt Fuel/ Hybrid	All-Electric	Electric Charging Infrastructure w/Replacement
Class 4-7 Local Freight Trucks	All Applicants	\$60,000	\$85,000	\$250,000	\$10,000
	Non-Government	25%	25%	50%	50%
	Government	30%	40%	50%	50%
Class 8 Local Freight Trucks	All Applicants	\$60,000	\$85,000	\$250,000	\$10,000
	Non-Government	25%	25%	50%	50%
	Government	30%	40%	50%	50%
Class 8 Drayage Trucks	All Applicants	\$60,000	\$85,000	\$250,000	\$10,000
	Non-Government	30%	40%	50%	50%
	Government	30%	40%	50%	50%
Repower	Vehicle Ownership	Diesel	Alt Fuel/ Hybrid	All-Electric	Electric Charging Infrastructure w/Repower
All Class 4-8 Trucks	All Applicants	30%	40%	50%	50%

Category 3 - Non-Road Transport and Equipment

Non-road transport and equipment replacement or repower projects selected for funding will be eligible to receive, on a per application basis, up to \$300,000 or the percentage of total costs as shown in Table 5, whichever is less. Total reimbursements will not exceed the total amount awarded to the project. If charging infrastructure is required in conjunction with an all-electric replacement or repower, these costs may be included in the application and will be eligible for reimbursement. This category includes the following non-road project types:

Freight Switchers

Replacement or repowering of pre-Tier 4 switcher locomotives that operate 1,000 hours or more per year in rail yards for light freight duties and rail car transfer with any new diesel, alternate-fueled, or all-electric engine(s) or freight switcher (including generator sets) is an eligible project under this category. Replacements and repowers need to be certified to meet the applicable Environmental Protection Agency (EPA) emissions standards as published in the Code of Federal Regulations (CFR) for the engine model year in which the replacement or repower occurs (40 C.F.R. Part 1033).

Replaced or repowered freight switchers and engines must be scrapped according to the requirements described on page 10 of this guidance.

Ferries and Tugs

Ferries and tugs with unregulated, Tier 1, or Tier 2 diesel-powered marine engines may be repowered with any new Tier 3 or Tier 4 diesel, alternate-fueled, or all-electric engines. They may also be upgraded with an EPA-certified remanufacture system or an EPA-verified engine upgrade.

Repowered ferry or tug engines must be scrapped according to the requirements described on page 10 of this guidance.

Marine Vessel Shorepower

This project type includes systems that enable the main and auxiliary engines of a compatible vessel (including those operating in fresh-water lakes or rivers) to remain off while the vessel is at berth. Components eligible for reimbursement are limited to cables, cable management systems, shore power coupler systems, distribution control systems, and power distribution. Marine shore power systems must comply with international shore power design standards (ISO/IEC/IEEE 80005-1-2012 High Voltage Shore Connection Systems or the IEC/PAS 80005-3:2014 Low Voltage Shore Connection Systems) and should be supplied with power sourced from the local utility grid.

Airport Ground Support Equipment

Airport ground support equipment eligible for replacement or repower includes:

- Tier 0, Tier 1, or Tier 2 diesel-powered airport ground support equipment; and
- Uncertified or certified to 3 g/bhp-hr or higher emissions, spark ignition engine powered airport ground equipment.

Eligible equipment may be repowered with an all-electric engine or may be replaced with an all-electric form of the same airport ground support equipment.

Replaced or repowered equipment must be scrapped according to the requirements described on page 10 of this guidance.

Forklifts and Port Cargo Handling Equipment

Forklifts with a lift capacity greater than 8,000 lbs. and port cargo handling equipment may be repowered with an all-electric engine or may be replaced with the same equipment in an all-electric form.

Replaced or repowered forklifts and port cargo equipment must be scrapped according to the requirements described on page 10 of this guidance.

Table 5: Category 3 - Non-Road Transport and Equipment Funding Limits per Application

Replacement	Diesel	Alt Fuel/ Hybrid	All-Electric	Electric Charging Infrastructure w/ Replacement
Freight Switcher	20%	25%	50%	50%
Airport Ground Support Equipment	N/A	N/A	50%	50%
Forklifts and Port Cargo Handling Equipment	N/A	N/A	50%	50%
Repower	Diesel	Alt Fuel/ Hybrid	All-Electric	Electric Charging Infrastructure w/Repower
Freight Switcher	35%	40%	50%	50%
Ferries/Tugs	35%	40%	50%	50%
Airport Ground Support Equipment	N/A	N/A	50%	50%
Forklifts and Port Cargo Handling Equipment	N/A	N/A	50%	50%
Installation of Shorepower				
Marine Vessels	25%			

Ineligible Projects

The following are not eligible activities under this program:

- Vehicle and equipment replacements that are mandated under federal law
- Liquid or gaseous fueling infrastructure, such as that used for the production and/or distribution of biodiesel, compressed natural gas, liquefied natural gas, or other fuels
- Purchases of vehicles, engines, or equipment to expand a fleet or that will not continue to perform a similar function and operation as the vehicle, engine, or equipment that is being replaced
- Upgrading and/or replacing diesel vehicles and/or equipment with gasoline-powered engines
- Emissions testing, air monitoring (including the acquisition cost of emissions testing equipment), or research and development activities
- Replacement or repowers of vehicles or equipment that have not been chiefly operated within the state of Iowa during the previous calendar year (over 80 percent of the miles or hours) and are not fully operational and in current, regular service
- Replacement or repowers of non-diesel engines
- Replacement or repowers of vehicles and equipment that are not owned by the applicant (certificate of title lists the applicant's name)

- Leasing of new or repowered vehicles

Costs Eligible for Reimbursement

Costs directly incurred by the applicant through the purchase and/or installation of eligible technologies, equipment, and vehicles after the execution of a project funding agreement are eligible for reimbursement. These costs may include the procurement of goods and services from vendors and contractors as well as labor costs incurred by the applicant's employees for installation. All costs must be supported by appropriate documentation. The Iowa DOT retains the sole authority to determine eligible project costs.

Costs Ineligible for Reimbursement

Funds awarded by this program cannot be used for insurance, vehicle maintenance, vehicle fuel, administrative costs, lobbying, or for the intervention in federal regulatory or adjudicatory proceedings. Costs incurred prior to the execution of the project funding agreement are also ineligible project costs and will not be reimbursed.

Funding and Cost-Share Requirements

Applicants will receive reimbursement for eligible costs incurred up to the maximum dollar amount or percentage of total costs listed in the project funding agreement. No costs to be reimbursed may be incurred prior to the execution of the project funding agreement. A cost is considered incurred if it has been ordered, contracted, purchased, or installed. Requests for reimbursement shall be in a manner as required by the Iowa DOT and must include documentation to show that the technology and/or equipment has been received, installed, and accepted by the project sponsor; that vehicle and/or engine scrapping (if required according to this guidance) has occurred, all requirements of the project funding agreement have been met, and that the costs have been incurred and paid by the project sponsor.

Cost-Share Requirements

Mandatory cost-shares are required for all projects. Reimbursement of eligible costs will only be provided up to the maximum dollar amount or percentage of total costs included in the project funding agreement in accord with the applicable sections of this guidance. The remaining project costs are the responsibility of the applicant and serve as the applicant's cost share. In-kind donations are not eligible project costs and may not be credited as part of an applicant's cost share.

Disqualification from Funding

The applicant shall not receive reimbursement if complete and truthful information has not been submitted to the Iowa DOT. The applicant will be disqualified and shall not receive reimbursement if the applicant has:

- Not scrapped the engine replaced by engine repowers or vehicle replacement as required by this guidance and the executed project funding agreement,
- Not submitted a claim for reimbursement and all required documentation by the deadline included in the project funding agreement,
- Altered equipment or vehicles in such a way that results in the release of more diesel exhaust than the original condition of the equipment or vehicles, or
- Incurred costs prior to the execution of the agreement.

Evaluation of Applications

Mitigation projects will be evaluated on a competitive basis according to the scoring criteria listed in Table 6. While the scoring criteria provided in this section are the primary means of determining a selected project, Iowa DOT may also consider other factors not included in these scoring criteria in making the final selection of projects.

Table 6: Evaluation Criteria and Points Available

Scoring Criteria	Maximum Points
<p>NOx Emission Reduction: Projects will be evaluated on whether they can achieve significant, quantifiable reductions in NOx emissions. To calculate emissions reductions, the Iowa DOT will apply an appropriate emissions calculator for each application which may include Argonne National Lab’s Alternative Fuel Life-Cycle Environmental and Economic Transportation (AFLEET) tool, Argonne’s Heavy-Duty Vehicle Emissions Calculator (HDVEC), or EPA’s Diesel Emissions Quantifier (DEQ).</p>	30
<p>Cost Effectiveness: The cost effectiveness of an application will be calculated by dividing the funding request by the NOx emission reduction as calculated by Iowa DOT in the NOx Emission Reduction criterion. The objective of this criterion is to have a low program dollars per ton of NOx emissions reduced.</p>	20
<p>Disproportionate Share of Air Pollution: To ensure health and environmental benefits for areas that bear a disproportionate share of air pollution and people most adversely affected by Volkswagen’s actions, the Iowa DOT will rank projects based on their geographic location. The following will factor into an application’s score for this criterion:</p> <ul style="list-style-type: none"> • Higher share of county mobile NOx measurements • Higher share of registered non-compliant Volkswagen subject vehicles • Areas of concern for vulnerable populations based on environmental justice screening tools • Higher rates of asthma and heart disease hospitalizations 	15

<ul style="list-style-type: none"> Higher share of point source NOx measurements 	
Demonstration of Previous Successes: Projects will be evaluated on how they build on the successes of previous emission reduction projects completed by the applicant and whether evidence is provided of a proven track record of success with emission reduction projects (transportation related or otherwise).	5
Complements Other Programs: Projects will be evaluated on whether they complement other public and/or private programs, initiatives, or partnerships to reduce emissions.	5
Verified Additional Funding Sources: Funding sources and project budgets will be reviewed to determine if the project will expand the impact of mitigation funding by leveraging other verified additional funding sources and result in a larger applicant cost share than required.	10
Long-term Sustainability: Projects will be reviewed to gauge the applicant's ability to continue efforts or expand the project after the mitigation project funding is utilized and whether the project is a continuation of a previous effort.	5
Alignment with the Iowa Energy Plan: The Iowa Energy Plan (http://iowaenergyplan.org) encourages the growth of alternative fuel and electric vehicles and the expansion of electric vehicle charging stations. Projects will be evaluated on their contribution toward furthering these objectives.	10
Total Points	100

Award Timeline and Requirements

All applicants will be notified regarding their award status at the conclusion of the funding cycle. Applicants selected to receive funding will be required to execute a project funding agreement with the Iowa DOT. Execution of the agreement is expected to be completed by approximately July 2021, with an estimated project start date for the applicant of no earlier than July 1, 2021. If the apparent successful applicant fails to deliver an executed agreement within 45 days of receipt, the Iowa DOT, at its sole discretion, may cancel the award and award the funds to another applicant.

Upon execution of the agreement by the Iowa DOT, a copy of the fully executed agreement will be returned to the applicant, at which time the funding will be considered awarded. The project, including the purchase of technology, may not occur prior to the execution of the agreement.

Agreement Terms

Applicants interested in applying for funding should consider the following items that will be part of the requirements addressed in the agreement:

- All projects selected for funding shall be completed by December 31, 2023. If an application indicates a project cannot be completed within two years, it will not be considered for funding.
- Vehicles or equipment must operate chiefly within the state of Iowa for a minimum of two years (over 80 percent of the miles or hours operated) following completion and must continue to perform a similar function and operation as the vehicle, engine, or equipment that is being replaced.
- All vehicles and/or engines being replaced must be scrapped and rendered inoperable.
- Applicants will be required to submit semi-annual and final reports to the Iowa DOT.
- The claim for reimbursement of costs and all required documentation is due to the Iowa DOT within one month after the completion of the project. The Iowa DOT will not reimburse the applicant until all requirements are met. Under no circumstances will reimbursement be made for costs incurred prior to the execution of the agreement. Applicants should expect to allow a minimum of 90 days for reimbursement processing.
- Applicants will procure all goods and services in accordance with state law and must make a good faith effort to encourage competition. All documents relating to procurement will be made available to Iowa DOT upon request.
- All information submitted to Iowa DOT over the course of the project, including all records supporting all expenditures of funds, is subject to inspection by interested parties and disclosure to the public, subject to any applicable confidentiality exceptions provided in Iowa Code Chapter 22 or other applicable state or federal laws.

Scrapping of Vehicles or Equipment

A vehicle, piece of equipment, and/or engine being replaced must be scrapped and rendered inoperable within 90 days of being replaced. At a minimum, scrapping of vehicle(s) or engine(s) requires:

- Cut a 3-inch diameter hole in the engine block (the part of the engine containing the cylinders)
- If a replacement project, disabling the chassis by cutting completely through the frame/frame rails on each side at a point located between the front and rear axles
- Evidence of appropriate disposal is required including Vehicle/Engine Scrapping Certification Letter and representative digital photos of the vehicle(s) and/or engine(s) being scrapped showing (at a minimum) the destroyed engine block with 3-inch diameter hole and cut frame rails
- Equipment and vehicle components that are not part of the chassis or engine may be salvaged or scrapped (e.g. plow blades, shovels, seats, tires, etc.)

How to Apply

Applicants may submit more than one application; however, no application may request funds for more than one NOx reduction categories. To apply, please submit the following application materials, which can be found at <https://www.iowadot.gov/vwsettlement>. Application components shall be submitted in the same file format as the forms provided on the website for applicants' use and may not be converted to a different file format than indicated below:

- Application Form (Word format)
- Signed Certification (PDF format)
- Fleet Description Form (Excel format)
- Project Costs Form (Excel format)
- Minority Impact Statement (PDF format)

Complete applications are due by email before 5:00 pm CST on March 5, 2021. Applications received after the deadline will be deemed ineligible and will not be reviewed. Incomplete applications may be disqualified from consideration. The Iowa DOT is not responsible for any errors or delays caused by technical difficulties resulting from the emailing of applications.

Submit the signed, completed application packet (application form, signed certification, fleet description form, project costs form, and minority impact statement) as five separate attachments and in the file format noted above to vwsettlement@iowadot.us.

Application Questions

Questions or requests for clarification about this program may be submitted in writing via email to vwsettlement@iowadot.us. Verbal questions will not be addressed. If the question or request for clarification pertains to a specific section of this guidance document, please reference the section and page number.

The Iowa DOT reserves the right to amend this guidance at any time by addendum. If the addendum is issued after the closing date for receipt of applications, the Iowa DOT may, in its sole discretion, allow applicants to amend their project applications in response to the addendum, if necessary.

Amendment or Withdrawal of an Application

Applicants may withdraw or amend and resubmit project applications at any time before the deadline. The amended proposal or application withdrawal must be in writing, signed by the applicant, and received **before 5:00 pm CST on March 5, 2021**.

Iowa DOT Discretion

The Iowa DOT may select part of an application for funding and/or may offer to fund less than the dollar amount requested in an application. The Iowa DOT reserves the right to reject any or all applications, in whole or in part, any time prior to the execution of a project funding agreement.

In order to preserve access to funding across all vehicle fuel types, the total number of all-electric vehicle replacements funded by this grant cycle may be limited at the discretion of Iowa DOT.

The Iowa DOT is not obligated to fund an application from an applicant that has demonstrated marginal or unsatisfactory performance on previous grants or contracts with the Iowa DOT or other state agencies.

The Iowa DOT reserves the right to verify information contained in the application. This may include utilizing publicly available information and other outside sources to evaluate the applicant's performance under other contracts.

Disqualification of Applications

The Iowa DOT may reject outright and may not evaluate applications for any one of the following reasons:

- The applicant fails to deliver the application by the due date and time.
- The applicant acknowledges that a requirement of the application cannot be met.
- The applicant's proposal materially changes a requirement of this guidance or the proposal is not compliant with the requirements of this guidance.
- The applicant's proposal limits the rights of the Iowa DOT.
- The applicant fails to timely respond to the Iowa DOT's request for information, documents, or references.
- The applicant fails to include an original signature.
- The applicant presents the information requested by this guidance in a format inconsistent with the instructions of the guidance or otherwise fails to comply with the requirements of the guidance.
- The applicant provides misleading or inaccurate responses.
- There is insufficient evidence (including evidence submitted by the applicant and evidence obtained by the Iowa DOT from other sources) to satisfy the Iowa DOT that the applicant is properly qualified to satisfy the requirements of the guidance or application.
- The proposed project(s) are not in compliance with applicable state and federal statutes and rules.

Process for Clarification of Application Information

The Iowa DOT reserves the right to contact an applicant after the submission of an application for the purpose of clarifying the application to ensure mutual understanding. The Iowa DOT will not consider information received if the information materially alters the content of the application or alters the type of project the applicant is proposing. Failure to comply with requests for additional information may result in rejection of the application as non-compliant.

Disposition of Applications and Copyrights

All applications become the property of the Iowa DOT and will not be returned to the applicant at the conclusion of the selection process. Contents of all applications will be in the public domain and open for inspection by interested parties, subject to exceptions provided in Iowa Code Chapter 22 or other applicable laws.

The applicant agrees that the Iowa DOT may copy the application for purposes of facilitating the evaluation of the application or to respond to requests for public records. By submitting an application, the applicant consents to such copying and warrants that such copying will not violate the rights of any third party.

Appendix A: Definitions

“Airport Ground Support Equipment” shall mean vehicles and equipment used at an airport to service aircraft between flights.

“All-Electric” shall mean powered exclusively by electricity provided by a battery, fuel cell, or the grid.

“Alternate Fueled” shall mean an engine, or a vehicle or piece of equipment that is powered by an engine, which uses a fuel different from or in addition to gasoline fuel or diesel fuel (e.g., CNG, propane, diesel-electric Hybrid).

“Certified Remanufacture System or Verified Engine Upgrade” shall mean engine upgrades certified or verified by EPA or CARB to achieve a reduction in emissions.

“Class 4-7 Local Freight Trucks (Medium Trucks)” shall mean trucks, including commercial trucks, used to deliver cargo and freight (e.g., courier services, delivery trucks, box trucks moving freight, waste haulers, dump trucks, concrete mixers) with a Gross Vehicle Weight Rating (GVWR) between 14,001 and 33,000 lbs.

“Class 4-8 School Bus, Shuttle Bus, or Transit Bus (Buses)” shall mean vehicles with a Gross Vehicle Weight Rating (GVWR) greater than 14,001 lbs. used for transporting people. See definition for School Bus below.

“Class 8 Local Freight, and Port Drayage Trucks (Eligible Large Trucks)” shall mean trucks with a Gross Vehicle Weight Rating (GVWR) greater than 33,000 lbs. used for port drayage and/or freight/cargo delivery (including waste haulers, dump trucks, concrete mixers).

“CNG” shall mean Compressed Natural Gas.

“Drayage Trucks” shall mean trucks hauling cargo to and from ports and intermodal rail yards.

“Forklift” shall mean nonroad equipment used to lift and move materials short distances; generally, includes tines to lift objects. Eligible types of forklifts include reach stackers, side loaders, and top loaders.

“Freight Switcher” shall mean a locomotive that moves rail cars around a rail yard as compared to a line-haul engine that moves freight long distances.

“Generator Set” shall mean a switcher locomotive equipped with multiple engines that can turn off one or more engines to reduce emissions and save fuel depending on the load it is moving.

“Government” shall mean a State or local government agency (including a school district, municipality, city, county, special district, transit district, joint powers authority, or port authority, owning fleets purchased with government funds), and a tribal government or native village.

“Gross Vehicle Weight Rating (GVWR)” shall mean the maximum weight of the vehicle, as specified by the manufacturer. GVWR includes total vehicle weight plus fluids, passengers, and cargo.

Class 1: < 6,000 lbs.	Class 5: 16,001-19,500 lbs.
Class 2: 6,001-10,000 lbs.	Class 6: 19,501-26,000 lbs.
Class 3: 10,001-14,000 lbs.	Class 7: 26,001-33,000 lbs.
Class 4: 14,001-16,000 lbs.	Class 8: > 33,001 lbs.

“Hybrid” shall mean a vehicle that combines an internal combustion engine with a battery and electric motor.

“Infrastructure” shall mean the equipment used to enable the use of electric powered vehicles (e.g., electric vehicle charging station).

“Intermodal Rail Yard” shall mean a rail facility in which cargo is transferred from drayage truck to train or vice-versa.

“Mobile sources” shall mean both on-road sources, such as cars and trucks, and non-road sources, such as agricultural equipment, construction equipment, trains, airplanes, etc.

“Point sources” shall mean discrete stationary sources, such as smoke stacks from industrial facilities and fermentation processes.

“Port” shall mean a place alongside navigable water with facilities for the loading and unloading of cargo from ships, barges, or other vessels; a place such as a terminal that has facilities for the handling of freight; or a place such as a distribution center where facilities perform consolidation, warehousing, packaging, decomposition, and other functions linked with handling freight.

“Port Cargo Handling Equipment” shall mean rubber-tired gantry cranes, straddle carriers, shuttle carriers, and terminal tractors, including yard hostlers and yard tractors that operate within ports.

“Public Transit System” means an urban or regional transit system providing transit services accessible to the general public and receiving federal, state or local tax support.

“Repower” shall mean to replace an existing engine with a newer, cleaner engine or power source that is certified by EPA and, if applicable, CARB, to meet a more stringent set of engine emission standards. Repower includes, but is not limited to, diesel engine replacement with an

engine certified for use with diesel or a clean alternate fuel, diesel engine replacement with an electric power source (e.g., grid, battery), diesel engine replacement with a fuel cell, diesel engine replacement with an electric generator(s) (genset), diesel engine upgrades in Ferries/Tugs with an EPA Certified Remanufacture System, and/or diesel engine upgrades in Ferries/Tugs with an EPA Verified Engine Upgrade. All-Electric and fuel cell Repowers do not require EPA or CARB certification.

“School Bus” shall mean a Class 4-8 bus sold or introduced into interstate commerce for purposes that include carrying students to and from school or related events. May be Type A-D.

“Scrapped” shall mean to render inoperable and available for recycle, and, at a minimum, to specifically cut a 3-inch hole in the engine block for all engines. If any eligible vehicle will be replaced as part of an eligible project, scrapped shall also include the disabling of the chassis by cutting the vehicle’s frame rails completely in half.

“State Agency” includes a state department, board, commission, or other unit of state government regardless of whether moneys are appropriated to the agency.

“Tier 0, 1, 2, 3, 4” shall refer to corresponding EPA engine emission classifications for nonroad, locomotive, and marine engines.

“Tugs” shall mean dedicated vessels that push or pull other vessels in ports, harbors, and inland waterways (e.g., tugboats and towboats).

EXHIBIT D

Procurement Checklist and Certification

PROCEDURES:

Procurement of good(s) or services must be achieved through a competitive bidding process that is fair, open, and objective and in compliance with the following procedures derived from Iowa Code Chapter 8A and Iowa Administrative Rule 11 – Chapter 117. This checklist and certification must be completed and submitted to the Department with the claim for reimbursement. Proceed through the questions and mark “yes” to indicate each has been completed. Mark “N/A” to indicate the question is not applicable to your procurement. Reimbursement will not be made for purchases that do not follow the required procedures. If you have any questions, please contact the Department for assistance prior to proceeding.

DEFINITIONS:

“Bid specification” means the standards or qualities which must be met before a contract to purchase will be awarded and any terms which the director has set as a condition precedent to the awarding of a contract.

“Competitive bidding procedure” means the advertisement for, solicitation of, or the procurement of bids; the manner and condition in which bids are received; and the procedure by which bids are opened, accessed, evaluated, accepted, rejected or awarded. A “competitive bidding procedure” refers to all types of competitive solicitation processes referenced in this chapter and may include a transaction accomplished in an electronic format.

“Competitive selection documents” means documents prepared for a competitive selection by a department or agency to purchase goods and services. Competitive selection documents may include requests for proposal, invitations to bid, or any other type of document a department or agency is authorized to use that is designed to procure a good or service for state government. A competitive selection document may be an electronic document.

“Formal competition” means a competitive selection process that employs a request for proposals or other means of competitive selection authorized by applicable law and results in procurement of a good or service.

“Informal competition” means a streamlined competitive selection process in which a department or agency makes an effort to contact at least three prospective vendors identified by the department or purchasing agency as qualified to perform the work described in the scope of work to request that they provide bids or proposals for the delivery of the goods or services the department or agency is seeking.

“Lowest responsible bidder” means the responsible bidder that is fully compliant with the requirements and terms of the competitive selection document and that submits the lowest price(s) or cost(s).

“Procurement,” “procure,” or “purchase” means the acquisition of goods and services through lease, lease/purchase, acceptance of, contracting for, obtaining title to, use of, or any other manner or method for acquiring an interest in a good or service.

“Responsible bidder” means a vendor that has the capability in all material respects to perform the contract requirements. In determining whether a vendor is a responsible bidder, the department may consider various factors including, but not limited to, the vendor’s competence and qualification for the type of good or service required, the vendor’s integrity and reliability, the past performance of the vendor relative to the quality of the good or service, the past experience of the department in relation to the vendor’s performance, the relative quality of the good or service, the proposed terms of delivery, and the best interest of the state.

“Sealed” means the submission of responses to a solicitation in a form that prevents disclosure of the contents prior to a date and time established by the department for opening the responses. Sealed responses may be received electronically.

“Sole source procurement” means a purchase of a good or service in which the department or agency selects a vendor without engaging in a competitive selection process.

<input type="checkbox"/> Yes (Required)	<p>1. HAS A WRITTEN INTERNAL CONTROL AND CONFLICT OF INTEREST POLICY GOVERNING PROCUREMENT BEEN ESTABLISHED? (Or, does a written policy meeting this requirement already exist?)</p> <p>If not already existing, the Recipient shall establish internal controls and procedures to initiate purchases, complete solicitations, make awards, approve purchases, and receive good(s) or services to ensure no single individual can place undue influence over the process. <u>This policy must be retained with your competitive selection documents and may be subject to review by the Department, at any time.</u> This policy must include written standards of conduct covering conflicts of interest and governing the actions of the Recipient’s employees engaged in the selection, award, and administration of contracts and must include the following:</p> <ul style="list-style-type: none"> • No employee, officer, or agent may participate in the selection, award, or administration of a contract if they have a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of their immediate family, their partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. The officers, employees, and agents of the Recipient may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. The standards of conduct must provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the Recipient. • If the Recipient has a parent, affiliate, or subsidiary organization that is not a state, local government, or Indian tribe, the Recipient must also maintain written standards of conduct covering organizational conflicts of interest. Organizational conflicts of interest means that because of relationships with a parent company, affiliate, or subsidiary organization, the Recipient is unable or appears to be unable to be impartial in conducting a procurement action involving a related organization.
<input type="checkbox"/> Yes <input type="checkbox"/> N/A	<p>2. WAS THE PROCUREMENT ADMINISTERED DIRECTLY BY THE IOWA DEPARTMENT OF ADMINISTRATIVE SERVICES (DAS) OR ANOTHER STATE AGENCY/DEPARTMENT AUTHORIZED TO PURCHASE THE GOOD(S) OR SERVICES?</p> <p>This question is applicable only to Recipients that are a unit of state government. If a unit of state government, the purchase has been made through a solicitation administered directly by DAS procurement staff or through another state department or agency explicitly allowed to procure the good(s) or services by Iowa Code. <u>Documentation relating to the procurement must be retained and may be subject to review by the Department, at any time.</u></p>
<input type="checkbox"/> Yes <input type="checkbox"/> N/A	<p>3. DID THE RECIPIENT USE A ‘STATE BID’ TO PROCURE THE GOOD(S) OR SERVICES?</p> <p>If the Recipient is a county, city, school district, or any combination thereof, the purchase has been made through use of a competitive bid solicited by DAS as allowed by Iowa Code (use of ‘state bid’). <u>Documentation relating to the procurement must be retained and may be subject to review by the Department, at any time.</u></p>
<input type="checkbox"/> Yes <input type="checkbox"/> N/A	<p>4. IS THIS A SOLE SOURCE PROCUREMENT?</p> <p>A sole source procurement is to be avoided and may only be allowed in unusual circumstances upon advice (and with prior approval) of the Department. Such circumstances may include situations where only one vendor is qualified or eligible to provide the good(s) or services; the procurement is of a specialized nature requiring specific experience, expertise, proximity, or ownership of intellectual property rights; or applicable law requires the use of the specific</p>

	<p>good(s) or services from that vendor. The Recipient must contact the Department prior to engaging in a sole source procurement. <u>Documentation of the procurement and justification for the sole source procurement must be retained.</u></p>
<input type="checkbox"/> Yes (Required)	<p>5. HAS EVERY EFFORT BEEN MADE TO SUPPORT IOWA-BASED BUSINESSES, IOWA-MADE PRODUCTS, AMERICAN-BASED BUSINESSES, AND AMERICAN-MADE PRODUCTS?</p> <p>Preference must be given to purchasing Iowa products and purchasing from Iowa-based businesses if the Iowa-based business bids submitted are comparable in price to bids submitted by out-of-state businesses and otherwise meet the required specifications. In the event of a tie, the Iowa-based bid shall be awarded.</p> <p>Preference must be given to purchasing American-made products and purchasing from American-based businesses if the life cycle costs are comparable to those products of foreign businesses and which most adequately meet the required specifications. In the event of a tie, the American-based bid shall be awarded.</p> <p><u>An explanation of your efforts may be subject to review by the Department, at any time.</u></p>
<input type="checkbox"/> Yes <input type="checkbox"/> N/A	<p>6. HAS AN ESTIMATE FOR THE GOOD(S) OR SERVICES BEEN CALCULATED TO DETERMINE WHICH COMPETITIVE PROCESS MUST BE FOLLOWED?</p> <p>The Recipient shall prepare an estimate for the good, group of goods, or services to be procured which will determine whether an informal or formal competition process will be followed. <u>This estimate must be retained with your competitive selection documents and may be subject to review by the Department, at any time.</u></p> <p>If the Recipient answered 'Yes' to questions 2, 3, or 4 above, the answer to this question is 'N/A.'</p>
<input type="checkbox"/> Yes <input type="checkbox"/> N/A	<p>7. IF THE ESTIMATED COST OF THE GOOD(S) OR SERVICES IS ESTIMATED TO BE LESS THAN \$50,000, HAVE INFORMAL COMPETITION PROCEDURES BEEN FOLLOWED?</p> <p>If the cost of any good(s) or services is estimated to be less than \$50,000, informal competition procedures may be followed. The competitive selection process must be fair, open, and objective and at a minimum must generally adhere to the following:</p> <ul style="list-style-type: none"> • <i>Specifications:</i> The Recipient shall consider what requirements are necessary for the good(s) or services so that consistent, fair communication can be made with potential bidders. All specifications shall be written in a manner that encourages competition. Specifications shall be written in general terms without reference to a particular brand or model unless the reference is clearly identified as intending to illustrate the general characteristics of the item and not to limit competition. A specific brand or model may be procured only when necessary to maintain a standard required or authorized by law or rule or for connectivity or compatibility with existing commodities or equipment. <u>The specifications must be retained with your competitive selection documents and may subject to review by the Department, at any time.</u> • <i>Solicitation:</i> Bids may be solicited from vendors via email, phone, fax, or other means. The Recipient must make every effort to receive at least three (3) bids. • <i>Bid tabulation:</i> A record shall be made of all bids received and they shall be tabulated in order to compare bids and ensure all necessary requirements are met. <u>The bid tabulation must be retained with your competitive selection documents and may be subject to review by the Department, at any time.</u> • <i>Determination of award:</i> The lowest responsive responsible bidder shall be awarded the contract. Any irregularities or determination of non-responsiveness shall be documented. The Recipient may use the form of contract they normally use for purchases of similar good(s) or services. <u>The determination of award must be retained with your competitive selection documents and may be subject to review by the</u>

	<p><u>Department, at any time.</u></p> <ul style="list-style-type: none"> • <i>Transparency:</i> Records relating to the specifications, solicitation, bids received, bid tabulation, and determination of award must be provided to any bidder, upon request.
<input type="checkbox"/> Yes <input type="checkbox"/> N/A	<p>8. IF THE ESTIMATED COST OF THE GOOD(S) OR SERVICES IS ESTIMATED TO BE \$50,000 OR MORE, HAVE FORMAL COMPETITION PROCEDURES BEEN FOLLOWED?</p> <p>If the cost of any good(s) or services is estimated to be \$50,000 or more, formal competition procedures <u>must</u> be followed. The competitive selection process must be fair, open, and objective and at a minimum must generally adhere to the following:</p> <ul style="list-style-type: none"> • <i>Specifications:</i> The Recipient shall consider what requirements are necessary for the good(s) or services so that consistent, fair communication can be made with potential bidders. All specifications shall be written in a manner that encourages competition. Specifications shall be written in general terms without reference to a particular brand or model unless the reference is clearly identified as intending to illustrate the general characteristics of the item and not to limit competition. A specific brand or model may be procured only when necessary to maintain a standard required or authorized by law or rule or for connectivity or compatibility with existing commodities or equipment. <u>The specifications must be retained with your competitive selection documents and may subject to review by the Department, at any time.</u> • <i>Prepare formal documents:</i> A written request for <u>sealed</u> bids must include the date/time bids will be due to the Recipient, the date/time/place bids will be opened, a complete description of the good(s) or services to be procured, any further explanation required for product specifications or vendor expectations, how bids will be assessed for award, and any other information necessary for a bidder to prepare a responsive bid. All bids shall be sealed until the date/time of the bid opening. • <i>Solicitation:</i> Bids may be solicited from vendors via email, phone, fax, or other means. The Recipient must make every effort to receive three (3) bids. • <i>Bid opening:</i> The Recipient opens the sealed bids received at on the date/time and in the place specified. Any bidders may choose to witness the bid opening. <u>All bids and any accompanying information shall be retained with your competitive selection documents and may be subject to review by the Department, at any time.</u> • <i>Bid tabulation:</i> A record shall be made of all bids received and they shall be tabulated in order to compare bids and ensure all necessary requirements are met. <u>The bid tabulation must be retained with your competitive selection documents and may be subject to review by the Department, at any time.</u> • <i>Determination of award:</i> The lowest responsive responsible bidder shall be awarded the contract. Any irregularities or determination of non-responsiveness shall be documented. The Recipient may use the form of contract they normally use for purchases of similar good(s) or services. <u>The determination of award must be retained with your competitive selection documents and may be subject to review by the Department, at any time.</u> • <i>Transparency:</i> All bidders shall be notified of the results of the solicitation and of the Recipient's intent to award to a specific bidder. Records relating to the specifications, solicitation, bids received, bid tabulation, and determination of award must be provided to any bidder, upon request.
<input type="checkbox"/> Yes (Required)	<p>9. HAVE THE PURCHASED GOOD(S) OR SERVICES BEEN RECEIVED IN ACCORDANCE WITH THE REQUIRED SPECIFICATIONS?</p> <p>It is the Recipient's responsibility to review the receipt of all goods and the completion of any services to ensure their compliance with VWSEMT requirements and the specifications included in the procurement of said goods or services. <u>Goods or services procured may be subject to review by the Department, at any time.</u></p>

The undersigned is an official authorized to represent the Recipient. The person signing this document must have the authority to contractually bind the organization or be the designated fiscal agent.

Certification

I certify that all procurement associated with this project has been carried out in accordance with the procedures listed in this **Exhibit D Procurement Checklist and Certification**; that records documenting the procurement process and implementation will be maintained; that this completed checklist will be submitted with the claim for reimbursement, and the Department is hereby granted access to inspect project sites and/or records.

To the best of my knowledge and belief, all responses in this checklist and certification is true and accurate. I understand that intentionally providing false information in this checklist and certification may result in criminal prosecution under Iowa Code § 714.8(3).

I understand that if the procedures described in this checklist and certification are not followed or a subsequent audit, inspection or review of procedures and documentation by the Department finds noncompliance, costs incurred through this procurement may not be eligible for reimbursement by the Department.

I certify under penalty of perjury and pursuant to the laws of the state of Iowa that the preceding is true and correct.

Printed Name _____ **Title** _____

Signature _____ **Date** _____