

July 2020

IOWA DEPARTMENT OF TRANSPORTATION
Agreement for an
Iowa's Volkswagen Settlement Environmental Mitigation Trust Project

Recipient: **Linn Mar Community School District**

Project Number(s): **ADM-VOLK(220)—90-21**

Iowa DOT Agreement Number: **21-VW-121**

This agreement, made as of the date of the last party's signature below, is between Linn Mar Community School District (hereinafter referred to as Recipient) and the Iowa Department of Transportation (hereinafter referred to as the Department) for Iowa's Volkswagen Settlement Environmental Mitigation Trust (Iowa VWSEMT) program. The Department has been designated as the lead state agency and has been delegated authority to act on behalf of and legally bind the State of Iowa for the purposes of the Volkswagen Settlement Environmental Mitigation Trust.

The Recipient has been chosen to participate in the Iowa VWSEMT program administered by the Department and will receive funding through this program. The Iowa VWSEMT program supports a broad range of voluntary nitrogen oxides (NO_x) emissions reduction projects and recipients are selected through a competitive application process.

Pursuant to the terms of this agreement, applicable statutes, and administrative rules, the Department agrees to provide funds through the Iowa VWSEMT program to the Recipient for authorized and approved costs for eligible items associated with the project.

Under this agreement, the parties further agree as follows:

1. The Recipient shall be responsible for carrying out the provisions of this agreement.
2. All notices required under this agreement shall be made in writing to the appropriate contact person. The Department's contact person shall be Jared Smith, Systems Planning Bureau, 800 Lincoln Way, Ames, Iowa 50010, 515-239-1713. The Recipient's contact person shall be Brian Cruise, Linn Mar Community School District, Marion, Iowa, 52302, 319-447-3031.
3. The Recipient shall be responsible for the development and completion of the following described project:

Replace one 2003 engine model year diesel bus (VIN# 4DRBGAAR44A959520) with the purchase of one new diesel bus with an engine model year in which the Eligible Mitigation Action occurs or one engine model year prior;

Replace one 2003 engine model year diesel bus (VIN# 4DRBGAAR64A959521) with the purchase of one new diesel bus with an engine model year in which the Eligible Mitigation Action occurs or one engine model year prior;

Replace one 2005 engine model year diesel bus (VIN# 1BABNCKA16F230163) with the purchase of one new diesel bus with an engine model year in which the Eligible Mitigation Action occurs or one engine model year prior;

Replace one 2006 engine model year diesel bus (VIN# 1BABHCKA07F242040) with the purchase of one new diesel bus with an engine model year in which the Eligible Mitigation Action occurs or one engine model year prior;

Exhibit A Grant Application - Project Cost Form and Fleet Description Form (hereinafter referred to as Exhibit A) lists the items eligible for reimbursement under this project.

4. The Department shall provide a single, lump sum reimbursement toward the approved and eligible purchase and installation costs listed in *Exhibit A*. This reimbursement shall be limited to a maximum of 30 percent of eligible costs or \$133,982, whichever is less. In no event shall the Department's reimbursement obligation under this agreement exceed this amount. Eligible costs are as listed in *Exhibit A* and as described in *Exhibit B Eligible Costs* and are subject to Department review. The Department retains the sole authority to determine eligible project costs. Eligible project costs in excess of the amount reimbursed by the Department above will be considered the Recipient's contribution.
5. The Recipient shall complete all project activities listed in *Exhibit A* by December 31, 2023.
6. Procurement of goods and services and the selection of vendors shall be achieved as follows:
 - a. Recipients that constitute a unit of state government, including but not limited to an agency, authority, board, commission, committee, council, or department, and Recipients that constitute a subdivision of the state or its offices or units, including but not limited to, a county, city or municipality, shall do so in compliance with Iowa Code Chapter 8A and Iowa Administrative Rule 11 – Chapter 117.
 - b. Recipients that are not a unit of state government nor a subdivision of the state, its offices or units, shall do so in a manner that is consistent with Iowa Code Chapter 8A and Iowa Administrative Rule 11 – Chapter 117, as required in the procurement guidance document attached as Exhibit D to this agreement and incorporated herein by reference.

The Recipient must make a good faith effort to encourage competition. The Recipient shall also provide a completed Exhibit D Procurement Checklist and Certification with the claim for reimbursement. The Recipient shall, upon request by the Department, make available for inspection and copying all documents in any form that relate in any way to the Recipient's procurement of goods and services and selection of vendors under this agreement. Such documents shall be provided to the Department no later than 7 days after the Department's request.

7. The vehicle(s) or engine(s) being replaced must be scrapped and rendered inoperable and available for recycle as described in Exhibit E Vehicle Scrapping Requirements. Evidence of scrapping is required to be submitted to the Department. Scrapping shall take place within ninety days of the

receipt of the replacement vehicle(s) or engine(s). Other components of a scrapped vehicle may be salvaged from the unit being replaced (e.g. plow blades, shovels, seats, tires, etc.).

8. The Recipient shall submit the claim for reimbursement within 30 days of the replaced vehicle or engine being placed into service. The claim shall include but is not limited to: a completed Exhibit D Procurement Checklist and Certification; receipts, invoices, payrolls, and other documentation supporting all vendor, contractor, or in-house costs being claimed for reimbursement; cancelled checks (or equivalent) demonstrating proof of the Recipient's payment of all costs being claimed; documentation of acceptance and/or delivery such as vehicle title and registration, installation inspection report, or other documentation as applicable; a revised Fleet Description Form; proof of installation, disablement, or scrappage as required by this agreement; a completed Iowa VWSEMT program claim form, and the final report. The reimbursement will not be processed nor the Recipient paid until all requirements of this agreement are met.
9. The Recipient shall submit electronic project progress reports to the Department on a semi-annual basis using the reporting template and format provided by the Department according to the following schedule:

<u>Reporting Period</u>	<u>Semi-Annual Report Due Date</u>
January 1 to June 30	July 10
July 1 to December 31	January 10

If a due date falls on a weekend or state holiday, the report will be due on the next business day. Reporting requirements shall include a project status summary including, but not limited to: the date of purchase, the date of delivery and installation (as applicable), and complete description of the status (including a summary of all costs incurred). The final report will also include a full summary of the project, all costs incurred, and the completed Iowa VWSEMT Fleet Description Form. The final report is required to accompany the claim for reimbursement. Additional reporting information may be requested by the Department at any time. The Recipient shall respond to additional information requests within five business days of receipt of the written request.

10. Any vehicles or equipment purchased under this agreement will be the property of the Recipient.
11. The Recipient shall ensure that the vehicles or equipment purchased under this agreement remain in operation chiefly within the state of Iowa for a minimum of two years (over 80 percent of the miles or hours operated) and must continue to perform a similar function and operation as the vehicle, engine, or equipment that is being replaced following completion of all requirements under this agreement and payment to the Recipient by the Department.
12. The Department may approve extensions of this agreement for periods up to six months upon receipt of a written request from the Recipient at least sixty (60) days prior to the deadline.
13. All information submitted by the Recipient in support of a request for funding under this program and all records supporting all expenditures of funds will be in the public domain and is subject to inspection by interested parties and disclosure to the public, subject to any applicable confidentiality exceptions provided in Iowa Code Chapter 22 or other applicable state or federal laws. By signing this agreement, the Recipient acknowledges that this information is subject to public disclosure and

agrees to allow any of this information to be published or distributed in various print or electronic media publications. All documentation and records submitted by the Department in support of each funding request to the VWSEMT will be available to the public via the trustee public website, which is accessible at <https://www.vwenvironmentalmitigationtrust.com/>. Summarized details regarding expenditure of VWSEMT funds by the Department (e.g., cumulative totals for categories of eligible mitigation actions identified in the Beneficiary Mitigation Plan, identification of recipients of trust funds and their project scopes) will be maintained on the Department's VWSEMT webpage, which is accessible at <https://iowadot.gov/VWSettlement/default.aspx>. Documentation and records supporting all expenditures of the VWSEMT funds by the Department will be made publicly available, upon request.

14. Any publications created by the Recipient pertaining to work performed under this agreement shall contain the following statement:

“This project was funded through the support of the Iowa Department of Transportation (Iowa DOT) under Iowa's Volkswagen State Environmental Mitigation Trust program. However, any opinions, findings, conclusions, or recommendations expressed herein are those of the author(s) and do not necessarily reflect the views of Iowa DOT.”

The Department reserves the right to publish the reports, publications, and other forms of material completed by the Recipient and delivered to the Department. Written and oral releases are considered to be within the context of public rights so reserved by the Department.

15. If the Recipient fails to perform any obligation under this agreement, the Department shall have the right, after first giving thirty (30) days written notice to the Recipient by certified mail return receipt requested, to declare any part or all of this agreement in default. The Recipient shall have thirty (30) days from date of mailing of the notice to cure the default. If the Recipient cures the default, the Recipient shall notify the Department no later than five (5) days after cure or before the end of said thirty (30) day period given to cure the default. The Department may thereafter determine whether the default has, in fact, been cured, or whether the Recipient remains in default.
16. This agreement may be declared to be in default by the Department if the Department determines that the Recipient's application for funding contained inaccuracies, omissions, errors or misrepresentations; or if the Department determines that the project is not developed as described in the application and according to the requirements of this agreement.
17. In the event a default is not cured the Department may do any of the following: a) revoke funding commitments of funds loaned or granted by this agreement; b) seek repayment of funds loaned or granted by this agreement; or c) revoke funding commitments of funds loaned or granted by this agreement and also seek repayment of funds loaned or granted by this agreement. By signing this agreement the Recipient agrees to repay said funding if they are found to be in default. Repayment methods may include cash repayment, installment repayments with negotiable interest rates, or other methods as approved by the Department.
18. The Recipient shall maintain all books, documents, papers, accounting records, reports, and other evidence pertaining to costs incurred for the project for a minimum of two (2) years following

completion of obligations under this agreement. The Recipient shall also make these materials available at all reasonable times for inspection by the Department. Copies of these materials shall be furnished by the Recipient if requested. The Recipient shall also permit entry by the Department to any facilities where vehicles or equipment is stored or operated and where any equipment is installed for the purposes of inspection at all reasonable times. If, upon final audit, inspection, or review, the Department determines the Recipient has been overpaid, the Recipient shall reimburse the overpaid amount to the Department.

19. This agreement is not assignable without the prior written consent of the Department.
20. If any part of this agreement is found to be void and unenforceable, the remaining provisions of this agreement shall remain in effect.
21. It is the intent of both parties that no third-party beneficiaries be created by this agreement.
22. This agreement shall be executed and delivered in two or more copies, each of which so executed and delivered shall be deemed to be an original and shall constitute but one and the same agreement.
23. This agreement and the attached exhibits constitute the entire agreement between the Department and the Recipient concerning this project. Representations made before the signing of this agreement are not binding, and neither party has relied upon conflicting representations in entering into this agreement. Any change or alteration to the terms of this agreement shall be made in the form of an addendum to this agreement. The addendum shall become effective only upon written approval of the Department and the Recipient.

July 2020

IN WITNESS WHEREOF, each of the parties hereto has executed this agreement as of the date shown opposite its signature below.

RECIPIENT: Linn Mar Community School District

By: _____ Date _____,
(Recipient Representative Signature)

Title: _____
(Recipient Representative Title)

CERTIFICATION:

I, _____, certify that I am
(Name of Witness to Signature)

_____, and that _____,
(Title of Witness to Signature) (Recipient Representative who signed above)

who signed said Agreement for and on behalf of _____
(Name of Organization)
is authorized to sign the same.

Signed: _____
(Witness to Signature)

IOWA DEPARTMENT OF TRANSPORTATION
Planning, Programming and Modal Division
800 Lincoln Way, Ames, Iowa 50010

By: _____ Date _____,
Craig Markley
Director
Systems Planning Bureau

July 2020

EXHIBIT A
Grant Application

VOLKSWAGEN SETTLEMENT ENVIRONMENTAL MITIGATION TRUST
CATEGORY 1: Class 4-8 School Bus, Shuttle Bus, or Transit Bus

Applicant Name:

TABLE 1								
New Vehicle Type: <i>Replacement of School Bus or Shuttle Bus (Class 4-7) Government</i>					Category Maximum Grant Amount: <i>NA</i>			
New Fuel Type: <i>Diesel</i>					Category Maximum Grant Percentage: <i>30%</i>			
Number of New Vehicles: <i>4</i>								
Cost Item #	Cost Item Description	Method of Procurement Planned for This Item	Source of Estimate	Number of Units	Estimated Unit Cost	Total Estimated Cost	Estimated VWSEMT Share	Estimated Cost Share
1	Transit style diesel school Bus	Purchase from Vendor (includes installation)	Informal quotes from vendors w/no obligation to purchase	4	\$111,652.00	\$446,608.00		
2						\$0.00		
3						\$0.00		
4						\$0.00		
Subtotals (Non-Infrastructure):						\$446,608.00		\$446,608.00
1	Electric Charging Infrastructure (ONLY with electric replacement/repower)					Lump Sum:		
2	Electric Charging Infrastructure (ONLY with electric replacement/repower)					Lump Sum:		
Subtotals (Infrastructure):						\$0.00	\$0.00	\$0.00
Project Cost Estimate:						\$446,608.00	\$0.00	\$446,608.00

TABLE 2								
New Vehicle Type: <input type="text"/>					Category Maximum Grant Amount: <input type="text"/>			
New Fuel Type: <input type="text"/>					Category Maximum Grant Percentage: <input type="text"/>			
Number of New Vehicles: <input type="text"/>								
Cost Item #	Cost Item Description	Method of Procurement Planned for This Item	Source of Estimate	Number of Units	Estimated Unit Cost	Total Estimated Cost	Estimated VWSEMT Share	Estimated Cost Share
1						\$0.00		
2						\$0.00		
3						\$0.00		
4						\$0.00		
Subtotals (Non-Infrastructure):						\$0.00		\$0.00
1	Electric Charging Infrastructure (ONLY with electric replacement/repower)					Lump Sum:		
2	Electric Charging Infrastructure (ONLY with electric replacement/repower)					Lump Sum:		
Subtotals (Infrastructure):						\$0.00	\$0.00	\$0.00
Project Cost Estimate:						\$0.00	\$0.00	\$0.00

TABLE 3								
New Vehicle Type: <input type="text"/>					Category Maximum Grant Amount: <input type="text"/>			
New Fuel Type: <input type="text"/>					Category Maximum Grant Percentage: <input type="text"/>			
Number of New Vehicles: <input type="text"/>								
Cost Item #	Cost Item Description	Method of Procurement Planned for This Item	Source of Estimate	Number of Units	Estimated Unit Cost	Total Estimated Cost	Estimated VWSEMT Share	Estimated Cost Share
1						\$0.00		
2						\$0.00		
3						\$0.00		
4						\$0.00		
Subtotals (Non-Infrastructure):						\$0.00	\$0.00	\$0.00
1	Electric Charging Infrastructure (ONLY with electric replacement/repower)					Lump Sum:		
2	Electric Charging Infrastructure (ONLY with electric replacement/repower)					Lump Sum:		
Subtotals (Infrastructure):						\$0.00	\$0.00	\$0.00
Project Cost Estimate:						\$0.00	\$0.00	\$0.00

	Total Estimated Project Cost	Total VWSEMT Funding Request**	Total Cost Share
TOTAL PROJECT COSTS*:	\$446,608.00	\$133,982.00	\$446,608.00

* Applicants are limited to \$500,000 of grant funding per funding cycle. This worksheet limits each application to \$500,000. If multiple applications from a single applicant are awarded, additional changes to the funding request and cost share may be required and will be made by Iowa DOT prior to award.

** The Total VWSEMT Funding Request calculated here is the maximum allowable request based on program maximum percentage and/or maximum dollar amount per project category. Applications that request less than the maximum percentage or dollar amount allowed per project category will score higher. If you desire to request a lower amount of program funding than the maximum allowed, you will enter a lower amount in Part C of the Application Form than the amount calculated here. In the case of a discrepancy between this form and the value transferred to the Application Form, the Application Form will be assumed to be the actual funding request.

Applicant Name	Linn Mar Community Schools
Project Title	2021 Bus purchase rebates
Application Date	3/5/21

Similar engines may be grouped together or entered as separate engine groups.

Fleet Information		Vehicle 1	Vehicle 2	Vehicle 3	Vehicle 4
Vehicle Or Engine Name:		401	402	603	701
Fleet Owner:		Linn Mar CSD	Linn Mar CSD	Linn Mar CSD	Linn Mar CSD
Vehicle or Engine Type:		On Road	On Road	On Road	On Road
Primary Place of Performance					
- State(s):		Iowa	Iowa	Iowa	Iowa
- County:		Linn	Linn	Linn	Linn
Target Fleet:		School Bus	School Bus	School Bus	School Bus
Vehicle Class or Equipment Type:		School Buses	School Buses	School Buses	School Buses
Gross Vehicle Weight:		33220	33220	34200	33000
Quantity:		1	1	1	1
Vehicle Identification Number:		4drbgaar44a959520	4drbgaar64a959521	1babncka16f230163	1babhcka07f242040
Vehicle Make:		International	International	Bluebird	BlueBird
Vehicle Model:		FE	FE	A3FE 3094	A3FE 3094
Vehicle Model Year:		2004	2004	2006	2007
Engine Serial Number:		470HM2U1399087	470HM2U1399083	SAP06379	WAX42951
Engine Make:		International	International	Caterpillar	Caterpillar
Engine Model:		DT466	DT 466	C7	C7
Engine Model Year:		2003	2003	2005	2006
Engine Horsepower:		230	230	261	261
Engine Family Name:		DT466	DT 466	5CPXH0442HBK	6CPXH0442HBK
Engine Fuel Type:		ULSD	ULSD	ULSD	ULSD
Engine Fuel Economy:		5.9	6.3	4	6.2
Annual Fuel Gallons Used Per Year:*		252	540	271	350
Annual Miles Traveled:*		1508	3407	1083	2177
Annual Idling Hours:		est 80	est 80	est 80	est 80
Remaining Life:		2	2	4	5
Year of Upgrade Action:		2021	2021	2021	2021
Upgrade Type:		Vehicle Replacement	Vehicle Replacement	Vehicle Replacement	Vehicle Replacement
Upgrade:		Vehicle Replacement - Diesel	Vehicle Replacement - Diesel	Vehicle Replacement - Diesel	Vehicle Replacement - Diesel
Upgrade Cost Per Unit:		\$111,652.00	\$111,652.00	\$111,652.00	\$111,652.00
Upgrade Labor Cost Per Unit:					
New Vehicle Make:		Bluebird	Bluebird	Bluebird	BlueBird
New Vehicle Model:		All American	All American	All American	All American
New Vehicle Model Year:		2022	2022	2022	2022
New Engine Model Year:		2022	2022	2022	2022
New Annual Fuel Volume (per engine):		1430	1430	1430	1430
New Engine Horsepower:		220	220	220	220
Estimate of Annual Miles of New Engine/Vehicle		10000	10000	10000	10000
Estimate Lifetime of New Engine/Vehicle		14	14	14	14
New Engine Family Name:**		LCEXH0408BAT	LCEXH0408BAT	LCEXH0408BAT	LCEXH0408BAT
New Engine Fuel Type:		ULSD	ULSD	ULSD	ULSD
New Engine Fuel Economy:***		7	7	7	7
Annual Idling Hours Reduced:****					
Annual Diesel Gallons Reduced:****					

CURRENT VEHICLE/ENGINE INFORMATION

NEW VEHICLE/UPGRADE INFORMATION

*- low mileage and fuel levels partially due to COVID and Derecho shutdowns

**- actual family name not yet avail. This family name from similar engines from our 2020 bus purchase

***- estimated fuel economy based on similar engines now in use

****- idling hours and fuel gallons used will increase. New buses are used on daily routes (used more) and we are hopeful of no further shutdowns.

EXHIBIT B Eligible Costs

The following costs are eligible for reimbursement under this program when listed in the approved Grant Application – Project Cost Form and Fleet Description Form (Exhibit A) and in accordance with the additional requirements listed below:

- A. Only costs incurred directly by the Recipient within the project period defined in this agreement are eligible for reimbursement.
- B. Eligible costs may include the procurement of goods and services from vendors and contractors as well as labor costs incurred by the Recipient’s employees for installation as determined by the Department.
- C. The eligible acquisition cost for equipment means the net invoice price of the equipment, including the cost of any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it is acquired. Ancillary charges, such as taxes, duty, protective in transit insurance and freight may be included in or excluded from the acquisition cost in accordance with regular accounting practices.
- D. Funds awarded under Iowa’s Volkswagen Settlement Environmental Mitigation Trust (Iowa VWSEMT) program may be used for the following purposes:
 - 1. Category 1 – Class 4-8 School Bus, Shuttle Bus, or Transit Bus: The replacement or repowering of a 2009 engine model year or older diesel bus with a new diesel, alternate fueled, or all-electric bus or engine with an engine model year of the current year (the year in which the replacement or repowering occurs) or one engine model year prior is an eligible project. The conversion of a new vehicle to an alternate fueled vehicle is an eligible replacement project if the conversion is completed by the dealer or manufacturer prior to the applicant receiving the certificate of title for the vehicle. Charging infrastructure required in conjunction with an all-electric replacement or repower is also an eligible cost.
 - 2. Category 2 – Freight Trucks and Port Drayage Trucks: The replacement or repowering of a 1992-2009 engine model year class 4-8 local freight truck or class 8 drayage truck with a new diesel, alternate fueled, or all-electric truck or engine with an engine model year of the current year (the year in which the replacement or repowering occurs) or one engine model year prior is an eligible project. The conversion of a new vehicle to an alternate fueled vehicle is an eligible replacement project if the conversion is completed by the dealer or manufacturer prior to the applicant receiving the certificate of title for the vehicle. Charging infrastructure required in conjunction with an all-electric replacement or repower is also an eligible cost.
 - 3. Category 3 – Non-Road Transport and Equipment: The replacement or repowering of non-road transport and equipment is an eligible project subject to the limitations below. Charging infrastructure required in conjunction with an all-electric replacement or repower is also an eligible cost. Eligible replacement or repowering of non-road transport and equipment projects are limited to:
 - a. Freight Switchers: The replacement or repowering of pre-Tier 4 locomotives that operate 1,000 hours or more per year in rail yards for light freight duties and rail car transfer with any new diesel, alternate fueled, or all-electric engine(s) or freight switcher (including generator sets) is an eligible project under this category. Replacements and repowers need to be certified to meet the applicable Environmental Protection Agency (EPA) emissions standards as published in the Code of Federal Regulations (CFR) for the engine model year in which the replacement or repower occurs (40 C.F.R. Part 1033).
 - b. Ferries and Tugs: Ferries and tugs with unregulated, Tier 1, or Tier 2 diesel-powered marine engines may be repowered with any new Tier 3 or Tier 4 diesel, alternate-fueled, or all-electric engines. They may also be upgraded with an EPA-certified remanufacture system or an EPA-verified engine upgrade.

- c. Marine Vessel Shorepower: This project type includes systems that enable the main and auxiliary engines of a compatible vessel (including those operating in fresh-water lakes or rivers) to remain off while the vessel is at berth. Components eligible for reimbursement are limited to cables, cable management systems, shore power coupler systems, distribution control systems, and power distribution. Marine shore power systems must comply with international shore power design standards (ISO/IEC/IEEE 80005-1-2012 High Voltage Shore Connection Systems or the IEC/PAS 80005- 3:2014 Low Voltage Shore Connection Systems) and should be supplied with power sourced from the local utility grid.
- d. Airport Ground Support Equipment: Airport ground support equipment eligible for replacement or repower includes:
 - i. Tier 0, Tier 1, or Tier 2 diesel-powered equipment; and
 - ii. Uncertified or certified to 3 g/bhp-hr or higher emissions, spark ignition engine powered airport ground equipment.

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

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

EXHIBIT C Ineligible Costs

The following costs are ineligible for reimbursement under this program:

1. Costs incurred prior to the project period defined in this agreement are ineligible for reimbursement.
2. Costs determined by the Department to be unallowable pursuant to Iowa's VWSEMT program guidance or guidance provided by the Volkswagen Settlement Environmental Mitigation Trust. Costs may be determined to be unallowable prior to award or through ongoing monitoring of costs incurred by the Recipient, or a combination of both approaches and as documented by the Department.
3. Costs associated with required scrapping of eligible repower or replacement vehicles or engines. If a Recipient receives money in return for scrapping an engine or vehicle, they may apply said funds toward their required cost share.
4. Equipment and parts on engine repower projects are only eligible for reimbursement if they are included in the certified engine configuration and/or are required to ensure the effective installation and functioning of the new technology, but are not part of typical vehicle or equipment maintenance or repair. Examples of ineligible engine repower costs include, but are not limited to: tires, paint, brakes, and mufflers. For engine replacement with battery, fuel cell, and grid electric, examples of ineligible costs include, but are not limited to, electricity, and operation and maintenance costs.
5. No funds provided under the Iowa VSEMP program may be used for the following purposes:
 1. Administrative costs, lobbying, or for the intervention in federal regulatory or adjudicatory proceedings.
 2. Insurance, vehicle maintenance or vehicle fuel.
 3. Emissions testing and/or air monitoring activities (including the acquisition cost of emissions testing equipment), or research and development.
 4. Emissions reductions and vehicle and equipment replacements that are mandated under federal law. This refers to specific compliance dates within the mandate, not when the mandate is passed. Voluntary or elective emissions reductions measures shall not be considered "mandated", regardless of whether the reductions are included in the State Implementation Plan of a State.
 5. Liquid or gaseous fueling infrastructure.
 6. Purchase of vehicles, engines, or equipment to expand a fleet.
 7. Upgrading/replacing diesel vehicles/equipment with gasoline-powered engines.
 8. Replacement or repowers of vehicles or equipment that have not been chiefly operated within the state of Iowa during the previous calendar year (over 80 percent of the miles or hours) and are not fully operational and in current, regular service.
 9. Replacement or repowers of non-diesel engines.
 10. Replacement or repowers of vehicles and equipment that are not owned by the applicant (certificate of title lists the applicant's name).
 11. Leasing of new or repowered vehicles.

EXHIBIT D Procurement Checklist and Certification

PROCEDURES:

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

DEFINITIONS:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Certification

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

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

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

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

Printed Name _____ **Title** _____

Signature _____ **Date** _____

EXHIBIT E

Vehicle and Engine Scrapping Requirements

Permanent disablement (scrapping) of the vehicle(s) and/or engine(s) being replaced is required to ensure that they are no longer suitable for use. Permanent disablement shall take place within ninety days of the replacement vehicle(s) or repowered engine(s) being placed into service. Scrapping shall mean to render inoperable and available for recycle, and at a minimum, to:

1. Cut a 3-inch diameter hole in the engine block for all engines.
2. If a replacement project, disabling the chassis by cutting completely through the frame/frame rails on each side at a point located between the front and rear axles

The Recipient shall submit a Vehicle/Engine Scrapping Certification Letter using the attached example as evidence of disablement. The letter shall include all of the following:

- The date permanent disposal took place;
- Vehicle identification number (VIN) of each vehicle;
- Engine model year of each vehicle; and
- Representative (full color) photos of the vehicle(s) and/or engine(s) being scrapped. Example photos are included in this exhibit. At a minimum, these photos shall clearly show:
 - The destroyed engine block with 3-inch diameter hole; and
 - The cut frame rails.

[CERTIFICATION LETTER MUST BE PRINTED ON THE APPLICANT’S LETTERHEAD]

Vehicle/Engine Scrapping Certification Letter

[DATE]

The following vehicle(s) and/or engine(s) was/were scrapped according to **[insert APPLICANT’S name]** project agreement **[insert PROJECT AGREEMENT NUMBER]** with the Iowa Department of Transportation (Iowa DOT) for Iowa’s Volkswagen Settlement Environmental Mitigation Trust (VSEMT) program. The VSEMT program requires that the vehicle(s) and/or engine(s) being replaced must be rendered inoperable and available for recycle by:

- 1) cutting a 3-inch diameter hole in the engine block; and
- 2) disabling the chassis by cutting completely through the frame/frame rails on each side at a point located between the front and rear axles.

I, **[insert NAME OF AUTHORIZED REPRESENTATIVE OF APPLICANT]**, confirm that the Iowa’s VSEMT program requirements have been met. **[insert NAME OF ENTITY THAT SCRAPPED THE VEHICLE]** scrapped the listed vehicle(s) and/or engine(s) below on **[insert DATE]**:

[NAME OF ENTITY THAT SCRAPPED THE VEHICLE]

[ADDRESS]

[CITY, STATE, ZIP CODE OF ENTITY]

Vehicle Identification Number (VIN)

Engine Serial Number

Engine Model Year

Vehicle 1 VIN	Vehicle 1 serial number	Vehicle 1 year
Vehicle 2 VIN	Vehicle 2 serial number	Vehicle 1 year
Vehicle 3 VIN	Vehicle 3 serial number	Vehicle 1 year
Vehicle 4 VIN	Vehicle 4 serial number	Vehicle 1 year
Vehicle 5 VIN	Vehicle 5 serial number	Vehicle 1 year
Continue list as needed	Continue list as needed	Continue list as needed

I have attached supporting evidence that the vehicle(s) and/or engine(s) above have been scrapped. This evidence includes representative (full color) photos of the vehicle(s) and/or engine(s) that have scrapped and clearly show:

- 1) The destroyed engine block with 3-inch diameter hole; and
- 2) The cut frame rails.

Signature of Authorized Representative of Applicant

Date

Signature of Salvage Yard Representative

Date

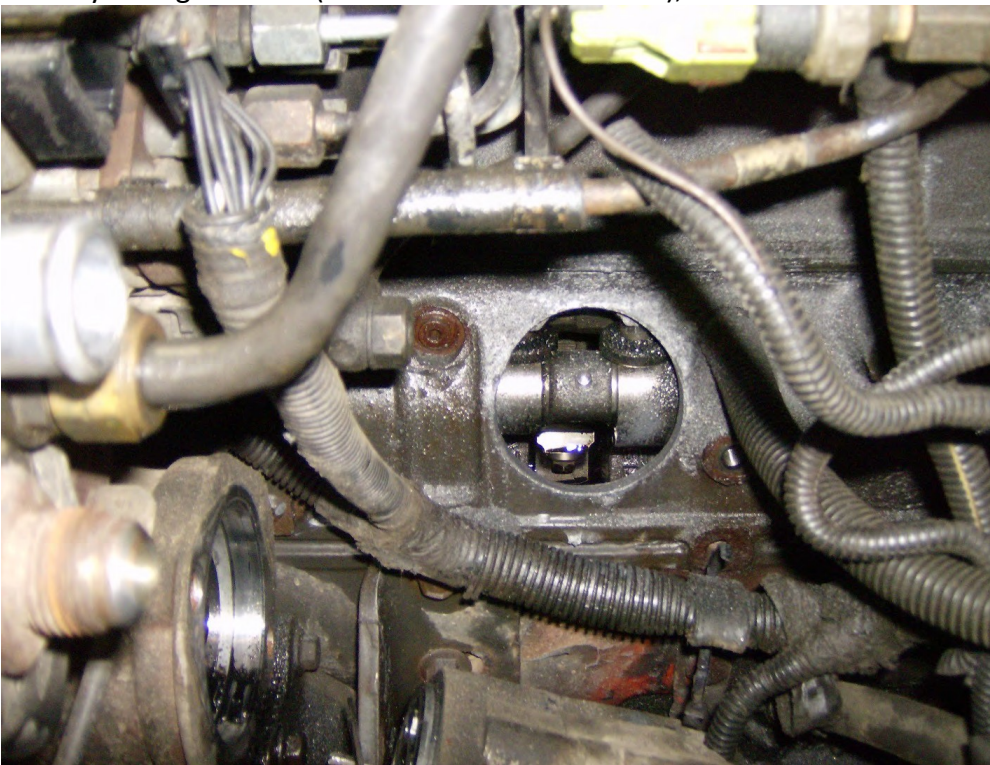
July 2020

Example Scrapping Photos

Side profile of the replaced vehicle;



Destroyed engine block (after hole has been drilled);



July 2020

Cut chassis/frame rails in half.

