

BENEFICIARY ELIGIBLE MITIGATION ACTION CERTIFICATION

Beneficiary State of Louisiana

Lead Agency Authorized to Act on Behalf of the Beneficiary Louisiana Dept. of Environmental Quality
(Any authorized person with delegation of such authority to direct the Trustee delivered to the Trustee pursuant to a Delegation of Authority and Certificate of Incumbency)

Action Title:	Winn Parish School Board Request
Beneficiary's Project ID:	204948
Funding Request No.	10
Request Type: (select one or more)	<input type="checkbox"/> Reimbursement <input checked="" type="checkbox"/> Advance <input type="checkbox"/> Other (specify): _____
Payment to be made to: (select one or more)	<input checked="" type="checkbox"/> Beneficiary <input type="checkbox"/> Other (specify): _____
Funding Request & Direction (Attachment A)	<input checked="" type="checkbox"/> Attached to this Certification <input type="checkbox"/> To be Provided Separately

SUMMARY

Eligible Mitigation Action	<input checked="" type="checkbox"/> Appendix D-2 item (specify): <u>Class 4-8 School Buses</u>
Action Type	<input type="checkbox"/> Item 10 - DERA Option (5.2.12) (specify and attach DERA Proposal):
Explanation of how funding request fits into Beneficiary's Mitigation Plan (5.2.1):	
<p>The Louisiana Department of Environmental Quality's Beneficiary Mitigation Plan, published in April 2018, identified the replacement or repowering of school buses owned or used by Louisiana school districts with newer, cleaner vehicles, and/or new cleaner burning engines, as an environmental priority for the state. Winn Parish School Board's funding request will replace approximately two (2) 2002-year model or older buses with two (2) new propane buses.</p>	
Detailed Description of Mitigation Action Item Including Community and Air Quality Benefits (5.2.2):	
<p>The replacement of school buses will focus on NOx emission reductions. However, it will also achieve reductions in other emissions, including Sulfur Dioxide (SO2), Volatile Organic Compounds (VOCs), Particulate Matter (PM), and Hazardous Air Pollutants (HAPs). NOx is a criteria pollutant with a National Ambient Air Quality Standard (NAAQS). NOx is also a precursor for ozone and PM. Breathing air with a high concentration of NO2 can irritate airways in the human respiratory system. Such exposures over short periods can aggravate respiratory diseases, particularly asthma, leading to respiratory symptoms (such as coughing, wheezing or difficulty breathing), hospital admissions and visits to emergency rooms. Longer exposures to elevated concentrations of NO2 may contribute to the development of asthma and potentially increase susceptibility to respiratory infections. People with asthma, as well as children and the elderly are generally at greater risk for the health effects of NO2. By reducing the amount of NOx exposure while children are riding the bus, especially those that ride for up to an hour in rural areas, there will be a decrease in potential lung irritation and respiratory ailments.</p>	
Estimate of Anticipated NOx Reductions (5.2.3):	
0.51 tons/year and 4.12 tons/lifetime	

Identification of Governmental Entity Responsible for Reviewing and Auditing Expenditures of Eligible Mitigation Action Funds to Ensure Compliance with Applicable Law (5.2.7.1):

The Louisiana Department of Environmental Quality

Describe how the Beneficiary will make documentation publicly available (5.2.7.2).

The Louisiana Department of Environmental Quality (LDEQ) is subject to Louisiana Public Records Laws and Louisiana Open Meetings Laws. As such, LDEQ has established a VW Settlement webpage, <http://deq.louisiana.gov/page/louisiana-volkswagen-environmental-mitigation-trust>. All public documents related to the VW Settlement are also placed on LDEQ's Electronic Document Management System (EDMS), the repository of official records and records that have been created or received by LDEQ. All LDEQ employees are responsible for ensuring official records are routinely submitted to the EDMS. Employees and members of the public can search and retrieve documents stored in the EDMS via this web application. All public records related to the VW Settlement can be found by searching for Agency Interest (AI) Number 204948.

Describe any cost share requirement to be placed on each NOx source proposed to be mitigated (5.2.8).

25% matching funds will be allocated for the replacement eligible buses with newer, cleaner burning diesel buses and 50% matching funds will be allocated for the replacement of eligible buses with eligible alternate fuel powered buses, including Liquefied Natural Gas (LNG), propane, etc.

Describe how the Beneficiary complied with subparagraph 4.2.8, related to notice to U.S. Government Agencies (5.2.9).

Notice to U.S. Government Agencies was emailed on August 23, 2018.

If applicable, describe how the mitigation action will mitigate the impacts of NOx emissions on communities that have historically borne a disproportionate share of the adverse impacts of such emissions (5.2.10).

All areas of Louisiana are currently designated attainment with all NAAQS, except St. Bernard Parish that is designated nonattainment for SO2. However, Louisiana has achieved significant reductions in SO2 in St. Bernard Parish and monitors currently meet the SO2 NAAQS. By concentrating on school buses, Louisiana will provide significant emission reductions both for NOx and Toxic Air Pollutants (TAPs). Since these emissions occur at or near ground level, there is relatively little dispersion with maximum impact on the passengers and school children. Addressing school buses first provides the greatest improvement in local air quality for one of the most sensitive populations.

ATTACHMENTS
(CHECK BOX IF ATTACHED)

- Attachment A** **Funding Request and Direction.**
- Attachment B** **Eligible Mitigation Action Management Plan Including Detailed Budget and Implementation and Expenditures Timeline (5.2.4).**
- Attachment C** **Detailed Plan for Reporting on Eligible Mitigation Action Implementation (5.2.11).**
- Attachment D** **Detailed cost estimates from selected or potential vendors for each proposed expenditure exceeding \$25,000 (5.2.6). [Attach only if project involves vendor expenditures exceeding \$25,000.]**

Attachment E

DERA Option (5.2.12). [Attach only if using DERA option.]

Attachment F

Attachment specifying amount of requested funding to be debited against each beneficiary's allocation (5.2.13). [Attach only if this is a joint application involving multiple beneficiaries.]

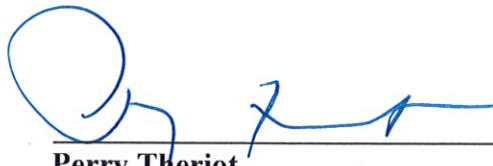
CERTIFICATIONS

By submitting this application, the Lead Agency makes the following certifications:

1. This application is submitted on behalf of Beneficiary Louisiana Department of Environmental Quality, and the person executing this certification has authority to make this certification on behalf of the Lead Agency and Beneficiary, pursuant to the Certification for Beneficiary Status filed with the Court.
2. Beneficiary requests and directs that the Trustee make the payments described in this application and Attachment A to this Form.
3. This application contains all information and certifications required by Paragraph 5.2 of the Trust Agreement, and the Trustee may rely on this application, Attachment A, and related certifications in making disbursements of trust funds for the aforementioned Project ID.
4. Any vendors were or will be selected in accordance with jurisdiction's public contracting law as applicable. (5.2.5)
5. Beneficiary will maintain and make publicly available all documentation submitted in support of this funding request and all records supporting all expenditures of eligible mitigation action funds subject to applicable laws governing the publication of confidential business information and personally identifiable information. (5.2.7.2)

DATED:

4/17/19



Perry Theriot,
Attorney Supervisor

La. Dept. of Environmental Quality

for

State of Louisiana

ATTACHMENTS B & C



**Beneficiary Mitigation
Plan Volkswagen,
Audi, and Porsche
Clean Air Act
Settlements**

April 2018

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I. Introduction

On January 4, 2016, and as amended on October 7, 2016, the United States (U.S.) filed a complaint against the Volkswagen AG (VW) and certain subsidiaries alleging violations of the Clean Air Act (CAA) with regard to approximately 590,000 model year 2009 to 2016 diesel motor vehicles sold in the U.S. Specifically, the complaint alleges that each of these vehicles contains, as part of the engine control module, certain computer algorithms and calibrations that cause the emissions control system of those vehicles to perform differently during normal vehicle operation and use than during federal emissions tests. The complaint further alleges that these computer algorithms and calibrations are prohibited defeat devices under the CAA, and that during normal vehicle operation and use, the cars emit levels of NO_x significantly in excess of the Environmental Protection Agency (EPA) compliant levels. NO_x emissions contribute to the formation of ground level ozone and are a significant health concern.

On October 25, 2016, VW and the U.S. finalized a Partial Consent Decree which called for the establishment of an Environmental Mitigation Trust (Mitigation Trust). VW will provide funds to the Mitigation Trust, which will then provide funds to recognized Beneficiaries in order to implement projects to offset or mitigate excess emissions as a result of VW's actions.

The Mitigation Trust will be administered by Wilmington Trust, N.A., a trustee appointed by the court on March 15, 2017. The "Trust Effective Date" is the date when the U.S. files fully executed trust documents with the court. The Mitigation Trust provides a structure to allocate funds to Beneficiaries primarily based on the number of registered, non-compliant Volkswagen vehicles within the boundaries of the Beneficiary. Therefore, those Beneficiaries with more non-compliant cars will receive a larger allocation of trust funds.

Louisiana's initial share is approximately \$18 million. The Mitigation Trust will pay for defined eligible projects, also known as Eligible Mitigation Actions. These include projects to reduce NO_x emissions from heavy duty diesel sources near population centers, such as large trucks, school buses, and transit buses. The goal of each Eligible Mitigation Action is to fully mitigate the total lifetime excess NO_x emissions from the vehicles.

Pursuant to the Partial Consent Decree and Final Trust Documents, the States, Puerto Rico, and the District of Columbia may elect to become a Beneficiary by timely filing with the court a Certification for Beneficiary Status. Unless the U.S. timely files an objection, the state shall become Beneficiary eligible for Mitigation Trust funds for eligible projects. Prior to submitting a funding request, each Beneficiary must submit and make available a "Beneficiary Mitigation Plan" that summarizes how the Beneficiary plans to use the Mitigation Trust funds.

Louisiana Timeline

The State of Louisiana has filed a Certification for Beneficiary Status under the Environmental Mitigation Trust Agreement (Appendix D-3), containing each of the certifications required by subparagraphs 4.2.1 through 4.2.9:

- A. The U.S. has not filed an Objection to the Certification by Louisiana.
- B. Louisiana is a “Beneficiary” pursuant to the agreement.

Louisiana has prepared this plan to provide notice of intended use of settlement funds, etc.:

- A. Louisiana will provide public notice & outreach on this plan.
- B. Louisiana will respond to any public comments received.

III. Mitigation Plan

The Environmental Mitigation Trust Agreement for State Beneficiaries states: After being deemed a Beneficiary pursuant to subparagraph 4.0.2.1 hereof, each Beneficiary, not later than 30 Days prior to submitting its first funding request pursuant to Paragraph 5.2, shall submit and make publicly available a “Beneficiary Mitigation Plan” that summarizes how the Beneficiary plans to use the mitigation funds allocated to it under this Trust, addressing:

- A. the Beneficiary’s overall goal for the use of the funds;
- B. the categories of Eligible Mitigation Actions the Beneficiary anticipates will be appropriate to achieve the stated goals and the preliminary assessment of the percentages of funds anticipated to be used for each type of Eligible Mitigation Action;
- C. a description of how the Beneficiary will consider the potential beneficial impact of the selected Eligible Mitigation Actions on air quality in areas that bear a disproportionate share of the air pollution burden within its jurisdiction; and
- D. a general description of the expected ranges of emission benefits the Beneficiary estimates would be realized by implementation of the Eligible Mitigation Actions identified in the Beneficiary Mitigation Plan. The Beneficiary Mitigation Plan need only provide the level of detail reasonably ascertainable at the time of submission.

This Plan is intended to provide the public with insight into Louisiana’s s high-level vision for use of the Mitigation Trust funds and information about the specific uses for which funding is expected to be requested. Nothing in this provision is intended to make the Beneficiary Mitigation Plan binding on any Beneficiary, nor does it create any rights in any person to claim an entitlement of any kind. Beneficiaries may adjust their goals and specific spending plans at their discretion and, if they do so, shall provide the Trustee with updates

to their Beneficiary Mitigation Plan. The Trustee has no duty to monitor or supervise any Beneficiary's compliance with its Beneficiary Mitigation Plan. To the extent a Beneficiary intends to avail itself of the Diesel Emission Reduction Act (DERA) Option described in Appendix D-2, that Beneficiary may use its Final Approved DERA Workplan as its Beneficiary Mitigation Plan as to those Eligible Mitigation Actions funded through the DERA Option. The Beneficiary Mitigation Plan shall explain the process by which the Beneficiary shall seek and consider public input on its Beneficiary Mitigation Plan.

Louisiana has previously solicited proposed projects for consideration by the Department of Environmental Quality (DEQ), the Department of Natural Resources (DNR), and the Department of Transportation and Development (DOTD). Proposed projects will be reviewed to determine qualification pursuant to Appendix D-2 and consideration of appropriate goals, priorities, costs and impacts from the projects.

A. Louisiana's overall goals for the use of the funds:

1. have a significant and permanent reduction in the emission of air pollutants, principally Nitrogen Oxides (NO_x) by replacing or repowering older, less efficient and higher-polluting diesel engines;
2. have a significant reduction in the exposure to pollutants by achieving significant and sustained cost effective reductions in air pollutants, primarily NO_x;
3. maximize the improvement of overall air quality, taking into consideration existing air quality, population, and geographic area;
4. encourage and expedite deployment and widespread adoption of zero emission and lower-emission vehicles and engines;
5. spur projects that promote improvements and/or transformation of infrastructure and other areas that will provide environmental, economic, social, and/or energy benefits for the state; and
6. proposed projects with the Preferred Mitigation Projects.

B. Categories of Eligible Mitigation Actions

Louisiana may take advantage of all eligible projects identified in Appendix D-2. However, as discussed in the Preferred Mitigation Projects below, Louisiana has established a priority for various projects. To the extent that funds are available, Louisiana will apportion funds for other projects within eligible categories.

C. Description of how the Beneficiary will consider the potential beneficial impact of the selected Eligible Mitigation Actions on air quality in areas that bear a disproportionate share of the air pollution burden within its jurisdiction

The proposed projects anticipated by Louisiana will focus on NO_x emission reductions. However, they will also achieve reductions in other emissions, including Sulfur Dioxide (SO₂), Volatile Organic Compounds (VOCs), Particulate Matter (PM), and Hazardous Air Pollutants (HAPs). NO_x is a criteria pollutant with a National Ambient Air Quality Standard (NAAQS). NO_x is also a precursor for ozone and PM.

All areas of Louisiana are currently designated as in attainment with all NAAQS, except St. Bernard Parish which is designated as nonattainment for SO₂. However, Louisiana has achieved significant reductions in SO₂ in St. Bernard Parish and monitors currently meet the SO₂ NAAQS standards.

The Louisiana DOTD owns and operates more than 5,500 pieces of equipment with an estimated replacement cost of more than \$200 million. Approximately 60% of the equipment is currently beyond its estimated ideal replacement cycle established by the DOTD. The DOTD's main goal is to reduce overall emissions by replacing some of its fleet with new diesel technology equipment with use of the available funds, resulting in improved operational efficiency of its fleet with increased reliability and reduced downtime of equipment.

By concentrating first on school buses, Louisiana will provide significant emission reduction both for NO_x and Toxic Air Pollutants (TAPs). Since these emissions occur at or near ground level, there is relatively little dispersion with maximum impact on the passengers and school children. Addressing school buses first provides the greatest improvement in local air quality for one of the most sensitive populations.

D. General description of the expected ranges of emission benefits the Beneficiary estimates would be realized by implementation of the Eligible Mitigation Actions identified in the Beneficiary Mitigation Plan

Louisiana anticipates the replacement of approximately 300 buses, vehicles, or diesel powered equipment, which could result in emissions reductions of approximately 60 tons/year of NO_x and a lifetime reduction of about 900 tons.

IV. Preferred Mitigation Projects

At this time, Louisiana proposes to budget:

- A. Up to 15% of its allocation of Mitigation Trust funds for administrative expenses as provided by Appendix D-2. These funds will be used by the DEQ to administer, implement, and enforce the terms and conditions of the Environmental Mitigation Trust Fund Agreement and provide necessary and appropriate assistance to entities to whom funds are provided by the trustee, oversight of project implementation and the filing of any necessary forms, certification or other documents required by the Fund Agreement. These expenses include:

1. personnel costs, including costs of employee salaries and wages, but not consultants;
 2. fringe benefits costs, including costs of employee fringe benefits such as health insurance, FICA, retirement, life insurance, and payroll taxes;
 3. travel costs, including costs of Eligible Mitigation Action-related travel by program staff, but does not include consultant travel;
 4. supply costs, including tangible property purchased in support of the Eligible Mitigation Action that will be expensed on the Statement of Activities, such as educational publications, office supplies, etc. Identify general categories of supplies and their Eligible Mitigation Action costs;
 5. contractual costs, including all contracted services and goods, except for those charged under other categories such as supplies, construction, etc. Contracts for evaluation and consulting services and contracts with sub-recipient organizations are included;
 6. construction costs, including costs associated with ordinary or normal rearrangement and alteration of facilities; and
 7. other costs, including insurance, professional services, occupancy and equipment leases, printing and publication, training, indirect costs, and accounting.
- B. Up to 15% of its allocation of Mitigation Trust funds on the costs necessary for, and directly connected to, the acquisition, installation, operation and maintenance of new, light duty, zero emission vehicle supply equipment for projects as specified below. Provided, however, that Mitigation Trust funds shall not be made available or used to purchase or rent real estate, other capital costs (e.g., construction of buildings, parking facilities, etc.), or general maintenance (i.e., other than supply equipment maintenance).
- C. Between 23% and 33% of its allocation of Mitigation Trust funds to the replacement of DOTD equipment in the categories of “Class 8 Local Freight Trucks & Port Drayage Trucks (Eligible Large Trucks)” and “Class 4-7 Local Freight Trucks (Medium Trucks)”. More specifically, the preliminary plan is to replace equipment owned and operated by the DOTD in the truck categories below. These categories may include: CY Dump Trucks, Y Dump Trucks, Truck Tractors, Stake Body Trucks, Wrecker Trucks, Derrick Digger Trucks, Sign Service Trucks, and Bucket Trucks. No more than 1/3 of this amount may be applied to these projects during each of the first three years.
- D. The Remaining (~37 – 66 2/3%) of Louisiana’s allocation of Mitigation Trust funds on other projects submitted to the DEQ and DNR for consideration.
1. First consideration will be given to replacement or repowering of school buses owned or used by Louisiana school districts with newer, cleaner vehicles, and/or new cleaner burning engines.

- a. 25% matching funds will be given for the replacement or repowering of eligible buses with newer cleaner burning diesel.
 - b. 50% matching funds will be given for the replacement of eligible buses with eligible alternate fuels powered buses, including Liquefied Natural Gas (LNG), propane, etc.
2. Consideration will be given to projects already submitted by public entities that comply with terms and limitations provided in Appendix D-2.
3. The State may consider, in the future, requesting additional proposals from the community and using any remaining funds on proposed projects in accordance with priorities and standards established by this plan. This consideration shall include:
 - a. the degree of reduction in NO_x emissions;
 - b. the achievement of significant and sustained improvement in ambient air quality, including:
 - i. consideration of the pollutants of concern; while NO_x is itself a criteria pollutant, it is also a precursor for both ozone and particulate matter;
 - ii. consideration of areas where ambient air quality will improve; this will include possible:
 - a) nonattainment areas, maintenance areas, “near” nonattainment areas, areas with higher ambient concentrations, the geographic size of the area;
 - b) areas with “high” existing emissions (over areas with low existing emissions);
 - c. consideration of the entity proposing the project:
 - i. government and government associated entities (publicly owned sources) will be given priority over private sector;
 - ii. government and non-government entities with demonstrated experience and existing administrative and programmatic structure in place for implementing diesel reduction or offset projects will be given priority;
 - iii. collaboration with other states or regional impact may also be given priority;
 - d. consideration of the nature of the project:
 - i. higher NO_x emission reductions for the dollar expended (tons of NO_x reduction per dollar expended) will be given priority;

- ii. “leveraged” projects (i.e., cost-sharing);
- iii. EPA exhaust emission standards for NO_x (<https://www.epa.gov/emission-standards-reference-guide>):
 - a) Heavy duty highway vehicles may provide up to a 96% reduction in NO_x emissions per vehicle, based on replacing a model year 1992 engine with a model year 2007 engine.
 - b) Non-road equipment replacements, depending on the type of equipment and engine power rating, may provide between a 20% and 95% reduction in NO_x emissions for each engine.
 - c) Locomotives, replacing the oldest (Tier 0) engine with the newest (Tier 4) engine may provide up to an 89% NO_x reduction per engine.
 - d) Commercial marine vessels, an upgrade or repower of a ferry or tug engine may provide up to an 80% NO_x reduction for each vessel.
- iv. projects with verified funding (i.e., for projects that require a cost-share) or leveraged funding;
- v. schedule of implementation (which may result in earlier emission reductions);
- vi. oversight costs;
- vii. “transformative projects” that can act as “seed” projects to promote further development of beneficial projects, policies or considerations;
- e. “Other” Considerations:
 - i. energy considerations;
 - ii. other environmental impacts (water, waste disposal, etc.);
 - iii. economics [i.e., areas with limited financial resources], environmental justices, toxic air pollution concerns, etc.

SCOPE OF SERVICES

“WINN PARISH SCHOOL BOARD VW SETTLEMENT”

GOALS AND OBJECTIVES

The Louisiana Department of Environmental Quality’s (LDEQ or the Department) overall goals for use of the Volkswagen (VW) Environmental Mitigation Trust Funds are: to have a significant and permanent reduction in the emission of air pollutants, principally Nitrogen Oxides (NOx), to have a significant reduction in the exposure to pollutants by achieving significant and sustained cost effective reductions in air pollutants, primarily NOx; to maximize the improvement of overall air quality, taking into consideration existing air quality, population, and geographic area; to encourage and expedite deployment and widespread adoption of zero emission and lower-emission vehicles and engines; and, to spur projects that promote improvements and/or transformation of infrastructure and other areas that will provide environmental, economic, social, and/or energy benefits for the state.

LDEQ proposes to achieve these goals primarily by providing matching funds for Eligible Mitigation Actions associated with the replacement of school buses owned or used by Louisiana school districts to buy new, cleaner vehicles and/or new cleaner burning engines. Twenty-five percent (25%) matching funds will be given for the replacement or repowering of eligible buses with newer cleaner burning diesel and fifty percent (50%) matching funds will be given for the replacement of eligible buses with eligible alternate fuel powered buses. By concentrating first on school buses, Louisiana will provide significant emission reduction both for NOX and Toxic Air Pollutants (TAPs). Since these emissions occur at or near ground level, there is relatively little dispersion with maximum impact on the passengers and school children. Addressing school buses first provides the greatest improvement in local air quality for one of the most sensitive populations. The proposed projects will also achieve reductions in other emissions, including Sulfur Dioxide (SO₂), Volatile Organic Compounds (VOCs), Particulate Matter (PM), and Hazardous Air Pollutants (HAPs).

CONTRACTOR TASKS

The Contractor shall serve as an administrator for the replacement of school buses owned or used by Winn Parish School Board to buy new, cleaner vehicles. This project will be funded by the Volkswagen (VW) Environmental Mitigation Trust. Contractor will oversee this project and will procure all necessary services. A more in-depth description of this program can be found on the LDEQ’s VW Mitigation Trust website at <http://deq.louisiana.gov/page/louisiana-volkswagen-environmental-mitigation-trust>.

Services provided by the Contractor may include, but are not limited to, the following tasks:

Procure and oversee the replacement of two (2) 2002-model year or older class 4-8 diesel school buses with two (2) new class 4-8 propane buses.

PROJECT SCHEDULE

The schedule shall be determined jointly by the Contractor and LDEQ. However, all deliverables must be completed within the time frame specified.

PROJECT MANAGEMENT

The Contractor shall provide efficient management throughout the term of the contract to ensure the successful completion of the contract. The duties and responsibilities for project management shall continue throughout the term of the contract. The resources and methodology for project management activities shall be the responsibility of the Contractor.

Project management shall include, but not be limited to, the following activities:

- (1) supervision of the Contractor's personnel;
- (2) communication between the Contractor and the Department;
- (3) contract administration:
 - (a) resolving disputes between the Contractor and LDEQ; and
 - (b) compliance by the Contractor with all contract clauses and conditions;
- (4) meetings;
- (5) record-keeping; and
- (6) preparation and submission of submittals and deliverables, including but not limited to the following:
 - (a) proposed methodology and timeline;
 - (b) monthly progress reporting; and
 - (c) final report.

4.1 Progress Reporting by the Contractor

The Contractor shall prepare and submit to the LDEQ Project Manager a brief Quarterly Progress Report describing all work completed or in progress during the preceding months. This report shall include:

- (1) the Contractor's name, address, and the name of the Project Manager;
- (2) LDEQ's contract number and project title;
- (3) the dates of the reporting period; and
- (4) the work completed during the previous ninety (90) day period.

The format of the Quarterly Progress Report may be determined by the Contractor, however, the Department reserves the right to require format revisions.

4.2 Deliverables

The Contractor shall prepare and submit the following written deliverables to the LDEQ Project Manager:

- (1) Provide documentation such as purchase orders, invoices, etc. for state funded measures identified for match.
- (2) Provide a Final Report that contains all necessary information for the Department to calculate emissions savings associated with the replacement of the buses under this contract.

An original and one (1) copy of the Final Report shall be sent to the attention of the LDEQ Project Manager.

DEPARTMENT RESPONSIBILITIES

As part of its responsibilities under the contract, the Department shall:

- (1) provide points of contact (liaisons) for technical and contract activities (Project Manager and Contract Manager);
- (2) provide LDEQ materials (documents, reports, photographs, etc.) for the Contractor's work as necessary;
- (3) monitor the Contractor's work through telephone communication and meetings;
- (4) review, require revision as necessary, and accept deliverables and submittals; and
- (5) require the deliverable to be submitted within the time frame delineated by this Scope of Services.

LDEQ will be available for assistance to the Contractor in solving problems or answering questions that may arise. However, LDEQ shall not be responsible for the Contractor's performance of the work and reserves the right to reject deficient work.

MONITORING AND METHODS TO MEASURE PERFORMANCE

LDEQ will provide fifty percent (50%) matching funds towards the purchase of qualifying buses. The buses shall be purchased according to the unit rates provided in Attachment 2, Schedule of Prices. Payment shall be made upon completion of the purchase of the qualifying buses. The amount provided shall be limited to fifty percent (50%) of the purchase price and shall not exceed that amount. Contractor agrees to provide evidence of the expenditure of its fifty percent (50%) and shall indicate the amount of the match on each invoice.

The Department's Project Manager will monitor the progress of the Contractor during the contract by:

- (1) monitoring the Contractor's work through telephone communication, meetings and review of Monthly Progress Reports; or meeting with the Contractor as necessary to provide guidance or answer questions;
- (2) ensuring that deliverables are submitted within the time frame of the contract;

- (3) reviewing, requiring correction as necessary, and approving all deliverables and submittals;

The Department's Project Manager will measure the successful performance of the Contractor by reviewing and evaluating the acceptability of all deliverables and submittals.

PROGRAMMATIC CONDITIONS

The Contractor agrees:

- (1) That the vehicle being replaced must be scrapped or rendered permanently disabled within ninety (90) days of being replaced, by cutting a three-inch by three-inch hole in the engine block (the part of the engine containing the cylinders) and disabling the chassis cutting through the frame/frame rails on each side at a point located between the front and rear axles. Other acceptable scrappage methods may be considered and will require prior written approval from the Project Manager;
- (2) To provide evidence of appropriate scrappage, including, but not limited to, a signed certificate of destruction (to be provided by the Project Manager) and digital photos of the engine tag (showing serial number, engine family number, and engine model year), the destroyed engine block, and cut frame rails or other cut structural components as applicable. Scrapped engines and equipment and vehicle components may be salvaged from the unit being replaced (e.g. plow blades, shovels, seats, tires, etc.);
- (3) To provide specification of the model years and the emission standard levels for PM and NO_x, for both the engine being replaced and the new engine;
- (4) That funds under this award cannot be used for matching funds for other federal grants unless expressly authorized;
- (5) That funds under this contract cannot be used to replace buses with engine model year 2010 or newer;
- (6) That funds under this contract cannot be used to replace buses not in "active service" at the time of the award. "Active service" shall mean the bus was used some or all of the previous fiscal year; and,
- (7) That the Contractor will promptly notify the Project Manager of any problems, delays, or adverse conditions which may materially impair its ability to deliver on the outputs/outcomes specified in the work plan. This disclosure must include a statement of the action taken, or contemplated, and any assistance needed to resolve the situation. The Contractor agrees that it will also notify the Project Manager of any favorable developments which may enable meeting time schedules and objectives sooner or at less cost than anticipated or producing more beneficial results than originally planned.

ATTACHMENT D

SCHEDULE OF PRICES

Payment for the buses to be purchased under this contract shall use the unit rates provided in Table A, Unit Rates for Buses. The total spent each fiscal year of this contract shall not exceed the amount listed in Table B, Total Expenditure for Each Fiscal Year.

**Table A
Unit Rates for Buses**

Payment Item	Payment Unit	Department Amount	Contractor Amount	Total for each bus
Propane School Bus	Each	\$44,807.35	\$44,807.35	\$89,614.70

**Table B
Total Expenditure for Fiscal Year**

Fiscal Year	Department Total	Contractor Total	Fiscal Year Total
FY 2018-2019	\$89,614.70	\$89,614.70	\$179,229.40
FY 2019-2020	\$44,807.35	\$44,807.35	\$89,614.70
FY 2020-2021	\$44,807.35	\$44,807.35	\$89,614.70

- The rates shall include all associated direct costs (labor, supplies, equipment, incidentals and expendables, duplication/copying, communications, postage, shipping and handling, transportation, taxes, etc.), all indirect costs (fringe, overhead, general and administrative costs), travel expenses associated with each line item and profit.
- The Department reserves the right to transfer among existing “schedule of prices” line items. The cumulative transfers cannot exceed 10% of the total contract amount. Supporting documentation must accompany each transfer request.

PROJECTED TRUST ALLOCATIONS:

	2017	2018	2019	2020	2021
1. Anticipated Annual Project Funding Request to be paid through the Trust	\$0	\$89,614.70	\$44,807.35	\$44,807.35	\$0
2. Anticipated Annual Cost Share	\$0	\$89,614.70	\$44,807.35	\$44,807.35	\$0
3. Anticipated Total Project Funding by Year (line 1 plus line 2)	\$0	\$179,229.40	\$89,614.70	\$89,614.70	\$0
4. Cumulative Trustee Payments Made to Date Against Cumulative Approved Beneficiary Allocation	\$0	\$815,054.41	\$815,054.41	\$815,054.41	\$815,054.41
5. Current Beneficiary Project Funding to be paid through the Trust (line 1)	\$0	\$89,614.70	\$44,807.35	\$44,807.35	\$0
6. Total Funding Allocated to for Beneficiary, inclusive of Current Action by Year (line 4 plus line 5)	\$0	\$904,669.11	\$859,861.76	\$859,861.76	\$0
7. Beneficiary Share of Estimated Funds Remaining in Trust	\$0	\$7,788,614.30	\$7,698,999.60	\$7,654,192.25	\$0
8. Net Beneficiary Funds Remaining in Trust, net of cumulative Beneficiary Funding Actions (line 7 minus line 6)	\$0	\$6,883,945.19	\$6,839,137.84	\$6,794,330.49	\$0