

REQUEST FOR PROPOSAL
NEW HAMPSHIRE DEPARTMENT OF ENVIRONMENTAL SERVICES
AIR RESOURCES DIVISION – TECHNICAL SERVICES
DIESEL EMISSIONS REDUCTION ACT (DERA) – REQUEST FOR PROPOSALS

1. INTRODUCTION AND FUNDING AVAILABILITY

The New Hampshire Department of Environmental Services, Air Resources Division, Technical Services Bureau (DES) announces this Request for Proposals (RFP) for projects and initiatives to reduce on- and off-road diesel engine emissions in the State of New Hampshire. Up to \$1.7 million is available through this solicitation. Funds are provided by the Environmental Protection Agency (EPA) through the American Recovery and Reinvestment Act of 2009 and the Diesel Emission Reduction Act (DERA) and are subject to all requirements and limitations thereof¹ These funds are intended to be for short term economic stimulus and are, therefore, available for a limited time and must be awarded and expended promptly. DES expects to make multiple awards under this solicitation.

2. PROGRAM GOALS

The funding provided through this solicitation is intended to meet three primary goals:

1. Promote economic recovery
2. Create and/or preserve jobs
3. Reduce diesel emissions

DES seeks proposals that maximize the benefits from available program dollars. In compliance with federal DERA program requirements and the goals stated above, priority will be given to projects that:

- Maximize public health benefits
- Are the most cost-effective
- Serve areas with highest population density; that are in poor air quality areas, including
 - non-attainment and maintenance areas, Federal Class 1 areas
 - areas with toxic pollutant concerns
 - areas that receive a disproportionate quantity of air pollution from diesel fleets including truck stops, ports, rail yards, terminals and distribution centers
 - areas that use a community-based multi-stakeholder collaborative process to reduce toxic emissions
- Maximize the useful life of any certified engine configuration, verified technology, or emerging technology
- Conserve diesel fuel
- Use diesel fuel with a sulfur content of less than or equal to 15 ppm (for nonroad engines)
- Create and/or preserve jobs
- Stimulate the US economy through product procurement and use of services
- Can be fully implemented prior to September 30, 2010

¹ For more information visit <http://www.epa.gov/otaq/eparecovery/index.htm> and www.recovery.gov.

3. PROGRAM REQUIREMENTS

Applicants (herein after referred to as the Applicant) are requested to submit project proposals to DES no later than 4 p.m. on March 13, 2009, following the Proposal Requirements and Proposal Submittal Procedures outlined in Sections 6 and 7 of this RFP. Projects will be evaluated based on the ability of a project to meet the Program Goals specified in Section 2 and the Evaluation Criteria in Section 8. Applicants whose projects are selected for funding will be required to enter into a Contract with DES and must provide documentation that all entities to receive funding or equipment under the project are registered with the Secretary of State to do business in the State of New Hampshire. The Applicant will also be required to provide documentation of adequate liability insurance.

Each Contract is subject to approval by Governor and Council. No Contract will be awarded without such approval. Expenses that precede the date that a contract between DES and the Applicant is approved by the Governor and Executive Council are not eligible.

Projects must be executed in the manner and location as stated in the application for funding and the approved contract. Failure to execute the project in the agreed upon manner will result in the applicant being required to repay awarded funds to the State.

4. ELIGIBLE APPLICANTS AND PROJECTS

Eligible applicants include any public, private, or government entity responsible for the operation of diesel equipment in New Hampshire.

Eligible projects include diesel emissions reduction projects for on-road, non-road, and stationary diesel equipment that fall under one of the categories specified by EPA program guidance. These include:

- Verified Retrofit Technologies
- Verified Idling Reduction Technologies
- Cleaner Fuel Use
- Engine Repower
- Engine Upgrades
- Vehicle and Equipment Replacements
- School Bus Replacement

Additional detail on each of these project categories is provided in Attachment A and may be available on the EPA website at <http://www.epa.gov/otaq/eparecovery/index.htm>. The percentage of project cost eligible for funding is outlined in Attachment A and is based on federal DERA guidelines (see www.epa.gov/cleandiesel).

Any questions regarding the eligibility requirements described herein shall be directed to Rebecca Ohler at (603) 271-6794 or Rebecca.ohler@des.nh.gov. Awards cannot be initiated until an approved contract has been signed.

5. COST SHARE REQUIREMENTS

The NH DERA program does not have a match or cost share requirement. However, in an effort to best utilize the limited funding available to achieve as many projects as possible applicants are encouraged to provide as much of the cost share as possible. **Several of the project areas have federal limitations on the portion of the project eligible for funding.** See Attachment A for additional detail on funding limitations.

6. PROPOSAL REQUIREMENTS

Applicant's proposals should follow the format provided in Attachment B - Project Proposal - Required Information and should be submitted before 4 p.m. on March 13, 2009. Proposals received after this date may still be considered if there are still funds available. DES requests inclusion of a brief narrative describing the project, project partners, and other pertinent information. The proposal must include a listing and cost of the materials, equipment, and labor necessary to complete the project, the time frame for implementation and completion of the project, the number of vehicles or pieces of equipment to be addressed, and a discussion of the economic stimulus provided by the project and/or the number of jobs created or preserved. Formal vendor quotes are not required for the initial application, however applicants should provide reasonable cost estimates. Contact information for various vendors is available on the February 27th meeting attendee list posted at www.des.nh.gov/recovery. Further contact information will be made available at this site as soon as possible, or you may contact DES for assistance. In addition, estimated emissions reductions using the EPA's Diesel Quantifier (see <http://cfpub.epa.gov/quantifier/view/index.cfm>) should be included. DES can provide technical assistance for emissions quantification if needed.

7. PROPOSAL SUBMITTAL PROCEDURE

Applicants are requested to submit an abbreviated project proposal utilizing the format found in Attachment B - Project Proposal - Required Information. Applicants whose projects are selected for further consideration will be contacted by DES for additional detail. Project proposals should be received by 4:00 p.m. on March 13, 2009. Proposals received after this date will be considered if there is still available funding. Proposals may be submitted by email (please put DERA PROJECT PROPOSAL in the subject line) to:

Rebecca.Ohler@des.nh.gov

or in hard copy to:

ATTN: Rebecca Ohler
New Hampshire Department of Environmental Services
Air Resources Division – Technical Services Bureau
29 Hazen Drive - PO Box 95
Concord, NH 03302-0095

8. EVALUATION CRITERIA

Upon receipt, proposals will be evaluated by an internal DES committee to determine their ability to achieve program goals. Evaluation criteria include:

- Completeness of information submitted
- Economic stimulus projected for the project
- Number of jobs created or retained
- Amount of diesel emissions reduced per project dollar
- Demonstrated ability of applicant to complete the project in a timely manner
- Qualifications and experience of the applicant

DES reserves the right to reject any and all proposals.

9. SELECTION PROCESS and CONTRACT DEVELOPMENT

Applicants whose projects best meet the program goals, as determined by the DES review committee, will be contacted by DES for further project details and finalizing a scope of work. DES and the Applicant will develop contract language and DES will seek to have final Governor and Executive Council approval for all contracts by June 2009. Any expenditures that occur prior to approval by the Governor and Council are not eligible expenses unless explicitly approved in the project agreement.

All applicants whose project proposals are deemed ineligible or are not selected for further development by the DES review committee will be notified.

ATTACHMENT A

ELIGIBLE PROJECT CATEGORIES

Diesel Emissions Reduction Solution Proposal Areas (based on FY 2008 DERA solicitation):

Retrofit Technologies: A “retrofit” project is defined broadly to include any technology, device, fuel or system that when applied to an existing diesel engine achieves emission reductions beyond that currently required by EPA regulations at the time of the engine’s certification. Retrofit technologies may include, but are not limited to, the following: EPA verified emission control technologies (for example, those installed in the exhaust system like oxidation catalysts and particulate matter filters or systems that include crankcase control, like a closed crankcase filtration system, and engine re-calibrations), and California Air Resources Board (CARB) verified emission control technologies.

This funding may cover up to 100% of the costs for these emission reduction technologies. A list of EPA verified technologies is available at <http://www.epa.gov/otaq/retrofit/verif-list.htm>. A list of CARB verified technologies is available at <http://www.arb.ca.gov/diesel/verdev/vt/cvt.htm>.

Idle Reduction Technologies (EPA Act 2005, Section 792(d)(1)(B)): An idle reduction project is defined as the installation of a technology or device that (1) is installed in one or more of the following vehicle(s) or equipment: a bus; a medium-duty or heavy-duty truck; a marine engine; a locomotive; or a nonroad engine or vehicle used in construction, handling of cargo (including at a port or airport), agriculture, mining, or energy production, or is installed in the ground and (2) is designed to provide services (such as heat, air conditioning, and/or electricity) to vehicles and equipment that would otherwise require the operation of the main drive engine while the vehicle is temporarily parked or remains stationary, and (3) reduces unnecessary idling of such vehicles or equipment. The reduction in idling must also lower emissions. EPA has verified four categories of idle reduction technologies: (1) auxiliary power units and generator sets; (2) battery air conditioning systems and thermal storage systems; (3) electrified parking spaces (truck stop electrification); and (4) fuel operated heaters. To determine if a particular technology fits under one of these categories please see <http://www.epa.gov/otaq/diesel/idle-ncdc.htm>. **This funding may cover up to 100% of the costs for these emission reduction technologies.**

Cleaner Fuel Use: Cleaner fuels include, but are not limited to, ultra-low sulfur diesel fuel (for non-road vehicles/engines prior to EPA’s mandate), biodiesel, compressed natural gas, liquefied natural gas, propane, and emulsions or additives verified by EPA or CARB. **This funding may cover up to 100% of the costs for these emission reduction technologies.**

Engine Repowers: Repower refers to the removal of an existing engine and its replacement with a newer or cleaner engine that meets a more stringent set of engine emissions standards. Repowers may include engine replacement for use with a cleaner fuel such as compressed natural gas, re-calibrations, and/or other components and/or the addition of newer, cleaner technologies to reduce the emissions from the engines. EPA is particularly interested in engine repowers that include combined verified improvements which will further reduce emissions, e.g., through the addition of verified retrofit technologies such as a diesel particulate filter, diesel oxidation catalyst or crankcase emission control. **This funding will cover up to 75% of the cost of an engine repower.** Please see the note below regarding repower and replacement proposals for additional eligibility requirements, such as original engine disposal requirements.

Engine Upgrades: Some engines may be able to be upgraded to reduce their emissions by applying manufacturer recommended upgrades or kits to certified or verified configurations. **This funding will cover up to 100% of the cost of an engine upgrade.** (Please note that the upgrade must be with a manufacturer's kit listed in CARB or EPA's verified lists, or an EPA certified configuration.)
NOTE: this funding cannot be applied to the entire cost of an engine rebuild, but only the emissions-reducing upgrade kit.

Vehicle and Equipment Replacements: Nonroad and highway diesel vehicles and equipment can be replaced under this program with newer, cleaner vehicles and equipment that operate on diesel or alternative fuels and meet a more stringent set of engine emissions standards. Replacement projects can include the replacement of diesel vehicles and equipment with newer, cleaner diesel or hybrid or alternative fuel vehicles/equipment. These projects can also include the replacement of nonroad vehicles/equipment with highway models if the engine's operating cycles make the replacement technically feasible. EPA encourages the replacement of older vehicles and equipment containing engines that were manufactured prior to the implementation of emissions standards. As with engine replacements, proposals must specify how the vehicles/equipment will be disposed. **This funding covers the incremental costs of new vehicles and equipment. Incremental costs are defined as up to 25% of the cost of the new vehicle or equipment (except for school buses—see provision below).** Please see the note below regarding repower and replacement proposals for additional eligibility requirements, such as original engine/vehicle/equipment disposal requirements.

Replacements for School Buses: Funding levels are up to 25% or 50% of the cost of a replacement school bus, depending on the engine emission certification levels.

1) Twenty-five percent Level: This funding will cover up to 25% for school buses with engines manufactured in model years 2007, 2008 or 2009 that are particulate filter equipped in the case of diesel engines or catalyst equipped in the case of CNG engines and satisfy regulatory requirements for school bus engines manufactured in that model year and do not exceed the limits of particulate matter (PM) at 0.01, nitrogen oxides (NOx) at 2.0, and nonmethane hydrocarbons (NMHC) at 0.40 (expressed in grams per brake horsepower hour, g/BHP-hr).

2) Fifty percent Level: This funding will cover up to 50% of the cost of a replacement school bus with engines manufactured in model year 2007, 2008, or 2009 that satisfy 2010 model year regulatory limits for emissions of PM, NOx and NMHC. The model year 2010 regulatory requirements are: PM at 0.01 grams per brake horsepower hour, NOx at 0.20 and NMHC at 0.14.

Repower and Replacement Proposals are eligible for funding on the condition that the following criteria are satisfied:

The vehicle, engine, or equipment being replaced will be scrapped, or the replaced engine would be returned to the original engine manufacturer for remanufacturing to a cleaner standard;

The replacement vehicle, engine, or equipment will perform the same function as the vehicle, engine, or equipment that is being replaced (e.g., an excavator used to dig pipelines would be replaced by an excavator that continues to dig pipelines); and

The replacement vehicle, engine, or equipment will be of the same type and similar gross vehicle weight rating or horsepower as the vehicle, engine, or equipment being replaced (e.g., a 300 horsepower bulldozer is replaced by a bulldozer of similar horsepower).

NOTE for Repower and Replacement Proposals: This program funds the early replacement of vehicles, engines and/or equipment. Emission reductions that result from vehicle, engine, or

equipment replacements that would have occurred through normal attrition are considered to be the result of normal fleet turnover and are not eligible for funding under this program. The purchase of new vehicles or equipment to expand a fleet is not covered by this program. To be considered a replacement, the purchase of new vehicles, engines, and equipment must be accompanied by the scrapping or remanufacturing of old vehicles, engines and equipment. Furthermore, for engine repowers, EPA requires that the engine being replaced must be scrapped, remanufactured by an original engine manufacturer to a cleaner emission standard or rendered permanently disabled. Drilling a hole in the engine block and manifold while retaining possession of the engine is an acceptable scrapping method. Other methods may be considered. Evidence of appropriate disposal is required in a final assistance agreement report submitted to EPA.

ATTACHMENT B

PROJECT PROPOSAL - REQUIRED INFORMATION

Under Diesel Emission Reduction Act (DERA) funding provided by the American Recovery and Reinvestment Act, the Department of Environmental Services, Air Resources Division, Technical Services Bureau (DES) is soliciting proposals from interested parties for projects and initiatives to reduce on- and off-road diesel engine emissions. DES is utilizing this pre-application form as an initial project screening tool. Project applicants submitting preliminary proposals that best meet the ARRA and DERA selection criteria will be contacted for additional project detail.

Project Applicant:

Contact Information including mailing address, phone number, and email:

Project Location:

Project Partners (if known):

Please provide a brief narrative describing the project (1 to 2 paragraphs):

Please provide the following information for each vehicle or engine related to your project (for multiple vehicle projects please use a tabular format such as Microsoft Excel and include as an attachment):

Number of Vehicles:

Vehicle Type (transit bus, refuse hauler, delivery truck, etc.)

Vehicle Weight Class:

Model Year:

Miles (or hours) per year per vehicle:

Gallons of Fuel used per year:

Fuel Type:

Idling Hours per year:

Emission Reduction Technology to be applied to the vehicle

(e.g. diesel oxidation catalyst, diesel particulate filter, diesel flow through filter, fuel fired heater, engine preheater, etc.) Note that retrofit equipment must be EPA or CARB verified technology. See <http://www.epa.gov/otaq/retrofit/verif-list.htm> and <http://www.epa.gov/otaq/diesel/idle-ncdc.htm>).

Equipment Cost:

Installation Cost:

Hours of Idling Reduced (if applicable):

Year of Installation:

For engine upgrade proposals please provide relevant information on the upgrade kit to be used.

For vehicle replacement and repower proposals:

In addition to all information noted above for both the vehicle being replaced (old) and the replacement vehicle (new), describe the job function of both the old and new vehicles, and whether the old vehicle or engine will be scrapped or remanufactured.

For vehicle replacement proposals please tell us when this vehicle would have been replaced if DERA funding were not available. For selected projects, applicants will be asked to provide verification of the original replacement schedule, such as a business plan or capital improvement plan.

Briefly discuss the potential economic impact of this proposal, including number of jobs created (or layoffs avoided) if applicable:

Please provide any other information you feel is necessary for an initial review of this project proposal including experience of the applicant with similar projects: