

APPENDIX D-4
Beneficiary Eligible Mitigation Action Certification

BENEFICIARY ELIGIBLE MITIGATION ACTION CERTIFICATION

Beneficiary State of Delaware

Lead Agency Authorized to Act on Behalf of the Beneficiary Department of Natural Resources and Environmental Control
(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:	School Bus Replacements
Beneficiary's Project ID:	Phase 3- A
Funding Request No.	<i>(sequential)</i> 4
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>School Buses Phase 1 year 3</u>
Action Type	<input checked="" type="checkbox"/> Item 10 - DERA Option (5.2.12) (specify and attach DERA Proposal): _____
Detailed Description of Mitigation Action Item Including Community and Air Quality Benefits (5.2.2): Please see Summary Attachment	
Estimate of Anticipated NOx Reductions (5.2.3): It is estimated that the State of Delaware will reduce 7.513 short tons NOx reductions for the school bus replacements.	
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 Delaware Department of Natural Resources and Environmental Control	
Describe how the Beneficiary will make documentation publicly available (5.2.7.2). Please see Summary Attachment	
Describe any cost share requirement to be placed on each NOx source proposed to be mitigated (5.2.8). Federal DERA grant - \$57,143.00 (1.4%) Department of Education and DERA option partners - \$2,878,085.70 (71.1%) Funded by the Trust - \$1,115,822.30 (27.5%)	
Describe how the Beneficiary complied with subparagraph 4.2.8, related to notice to U.S. Government Agencies (5.2.9). Please see Summary Attachment	

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).

Please see Summary Attachment

ATTACHMENTS
(CHECK BOX IF ATTACHED)

- | | | |
|-------------------------------------|---------------------|---|
| <input checked="" type="checkbox"/> | Attachment A | Funding Request and Direction. |
| <input checked="" type="checkbox"/> | Attachment B | Eligible Mitigation Action Management Plan Including Detailed Budget and Implementation and Expenditures Timeline (5.2.4). |
| <input checked="" type="checkbox"/> | Attachment C | Detailed Plan for Reporting on Eligible Mitigation Action Implementation (5.2.11). |
| <input checked="" type="checkbox"/> | 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.] |
| <input checked="" type="checkbox"/> | Attachment E | DERA Option (5.2.12). [Attach only if using DERA option.] |
| <input type="checkbox"/> | 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.] |

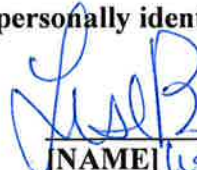
CERTIFICATIONS

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

1. This application is submitted on behalf of Beneficiary Delaware, 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 a 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: July 6, 2021



[NAME] Lisa Borio Cadden
[TITLE] Deputy Secretary
Department of Natural Resources and Environmental Control

[LEAD AGENCY]

for
State of Delaware

[BENEFICIARY]

SUMMARY ATTACHMENT

Explanation of how funding request fits into Beneficiary's Mitigation Plan (5.2.1):

The primary goal of the State of Delaware's Volkswagen Environmental Mitigation plan is to improve and protect ambient air quality by implementing eligible mitigation projects that will achieve significant and sustained reductions in NOx emission exposures in areas with poor air quality; areas with historical air quality issues; and areas that receive a disproportionate quantity of air pollution from diesel. The Delaware Department of Natural Resources and Environmental Control (DNREC) is partnering with the Delaware Department of Education (DoEd), Sutton Bus and Truck Co., Inc (Sutton), and Bowman Bus Service, Inc. (Bowman) to scrap and replace 43 older diesel school buses. A total of 23 school buses will be replaced as clean diesel and 13 will be replaced as propane through Phase 1 – Year 3 under the Volkswagen Environmental Trust Program with the DoEd. Sutton is replacing eight diesel buses as propane and Bowman is replacing one bus with a clean diesel under Appendix-D-2 under the Volkswagen Environmental Mitigation Plan and the State Clean Diesel Program.

The three project partners are committed to providing schools with reliable, innovative, and efficient green transportation solutions. Air pollution from diesel vehicles has health implications for everyone, but children are more susceptible because they breathe more air per pound of body weight than do adults. Children riding older diesel school buses are exposed to significant levels of fine particulate matter and other harmful pollutants. Although school bus engines burn cleaner than those of a decade ago, Delaware is motivated by saving fuel costs and reducing school children's exposure to cancer-causing and smog forming pollution through the replacement of old diesel school buses throughout the state. The FY2020 DERA workplan and the Delaware's Volkswagen Environmental Mitigation Plan are attached to further support this funding request.

Detailed Description of Mitigation Action Item Including Community and Air Quality Benefits (5.2.2):

The Delaware Department of Natural Resources and Environmental Control (DNREC) is partnering with the Delaware Department of Education (DoEd) to scrap and replace 34 older diesel school buses (Phase 1-Year 3). An additional eight school buses are being replaced through the FY2020 Clean Diesel Emission Reduction Act grant (DERA) Program with Volkswagen Mitigation Funds as the cost share (Phase 3). The DoEd school buses will serve 8 school districts around the state. The Sutton Bus & Truck Co. and Bowman Bus Service school buses will serve New Castle and Kent County, respectively. The replacement school buses will be fueled by clean diesel or propane under the following replacement schedule:

School Bus Replacement Program	Propane	Diesel	Total
Appendix D-2 Eligible Mitigation Action Replacement (Phase 1 Year 3)	13	21	34
FY2020 DERA Grant/Phase 3 – Sutton Bus & Truck Co.	8	-	8
FY2020 DERA Grant/Phase 3 – Bowman Bus Service	-	1	1
Total	21	22	43

Detailed Description of Mitigation Action Item Including Community and Air Quality Benefits (5.2.2): (continued)

Air pollution from diesel vehicles has health implications for everyone, but children are more susceptible because they breathe more air per pound of body weight than do adults. Children riding older diesel school buses are exposed to significant levels of fine particulate matter and other harmful pollutants. Although school bus engines burn cleaner than those of a decade ago, Delaware is motivated by saving fuel costs and reducing school children's exposure to cancer-causing and smog forming pollution through the replacement of old diesel school buses.

The lifetime emission reductions (in short tons) for the school buses are as follows:

School Bus Replacement Program	Buscs	NOx	PM2.5	HC	CO
Appendix D-2 Eligible Mitigation Action Replacement (Phase 1 Year 3)	34	6.258	0.332	0.564	0.990
FY2020 DERA Grant/Phase 3 – Sutton Bus	8	0.995	0.001	0.002	0.619
FY2020 DERA Grant/Phase 3 – Bowman Bus	1	0.26	0.023	0.036	0.619

Describe How the Beneficiary will Make Documentation Publicly Available (5.2.7.2)

Subparagraph 5.2.7.2 of the Environmental Mitigation Trust Agreement for State Beneficiaries requires that Beneficiaries include in their funding requests:

A commitment by the Beneficiary to maintain and make publicly available all documentation submitted in support of the 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, together with an explanation of the procedures by which the Beneficiary shall make such documentation publicly available;

The Department of Natural Resources and Environmental Control (DNREC) in the State of Delaware is committed to maintaining and making publicly available all documentation submitted in support of the funding requests and all records supporting all expenditures of Eligible Mitigation Action funds.

The public will be able to view funding requests on the DNREC website. DNREC will maintain these records on the Volkswagen (VW) Environmental Mitigation Trust Fund specific webpage. The webpage is designed to support public access and limit burden for the general public. The webpage can currently be found at <https://dnrec.alpha.delaware.gov/air/mobile-sources/vw-mitigation-plan/>.

DNREC has also created an electronic listserv. The Listserv is open to the public, used to communicate news, events, and information related the Environmental Mitigation Trust Fund. The listserv is advertised through the website and at public events related to the Volkswagen Environmental Mitigation Fund.

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

The Delaware Department of Natural Resources and Environmental Control sent emails to the representatives from the U.S. Department of the Interior and the U.S. Department of Agriculture listed in subparagraph 4.2.8 of the State Trust Agreement on February 19, 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).

The State of Delaware has been designated by the U.S. Environmental Protection Agency (EPA) as non-attainment for ozone (2008 and 2015 standards) in New Castle County and Sussex (2008 standards). Delaware's New Castle County has also been re-designated as attaining the fine particulate matter standard for both 1997 and 2006. New Castle County has a 10-yr maintenance plan in place.

The Department has recommended that FY2020 Diesel Emission Reduction Act (DERA) funds and Volkswagen Environmental Mitigation Funds under Phase 1 and Phase 2 be used to replace diesel school buses with cleaner school buses. DNREC's 2017 Emissions Inventory has concluded that up to 38% of in-state NOx emissions can be attributed to the transportation sector. Delaware's emissions from heavy and medium duty vehicles (which include school buses) are becoming an increasingly larger source of overall mobile source emissions for nitrogen oxides (NOx).

Studies have demonstrated that older, more polluting diesel school buses present significant health risks for the students who typically ride the bus. This includes the exacerbation of pre-existing pulmonary disorders such as asthma. Asthma is the most common long-term childhood disease, making newer and cleaner buses an urgent priority. Additionally, children are more susceptible to air pollution because their respiratory systems are still developing and they have faster breathing rates than do adults.

Lastly, replacing school buses with buses that operate on cleaner burning fuel will assist the Department in reducing emissions in Delaware's environmental justice areas. Environmental Justice is the act of equity among all races, ethnicities, income, and social classes of people and includes any census tract with a poverty level of 20% or higher and where 30% or more are considered minorities. The Department of Education buses will serve 8 school districts around the state. The Department's mission relative to environmental justice ensures that no particular area receives disproportionate environmental impacts due to air pollution.

ATTACHMENT B

**Eligible Mitigation Action Management Plan Including Detailed Budget and
Implementation and Expenditures Timeline**

Project management Plan/ Project Schedule and Milestones

Milestone	Date
Solicitation of Phase 3 DERA Option Project Partner	Q1 2020
Solicitation of School buses – Department of Education (Phase 1 Year 3)	Q3 2020
Sutton & Bowman selected for Phase 3	Q3 2020
EPA Granted Award	Q3 2020
Department of Education submits ITB & selects vendors	Q4 2020 /Q1 2021
Department of Education orders replacement school buses	Q1 2021
DNREC/Sutton & DNREC/Bowman contract signed for Phase 3 for DERA Option and DNREC/Department of Education MOU signed for Phase 1 Year 3.	Q2 2021
Trustee Receives Funding Request - Funding Approved and Issued to DNREC	Q3 2021
DNREC makes reimbursements	Q4 2021

Project Budget

Budget Category	Federal DERA Grant Funds	Share of Total Budget Funded by the Trust	Cost Share (Paid by Project Partner)	Sub-Total
School Bus Replacements – VW Phase 1 Year 3 (34 bus replacements)	\$0.00	\$961,215.30	\$2,242,835.70	\$3,204,051.00
School Bus Replacements – FY 2020 DERA/VW (9 bus replacements)	\$57,143.00	\$154,607.00	\$635,250.00	\$847,000.00
Project Totals	\$57,143.00	\$1,115,822.30	\$2,878,085.70	\$4,051,051.00
Percentage	1.4%	27.5%	71.1%	

Table 1 – School Buses for Replacement - Department of Education - Volkswagen Phase 1 Year 3

School District*	Existing VIN	Model Year	EPA Funds	Volkswagen Environmental Mitigation Funds (VW)	Mandatory Cost Share	Total	Unit	Vendor
Brandywine (P)	4DRBUSKP18A576653	2008		\$28,113.60	\$55,598.40	\$93,712.00	Unit #1	Wolffington
Brandywine (P)	1HVBBABM61H407763	2002		\$28,113.60	\$55,598.40	\$93,712.00	Unit #2	Wolffington
Brandywine (P)	4UZAAXDH26CV56386	2006		\$28,113.60	\$55,598.40	\$93,712.00	Unit #3	Wolffington
Caesar Rodney (P)	4UZAAXDH07CX15486	2007		\$29,124.00	\$79,956.00	\$97,080.00	Unit #4	Wolffington
Caesar Rodney (P)	4UZAAXDH47CX15488	2007		\$29,124.00	\$79,956.00	\$97,080.00	Unit #5	Wolffington
Capital (D)	4UZAAXDH96CV84203	2006		\$30,516.00	\$71,204.00	\$101,720.00	Unit #7	I.G Burton
Capital (D)	IBAKGCKH97F242473	2007		\$29,806.50	\$9,548.50	\$99,355.00	Unit #8	Wolffington
Christina (D)	IBAKGCPH79F259994	2009		\$26,175.30	\$51,075.70	\$87,251.00	Unit #9	Wolffington
Christina (D)	1HVBBABP14H603026	2004		\$26,175.30	\$51,075.70	\$87,251.00	Unit #10	Wolffington
Christina (D)	4DRBUAFM55B975419	2005		\$26,175.30	\$51,075.70	\$87,251.00	Unit #11	Wolffington
Christina (D)	4DRBUSK68A576664	2008		\$27,962.70	\$55,246.30	\$93,209.00	Unit #12	Wolffington
Christina (D)	4UZABRDUX9CAD3626	2009		\$27,962.70	\$55,246.30	\$93,209.00	Unit #13	Wolffington
Christina (D)	4UZAAXDH56CV36537	2006		\$27,962.70	\$55,246.30	\$93,209.00	Unit #14	Wolffington
Christina (D)	4UZAAXDH07CX46117	2007		\$27,962.70	\$55,246.30	\$93,209.00	Unit #15	Wolffington
Christina (D)	4UZAAXDH76CV56541	2006		\$27,962.70	\$55,246.30	\$93,209.00	Unit #16	Wolffington
Christina (D)	IBAKGCPH75F225538	2005		\$27,962.70	\$55,246.30	\$93,209.00	Unit #17	Wolffington
Christina (D)	IBAKGCPH75F225541	2005		\$23,343.90	\$54,469.10	\$77,813.00	Unit #18	Wolffington
Christina (D)	4DRBUSKP78A576429	2008		\$23,343.90	\$54,469.10	\$77,813.00	Unit #19	Wolffington
Christina (D)	4DRBUSKP38A576430	2008		\$23,343.90	\$54,469.10	\$77,813.00	Unit #20	Wolffington
Christina (D)	IBAKGCPH89F260006	2009		\$23,343.90	\$54,469.10	\$77,813.00	Unit #21	Wolffington
Colonial (D)	4UZAAXDHX7CX15480	2007		\$25,544.40	\$59,603.60	\$85,148.00	Unit #22	Wolffington
Colonial (D)	4UZAAXDH77CX15484	2007		\$25,544.40	\$59,603.60	\$85,148.00	Unit #23	Wolffington
Colonial (D)	4UZAAXDH67CX15499	2007		\$25,544.40	\$59,603.60	\$85,148.00	Unit #24	Wolffington
Colonial (D)	4UZAAXDH97CX15485	2007		\$29,130.00	\$79,970.00	\$97,100.00	Unit #25	Wolffington
Indian River (D)	4DRBRAAN84A966719	2004		\$30,197.40	\$70,460.60	\$100,658.00	Unit #26	Wolffington
Red Clay (P)	4UZAAXCS05CN33880	2005		\$29,738.40	\$69,389.60	\$99,128.00	Unit #27	Wolffington
Red Clay (P)	4UZAAXDHX6CV56524	2006		\$31,430.10	\$73,336.90	\$104,767.00	Unit #28	Wolffington
Red Clay (P)	4UZAAXDH77CX15467	2007		\$33,207.60	\$77,484.40	\$110,692.00	Unit #29	Wolffington
Red Clay (P)	IBAKGCPH19F260008	2009		\$33,207.60	\$77,484.40	\$110,692.00	Unit #30	I.G Burton
Red Clay (P)	IBAKGCPHX9F260010	2009		\$33,207.60	\$77,484.40	\$110,692.00	Unit #31	I.G Burton
Red Clay (P)	IBAKGCPAX9F259975	2009		\$33,207.60	\$77,484.40	\$110,692.00	Unit #32	I.G Burton
Red Clay (P)	4DRBUSKN88A577068	2008		\$33,207.60	\$77,484.40	\$110,692.00	Unit #33	I.G Burton
Red Clay (P)	4UZABRDI18CZ48791	2008		\$32,224.80	\$75,191.20	\$107,416.00	Unit #34	I.G Burton
Cape Henlopen (D)	4UZAAXCS45CN33879	2005		\$23,234.40	\$54,213.60	\$77,448.00	Unit #35	Wolffington
			Total	\$961,215.30	\$2,242,835.70	\$3,204,051.00	Unit #36	Wolffington

Table 2 – School Buses for Replacement - Volkswagen Phase 3 DERA 10 Option

Transportation Provider	Existing VIN	Model Year	EPA Funds	Volkswagen Environmental Mitigation Funds (VW)	Mandatory Cost Share	Total
Sutton Bus and Truck Co, Inc. (P)	IBAKGCKA17F241597	2007		\$23,250.00	\$69,750.00	\$93,000.00
	IBAKGCKA37F241600	2007	\$12,250.00	\$11,000.00	\$69,750.00	\$93,000.00
	IBAKGCKA07F241604	2007	\$23,250.00		\$69,750.00	\$93,000.00
	IBAKGCKA57F241605	2007	\$21,643.00	\$1,607.00	\$69,750.00	\$93,000.00
	IBAKGCKA17F241594	2007		\$23,250.00	\$69,750.00	\$93,000.00
	IBAKGCKA37F241595	2007		\$23,250.00	\$69,750.00	\$93,000.00
	IBAKGCKAX8F253597	2008		\$23,250.00	\$69,750.00	\$93,000.00
Bowman Bus Service, Inc. (D)	IBAKGCKA57F241596	2007		\$23,250.00	\$69,750.00	\$93,000.00
	4DRBBABP53B956677	2003		\$25,750.00	\$77,250.00	\$103,000.00
Total			\$57,143.00	\$154,607.00	\$635,250.00	\$847,000.00

Total Funds	EPA Funds	Volkswagen Environmental Mitigation Funds (VW)	Mandatory Cost Share	Total
Total Phase 1 - Year 3 (Table 1)	\$0.00	\$961,215.30	\$2,242,835.70	\$3,204,051.00
Total Phase 3 DERA Option (Table 2)	\$57,143.00	\$154,607.00	\$635,250.00	\$847,000.00
Total	\$57,143.00	\$1,115,822.30	\$2,878,085.70	\$4,051,051.00
Percentage of Funds	1.4%	27.5%	71.1%	

PROJECTED TRUST ALLOCATIONS

	2021
1. Anticipated Annual Project Funding Request to be paid through the Trust	\$1,115,822.30
2. Anticipated Annual Cost Share	\$ 2,878,085.70
3. Anticipated Total Project Funding by Year (line 1 plus line 2)	\$3,983,907.00
4. Cumulative Trustee Payments Requested/Made to Date Against Cumulative Approved Beneficiary Allocation	\$ 0
5. Current Beneficiary Project Funding to be paid through the Trust (line 1)	\$1,115,822.30
6. Total Funding Allocated to Beneficiary, inclusive of Current Action by Year (line 4 plus line 5)	\$1,115,822.30
7. Beneficiary Share of Estimated Funds Remaining in Trust	\$ 7,678,022.52
8. Net Beneficiary Funds Remaining in Trust, net of cumulative Beneficiary Funding Actions (line 7 minus line 6)	\$ 6,562,200.22

ATTACHMENT C

Detailed Plan For Reporting On Eligible Mitigation Action Implementation

The Delaware Department of Natural Resources and Environmental Control (DNREC) will provide detailed reporting on Volkswagen Phase 1 – year 3 School Bus Replacements and the Category 10 – FY2020 DERA grant option for all school bus replacements in the following ways:

- Timely updates to DNREC Volkswagen (VW) Environmental Mitigation Plan webpage;
- Delaware’s semiannual reporting obligations to Wilmington Trust (the “Trustee”); and
- Quarterly reports submitted to the Environmental Protection Agency (EPA).

DNREC maintains a Volkswagen (VW) Environmental Mitigation specific webpage that has been designed to support public access and limit burden for the general public. DNREC’s VW specific webpage can be found at <https://dnrec.alpha.delaware.gov/air/mobile-sources/vw-mitigation-plan/>. Timely updates to the webpage will inform the general public on the each project’s status.

DNREC shall, in the next semiannual report following the Trustee’s approval of this project, describe the progress implementing this Eligible Mitigation Action that will include a summary of all costs expended on the Eligible Mitigation Action through the reporting date per 5.3 of the Environmental Mitigation Trust Agreement for State Beneficiaries. The report will also include a complete description of the status, development, implementation (including project schedule and milestone updates), and any modification to this Eligible Mitigation Action.

Finally, one of the requirements of the FY 2020 Diesel Emission Reduction Act (DERA) State Clean Diesel Grant Program is the timely submission of quarterly reports to the EPA. DNREC will submit timely reports to the EPA. They will also be included in the semiannual reports that DNREC provides to the Trustee.

ATTACHMENT D

Detailed Cost Estimates From Selected or Potential Vendors For Each Proposed Expenditure Exceeding \$25,000.

The Delaware Department of Natural Resources and Environmental Control (DNREC) has provided detailed cost estimates from the Delaware Department of Education, as well as, from Sutton Bus and Truck Co. and Bowman Bus. The Department has included a copy of NAT200002-School Bus Replacement Project for Sutton Bus and Truck Co. and Bowman Bus and copies costs from IG Burton and Wolfington Body Co. for the Delaware Department of Education school bus replacements.



DEPARTMENT OF EDUCATION

Townsend Building
401 Federal Street Suite 2
Dover, Delaware 19901-3639
DOE WEBSITE: <http://www.doe.k12.de.us>

Susan S. Bunting, Ed.D.
Secretary of Education
Voice: (302) 735-4000
FAX: (302) 739-4654

December 18, 2020

Mr. Wayne Dhue
i.g. Burton, Inc.
793 Bay Road
Milford, DE 19963

Dear Mr. Dhue:

This is to advise you that your firm has been awarded Units 6,7, 30-34 of ITB DOE #2021-07(a) for school buses. The Department of Education (DOE) is responsible for \$710,372.00 and the school districts are responsible for \$23,679.00 which results in an overall total of \$734,051.00.

Enclosed is the copy of the Agreement between the DOE and Vendor covering this transaction. Please sign this Agreement and return to DOE.

Upon receipt of the signed copy of this Agreement, your bid bond will be returned and a purchase order will be processed. DOE will also instruct the school districts to issue purchase orders for their costs of the options.

Sincerely,

Jennifer Carlson
Director of Finance

Enclosures
cc: Mr. Tyler Bryan

AGREEMENT BETWEEN THE DEPT. OF EDUCATION AND VENDOR

Agreement made this 18th day of December in the year Two Thousand and Twenty (2020) between the Department of Education and Vendor:

i.g. Burton, Inc.
793 Bay Road
Milford, DE 19963

for the following school buses on ITB DOE #2021-07(a):

UNIT	TYPE	STATE SHARE	DISTRICT	DISTRICT SHARE	TOTAL COST PER UNIT
6	72/G	\$78,064.00	Capital	\$807.00	\$78,871.00
7	72/D/A	\$99,793.00	Capital	\$1,927.00	\$101,720.00
30-34	72/P/A	\$ 532,515.00	Red Clay	\$20,945.00	\$110,692.00

The Department of Education and Vendor agree to the following:

1. The contract consists of this Agreement and the specifications in ITB DOE #2021-07(a).
2. The work to be performed shall not commence or materials to be supplied shall not be ordered until the vendor receives the State of Delaware purchase order(s) to cover the cost of this contract.
3. All work shall be completed and/or materials delivered by the Vendor on or before August 13, 2021

This Agreement executed the day and year first written above.

Kim Klein
Associate Secretary, Operations Support

Vendor

Date

Date

Federal Employer's Identification Number

Delaware Business License Number



DEPARTMENT OF EDUCATION

Townsend Building
401 Federal Street Suite 2
Dover, Delaware 19901-3639
DOE WEBSITE: <http://www.doe.k12.de.us>

Susan S. Bunting, Ed.D.
Secretary of Education
Voice: (302) 735-4000
FAX: (302) 739-4654

December 18, 2020

Mr. Matthew Prince
Wolffington Body Co., Inc.
PO Box 218
Exton, PA 19341

Dear Mr. Prince:

This is to advise you that your firm has been awarded Units 1-5, 8, 9-29, 35, and 36 of ITB DOE #2021-07(b) school buses. The Department of Education (DOE) is responsible for \$2,577,942.00 and the school districts are responsible for \$34,733.00 which results in an overall total of \$2,612,675.00.

Enclosed is the copy of the Agreement between the DOE and Vendor covering this transaction. Please sign the copy of this Agreement and return to DOE.

Upon receipt of one copy of this Agreement, your bid bond will be returned and a purchase order will be processed. DOE will also instruct the school districts to issue purchase orders for their costs of the options.

Sincerely,

Jennifer Carlson
Director Finance

Enclosures
cc: Mr. Tyler Bryan

AGREEMENT BETWEEN THE DEPT. OF EDUCATION AND VENDOR

Agreement made this 18th day of December in the year Two Thousand and Twenty (2020) between the Department of Education and Vendor:

Wolffington Body Co., Inc.
PO Box 218
Exton, PA 19341

for the following school buses on ITB DOE #2021-07(b):

UNIT	TYPE	STATE SHARE	DISTRICT	DISTRICT SHARE	TOTAL COST PER UNIT
1-3	72/P/A	\$ 275,622.00	Brandywine	\$5,517.00	\$93,713.00
4-5	36/P/A	\$ 192,056.00	Caesar Rodney	\$2,104.00	\$97,080.00
8	72/D/L/A	\$ 98,309.00	Capital	\$1,046.00	\$99,355.00
9-11	48/D/A	\$ 259,785.00	Christina	\$1,968.00	\$87,251.00
12-17	48/D/L/A	\$ 555,318.00	Christina	\$3,936.00	\$93,209.00
18-21	72/D	\$ 310,120.00	Christina	\$1,132.00	\$77,813.00
22-24	42/D/A	\$ 250,716.00	Colonial	\$4,728.00	\$85,148.
25	54/D/L/A	\$ 95,673.00	Colonial	\$1,427.00	\$97,100.00
26	72/D/L/A	\$ 98,779.00	Indian River	\$1,879.00	\$100,658.00
27	24/G/A	\$ 58,151.00	Red Clay	\$5,650.00	\$63,801.00
28	48/P/L/A	\$ 98,007.00	Red Clay	\$1,121.00	\$99,128.00
29	54/P/L/A	\$ 103,197.00	Red Clay	\$1,570.00	\$104,767.00
35	72/P/L/A	\$ 104,761.00	Red Clay	\$2,655.00	\$107,416.00
36*	72/D	\$ 77,448.00	Cape Henlopen	0.00	\$ 77,448.00

*Unit 36 (1) unit is being awarded for Cape Henlopen School District. Additional unit(s) #36 are contingent on need and funding availability. Label Unit #36 as "Cape Henlopen School District"

The Department of Education and Vendor agree to the following:

1. The contract consists of this Agreement and the specifications in ITB DOE #2021-07(b)
2. The work to be performed shall not commence or materials to be supplied shall not be ordered until the vendor receives the State of Delaware purchase order(s) to cover the cost of this contract.
3. All work shall be completed and/or materials delivered by the Vendor on or before August 13, 2021.

This Agreement executed the day and year first written above.

Kim Klein
Associate Secretary, Operations Support

Vendor

Date

Date

Federal Employer's Identification Number

Delaware Business License Number

APPENDIX B2

The Volkswagen Environmental Mitigation Trust Program

BUS APPLICATION FORM

Project Title:

NAT20002-VWEMTFP

General Information:

Applicant: SUTTON BUS & TRUCK CO INC			
Mailing Address: 5609 OLD CAPITOL TRAIL			
City: WILMINGTON	State: DE	Zip: 19808	County: NEW CASTLE
Daytime Phone: 302-995-7444		Alternate Phone: 302-995-7444	
Email: SUTTONBUS@COMCAST.NET			
Tax Identification Number: 510264914			
District(s) served: RED CLAY, CHRISTINA, LAS AMERICAS ACADEMY			
Equipment Owner (if different from Applicant): SAME AS ABOVE			
Mailing Address:			
City:	State:	Zip:	County:
Daytime Phone:		Alternate Phone:	
Email:			

Class 4-8 school buses, shuttle buses, or transit buses (engine model year 2009 to 1992) are an eligible mitigation action item. They must be repowered with any new diesel or alternate fueled or all-electric engine, or replaced with any new diesel or all-electric vehicle, with the engine model year in which the eligible bus mitigation action occurs or newer.

Type of Mitigation Action: Vehicle Replacement: *** Engine Repower: <input type="checkbox"/>	
Quantity	Action: Vehicle Replacement: <u>8</u> Engine Repower: _____
Quantity	Replacement: Propane <u>8</u> Clean Diesel _____ Electric _____ Other _____

Mitigation Action Description

Please provide a brief narrative describing how the project relates to Delaware’s VW Environmental Mitigation Plan by reducing NOx emissions and how this project will benefit the State of Delaware. If additional space is needed please label (no more than one page) in your application “Title of Project, Mitigation Action Description.”

SUTTON BUS & TRUCK CO., INC. IS CONTRACTED BY RED CLAY CONSOLIDATED SCHOOL DISTRICT, CHRISTINA SCHOOL DISTRICT AND, LAS AMERICAS ASPIRA ACADEMY IN NEW CASTLE COUNTY. ALL THREE AREAS HAVE HIGH DISPARATELY IMPACTED STUDENTS. WE PROVIDE STUDENT TRANSPORTATION FOR THE STATE OF DELAWARE ON A DAILY BASIS. BY REPLACING OLDER, HIGH EMISSIONS DIESEL-POWERED SCHOOL BUSES WITH NEW, LOWER EMISSIONS PROPANE-POWERED SCHOOL BUSES, THE PROJECT WILL HAVE MULTIPLE IMPROVEMENT BENEFITS. THE REPLACEMENT OF OLDER, OUTDATED EMISSION ENGINES WITH NEW, CLEANER RUNNING, MORE ADVANCED TECHNOLOGY ENGINES WILL IMPROVE THE AIR QUALITY. WITH THIS REDUCTION OF HARMFUL EMISSIONS, THE STATE AND PEOPLE WHO LIVE HERE WOULD HAVE HEALTHIER AND INCREASED OPPORTUNITY FOR A BETTER QUALITY OF LIFE. DAILY HARMFUL EMISSION EXPOSURE TO OUR STUDENT POPULATION WOULD BE GREATLY REDUCED. RESEARCH CONFIRMS NOx EMISSIONS WOULD BE REDUCED BY 11 PERCENT BY REPLACING A DIESEL ENGINE WITH A PROPANE ENGINE.

THE NEED FOR DIESEL FUEL CONSUMPTION WOULD BE REDUCED CREATING A CLEANER AND MORE SUSTAINABLE ENVIRONMENT. THE REQUIRED PURCHASE OF PROPANE WOULD BE IN DELAWARE COMPARED TO PURCHASING DIESEL FUEL FROM NEW JERSEY AS WE DO NOW. UTILIZING A DISTRIBUTION COMPANY IN DELAWARE AND PURCHASING VEHICLES FROM A DELAWARE COMPANY CREATES JOBS AND A BETTER EMPLOYMENT OPPORTUNITIES.

BEING INCLUDED IN THE PLAN WOULD ALLOW US AS A COMPANY TO PURCHASE NEW VEHICLES AND DO OUR PART TO MOVE FORWARD IN A POSITIVE AND RESPONSIBLE DIRECTION.

Estimated NOx Reductions

Please describe and calculate the NOx reductions achieved for this project using the Diesel Emission Quantifier (DEQ) on the EPA website. Estimate the NOx emission reductions from the project in terms of dollar per ton of NOx using the DEQ found at <https://www.epa.gov/cleandiesel/diesel-emissions-quantifier-deq>. Attach a separate summary calculation worksheet generated by the DEQ for each vehicle or piece of equipment and label pages in your application "Title of Project, Estimated NOx Reductions."

Please identify the Inputs entered into the DEQ for Vehicles and/or Equipment proposed for replacement or repower under this application. Copy this form if more space is needed.

Diesel Emission Quantifier (DEQ) Inputs	Vehicles & equipment proposed for replacement or repower (Leave fields blank that do not apply)			
	26	29	33	34
Bus Number	26	29	33	34
VIN	1BAKGCKA17F241597	1BAKGCKA37F241600	1BAKGCKA07F241604	1BAKGCKA57F241605
Engine Serial Number	WAX41612	WAX41575	WAX41625	WAX41569
Vehicle Make	BLUEBIRD	BLUEBIRD	BLUEBIRD	BLUEBIRD
Vehicle Model	VISION	VISION	VISION	VISION
Vehicle Model Year	2007	2007	2007	2007
Engine Make	CATERPILLAR	CATERPILLAR	CATERPILLAR	CATERPILLAR
Engine Model	C-7	C-7		C-7
Engine Model Year	2007	2007	2007	2007
Engine Cylinder Displacement	INLINE 6	INLINE 6	INLINE 6	INLINE 6
Number of Engine Cylinders	6	6	6	6
Retrofit/Replacement Year	2022	2022	2022	2022
Engine Horsepower	240	240	240	240
Annual Fuel Used (gal/yr)	2617	2617	2617	2617
Annual Miles	17000	17000	17000	17000
Annual Idling Hours	107	107	107	107
Fuel Type	DIESEL	DIESEL	DIESEL	DIESEL
Remaining Life	3 YEARS	3 YEARS	3 YEARS	3 YEARS
Normal Attrition Year	2022	2022	2022	2022
Proposed Fuel Type	PROPANE	PROPANE	PROPANE	PROPANE
Technology Cost				

Estimated NOx Reductions

Please describe and calculate the NOx reductions achieved for this project using the Diesel Emission Quantifier (DEQ) on the EPA website. Estimate the NOx emission reductions from the project in terms of dollar per ton of NOx using the DEQ found at <https://www.epa.gov/cleandiesel/diesel-emissions-quantifier-deg>. Attach a separate summary calculation worksheet generated by the DEQ for each vehicle or piece of equipment and label pages in your application "Title of Project, Estimated NOx Reductions."

Please identify the Inputs entered into the DEQ for Vehicles and/or Equipment proposed for replacement or repower under this application. Copy this form if more space is needed.

Diesel Emission Quantifier (DEQ) Inputs	Vehicles & equipment proposed for replacement or repower (Leave fields blank that do not apply)			
Bus Number	2	5	8	25
VIN	1BAKGCKA17F241594	1BAKGCKA37F241595	1BAKGCKAX8F253597	1BAKGCKA57F241596
Engine Serial Number	WAX41606	WAX41707	C7502348	WAX41719
Vehicle Make	BLUEBIRD	BLUEBIRD	BLUEBIRD	BLUEBIRD
Vehicle Model	VISION	VISION	VISION	VISION
Vehicle Model Year	2007	2007	2008	2007
Engine Make	CATERPILLAR	CATERPILLAR	CATERPILLAR	CATERPILLAR
Engine Model	C-7	C-7		C-7
Engine Model Year	2007	2007	2008	2007
Engine Cylinder Displacement	INLINE 6	INLINE 6	INLINE 6	INLINE 6
Number of Engine Cylinders	6	6	6	6
Retrofit/Replacement Year	2021	2021	2021	2021
Engine Horsepower	240	240	240	240
Annual Fuel Used (gal/yr)	2617	2617	2617	2617
Annual Miles	17000	17000	17000	17000
Annual Idling Hours	107	107	107	107
Fuel Type	DIESEL	DIESEL	DIESEL	DIESEL
Remaining Life	2 YEARS	2 YEARS	3 YEARS	2 YEARS
Normal Attrition Year	2022	2022	2023	2022
Proposed Fuel Type	PROPANE	PROPANE	PROPANE	PROPANE
Technology Cost				

Estimated NO_x Reduction

Logged in as DAVE | [logout](#) | [help](#)

*Note: Your session will time out after 30 minutes of inactivity.
For best results, do not use your browser's "back" arrow.*

Update Project Information

Project Name	VWEMTFP
Total Project Costs	\$ 744,000

Group Name: WAX42232

Onroad			Type
School Bus			Target
School Buses			Class or Equipment
8			Quantity
	Engine Model Year		Fuel Type
2007	ULSD (diesel)		
	Upgrade Year	2,615	Annual Fuel Gallons
2022			Diesel-equivalent Gallons
	Remaining Life	2,615	
3			Annual Miles Traveled
		17,000	
			Annual Idling Hours
		107	

Upgrades to WAX42232

Upgrade	New Model Year	New Fuel Volume	New Diesel-equivalent Gallons	Cost per Unit		Percent Reduction				
				Upgrade	Labor	NO _x	PM2.5	HC	CO	CO ₂
Vehicle Replacement - LPG/Propane	2022	3,000	1,950	\$93,000	\$0	85.8	-3.6	-4	-272.5	-

Project Budget

All projects require a cost share. Please be as detailed as possible when completing your budget. The applicant is responsible for detailing the proposed budget associated with the project. The budget includes "eligible mitigation actions" which is the base price of new bus or new engine necessary for the project while the "ineligible mitigation action expenditures" includes all administrative expenses such as taxes, titles, and registration. Copy this form if more space is needed.

Eligible Mitigation Actions					
Eligible Item	Make and Model	Capacity	Number of Each Item	Cost per Item	Estimated Costs
8	Bluebird Vision	72	8	93,000.00	\$744,000.00
Total Eligible Mitigation Action Costs					\$744,000.00

Ineligible Mitigation Action Expenditures are those administrative expenses that do not qualify for funding under this announcement. See Section 8 "Ineligible Mitigation Action Expenditures" under this RFP for additional information. If additional space is needed please label pages in your application "Title of Project, Proposed Budget"

Ineligible Mitigation Action Expenditures				
Ineligible Item	Description	Number of Each Item	Cost per Item	Estimated Costs
Total Ineligible Mitigation Action Expenditures (no match requirement)				.00

Total Budget Summary	
Total Eligible Mitigation Actions (from above)	\$744,000.00
Total Ineligible Projects Mitigation Action Expenditures (from above)	\$.00
Total Costs	\$744,000.00
Cost Share Percentage – circle one (See Section 7 "Cost Share" of the RFP)	25%
Total Cost share required from VW Mitigation Funds (matching funds)	\$186,000.00
Are you willing to accept funds from the DERA grant? If no, please explain below.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Proposed Project Location

Define the project area. Please note the following:

1. if the project is sited near a major highway or transportation corridor, shipping route, or near a shipping logistics center,
2. is the project in an environmental justice (EJ) area or related location that receives a disparate proportion of environmental impacts,
3. if the project avoids environmentally sensitive areas or areas containing critical habitats.

Indicate if the proposed project is located in a non-attainment and air quality maintenance areas. If additional space is needed please label page (no more than one) in your application "Title of Project, Proposed Project Location.

SUTTON BUS & TRUCK CO INC IS LOCATED AT 5609 OLD CAPITOL TRAIL, WILMINGTON, DELAWARE 19808. WE ARE LOCATED IN NEW CASTLE COUNTY, TWELVE MILES FROM THE CITY OF WILMINGTON. OUR LOCTION HAS CLOSE PROXCIMITIES TO MANY ENVIRONMENTAL JUSTICE AREAS.

Project Timeline

All projects must be completed within one (1) year of signing a final contract or MOU. The milestones included in this template are provided as guidance. Applicants may substitute or add other milestones that suit their purpose, please be as detailed as possible.

Project Timellne	
Milestone	Estimated Date
Project Equipment Purchase Made	02/2021
Equipment Delivery	08/2021
Submit Proof of Scrapping of Replaced Vehicle or Engine (pictures) and Certificate of Destruction, Bill of Sale, and an Invoice to the Department	07/2021

Ability to be Replicated throughout the State

Provide a brief narrative to explain how the proposed project has the ability to be replicated throughout the state with other fleets or for public access. If additional space is needed please label (no more than one page) in your application "Title of Project, Replication."

THE PROJECT HAS THE ABILITY TO BE REPLICATED THROUGHOUT THE STATE BY REDUCING THE NUMBER OF SCHOOL BUSES THAT ARE RUNNING OUTDATED EMISSIONS EQUIPMENT. TRANSPORTING OUR MOST PRECIOUS CARGO AND THEIR WELL-BEING MUST BE A PRIORITY. WITH THE STATE'S SUPPORT, I BELIVE MANY SCHOOL BUS COMPANIES AND DISTRICTS WOULD TAKE ADVANTAGE OF THE OPPROTUNITY TO MAKE IMPROVEMENTS TO THEIR FLEETS AND SUPPORT THE PLAN'S COST SHARE. IFORMATION IS BEING DISTRIBUTED FROM THE DELAWARE SCHOOL BUS CONTRACTOR'S ASSOCIATION AND ALL OF THEIR MEMBERS.

Collaboration with Other Entities in the State

Provide a brief narrative to demonstrate that the project includes collaborative efforts between the applicant and project team. If additional space is needed please label the narrative (no more than one page) in your application "Title of Project, Collaboration."

OUR WORKING RELATIONSHIP WITH THE STATE, OUR BUS DEALERSHIP, OUR PROPANE PROVIDER, HAVE ALL MADE ONGOING COLLABORATED EFFORTS. WITH THE STATE'S CONTINUED PLAN TO IMPROVE AIR QUALITY, IG BURTON'S BUS SALES CONTINUED PURCHASE SUPPORT, SHARP ENERGY'S CONTINUED PROPANE DISTRIBUTION AND SUPPORT, THERE IS A POTENTIAL BENEFIT IMPACT FOR ALL INVOLVED PARTIES.

Economic Development

Provide a brief narrative to explain how the project creates and/or retains local jobs for Delawareans and serves as an economic development engine for local Delaware based companies. If additional space is needed label the narrative (no more than one page) in your application "Title of Project, Economic Development."

PURCHASING VEHICLES FROM A DEALERSHIP IN DELAWARE, PURCHASING PROPANE IN DELAWARE, CREATES A CONTINUATION OF ECONOMIC GROWTH. THE SALE OF VEHICLES, THE SERVICE TECHNICIANS, THE DELIVERY DRIVERS, THE ADMINISTRATION PERSONEL, ARE ALL JOBS CREATED FROM DOING BUSINESS IN DELAWARE.

Attachment Checklist

Check if attached	Attachment Description
**	Mitigation Action Description: Attach a brief narrative (no more than two-pages) describing the project and how it relates to Delaware’s Environmental Mitigation Plan and label as “ Project Title, Mitigation Action Description. ”
**	NOx Emission Reduction: Estimate the NOx emission reductions from the project in terms of dollar per ton of NOx using EPA’s Diesel Emission Quantifier found at https://www.epa.gov/cleandiesel/diesel-emissions-quantifier-deq . Attach a <u>separate</u> summary calculation worksheet generated by the DEQ for <u>each</u> vehicle or piece of equipment and label as “ Project Title, NOx Emission Reduction. ”
**	Project Budget: The proposed budget must be thorough, robust, realistic, and cost effective. The applicant must show a detailed budget with all cost shares explained and label as “ Project Title, Proposed Budget. ”
**	Proposed Project Location: Define the project area with a description. Please note (1) if the project is sited near a major highway or transportation corridor, shipping route, or near a shipping logistics center, (2) is the project in an environmental justice (EJ) area or related location that receives a disparate proportion of environmental impacts, (3) if the project avoids environmentally sensitive areas or areas containing critical habitats. Please note if the proposed project is located in a non-attainment and air quality maintenance areas. Label as “ Project Title, Proposed Project Location. ”
**	Project Timeline: Provide a summary table that defines when the proposed project will commence, major milestones that will be accomplished, and when the project end. Label the timeline “ Project Title, Project Timeline. ”
**	Ability to be Replicated Throughout the State: Provide a brief narrative (no more than one page) to explain how the proposed project has the ability to be replicated throughout the state with other fleets or for public access. Label the narrative as “ Project Title, Replication. ”
**	Collaboration with Other Entities in the State: Provide a brief narrative (no more than one page) to demonstrate that the project includes collaborative efforts between the applicant and project team. Label this narrative as “ Project Title, Collaboration. ”
**	Economic Development: Provide a brief narrative (no more than two pages) to explain how the project creates and/or retains local jobs for Delawareans and serves as an economic development engine for local Delaware based companies. Label this narrative as “ Project Title, Economic Development. ”
**	Applicants must also submit copies of the following: <ul style="list-style-type: none"> • Title and Registration for <u>each</u> vehicle being replaced • Copies of Insurance (see section B. 24 of the RFP) • Dated and Itemized Dealer Quote for each new bus. (Note: Taxes and registration are not included in reimbursement.)

Application Scoring Matrix

Project Award Criteria	Score Possible
<p>Measurable, verifiable reduction in NOx emissions</p> <ul style="list-style-type: none"> - The project will produce a net reduction in NOx emissions in the State and result in a measurable, verifiable reduction in NOx per ton of emissions using the Diesel Emission Quantifier. - Projects must meet eligibility requirements of the VW Mitigation Plan 	Up to 30 points
<p>Project Budget</p> <ul style="list-style-type: none"> -The proposed budget is thorough, robust, realistic, and cost effective. - The applicant must show a detailed budget with all cost shares explained. 	Up to 15 points
<p>Proposed Project Location</p> <ul style="list-style-type: none"> - The project is sited near a major highway or transportation corridor, shipping route, or near a shipping logistics center. - This project will address an environmental justice (EJ) area or related location that receives a disparate proportion of environmental impacts. - The project avoids environmentally sensitive areas or areas containing critical habitats. -Priority will be given to projects in non-attainment and air quality maintenance areas. 	Up to 15 points
<p>Project Timeline</p> <p>The proposed project must define when the project will commence and will end.</p>	Up to 15 points
<p>Ability to be Replicated throughout the State</p> <ul style="list-style-type: none"> - The proposed project has the ability to be replicated throughout the state. 	Up to 15 points
<p>Collaboration with other Entities in the State</p> <ul style="list-style-type: none"> - The project includes collaborative efforts between the applicant and project team (an anchor fleet or fleets, utility/fuel provider, vehicle dealer, or manufacturer). 	Up to 10 points
<p>Economic Development</p> <ul style="list-style-type: none"> - The project creates and/or retains local jobs for Delawareans. - The project serves as an economic development engine for local Delaware based companies. 	Up to 5 points
<p>Total Points</p>	100 Maximum

Certification

The Applicant certifies that they have been authorized by the Equipment Owner to submit this application. The Equipment Owner agrees to comply with all requirements of Delaware's Volkswagen Environmental Mitigation Plan and that the information provided is true, accurate, and complete.

Applicant's Signature: Sutton Bus + Truck Co., Inc. Date: 04-20-2020

Bus Owner's Signature: David J. Sutton V.P. Date: 04-20-2020
(If different from Applicant)



*Bowman Bus Service, Inc.
960 Bowman Road
Milford, DE 19963
302-422-4040
April 22, 2020*

RFP# NAT20002-VWEMTFP
Volkswagen Environmental Mitigation Trust Fund
Project for Phase 3

Vendor Name: Bowman Bus Service, Inc.

Department of Natural Resources
And Environmental Control
Division of Air Quality
State Street Commons
100 W. Water Street
Suite 6A
Dover, DE 19904

Enclosed is a proposal from Bowman Bus Service, Inc., a school bus contractor that provides transportation services to the State of Delaware, for consideration in the RFP Contract # NAT20002-VWEMTFP, Volkswagen Environmental Mitigation Trust Fund Project for Phase 3.

Respectfully Submitted,

A handwritten signature in black ink that reads "James Bowman".

James Bowman
Bowman Bus Service, Inc.

*Master
COPY*

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**RFP# NAT20002-VWEMTFP
Volkswagen Environmental Mitigation Trust Fund
Project for Phase 3**

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Vehicle Registration And Insurance Card	Page 13
Certificate of Commercial Liability Insurance	Page 14
Business License	Page 15

APPENDIX B2

The Volkswagen Environmental Mitigation Trust Program

BUS APPLICATION FORM

Project Title:

EPA Diesel Emission Reduction Program

General Information:

Applicant: Bowman Bus Service, Inc.			
Mailing Address: 960 Bowman Road			
City: Milford	State: DE	Zip: 19963	County: Kent
Daytime Phone: 302-422-4040		Alternate Phone: 302-233-2820	
Email: bowmanbus@gmail.com			
Tax Identification Number: 51-0203462			
District(s) served: Polytech, First State Military Academy			
Equipment Owner (if different from Applicant):			
Mailing Address:			
City:	State:	Zip:	County:
Daytime Phone:		Alternate Phone:	
Email:			

Class 4-8 school buses, shuttle buses, or transit buses (engine model year 2009 to 1992) are an eligible mitigation action item. They must be repowered with any new diesel or alternate fueled or all-electric engine, or replaced with any new diesel or all-electric vehicle, with the engine model year in which the eligible bus mitigation action occurs or newer.

Type of Mitigation Action: Vehicle Replacement: <input checked="" type="checkbox"/> Engine Repower: <input type="checkbox"/>	
Quantity	Action: Vehicle Replacement: <u> 1 </u> Engine Repower: <u> </u>
Quantity	Replacement: Propane <u> </u> Clean Diesel <u> 1 </u> Electric <u> </u> Other <u> </u>

Mitigation Action Description

Please provide a brief narrative describing how the project relates to Delaware’s VW Environmental Mitigation Plan by reducing NOx emissions and how this project will benefit the State of Delaware. If additional space is needed please label (no more than one page) in your application “Title of Project, Mitigation Action Description.”

By reducing emissions and improving air quality to help achieve Delaware’s air quality goals.

Estimated NOx Reductions

Please describe and calculate the NOx reductions achieved for this project using the Diesel Emission Quantifier (DEQ) on the EPA website. Estimate the NOx emission reductions from the project in terms of dollar per ton of NOx using the DEQ found at <https://www.epa.gov/cleandiesel/diesel-emissions-quantifier-deq>. Attach a separate summary calculation worksheet generated by the DEQ for each vehicle or piece of equipment and label pages in your application "Title of Project, Estimated NOx Reductions."

Please identify the Inputs entered into the DEQ for Vehicles and/or Equipment proposed for replacement or repower under this application. Copy this form if more space is needed.

Diesel Emission Quantifier (DEQ) Inputs	Vehicles & equipment proposed for replacement or repower (Leave fields blank that do not apply)			
Bus Number	83			
VIN	4DRBBABP53B956677			
Engine Serial Number	2NVXHD444ANB			
Vehicle Make	International			
Vehicle Model	Bluebird			
Vehicle Model Year	2003			
Engine Make	International			
Engine Model	T444E			
Engine Model Year	2003			
Engine Cylinder Displacement	7.3 Litre			
Number of Engine Cylinders	8			
Retrofit/Replacement Year	2021			
Engine Horsepower	195			
Annual Fuel Used (gal/yr)	2,076			
Annual Miles	13,500			
Annual Idling Hours	270			
Fuel Type	ULSD			
Remaining Life	8			
Normal Attrition Year	2028			
Proposed Fuel Type	ULSD			
Technology Cost				

Project Budget

All projects require a cost share. Please be as detailed as possible when completing your budget. The applicant is responsible for detailing the proposed budget associated with the project. The budget includes “eligible mitigation actions” which is the base price of new bus or new engine necessary for the project while the “ineligible mitigation action expenditures” includes all administrative expenses such as taxes, titles, and registration. Copy this form if more space is needed.

Eligible Mitigation Actions					
Eligible Item	Make and Model	Capacity	Number of Each Item	Cost per Item	Estimated Costs
School bus	International school bus	72	1	\$103,000	\$103,000.00
Total Eligible Mitigation Action Costs					\$ 103,000.00

Ineligible Mitigation Action Expenditures are those administrative expenses that do not qualify for funding under this announcement. See Section 8 “Ineligible Mitigation Action Expenditures” under this RFP for additional information. If additional space is needed please label pages in your application “Title of Project, Proposed Budget”

Ineligible Mitigation Action Expenditures				
Ineligible Item	Description	Number of Each Item	Cost per Item	Estimated Costs
Tax	DMV Document Fee	1	\$4377.50	\$4377.50
Registration	DMV Registration	1	\$490.00	\$ 490.00
Title	DMV Title	1	\$35.00	\$ 35.00
Total Ineligible Mitigation Action Expenditures (no match requirement)				\$ 4,902.50

Total Budget Summary	
Total Eligible Mitigation Actions (from above)	\$ 103,000.00
Total Ineligible Projects Mitigation Action Expenditures (from above)	\$ 4,902.50
Total Costs	\$ 107,902.50
Cost Share Percentage – circle one (See Section 7 “Cost Share” of the RFP)	25% or 45%
Total Cost share required from VW Mitigation Funds (matching funds)	\$ 25,750.00
Are you willing to accept funds from the DERA grant? If no, please explain below.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Proposed Project Location

Define the project area. Please note the following:

1. if the project is sited near a major highway or transportation corridor, shipping route, or near a shipping logistics center,
2. is the project in an environmental justice (EJ) area or related location that receives a disparate proportion of environmental impacts,
3. if the project avoids environmentally sensitive areas or areas containing critical habitats.

Indicate if the proposed project is located in a non-attainment and air quality maintenance areas. If additional space is needed please label page (no more than one) in your application "Title of Project, Proposed Project Location.

Schools and high concentration areas of students
--

Project Timeline

All projects must be completed within one (1) year of signing a final contract or MOU. The milestones included in this template are provided as guidance. Applicants may substitute or add other milestones that suit their purpose, please be as detailed as possible.

Project Timeline	
Milestone	Estimated Date
Project Equipment Purchase Made	3/2021
Equipment Delivery	8/2021
Submit Proof of Scrapping of Replaced Vehicle or Engine (pictures) and Certificate of Destruction, Bill of Sale, and an Invoice to the Department	9/2021

Ability to be Replicated throughout the State

Provide a brief narrative to explain how the proposed project has the ability to be replicated throughout the state with other fleets or for public access. If additional space is needed please label (no more than one page) in your application "Title of Project, Replication."

We found out about the program through the Department of Education which all school bus contractors receive the same notification and invitation to participate in the program.

Collaboration with Other Entities in the State

Provide a brief narrative to demonstrate that the project includes collaborative efforts between the applicant and project team. If additional space is needed please label the narrative (no more than one page) in your application "Title of Project, Collaboration."

DNREC/Division of Air Quality has been helpful in providing necessary information on their website and through video conferencing to assist in the application process.

Economic Development

Provide a brief narrative to explain how the project creates and/or retains local jobs for Delawareans and serves as an economic development engine for local Delaware based companies. If additional space is needed label the narrative (no more than one page) in your application "Title of Project, Economic Development."

It enables us to upgrade our equipment to meet the new and improved emission standards while improving air quality to meet the clean air act requirements for our employees and student passengers.

Attachment Checklist

Check if attached	Attachment Description
X	Mitigation Action Description: Attach a brief narrative (no more than two-pages) describing the project and how it relates to Delaware’s Environmental Mitigation Plan and label as “ Project Title, Mitigation Action Description. ”
X	NOx Emission Reduction: Estimate the NOx emission reductions from the project in terms of dollar per ton of NOx using EPA’s Diesel Emission Quantifier found at https://www.epa.gov/cleandiesel/diesel-emissions-quantifier-deq . Attach a <u>separate</u> summary calculation worksheet generated by the DEQ for <u>each</u> vehicle or piece of equipment and label as “ Project Title, NOx Emission Reduction. ”
X	Project Budget: The proposed budget must be thorough, robust, realistic, and cost effective. The applicant must show a detailed budget with all cost shares explained and label as “ Project Title, Proposed Budget. ”
X	Proposed Project Location: Define the project area with a description. Please note (1) if the project is sited near a major highway or transportation corridor, shipping route, or near a shipping logistics center, (2) is the project in an environmental justice (EJ) area or related location that receives a disparate proportion of environmental impacts, (3) if the project avoids environmentally sensitive areas or areas containing critical habitats. Please note if the proposed project is located in a non-attainment and air quality maintenance areas. Label as “ Project Title, Proposed Project Location. ”
X	Project Timeline: Provide a summary table that defines when the proposed project will commence, major milestones that will be accomplished, and when the project end. Label the timeline “ Project Title, Project Timeline. ”
X	Ability to be Replicated Throughout the State: Provide a brief narrative (no more than one page) to explain how the proposed project has the ability to be replicated throughout the state with other fleets or for public access. Label the narrative as “ Project Title, Replication. ”
X	Collaboration with Other Entities in the State: Provide a brief narrative (no more than one page) to demonstrate that the project includes collaborative efforts between the applicant and project team. Label this narrative as “ Project Title, Collaboration. ”
X	Economic Development: Provide a brief narrative (no more than two pages) to explain how the project creates and/or retains local jobs for Delawareans and serves as an economic development engine for local Delaware based companies. Label this narrative as “ Project Title, Economic Development. ”
X	Applicants must also submit copies of the following: <ul style="list-style-type: none"> • Title and Registration for <u>each</u> vehicle being replaced • Copies of Insurance (see section B. 24 of the RFP) • Dated and Itemized Dealer Quote for each new bus. (Note: Taxes and registration are not included in reimbursement.)

Application Scoring Matrix

Project Award Criteria	Score Possible
<p>Measurable, verifiable reduction in NOx emissions</p> <ul style="list-style-type: none"> - The project will produce a net reduction in NOx emissions in the State and result in a measurable, verifiable reduction in NOx per ton of emissions using the Diesel Emission Quantifier. - Projects must meet eligibility requirements of the VW Mitigation Plan 	Up to 30 points
<p>Project Budget</p> <ul style="list-style-type: none"> -The proposed budget is thorough, robust, realistic, and cost effective. - The applicant must show a detailed budget with all cost shares explained. 	Up to 15 points
<p>Proposed Project Location</p> <ul style="list-style-type: none"> - The project is sited near a major highway or transportation corridor, shipping route, or near a shipping logistics center. - This project will address an environmental justice (EJ) area or related location that receives a disparate proportion of environmental impacts. - The project avoids environmentally sensitive areas or areas containing critical habitats. -Priority will be given to projects in non-attainment and air quality maintenance areas. 	Up to 15 points
<p>Project Timeline</p> <p>The proposed project must define when the project will commence and will end.</p>	Up to 15 points
<p>Ability to be Replicated throughout the State</p> <ul style="list-style-type: none"> - The proposed project has the ability to be replicated throughout the state. 	Up to 15 points
<p>Collaboration with other Entities in the State</p> <ul style="list-style-type: none"> - The project includes collaborative efforts between the applicant and project team (an anchor fleet or fleets, utility/fuel provider, vehicle dealer, or manufacturer). 	Up to 10 points
<p>Economic Development</p> <ul style="list-style-type: none"> - The project creates and/or retains local jobs for Delawareans. - The project serves as an economic development engine for local Delaware based companies. 	Up to 5 points
<p>Total Points</p>	100 Maximum

Certification

The Applicant certifies that they have been authorized by the Equipment Owner to submit this application. The Equipment Owner agrees to comply with all requirements of Delaware's Volkswagen Environmental Mitigation Plan and that the information provided is true, accurate, and complete.

Applicant's Signature: James Bonman Date: 4/22/20

Bus Owner's Signature: _____ Date: _____
(If different from Applicant)

ATTACHMENT E

DERA Option

The State of Delaware FY2020 Clean Diesel Work plan is attached. The State of Delaware is seeking \$154,607 in Volkswagen Environmental Mitigation Funds as a DERA-Option 10 cost share for school bus replacements under the FY2020 work plan for Sutton Bus and Truck Co. Inc. and Bowman Bus Service. These replacements will be propane and diesel.

SUMMARY PAGE

Project Title: Delaware FY2020 Clean Diesel Program

Project Manager and Contact Information

Organization Name: Department of Natural Resources and Environmental Control

Project Manager: Deanna M. Cuccinello

Mailing Address: 100 W. Water Street, Dover, DE 19904

Phone: (302) 739-9402

Fax: (302) 739-3106

Email: Deanna.morozowich@delaware.gov

Project Budget Overview:

	2019	2020
EPA Base Allocation	\$315,793.00	\$328,128.00
EPA Match Bonus (if applicable)	\$157,897.00	-
State or Territory Voluntary Matching Funds (if applicable)	\$361,675.00	\$154,607.00
Mandatory Cost-Share	\$2,782,381.00	\$815,250.00
TOTAL Project Cost	\$3,617,746.00	\$1,297,985.00

Project Period

October 1, 2019 – September 30, 2022

Summary Statement

The FY2020 Diesel Emission Reduction Act grant funds will be used to replace:

- 2 older diesel Caterpillar engines in the “Sand Bypass System” at the Indian River Inlet with the Department of Natural Resources and Environmental Control; and
- 9 diesel school buses with Bowman Bus Service and Sutton Bus and Trucking Company

The equipment will be replaced with the mandatory project partner funds along with DERA or Volkswagen Environmental Mitigation Funds as the cost share.

Clean diesel project information can be found on the following page:
<http://www.dnrec.delaware.gov/Air/Pages/MobileSourcesLinks.aspx>

SCOPE OF WORK

The projects presented in the FY2020 work plan will be administered by the Delaware Department of Natural Resources and Environmental Control – Division of Air Quality staff and our project partners. The purpose of the projects is to reduce diesel emissions in the State of Delaware.

STATE/TERRITORY GOALS AND PRIORITIES:

The following narrative describes how the project:

1. Will maximize public health benefits;
2. Is the most cost-effective;
3. Is in areas with high population density, that are poor air quality areas (including nonattainment or maintenance of national ambient air quality standards for a criteria pollutant; Federal Class I areas; or areas with toxic air pollutant concerns);
4. Is in areas that receive a disproportionate quantity of air pollution from diesel fleets, including truck stops, ports, rail yards, terminals, and distribution centers or that use a community-based multi-stakeholder collaborative process to reduce toxic emissions;
5. Includes a certified engine configuration or verified technology that has a long expected useful life;
6. Maximizes the useful life of any certified engine configuration or verified technology used or funded by the eligible entity; and
7. Conserves diesel fuel.

Poor air quality is a critical issue in the region. For Delaware, New Castle and Sussex County are still in non-attainment for the ozone standard. However, the state has attained the standard for fine particulate pollution. The state's air quality monitors show clean data for the new annual fine particulate standard and the state is part of the PM Advance Program. New Castle County is an approved PM2.5 maintenance area. Diesel emission reduction projects are still important to support Delaware's efforts to maintain good air quality relative to particulate pollution.

Table 1 Statewide Emission Inventory (2014) below compares emissions (VOC, NOx, PM2.5-Primary, SO2, and NH3) of On-Road and Non-Road Equipment with the entire Non-Road Sector (Aircraft, Commercial Marine Vessels, and Locomotives).

Source	Pollutant (tons/year)				
	VOC	NOx	PM2.5-PRI	SO2	NH3
ONROAD Equipment	1,147.3	2,525.3	64.5	19.9	68.7
NONROAD Equipment	4,303.3	3,677.6	342.1	9.0	6.1
Aircraft	375.4	756.9	53.6	72.4	NA
Commercial Marine Vessels	107.7	2,795.6	80.0	466.7	0.8
Locomotives	21.3	406.1	13.1	4.2	0.2
Total	5,955.1	10,161.5	553.3	572.3	75.9

VEHICLES AND TECHNOLOGIES:

Bowman Bus Service and Sutton Bus and Truck Co. propose to replace nine (9) total diesel school buses. Bowman Bus Service is replacing one (1) bus as a clean diesel and Sutton Bus and Truck is replacing their eight (8) school buses as propane. These school buses will operate in Kent and New Castle Counties, respectively and will directly support the Department's goals to improve air quality and reduce diesel emissions. The school buses listed in Table 2 are being considered for replacement in FY2020:

Provider	Placement Fuel	Model Year	Model	VIN
Bowman Bus Service	D	2003	Bluebird	4DRBBABP53B956677
Sutton Bus and Truck	P	2007	Bluebird	1BAKGCKA17F241597
	P	2007	Bluebird	1BAKGCKA37F241600
	P	2007	Bluebird	1BAKGCKA07F241604
	P	2007	Bluebird	1BAKGCKA57F241605
	P	2007	Bluebird	1BAKGCKA17F241594
	P	2007	Bluebird	1BAKGCKA37F241595
	P	2008	Bluebird	1BAKGCKAX8F253597
	P	2007	Bluebird	1BAKGCKA57F241596

- The Division of Watershed Stewardship is replacing 2 Caterpillar diesel engines. These engines operate a "sand bypass system" at the Indian River Inlet. The system moves sand from the south side to the north side of the inlet because the inlet jetties interrupt the natural flow of sediment; causing the north side to be sediment starved, which results in erosion and threatens an emergency evacuation route (Route 1). The diesel engines use a lot of fuel, are loud, smelly, and require a lot of maintenance. The Department will replace these engines as electric and connect to the electric power grid.

TABLE 3 – Division of Watershed Stewardship Engines to be Replaced in 2020.		
Fuel	Engine Specification	Manufacturer
D	3408	Caterpillar
D	3412	Caterpillar

ROLES AND RESPONSIBILITIES:

The Department will issue agreements (Contracts or Memorandums of Understanding) that state that all equipment will be strictly maintained and serviced, as needed. If the equipment fails to perform in accordance with the manufacturer’s conditions, the equipment will be repaired or replaced under the warranty provisions.

The Department maintains a website for Mobile Sources which includes the status and progress of DERA projects. See <http://www.dnrec.delaware.gov/Air/Pages/MobileSourcesLinks.aspx>.

TIMELINE AND MILESTONES:

- June 2020 – RFP will close and projects will be selected. The DAQ prepares and submits an updated workplan to EPA.
- October 2020 – DERA award Granted
- November 2020 – Contracts written between the Department of Natural Resources and Environmental Control and each project partner memorializing an agreement that requires each transportation provider to administer the purchase and replacement of each piece of equipment, as well as oversee the replacement and scrappage requirements. The contracts will provide a process by which the Department will release the funds to purchase and replace the equipment.
- February/August 2021– New equipment purchased.
- July/September 2021 – Existing equipment scrapped and destroyed.
- September 2022 – Each equipment owner/transportation provider will supply fuel usage data to the Department.

DERA PROGRAMMATIC PRIORITIES:

The DAQ will ensure all replacement projects meet the programmatic goals and priorities set forth under the 2019-2020 Diesel Emissions Reduction Act (DERA) State Grants Program Guide. Diesel exhaust contains significant levels of fine particulate matter. Air pollution from diesel vehicles has health implications for everyone. A primary purpose for implementing these replacement projects is to reduce the impact that the diesel emitting sources have on air quality.

EPA’S STRATEGIC PLAN LINKAGE AND ANTICIPATED OUTCOMES/OUTPUTS:

The emission reductions for the project selected were be calculated using the Diesel Emission Quantifier (<https://cfpub.epa.gov/quantifier/index.cfm?action=main.home>) as required by the 2019-2020 Diesel Emissions Reduction Act (DERA) State Grants Program Guide.

Annual Emissions Reduced (tons/yr)	School Buses (qty. 9)	Diesel Engines (qty. 2)
NOx	0.418	0.806
PM	0.008	0.031
HC	0.011	0.065
CO	0.163	0.260
Lifetime Emissions Reduced (short tons)		
NOx	1.255	2.417
PM	0.023	0.092
HC	0.033	0.196
CO	0.488	0.779

SUSTAINABILITY OF THE PROGRAM:

The Department will issue agreements (Contracts or Memorandums of Understanding) that state that all equipment will be strictly maintained and serviced, as needed. If the equipment fails to perform in accordance with the manufacturer’s conditions, the equipment will be repaired or replaced under the warranty provisions.

The Division of Air Quality maintains a website for Mobile Sources which includes the status and progress of DERA projects. See <http://www.dnrec.delaware.gov/Air/Pages/MobileSourcesLinks.aspx>.

BUDGET NARRATIVE

2020 Itemized Project Budget

Table 5: Budget Narrative – State of Delaware					
Budget Category	EPA Allocation	Mandatory Cost-Share	Voluntary Match (if applicable)		Line Total
			VW Mitigation Trust Funds	Other Funds	
1. Personnel	-	-	-	-	-
2. Fringe Benefits	-	-	-	-	-
3. Travel	-	-	-	-	-
4. Equipment	\$270,000.00	\$180,000.00	-	-	\$450,000.00
5. Supplies	-	-	-	-	-
6. Contractual	\$57,143.00	\$635,250.00	\$154,607.00	-	\$847,000.00
7. Other	\$985.00	-	-	-	\$985.00
8. Total Direct Charges (sum 1-7)	\$328,128.00	\$815,250.00	\$154,607.00	-	\$1,297,985.00
9. Indirect Charges	-	-	-	-	-
10. Total (Indirect + Direct)	\$328,128.00	\$815,250.00	\$154,607.00	-	\$1,297,985.00
11. Program Income	-	-	-	-	-

Explanation of Budget Framework

- **Personnel** – No grant funds will be used.
- **Fringe Benefits** – No grant funds will be used.
- **Travel** – No grant funds will be used.
- **Supplies** – No grant funds will be used.
- **Equipment** – The Department will identify vehicles and equipment to be purchased.

The Division of Watershed Stewardship and will be replacing 2 Caterpillar diesel engines with electric engines and connecting to the electric power grid. The engines with electric will cost \$450,000 at 60% cost share.

Project Partner	VIN/Serial Number	EPA	EPA Bonus	VW Mitigation Funds	Project Partner	Actual Total
Watershed Stewardship	Caterpillar w/electric	\$135,000.00	-	-	\$90,000.00	\$225,000.00
	Caterpillar w/electric	\$135,000.00	-	-	\$90,000.00	\$225,000.00
Total		\$270,000.00	-	-	\$180,000.00	\$450,000.00

- **Contractual** – The Department will identify each proposed contract and specify its purpose and estimated cost.

The Department will issue a contract to each project partner that requires each of them to administer the entire replacement project. The contract will also provide a process by which the Department will release funds for the replacement of equipment. The total cost of the Bowman Bus Service school bus is \$103,000. Volkswagen Mitigation funds will be used to replace 25% (\$25,750.00) of the total cost. The school buses for Sutton Bus and Truck Co. total \$744,000.00. Sutton Bus and Truck is to receive a 25% cost share using DERA and Volkswagen Mitigation Trust Funds (\$186,000.00) for their school bus replacements.

Project Partner	Existing VIN	EPA	EPA Bonus	Volkswagen Mitigation Funds	Project Partner	Total
Sutton Bus and Truck	1BAKGCKA17F241597			\$23,250.00	\$69,750.00	\$93,000.00
	1BAKGCKA37F241600	\$12,250.00		\$11,000.00	\$69,750.00	\$93,000.00
	1BAKGCKA07F241604	\$23,250.00			\$69,750.00	\$93,000.00
	1BAKGCKA57F241605	\$21,643.00		\$1607.00	\$69,750.00	\$93,000.00
	1BAKGCKA17F241594			\$23,250.00	\$69,750.00	\$93,000.00
	1BAKGCKA37F241595			\$23,250.00	\$69,750.00	\$93,000.00
	1BAKGCKAX8F253597			\$23,250.00	\$69,750.00	\$93,000.00
	1BAKGCKA57F241596			\$23,250.00	\$69,750.00	\$93,000.00
Bowman Bus	4DRBBABP53B956677			\$25,750.00	\$77,250.00	\$103,000.00
Total		\$57,143.00	-	\$154,607.00	\$635,250.00	\$847,000.00

- **Other** – The Department has identified the following Audit fees.

Category	EPA Base	EPA Bonus	Volkswagen Mitigation Funds	Project Partner	Total
Total Other Charges	-	-	-	-	-
Audit of Grant (0.3% of EPA Funding)	\$985.00	-	-	-	\$985.00
Total	\$985.00	-	-	-	\$985.00

- **Indirect Charges** – No grant funds will be used.

Administrative Costs Expense Cap

No grant funds will be used towards Administrative Expenses.

Matching Funds and Cost-Share Funds

The DERA program is a reimbursement program. All project partners must provide the required cost share as indicated in the 2019-2020 Diesel Emissions Reduction Act (DERA) State Grants Program Guide. Once all costs for a particular project are expended and itemized receipts, pictures, and certificates of destruction are received, the Department will reimburse each project partner. These funds are shown in the Itemized Project Budget and Explanation of Budget Framework above.

Funding Partnerships

The DERA program is a reimbursement program. DERA grant funds are only to be used toward equipment replacement costs for each project partner. The Department would like to avoid extensive subaward monitoring and management requirements.

ENVIRONMENTAL MITIGATION PLAN ATTACHMENT

A Copy of Delaware's Environmental Mitigation Plan is attached.



DELAWARE DEPARTMENT OF
**NATURAL RESOURCES AND
ENVIRONMENTAL CONTROL**

Volkswagen Environmental Mitigation Plan

**December 2018
As amended on
February 2020
June 2021**

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I. BACKGROUND

On October 18, 2016, an initial Partial Consent Decree was finalized between the U.S. Justice Department, the Volkswagen (VW) Corporation, and its subsidiaries regarding the installation and use of emissions testing defeat devices in approximately 590,000 2.0 and 3.0 liter engine vehicles sold and operated in the United States beginning with model 2009 through 2014. A second partial settlement was approved for the 3.0 liter engine class of vehicles on May 17, 2017. Use of these defeat devices has increased air emissions of nitrogen oxide (NOx), resulting in adverse impacts to air quality and violating the federal Clean Air Act. NOx emissions contribute to the formation of ground-level ozone, which impairs lung function and cardiovascular health.

The Environmental Mitigation Trust Agreement for State Beneficiaries (Trust) dated October 2, 2017 has been established as part of the Partial Consent Decrees. Funds are to be used for environmental mitigation projects that reduce emissions of nitrogen oxides ("NOx") where the Subject Vehicles were, are, or will be operated. The Trust Agreement is intended to fully mitigate the total, lifetime excess NOx emissions from the Subject Vehicles where the Subject Vehicles were, are, or will be operated.

The State of Delaware has been allocated approximately \$9.6 million from the Environmental Mitigation Trust based on the number of affected vehicles in Delaware. Delaware applied for Beneficiary status on November 27, 2017 and officially became eligible to receive funds on January 29, 2018. Wilmington Trust, as the court appointed Trustee, holds all funds and will disburse the funds upon receiving a state submitted work plan and budget. The Trust establishes a process to administer and receive the funds, including the development of a mitigation plan, and the types of mitigation projects eligible for funding¹.

¹ Appendix D of the Partial Consent Decree MDL No. 2672 CRB (JSC)

In addition to projects that reduce NO_x emissions, under the partial consent decree, states may allocate up to 15% of the funds towards zero emission vehicle fueling and charging infrastructure (i.e. Hydrogen fueling and electric vehicle charging stations).

II. OVERVIEW, OBJECTIVES AND FUNDING PRIORITIES

On behalf of the State of Delaware, the Department of Natural Resources & Environmental Control (DNREC) has developed this Proposed Environmental Mitigation Plan to provide the public with insight into the state's vision and overall approach to use the mitigation trust funds. The primary goal of the State of Delaware's mitigation plan is to improve and protect ambient air quality by implementing eligible mitigation projects that will achieve significant and sustained reductions in NO_x emission exposures in the following:

- Areas with poor air quality;
- Areas with historical air quality issues; and
- Areas that receive a disproportionate quantity of air pollution from diesel vehicles.

In accordance with Appendix D of the Partial Consent Decree,² this Proposed Environmental Mitigation Plan specifically describes:

- The funding priorities established to guide the planning, solicitation, and project selection processes,

² Section 4.1 Beneficiary Mitigation Plan, Appendix D of the Partial Consent Decree MDL No. 2672 CRB (JSC).

-
- The categories of eligible mitigation projects anticipated to be appropriate to achieve the stated goals and the assessment of the allocation of funds anticipated to be used for each type of eligible mitigation project,
 - How the state may consider the potential beneficial impact of the selected eligible mitigation projects on air quality in areas that historically bear a disproportionate share of the air pollution burden, and
 - The anticipated ranges of emission benefits that would be realized by implementation of the eligible mitigation projects identified in the Environmental Mitigation Plan.

In addition to the above listed Environmental Mitigation Plan components, DNREC will seek and consider public comments on the State of Delaware's Proposed Environmental Mitigation Plan, which will be included in the final plan as required by the Consent Decree³.

The State of Delaware has the discretion to adjust its objectives and specific spending plan when necessary to achieve the plan's goal; for that reason, this plan is a living document. The State of Delaware will provide updates of the mitigation plan to the Trustee and on DNREC's public webpage about Delaware's actions for meeting the requirements of the Partial Consent Decree and the Mitigation Trust, at:

<http://www.dnrec.delaware.gov/air/Pages/VWMitigationPlan.aspx>

This Proposed Environmental Mitigation Plan is not a solicitation for projects. As such, this plan does not include details on the competitive application.

³ <https://www.epa.gov/enforcement/third-partial-and-301-second-partial-and-201-partial-and-amended-consent-decree>

III. PHASED FUNDING APPROACH AND ELIGIBLE APPLICANTS

DNREC is proposing a phased-in plan for the State of Delaware's allocation of funding. A phased plan will allow the state to:

- Build transparency and involve the public in reviewing and revising the plan between phases;
- Learn which projects work best, and modify requests for proposals in subsequent phases to focus on the most effective projects;
- Allow the state to identify environmental justice areas; and
- Allow the state to adjust priorities and investments based on the newest and most up-to-date vehicle technology.

The first phase of funding will be the first step in achieving our goals for the program. The phases of funding are:

- **Phase 1: \$3,225,560.99 (2018-2023)** – DNREC proposes to replace old diesel school buses with new cleaner school buses over a five year period.
- **Phase 2: \$361,374.75 (2019-2020)** – DNREC offered a competitive RFP for projects in all categories. Two projects were determined by eligibility criteria set forth in the plan. These projects are described in Phase 2.
- **Phase 3: \$2,234,590 (2020-2021)** – DNREC will allocate 15% of the funds for electric vehicle supply equipment. Projects will consist of the replacement of five (5) government-owned dump trucks and a competitive RFP where applications will be accepted for projects in all categories as well as school bus replacements

with private transportations providers. Projects will be determined by the eligibility criteria set forth in the plan.

- **Phase 4: Up to \$3.8 million (2022-2023)** – Projects will consist of a competitive RFP where applications will be accepted for projects in all categories as well as school bus replacements with private transportations providers. Projects will be determined by the eligibility criteria set forth in the plan.

Delaware's allocation of Trust funds is \$9,676,682.97 (0.33% of the total \$2.9 billion in Trust funds made available to states and Tribes). DNREC has proposed that Trust funds will be requested and made available for mitigation projects. A detailed project timeline can be found in **Table 1**.

Table 1 - Tentative Timeline of Events

Event	Time Frame
Court approves the partial settlement	October 25, 2016
Court Approves Trustee	March 15, 2017
Court Approves Trust	October 2, 2017
Delaware files Beneficiary Certification Application	November 27, 2017
Trustee Certifies Delaware as a Beneficiary	January 29, 2018
Public Comment on the draft Mitigation Plan	March 28, 2018
Delaware finalizes preliminary Mitigation Plan	December 2018
Delaware initiates Phase 1 – year 1 projects	Quarter 4 2018
Delaware releases RFP – Phase 2	January 28, 2019
Delaware selects Phase 2 projects	Quarter 3 2019
Delaware finalizes Phase 1 – year 1 projects	Quarter 4 2019
Public Comment opens on Draft Phase 3 Plan	December 2019
Delaware initiates Phase 1 – year 2 projects	Quarter 1 2020
Delaware initiates Phase 2 projects	Quarter 1 2020
Delaware releases an RFP on Phase 3 projects.	Quarter 1 2020
Delaware selects Phase 3 projects	Quarter 3 2020
Delaware finalizes Phase 1 – year 2 projects	Quarter 4 2020
Delaware finalizes Phase 2 projects	Quarter 4 2020*
Delaware initiates Phase 1 – year 3 projects	Quarter 1 2020*
Delaware initiates Phase 3 projects	Quarter 1 2020*
Delaware finalizes Phase 1 – year 3 projects	Quarter 4 2021*
Delaware finalizes Phase 3 projects	Quarter 4 2021*
Delaware releases an RFP on Phase 4 projects	Quarter 1 2022*
Delaware initiates Phase 1 – year 4 projects	Quarter 1 2022*
Delaware selects Phase 3 projects	Quarter 3 2022*
Delaware finalizes Phase 1 – year 4 projects	Quarter 4 2022*

Event	Time Frame
Delaware initiates Phase 4 projects	Quarter 1 2023*
Delaware finalizes Phase 3 projects	Quarter 4 2023*

*Dates are estimates and are subject to change.

DNREC will maintain and make publically available all documentation submitted in the support of each funding request on the VW Settlement project website⁴.

IV. SUMMARY OF PHASED SPENDING APPROACH

Phase 1 - School Bus Replacement Program:

The Department has recommended that Phase 1 funding be used to replace diesel school buses with cleaner school buses. DNREC's 2014 Emissions Inventory has concluded that up to 72% of in-state NO_x emissions can be attributed to the transportation sector. Delaware's emissions from heavy and medium duty vehicles (which include school buses) are becoming an increasingly larger source of overall mobile source emissions for nitrogen oxides (NO_x), as shown in Figure 1.

Research shows NO_x emissions will be reduced by 11 percent just by replacing a diesel school bus with a new propane school bus⁵.

⁴DNREC Website: <http://www.dnrec.delaware.gov/air/Pages/VWMitigationPlan.aspx>

⁵ Propane education and Research Council - <https://www.propanecouncil.org/>

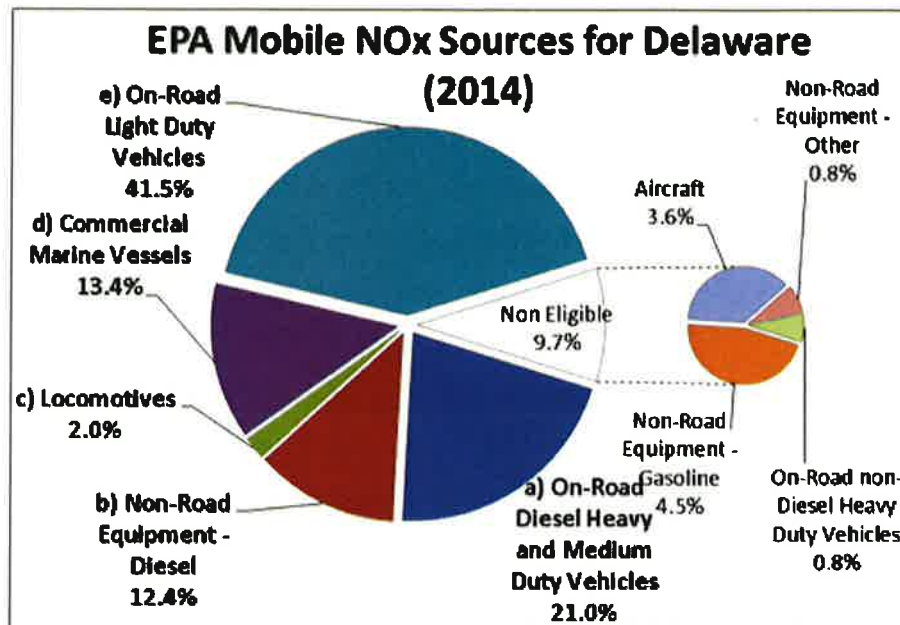


Figure 1 - Mobile NOx Sources for Delaware (Source 2014 NEI v1)

Studies have demonstrated that older, more polluting diesel school buses present significant health risks for the students who typically ride the bus. This includes the exacerbation of pre-existing pulmonary disorders such as asthma. Asthma is the most common long-term childhood disease, making newer and cleaner buses an urgent priority. Additionally, children are more susceptible to air pollution because their respiratory systems are still developing and they have faster breathing rates than do adults⁶.

Lastly, replacing school buses with buses that operate on cleaner burning fuel will assist the Department in reducing emissions in Delaware's environmental justice (EJ) areas. Environmental Justice is the act of equity among all races, ethnicities, income, and social classes of people and includes any census tract with a poverty level of 20% or higher and where 30% or more are considered minorities. The Department's mission relative to environmental justice ensures that no particular area receives disproportionate environmental impacts due to air pollution.

⁶ American Lung Association – <http://www.ala.org>

Phase 1 - Program Requirements:

In Phase 1, the Department proposes and continues to use up to 1/3 of the allocated Trust funds or \$3,225,560.99 to provide funds to the Department of Education for the replacement of school buses with cleaner burning fuel. The Department is proposing a cost share of 30% for government-owned school bus replacements.

To be eligible, each school bus being replaced must be:

- 1) Scrapped and destroyed at the time of replacement;
- 2) Owned and operated in Delaware;
- 3) Equipped with a model year 1992 to 2009 engine;
- 4) Serve a public school district or a charter school in Delaware where at least 40% of the students are disparately impacted as shown in **Table 2 and 3**;
- 5) Each new bus purchased must be of equivalent size as the bus being replaced;
- 6) The bus must be replaced with a current model year or newer; and
- 7) The replaced school bus must be fueled by propane or clean diesel.

Table 2 - Percentage of Disparately Impacted Students by School District

County	School District	Disparately Impacted (%)
New Castle	Appoquinimink	13.2
	Brandywine	29.8

County	Christina	42.9
	Colonial	39.8
	New Castle Co. Vo-Tech	27.6
	Red Clay	34.1
	Smyrna	24.9
Kent County	Caesar Rodney	30.5
	Capital	48.9
	Lake Forest	39.4
	Milford	41.2
	Polytech Vo-Tech	17.0
Sussex County	Cape Henlopen	29.0
	Delmar	14.2
	Indian River	36.0
	Laurel	47.4
	Seaford	47.7
	Sussex Technical	16.6
	Woodbridge	41.9

Table 3 - Percentage of Disparately Impacted Students by Charter School

County	Charter School	Disparately Impacted (%)
New Castle County	Academia Antonia Alonso	57.3
	Charter School of New Castle	51.4
	Delaware Academy of Public Safety and Security	39.9
	Delaware Design-Lab High School	29.9
	East Side Charter School	79.3
	First State Montessori Academy	11.6
	Freire Charter School	48.9
	Gateway Lab School	42.3
	Great Oaks Charter School	55.8
	Kuumba Academy Charter School	62.2
	Las Americas Aspira Academy	25.4
	MOT Charter School	5.3
	Moyer (Maurice J.) Academy	20.0
	Newark Charter School	8.0
	Odyssey Charter School	14.4
Prestige Academy	73.4	
Kent County	Academy of Dover	67.8
	Campus Community Charter School	40.0
	Early College High School at Delaware State University	33.1
	First State Military Academy	24.9
	Positive Outcomes Charter School	30.2
	Providence Creek Academy Charter School	18.0
Sussex County	Sussex Academy	9.0

Phase 2 - Competitive RFP Program:

In phase 2 of the plan, the Department proposed to provide up to 1/3 of the allocated Trust funds or \$3,225,560.99 in 2019 for the replacement of eligible mitigation

actions⁷. The Department will issue a competitive request for proposals (RFP) for projects that reduce nitrogen oxide (NOx) emissions from the transportation sector.

The following mitigation project types will be eligible for use of the VW Settlement Funds per the Trust Agreement found in Appendix D-2:

- 1.) Class 8 Local Freight Trucks and Port Drayage Trucks (Eligible Large Trucks)**
- 2.) Class 4-8 School Bus, Shuttle Bus, or Transit Bus (Eligible Buses)**
- 3.) Freight Switchers**
- 4.) Ferries/Tugs**
- 5.) Ocean Going Vessels (OGV) Shorepower**
- 6.) Class 4-7 Local Freight Trucks (Medium Trucks)**
- 7.) Airport Ground Support Equipment**
- 8.) Forklifts and Port Cargo Handling Equipment**

Environmental Benefits:

The retrofit, repower, or replacement of eligible vehicles and equipment may provide a wide range of emission benefits based on many variables, including the type of vehicle or engine replaced, the initial age of the engine, and the engine power rating.

⁷ The Department anticipates spending \$361,674.75 in Volkswagen Environmental Mitigation Trust Funds for Phase 2. The remaining \$2.8M will rollover to Phase 3 which will provide approximately \$6.0M to spend.

Each of the 8 project categories outlined in the VW Settlement Environmental Mitigation Plan will result in the following combined environmental benefits:

- Tons of pollution reduced or avoided over the lifetime of the zero emissions vehicle supply equipment, specifically, NO_x, PM_{2.5}, GHGs such as CO₂ and black carbon,
- Net reduction in gallons of diesel fuel and/or other fossil fuels used,
- Improved ambient air quality and human health in communities located in nonattainment areas, areas with historical air quality issues, or in areas that bear a disproportionate share of the air pollution burden, as well as benefits to the local economy, and the welfare of residents in such communities, and
- Reduced public exposure to diesel particulate matter, which the U.S. EPA has classified as a likely human carcinogen.

Additionally, based on current EPA exhaust emission standards for NO_x:⁸

- 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,
- 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 per engine,
- In locomotives, replacing the oldest (Tier 0) engine with the newest (Tier 4) engine may provide up to an 89% NO_x reduction per engine,

⁸ EPA exhaust emission standard data retrieved from: <https://www.epa.gov/emission-standards-reference-guide>.

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- In commercial marine vessels, an upgrade or repower of a ferry or tug engine may provide up to an 80% NOx reduction for each vessel, and
 - Shorepower projects may reduce all NOx exhaust emissions from many ocean-going vessels.

These anticipated ranges of emission benefits were used to inform the plan's funding priorities, categories of eligible mitigation projects, and funding allocation considerations for each category of eligible mitigation projects. It is important to note that the range of emission benefits mentioned above are for individual engines and actual NOx emissions reductions will vary based on the type of projects received for funding consideration and the eligible mitigation projects ultimately funded. However, in order to achieve the goal of the state mitigation plan, it is a priority to fund sizeable projects designed to achieve the greatest emission reduction for the dollar (i.e., capital cost effectiveness in dollars/ton).

The cost shares and requirements involved for each vehicle or equipment repower or replacement will be equivalent to the terms of the Diesel Emission Reduction (DERA)⁹ grant. Cost shares identified in **Table 4** are based on the FY2017 State Clean Diesel Program Guide¹⁰.

⁹ The DERA program is a Congressionally-authorized project that enables the U.S. EPA to offer assistance for actions reducing diesel emissions. Thirty percent of the annual DERA funds are allocated to the DERA Clean Diesel State Grant Program. States and territories that match the base amount dollar per dollar receive an additional amount of EPA DERA funding to add to the grant (50% of the base amount). Trust funds can be used for states or territories non-federal match on a 1:1 basis.

¹⁰ 2017 FY2017 State Clean Diesel Program Guide - <https://www.epa.gov/sites/production/files/2017-02/documents/fy17-state-program-guide-2017-02.pdf>

Table 4 - Cost Shares for Eligible Mitigation Actions

Eligible Mitigation Action	Activity	Vehicle and Equipment Eligibility (Engine Model Year or Tier)	VW Funding	Cost Share Required
Class 8 Local Freight Trucks and Port Drayage Trucks (Eligible Large Trucks) & Class 4-7 Local Freight Trucks (Eligible Medium Trucks)	Engine replacement with new diesel or alternate fueled engine	1992-2009	40%	60%
	Engine replacement with new all-electric engine	1992-2009	60%	40%
	Vehicle replacement with new diesel or alternate fueled vehicle	1992-2009	25% (50% for Drayage)	75% (50% for Drayage)
	Vehicle Replacement with all-electric vehicle	1992-2009	45%	55%
Class 4-8 School Bus, Shuttle Bus, or Transit Bus (Eligible Buses)	Engine replacement with new diesel or alternate fueled engine	2009 and older	40%	60%
	Engine replacement with new all-electric engine	2009 and older	60%	40%
	Vehicle replacement with new diesel or alternate fueled vehicle	2009 and older	25%	75%
	Vehicle Replacement with all-electric vehicle	2009 and older	45%	55%
Freight Switchers	Engine replacement with new diesel or alternate fueled engine or generator sets that are EPA certified	Pre-Tier 4	40%	60%
	Engine replacement with new all-electric engine	Pre-Tier 4	60%	40%
	Locomotive replacement with new diesel or alternate fueled freight switcher that is EPA certified	Pre-Tier 4	25%	75%
	Locomotive replacement with	Pre-Tier 4	45%	55%

Eligible Mitigation Action	Activity	Vehicle and Equipment Eligibility (Engine Model Year or Tier)	VW Funding	Cost Share Required
	new all-electric freight switcher			
Ferries/Tugs	Engine replacement with new Tier 3 or 4 diesel or alternate fueled engine	Pre-Tier 3	40%	60%
	Engine replacement with new all-electric engine	Pre-Tier 3	60%	40%
	Certified Remanufacture System or Verified Engine Upgrade	Pre-Tier 3	40%	60%
Ocean Going Vessels	Costs associated with shore-side system	n/a	25%	75%
Airport Ground Support Equipment	Engine replacement with new all-electric engine	Pre-Tier 3	60%	40%
Forklifts and Port Cargo Handling Equipment	Equipment replacement with new all-electric equipment	8000+ lbs lift capacity	45%	55%

Non-government and government entities are eligible to apply for funding to implement mitigation projects. Project funding will be awarded through a competitive process in accordance with Delaware's procurement laws¹¹. Any unspent funds remaining at the end of Phase 2 will be rolled into a subsequent Phase.

Diesel Emission Reduction Act (DERA):

The Department may leverage the projects in all phases in order to received additional Diesel Emission Reduction Act (DERA) grant funding. Any source type applying for grant funding will be subject to the requirements of the DERA State Clean

¹¹ Delaware Procurement laws can be found at <http://mymarketplace.delaware.gov/>

Diesel Grant Program, including but not limited to general eligibility, project evaluation criteria, eligible project and administrative expenditures, cost-share, and funding restrictions.

The projects submitted via the RFP will be reviewed by a Department established Project Selection Committee. The committee will select and rank project applications based on a set "Project Scoring Criteria/Matrix" developed by the Department as shown in **Table 5** expressly for this purpose.

Phase 2, Phase 3, and Phase 4 Program Requirements:

To be eligible, each vehicle or piece of equipment to be repowered or replaced must be:

- 1) Scrapped and destroyed at the time of replacement;
- 2) Owned and operated in Delaware;
- 3) Equipped with an eligible model year engine or Tier level;
- 4) Serve an environmental justice area;
- 5) Each new vehicle or engine purchased must be of appropriate /equivalent size as the vehicle or engine being replaced; and
- 6) The new vehicle must be replaced with a current model year or newer.

Volkswagen RFP Scoring Matrix:

The Department has developed a project RFP scoring criteria/matrix. Each application submitted will be scored based on the factors outlined in the matrix in **Table 5**. The number of projects that are selected for funding in each phase will depend on the applications received and interest by vehicle and equipment owners.

The following criteria will be used by the grant Review Committee to review and score applications received for the VW Mitigation Funds:

Table 5 - VW Settlement RFP Award Criteria

Project Award Criteria	Points Possible	Points Awarded	Comments
<p>Measurable, verifiable reduction in NOx emissions</p> <ul style="list-style-type: none"> - The project will produce a net reduction in NOx emissions in the State and result in a measurable, verifiable reduction in NOx per ton of emissions using the Diesel Emission Quantifier. - Projects must meet eligibility requirements of Appendix D-2 of the VW Mitigation Plan 	30		
<p>Project Budget</p> <ul style="list-style-type: none"> -The proposed budget is thorough, robust, realistic and cost effective. - The applicant must show a detailed budget with all cost shares explained. 	15		
<p>Proposed Project Location</p> <ul style="list-style-type: none"> - The project is sited near a major highway or transportation corridor, shipping route, or near a shipping logistics center. - This project will address an environmental justice (EJ) area or related location that receives a disparate proportion of environmental impacts. - The project avoids environmentally sensitive areas or areas containing critical habitats. -Priority will be given to projects in non-attainment and air quality maintenance areas. 	15		
<p>Project Timeline</p> <p>The proposed project must define when the project will commence and will end.</p>	15		

Project Award Criteria	Points Possible	Points Awarded	Comments
Ability to be Replicated throughout the State - The proposed project has the ability to be replicated throughout the state with other fleets or for public access.	10		
Collaboration with other Entities in the State - The project includes collaborative efforts between the applicant and project team (an anchor fleet or fleets, utility/fuel provider, vehicle dealer, or manufacturer).	10		
Economic Development - The project creates and/or retains local jobs for Delawareans. - The project serves as an economic development engine for local Delaware based companies.	5		
Total Points	100		

Status Update of Phase 2 Program:

The Department selected two projects for replacement in 2020 under the Request for Proposal NAT19001-VWEMTFP. The Department is partnering with Waste Management, Inc. of Delaware in the replacement of ten (10) solid waste collection units as compressed natural gas (CNG) for the first project. The waste collection units will serve in New Castle and Sussex County, which are both designated as non-attainment areas. This project will use combined Diesel Emission Reduction Act (DERA) grant funds (\$316,019.00) and Volkswagen Mitigation Trust Funds (\$183,981.00).

For the second project, the Department is partnering with The Teens Warehouse, Inc. to replace one diesel school bus with new, electric school bus with associated electric vehicle supply equipment. The electric bus will serve New Castle County. Funds shall cover up to 45% of the cost of an eligible replacement vehicle powered by an engine certified to the 2019 model year or newer standards and the charging infrastructure associated with the new all-electric vehicle. The project will cost \$177,693.75. As previously described, any funds remaining from Phase 2 will rollover

to Phase 3. The Department estimates that \$2.8M will remain in Phase 2 so Phase 3 will have approximately \$6.0M available.

Status Update of Phase 3 Program:

The Department selected two projects for replacement in 2021 under the Request for Proposal NAT20002-VWEMTFP. The Department is partnering with Sutton Bus & Truck Company in the replacement of eight (8) diesel school buses with propane buses. The school buses will serve in New Castle County, which is a designated non-attainment area. This project will use combined Diesel Emission Reduction Act (DERA) grant funds (\$57,143.00) and Volkswagen Mitigation Trust Funds (\$128,857.00).

For the second project, the Department is partnering with Bowman Bus Service to replace one diesel school bus with new, clean diesel school bus that will serve Kent County. The project will cost \$25,750.00. Funds shall cover up to 25% of the cost of an eligible replacement bus powered by an engine certified to the 2019 model year or newer. Any funds remaining from Phase 3 will rollover to Phase 4.

During Phase 3 of this funding, DNREC's Division of Climate, Coastal, and Energy will receive 15% (\$1.45M) of the Trust funds to administer a competitive grant program for the deployment of electric vehicle supply equipment (EVSE). Specifically, these funds will be utilized to incentivize the construction and operation of DC Fast Charging stations in the state to provide residents and travelers with convenient and consistent access to electric vehicle supply equipment. Grant funding will be provided for the material costs of publically available DC Fast Charging Stations installed within the state of Delaware. Eligible entities for grant funding will include Delaware-based businesses, not-for-profit organizations, government entities, and educational institutions. Project proposals will be submitted through competitive Request for Proposal process and will be evaluated based on criteria in the categories of:

- Estimated greenhouse gas reductions

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- Proximity to Alternative Fuel Corridors and proximity to high traffic volume routes
 - Accessibility regarding payment options
 - Thoroughness of the Operations and Maintenance Plan
 - Overall project budget and cost effectiveness

The RFP for Electric vehicle supply equipment will be released in Quarter 4 of 2021. Additionally, the Department will allocate up to \$700,000 to replace five (5) Class 8 government-owned dump trucks with the Division of Fish and Wildlife. These vehicles will be used around the state.

Phase 4 - A Hybrid Program:

The Department estimates that \$3.8M remains from all spending for Phase 4. A competitive request for proposals (RFP) will be released in Quarter 1 2022. In the Competitive RFP, the Department will pursue the following projects:

- School bus replacements with the privately-owned school bus contractors. In Delaware, private school bus contractors provide 2/3 of transportation services to Delaware schools. The Department will allocate funds in the replacement of propane or clean diesel school buses. The contractors are eligible for a 25% cost share and school bus replacements must match the criteria established in Phase 1 - Program Requirements and Phase 2 – Competitive RFP Program.
- All other eligible mitigation actions. The remaining Trust funds will be used for the replacement of eligible mitigation actions listed in Phase 2 – Competitive RFP Program.

