

# Clean Heavy-Duty Vehicles Grant Program Fiscal Responsibilities and Q&A Session for Selectees

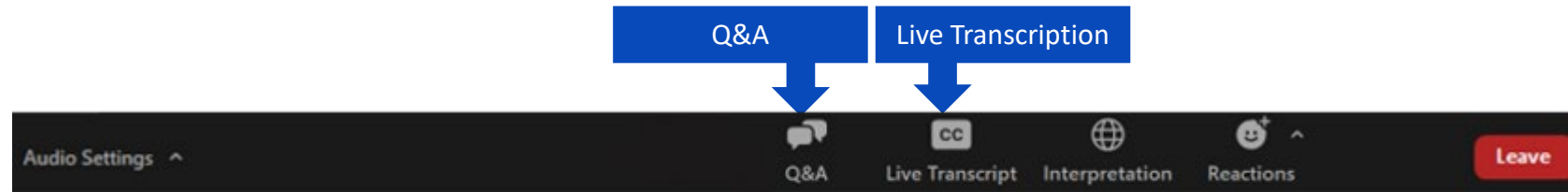
December 17, 2024

Office of Transportation and Air Quality

U.S. Environmental Protection Agency



# Zoom Webinar Logistics



**This presentation is being recorded.** The slides and recording will be posted to <https://www.epa.gov/clean-heavy-duty-vehicles-program> as soon as they are processed for posting.

**All attendees are in listen-only mode.** Audio is available through your computer speakers or by phone.

**Live transcription:** Live captioning is available by clicking the “Live Transcript” icon.

**Live interpretation:** Live Spanish interpretation is available by clicking the “Interpretation” icon and selecting Spanish. Click “Mute Original Audio” to mute English audio when listening in Spanish.

**Questions:** Use the Q&A feature to ask questions during the presentation. We will list all questions and answers in the Q&A document available on our website. You can also submit written questions to the EPA Clean Heavy-Duty Vehicles Program helpline at [cleanhdvehicles@epa.gov](mailto:cleanhdvehicles@epa.gov).

**Chat:** Chat is disabled, but the presenters might share links through the chat feature.

**Reactions:** Reactions are enabled for you to interact with the presenter.

# Logística de seminarios web en Zoom



**Esta presentación es grabada.** Las diapositivas y la grabación se publicarán en <https://www.epa.gov/clean-heavy-duty-vehicles-program> tan pronto sean procesadas para su publicación.

**Todos los asistentes se encuentran solo en modo escucha.** Hay audio disponible a través de los altoparlantes de su computadora o por teléfono. El presentador le pedirá que quite el silencio si corresponde.

**Transcripción en vivo:** Hay subtítulos disponibles haciendo clic en el icono “Live Transcript” [Transcripción en vivo].

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**Preguntas:** Use la función Q&A [preguntas y respuestas] para hacer preguntas durante la presentación. Abordaremos todas las que sea posible después de la presentación. Si no podemos contestar su pregunta en este momento, anotaremos todas las preguntas y respuestas en el documento Q&A correspondiente disponible en nuestro sitio web. Puede también enviar preguntas por escrito a la línea directa de ayuda del Programa de Autobuses Escolares Limpios de la EPA en [cleanhdvehicles@epa.gov](mailto:cleanhdvehicles@epa.gov).

**Chat:** Se encuentra inhabilitado el chat, pero los presentadores podrían compartir enlaces a través de la función de chat.

**Reacciones:** Las reacciones están habilitadas para que usted interactúe con el presentador.

# Today's Agenda

- Overview of Clean Heavy-Duty Vehicles (CHDV) Grant Program Selections
- Financial Management
- Finalizing Budgets
  - Subawards and Contracts
  - Indirect Costs and Modified Total Direct Costs
  - Program Income
- Utilizing Funds Post-Award
  - Draw down/Interest
- Select Program Requirements
  - Scrappage
- Q&As
  - FAQs: Cybersecurity, Davis-Bacon and Related Acts, and other top questions
  - Live Q&A Session

# Overview of CHDV Selections

# CHDV Tentatively Selected Projects



70 tentatively selected applications – approximately \$735M



School Bus Sub-Program - \$490M



Vocational Vehicles Sub-Program - \$245M



Approximately 70% of funds to School Bus grants, approximately 30% of funds to Vocational Vehicles grants



Funding for Projects in Nonattainment Areas: \$523M



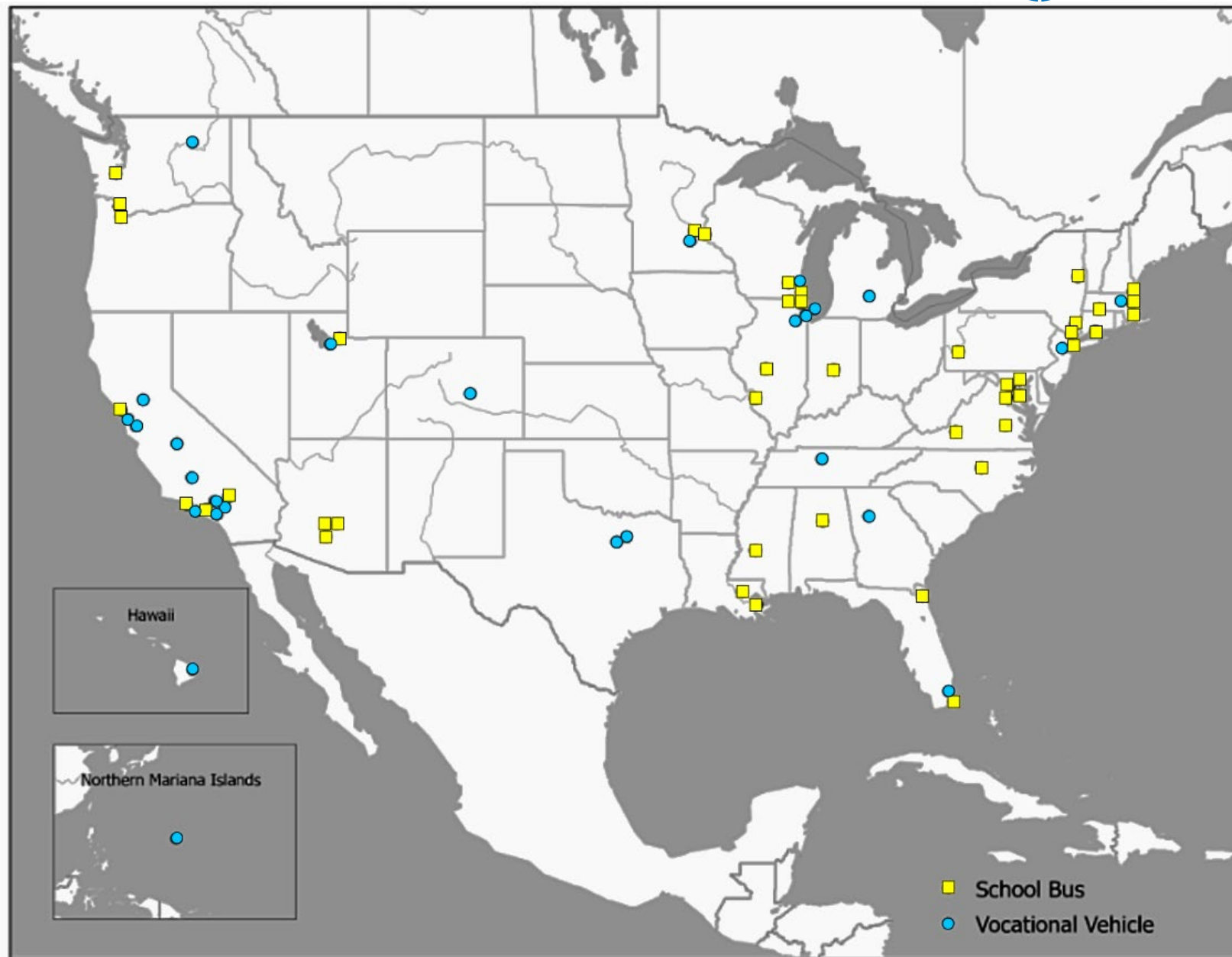
Tribal or Territory Projects: 4 grants, \$50M



All 10 EPA Regions, 27 States, and 1 territory represented

# CHDV Tentatively Selected Projects

Eligible replacement vehicle types selected for funding include battery-electric school buses, cargo trucks, emergency vehicles, refuse haulers, shuttle buses, step vans, straight/box trucks, utility vehicles, transit buses, and hydrogen fuel cell transit buses.







# Financial Management



# Financial Management: 2 CFR §200.302

Each State must expend and account for the Federal award in accordance with State laws and procedures for expending and accounting for the State's funds.

All recipient and subrecipient financial management systems, including records documenting compliance with Federal statutes, regulations, and the terms and conditions of the Federal award, must be sufficient to permit the preparation of reports required by the terms and conditions; and tracking expenditures to establish that funds have been used in accordance with Federal statutes, regulations, and the terms and conditions of the Federal award. See [§ 200.450](#).

# Financial Management: 2 CFR §200.302

- The recipient's and subrecipient's financial management system must provide for the following (see [§§ 200.334, 200.335, 200.336, and 200.337](#)):
  - Identification of all Federal awards received and expended and the Federal programs under which they were received.
  - Accurate, current, and complete disclosure of the financial results of each Federal award or program in accordance with the reporting requirements in [§§ 200.328 and 200.329](#).
  - Maintaining records that sufficiently identify the amount, source, and expenditure of Federal funds for Federal awards. These records must contain information necessary to identify Federal awards, authorizations, financial obligations, unobligated balances, as well as assets, expenditures, income, and interest. All records must be supported by source documentation.
  - Effective control over and accountability for all funds, property, and assets. The recipient or subrecipient must safeguard all assets and ensure they are used solely for authorized purposes. See [§ 200.303](#) Internal Controls.
  - Comparison of expenditures with budget amounts for each Federal award.
  - Written procedures to implement the requirements of [§ 200.305](#) Federal Payment.
  - Written procedures for determining the allowability of costs in accordance with subpart E and the terms and conditions of the Federal award.



## Finalizing Budgets

Please refer to the 12/9/24 webinar for additional information on budgeting. Today's discussion will focus on some additional, more in-depth aspects of budgets.



# Passing EPA Funding to Other Entities

- If a recipient is passing funds to another entity, it is through one of three financial relationships:
  - a procurement contract (listed under Contractual in budget);
  - a subaward (listed under Other in budget); or
  - participant support costs (listed under Other in budget).
- The recipient is responsible for determining whether the entity receiving the Federal funds is either a subrecipient, a contractor, or a program beneficiary.
  - Additional information to support making this decision is included in the following slides and Appendix A of the [Clean Heavy-Duty Vehicles NOFO](#), as well as page 3 of EPA's [Best Practices for Procurement Under Assistance Agreements](#)



# Passing EPA Funds: Contracts

- Contracts may be used to procure eligible goods (e.g. vehicles) and services (e.g. project management) for use by the recipient or subrecipient
  - For example:
    - the recipient issues a contract to purchase buses that the recipient or subrecipient then owns and operates, or
    - the recipient hires a private consultant to assist them with project management
- Recipients and subrecipients purchasing goods and services with grant funds must compete those contracts in accordance with 2 CFR Part 200 procurement requirements.
  - A recipient or subrecipient cannot award a contract to a project partner non-competitively solely based on that partner's role or participation in the project or it's development (including being listed as a partner in the application for funding)
- Providing school bus service is not an eligible use of CHDV Grant Program funding. Therefore, it is not appropriate for a recipient or subrecipient to use EPA funding or cost-share funding to secure school bus services from a school bus service provider or other contractor.
  - Any new or existing agreement between a school district and a school bus service provider for the provision of transportation services is outside the scope of the EPA assistance agreement.

# Passing EPA Funds: Contracts

- All recipients must comply with the procurement requirements in [2 CFR Part 200](#) with regard to competition.
- Competition best practices include:
  - Make good faith efforts to solicit quotes from Disadvantaged Business Enterprises, required by [40 CFR Part 33](#).
  - Publicly advertise the competition and keep it open for bidding for at least 30 days.
- See EPA's [Best Practice Guide for Procuring Services, Supplies, and Equipment Under EPA Assistance Agreements](#) for additional guidance.
- Please note that EPA rarely approves sole source contracts.

# Passing EPA Funds: Contracts

## Simplified Acquisition

should obtain prices/quotes from at least 3 sources

Up to \$250,000

## Formal Competitive Requirements

subject to formal competitive requirements and must obtain Competitive Sealed Bids or Competitive Proposals

More than \$250,000

## Micro Purchase

may be made without competition (generally, for purchases of supplies)

Up to \$10,000

## Procurement Thresholds



# Passing EPA Funds: Subawards

- Recipients may make a subaward to a project partner, including to a for-profit entity, for the partner to implement part of the Federal award to accomplish a public purpose, under the terms and conditions of the program.
  - For example, a grant recipient (i.e. pass through-entity) may make a subaward to an organization that owns and operates school buses for the organization to purchase/replace school buses and implement other eligible program activities.
- It is not appropriate for a grantee to use a subaward to secure school bus services from a school bus service provider or other contractor because:
  - this would be a procurement relationship and would therefore be an improper use of a subaward, and
  - school bus service is not an eligible activity under the CHDV Grants Program.



# Passing EPA Funds: Subawards

- The subaward budget may include the partner's **eligible direct and indirect costs** of implementing their portion of the program (e.g., personnel costs associated with purchasing the new buses, bus purchase costs, workforce development and training, etc.); however, subrecipients **cannot include "management fees" or profit in their budget.**
- The subrecipient is allowed to own the new vehicles, and the subrecipient is allowed to provide eligible cost-share funding.
- Subrecipients are generally subject to the same Federal requirements as the grant recipient (pass-through entity); program income restrictions may apply.
- The EPA's Award Official must review and approve subawards to for-profit entities and individuals. Any subaward not precisely described in the grantee's EPA approved budget and project narrative must be approved before it is implemented. Please discuss potential amendments with your EPA Project Office.

# Passing EPA Funding: Subawards – Recipient Responsibilities

- Recipients (i.e., pass-through entities) must verify that the subrecipient is qualified and allowed to receive Federal funds in accordance with methods provided in 2 CFR 180.300.
- Pass-through entities must ensure that every subaward is clearly identified to the subrecipient as a subaward and includes the required information detailed at 2 CFR 200.332(b), including:
  - All requirements of the subaward, including requirements imposed by Federal statutes, regulations, and the terms and conditions of the Federal award; and
  - Any additional requirements that the pass-through entity imposes on the subrecipient for the pass-through entity to meet its responsibilities under the Federal award. This includes information and certifications (see [§ 200.415](#)) required for submitting financial and performance reports that the pass-through entity must provide to the Federal agency.
- Important Note: A subaward may be provided through any form of legal agreement consistent with criteria in 2 CFR 200.331, including an agreement the pass-through entity considers a 'contract'.

# Passing EPA Funding: Subawards – Recipient Responsibilities

- Pass-through entities must:
  - Evaluate each subrecipient's fraud risk and risk of noncompliance with a subaward to determine the appropriate subrecipient monitoring
  - Monitor the activities of a subrecipient as necessary to ensure that the subrecipient complies with Federal statutes, regulations, and the terms and conditions of the subaward. The pass-through entity is responsible for monitoring the overall performance of a subrecipient to ensure that the goals and objectives of the subaward are achieved.
  - Verify that a subrecipient is audited as required.
- Pass-through entities must not use subawards to transfer or delegate their responsibility for successful completion of their EPA assistance agreement.
- **By accepting this assistance agreement, your organization is certifying that it either has systems in place to comply with the regulatory or EPA policy requirements specified in the National Term and Condition for Subawards or that it will refrain from making subawards under this agreement until the systems are designed and implemented.**

# Passing EPA Funds: Subawards

## – Policy and Terms and Conditions

- If your work plan and budget include subawards of financial assistance, please pay particular attention to EPA’s National Term and Condition for Subawards.
- Please note the subaward template contained in Appendix D of the Subaward Policy to assist in complying with the “subaward content” requirements in 2 CFR 200.332. Pass-through entities may also use their own form of subaward agreements provided the requirements of 2 CFR 200.332(a), 2 CFR 200.332(b), and 2 CFR 200.332(c) are met.

### [Grants Policy Issuance \(GPI\) 16-01: EPA Subaward Policy for EPA Assistance Agreement Recipients](#)

- This policy establishes the requirements and procedures for Grants Management Offices and Program Offices in making determinations regarding subrecipient eligibility, overseeing pass-through entity monitoring and management of subawards, and authorizing fixed amount subawards under 2 CFR 200.331, 200.332, and 200.333 (“the applicable regulations”).

- [EPA Subaward Policy \(pdf\)](#) (288.06 KB)
- [EPA Subaward Policy Appendix A: Distinctions Between Subrecipients and Contractors \(pdf\)](#) (132.63 KB)
- [EPA Subaward Policy Appendix B: National Term and Condition for Subawards \(pdf\)](#) (196.54 KB)
- [EPA Subaward Policy Appendix C: Model Programmatic Subaward Reporting Requirement \(pdf\)](#) (132.76 KB)
- [EPA Subaward Policy Appendix D: Subaward Agreement Template \(pdf\)](#) (195 KB)



# Passing EPA Funding: Participant Support Costs

- Participant support costs (PSCs) for subsidies and rebates only reimburse the program participant for the one-time cost of purchasing and installing pollution control equipment.
  - For example, PSCs might be used for the purchase of eligible vehicles and equipment.
  - PSCs differ from subawards in that the beneficiary is participating in the grant recipient's project or program instead of implementing their own project or program.
- Rebates can only fund a program beneficiary's equipment purchase and installation costs (i.e. parts and labor, including costs incurred to scrap an existing vehicle); if a program beneficiary requires funding for project administration, travel, extensive design/engineering, construction, etc., to carry out the project a subaward is the more appropriate option.
- The federal administrative grant regulations in 2 CFR Part 200 and 2 CFR Part 1500, as well as the grant terms and conditions in the recipient's grant agreement, generally do not "flow down" to program beneficiaries receiving PSCs except that costs must be reasonable, incurred within the grant project period, and for authorized purposes.
  - Requirements for compliance with civil rights laws and ensuring that program beneficiaries are eligible to receive federal financial assistance are applicable as explained in [EPA Guidance on Participant Support Costs](#).

# Indirect Costs and Modified Direct Costs



Indirect costs (IDC), such as HR, payroll, rent, accounting, etc., benefit all of the recipient's projects and programs, so the indirect cost rate is used to allocate a portion of these costs to their federal award.



Indirect costs are budgeted by applying the recipient's IDC rate to their approved basis of application, which, for the federal de minimis rate, is modified total direct costs (MTDC) as defined in 2 CFR 200.1.

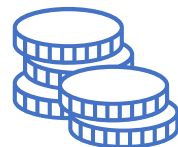


Costs should be properly included in the recipient's budget so the indirect cost rate is applied appropriately.

# Indirect Costs and Modified Direct Costs



The current de minimis indirect cost rate is 15%; recipients and subrecipients utilize this indirect cost rate unless they have received approval for another indirect cost rate from the cognizant agency.



Per 2 CFR 200.1, Modified Total Direct Costs (MTDC) means all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first \$50,000 of each subaward (regardless of the period of performance of the subawards under the award).



MTDC excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs, and the portion of each subaward in excess of \$50,000. Other items may only be excluded when necessary to avoid a serious inequity in the distribution of indirect costs and with the approval of the cognizant agency for indirect costs.

# Program Income: What is it?

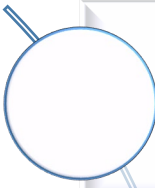
- Program income means gross income earned by the recipient or subrecipient that is **directly generated by a supported activity or earned as a result of the Federal award** during the period of performance.
- Generally, program income includes:
  - income from fees for services performed;
  - fees for the use or rental of real or personal property acquired with EPA funds;
  - the sale of commodities purchased with, or items fabricated through EPA funds;
  - royalties on patents and license fees for copyrights; and
  - and principal and interest on loans made with EPA funds.
- For example: Income earned from the sale of an existing Model Year 2011 or newer vehicle, which is being replaced through CHDV grant funding, is program income.

# Program Income: Recipient Requirements


- Program income must be used only for the original purpose of the CHDV award.
- The terms and conditions of the award specify what methods will be used to apply program income.
  - In accordance with 2 CFR 200.307(b) and 2 CFR 1500.8(b), the recipient is hereby authorized to add program income earned during the project period to the total allowable costs, thereby increasing the overall total amount of the Federal award; this use of program income is termed **“Addition”**. The recipient agrees to use program income only for the original purpose of the award and under the conditions of the assistance agreement.
    - For Example: Program income could be used to replace additional eligible vehicles.
  - In accordance with 2 CFR 200.307(d) costs incidental to the generation of program income may be deducted from gross income to determine program income, provided these costs have not been charged to the EPA award. The recipient must retain adequate accounting records to document that any costs deducted from program income comply with regulatory requirements.



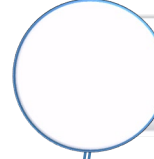
# Program Income: Recipient Requirements

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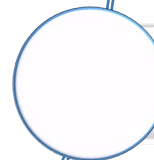
Where EPA is only partially funding the income generating activity, an appropriate adjustment must be made to fairly reflect EPA's contribution to the revenue generating activity. For example, if EPA is funding 50% of the cost of a conference only 50% of the registration fees would be considered program income. See [Interim General Budget Development Guidance for Applicants and Recipients of EPA Financial Assistance \(Last Revised: January 12, 2023\)](#).

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The recipient or subrecipient must not use equipment acquired with the Federal award to provide services for a fee that is less than a private company would charge for similar services.

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The recipient or subrecipient must report on program income in semi-annual and final programmatic reports, and in the annual Federal Financial Report, Standard Form SF-425.

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The recipient or subrecipient must maintain records that sufficiently identify the amount, source, and expenditure of program income. All records must be supported by source documentation.

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**Any accrued program income that has not been spent at the time of closeout are considered unobligated funds and refunded to EPA under 2 CFR 200.344(e).**

# Drawing Funds: Reminders

## Recipients must enroll in ASAP

- Automated Standard Application for Payments (ASAP)

## No requirements for the frequency of draws

- Most recipients draw on a weekly basis, but you can draw as frequently as needed

## Recipients are not required to submit documentation for drawdowns

- For audit purposes you must retain documentation that clearly shows the incurred costs that you, as the recipient, have incurred.

## Payments are deposited in recipient accounts same day/next business day from request

- Same day payment if requested prior to 4:30pm EST/less than \$1M
- Otherwise, next business day

\*This information was first presented in the December 9, 2024 webinar and is included here for your reference.

# Drawing Funds: Timing

- Grant drawdowns are for immediate cash needs (e.g., paying an invoice for goods or services received)
  - Note: purchase orders are not an immediate cash need
- Funds drawn down must be disbursed **within 5 business days** of receipt
  - May retain up to 5% of the draw/maximum of \$1,000
  - After 5 business days, any remaining funds in excess of 5%/\$1,000 must be returned to EPA
  - Recipients may request an exception
- If available, the recipient or subrecipient must disburse funds available from program income and interest earned on Federal funds **before** requesting additional cash payments.

# Drawing Funds: Interest Earned



Entity must maintain advance payments of Federal awards in interest-bearing accounts.



Interest earned amounts up to \$500 per year may be retained by the non-Federal entity for administrative expense. **Amounts greater than \$500 must be remitted annually** to the Department of Health and Human Services Payment Management System (PMS)



Funds, principal, and excess cash returns must be directed to the original Federal agency payment system.



Interest earned on program income is not program income.  
Interest earned on advances of Federal funds is not program income.

# Drawing Funds: Payments to Subrecipients

Pass-through entity payments to subrecipients vary if the recipient is a State or if the recipient or subrecipient is other than a State.

As provided in 2 CFR 200.305(a) States are subject to Treasury-State Cash Management Improvement Act (CMIA) agreements and default procedures codified at 31 CFR part 205 and Treasury Financial Manual (TFM) 4A-2000, "Overall Disbursing Rules for All Federal Agencies"

For recipients other than a State, the subrecipient must be paid in advance unless circumstances described in 2 CFR 200.305(b)(3) or 2 CFR 200.208 warrant paying the subrecipient on a reimbursement basis.

Advance payments to a recipient or subrecipient must be limited to the amounts needed and be timed with actual, immediate cash requirements in carrying out the purpose of the approved program or project as detailed in 200.305 and 200.305(b)(1).

Primary recipient ("pass-through entity") must draw funds to pay the subrecipient when the subrecipient submits a proper payment request or other documentation that the primary recipient has an obligation to pay the subrecipient.

- Must disburse funds to the subrecipient within 5 business days of request

Subrecipient must **disburse funds to pay its incurred costs** (e.g., staff compensation, contractor invoices) **within 5 business days of receipt**



# Drawing Funds: Subawards Payment to **For-Profit** Subrecipients



- CHDV Terms and Conditions:
  - In addition to the EPA General Term and Condition “Establishing and Managing Subawards”, the recipient (i.e. “pass-through entity”) agrees to require that for-profit subrecipients comply with Subparts A through F of the Uniform Grant Guidance (2 CFR Part 200) and the Federal cost principles applicable to for-profit entities located at 48 CFR Part 31, with the exception of **the method of payment to for-profit subrecipients must be “reimbursement” rather than “advance”**. Pass-through entities must obtain documentation that the for-profit subrecipient has incurred eligible and allowable costs prior to releasing EPA funds to the subrecipient.

# Reporting Requirements: Scrappage and Vehicle Eligibility



Grantees are required to submit a combined Vehicle Eligibility and Disposition Statement (EPA Form Number 5900-682) alongside the Reporting Template. **The required Vehicle Eligibility and Disposition Statement document will be available on the CHDV Grantee Resources webpage shortly.**



To confirm eligibility of existing vehicles, the applicant must provide the vehicle owner's name and address, existing vehicle make and model, engine model year (EMY), current milage reading, registration/licensing number and state, vehicle identification number (VIN), engine model, engine ID or serial number, and EPA family name; as applicable.



The grantee is required to certify that the existing vehicle(s) and engine(s) are eligible per the requirements listed in the Notice of Funding Opportunity.



The Vehicle Eligibility and Disposition Statement requires grantees to certify whether the existing vehicle will be scrapped, sold, or donated; and requires grantees to complete the appropriate template based on method of disposition.



Grantees must provide photographic evidence of appropriate scrappage for all vehicles to be scrapped. The grantee must retain documentation of transaction for all vehicles to be sold or donated.

***The recipient agrees to notify the Environmental Protection Agency if a significant development occurs that could impact the award.***

## 2024 Clean Heavy-Duty Vehicles (CHDV) Grants Sample Vehicle Eligibility and Disposition Statement

**Burden Statement for EPA Form 5900-682:** This collection of information is approved by OMB under the Paperwork Reduction Act, 44 U.S.C. 3501 et seq. (OMB Control No. 2060-0754). Responses to this collection of information are voluntary (2 CFR 200 at 2 CFR 1500). An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number. The public reporting and recordkeeping burden for this collection of information is estimated to be 2 hours per response. Send comments on the Agency's need for this information, the accuracy of the provided burden estimates and any suggested methods for minimizing respondent burden to the Regulatory Support Division Director, U.S. Environmental Protection Agency (2821T), 1200 Pennsylvania Ave., NW, Washington, D.C. 20460. Include the OMB control number in any correspondence. Do not send the completed form to this address.

**Instructions:** Please complete both Section I and Section II, below, for **each vehicle** selected for replacement. Please note, there are two templates available for Section II; grantees need only fill out the relevant template.

### I. Eligibility Statement

Existing Vehicle Information		Existing Engine Information	
Make		Make	
Model		Model	
Model Year		Model Year	
Total Mileage		ID or Serial	
VIN		EPA Family	
GVWR			
Registration/Licensing #			
Registration/Licensing State			
If School Bus, provide the days per week on average vehicle served during the 2022-2023 school year			
If non-School Bus, provide the estimated annual mileage traveled for the last two years			

I certify that the following statements are true regarding the existing vehicle and engine identified above.

- The existing vehicle being replaced is a Class 6 or Class 7 heavy-duty highway vehicle with a Gross Vehicle Weight Rating (GVWR) between 19,501 lbs and 33,000 lbs.
- The existing vehicle being replaced is a vehicle model year 2010 or older diesel-powered Class 6/7 vehicle that will be scrapped. If a fleet has no eligible 2010 or older diesel Class 6/7 vehicles, the existing vehicle being replaced is either:
  - A 2010 or older non-diesel internal combustion engine Class 6/7 vehicle that will be scrapped; OR
  - A 2011 or newer diesel or non-diesel internal combustion engine Class 6/7 vehicle that will be scrapped, sold, or donated.

- The existing vehicle being replaced was operational at the time of application submission. Operational vehicles should be able to start, move, and have all necessary parts to be operational.
- If the vehicle listed above is being replaced through the **School Bus Sub-Program**, I certify that the following statements are true regarding the existing bus and engine identified above:
  - The existing vehicle being replaced is a "school bus," defined as a passenger motor vehicle designed to carry a driver and more than 10 passengers, that the Secretary of Transportation decides is likely to be used significantly to transport preprimary, primary, and secondary school students to or from school or an event related to school.<sup>1</sup>
  - The existing vehicle being replaced has provided bus service to a public school district for at least 3 days/week on average during the 2022/2023 school year at the time of applying, excluding COVID-related or disaster-related school closures.
- If the vehicle listed above is being replaced through the **Other Class 6/7 Vehicles Sub-Program**, I certify that the following statements are true regarding the existing vehicle and engine identified above:
  - The existing vehicle being replaced is a Class 6 or Class 7 heavy-duty highway vehicle that does not meet the definition of a school bus given above.
  - The existing highway vehicle has accumulated the required program mileage minimums during the listed time-frame prior to upgrade, which is at least 7,000 miles/year during each of the two years prior to replacement for all applicants that are not considered Tribal or territory applicants. For Tribal and territory applicants, as defined by Section III.A.3., the mileage minimum is 5,000 miles/year during each of the two years prior to replacement. The mileage of two or more vehicles may be combined to reach the mileage minimums listed above where two or more vehicles will be replaced with a single ZE vehicle.
    - If a vehicle does not meet the mileage requirement and the applicant can demonstrate that the vehicle idles the main engine for long periods to provide power for auxiliary apparatus (e.g., firetrucks or utility trucks), the existing vehicle to be replaced must have idled for at least 500 hours/year during the two years prior to replacement.

<sup>1</sup> 49 U.S.C. § 30125, available at [https://uscode.house.gov/view.xhtml?req=\(title:49%20section:30125%20edition:prelim\)%20OR%20\(granuleid:USC-prelim-title49-section30125\)&f=treesort&num=0&edition=prelim](https://uscode.house.gov/view.xhtml?req=(title:49%20section:30125%20edition:prelim)%20OR%20(granuleid:USC-prelim-title49-section30125)&f=treesort&num=0&edition=prelim)

Existing Vehicle VIN: \_\_\_\_\_

**TEMPLATE A - VEHICLE SCRAPPAGE STATEMENT**

Please complete this template if the vehicle identified on Page 1 was scrapped.

I certify that on \_\_\_\_\_, the above engine and chassis were permanently disabled. Disabling the engine consisted of drilling a three-inch hole in the engine block, or of another, pre-approved scrappage method.<sup>2</sup> Disabling the chassis consisted of cutting completely through the frame/frame-rails on each side of the vehicle/equipment at a point located between the front and rear axles, or of another, pre-approved scrappage method. The following required digital photos of the disabled engine and chassis are attached: Side profile of the vehicle, prior to disabling; VIN; Engine label (showing serial number, engine family number, and engine model year); Engine block, prior to hole; Engine block, after hole; and Cut frame rails.

**Who owned the vehicle that was replaced?**

Applicant  Other: Please Specify \_\_\_\_\_

**VEHICLE OWNER**

Email	_____
Phone Number	_____
Address	_____
Owner Name (Print)	_____
Signature	_____
Date	_____

**GRANTEE NAME (IF DIFFERENT THAN VEHICLE OWNER)**

Grantee Name	_____
Address	_____
Authorized Representative	_____
Signature	_____
Date	_____

**DISMANTLER/SCRAPPER**

Name of Business	_____
Address	_____
Name (Print)	_____
Signature	_____
Date	_____

<sup>2</sup> Recipients may request and receive EPA approval for alternative scrappage methods by submitting an alternative scrappage plan to the regional project officer detailing how the method will destroy and/or disable the engine.

Existing Vehicle VIN: \_\_\_\_\_

**TEMPLATE B – VEHICLE SELL OR DONATE STATEMENT**

Please complete this template if the vehicle identified on Page 1 was sold or donated.

Fleets that do not have eligible vehicle model year 2010 or older diesel or non-diesel Class 6/7 vehicles to scrap and that choose to instead replace 2011 or newer Class 6/7 vehicles by donating or selling those vehicles must retain documentation of that transaction that includes:

1. The name of the fleet donating or selling the vehicle
2. The name, phone number, email, and physical address for the entity taking ownership of the vehicle
3. The VIN of the vehicle that was donated or sold
4. If sold, the dollar amount of the vehicle sale
5. The date of the transaction

I certify that on \_\_\_\_\_, the vehicle listed above was permanently \_\_\_\_\_ and that all five check boxes listed above have been verified to be included in the transaction attachment to be submitted with this template.

Who owned the vehicle?  Applicant  Other: Please Specify \_\_\_\_\_

Was the vehicle sold or donated?  Sold  Donated

If sold, how much was the vehicle sold for in dollars? \_\_\_\_\_

What was the date of transaction to donate or sell the vehicle? \_\_\_\_\_

What is the new location (city, zip, county, and state) within which the vehicle will operate (include NCES ID, if sold to a school district)?

City: \_\_\_\_\_

Zip Code: \_\_\_\_\_

County: \_\_\_\_\_

State: \_\_\_\_\_

School District NCES ID (if applicable): \_\_\_\_\_

# CHDV Grant Program Frequently Asked Questions



# Cybersecurity

Are there cybersecurity requirements for CHDV grant recipients?

Yes. Please refer to Section C of the CHDV Grant Terms and Conditions (T&Cs). Among the requirements in the T&Cs, a recipient must agree that when collecting and managing environmental data, it will protect data by following all applicable State or Tribal law cybersecurity requirements, as applicable based on recipient type.

# Davis-Bacon and Related Acts (DBRA)

Can EPA clarify the reporting requirements for CHDV recipients under the Davis-Bacon and Related Acts?

For more information on DBRA, refer to the Department of Labor factsheet found at <https://www.dol.gov/agencies/whd/fact-sheets/66-dbra> and Section Q of the CHDV Terms and Conditions. For additional questions, please contact your EPA Project Officer.

# Intergovernmental Review

Can EPA clarify if intergovernmental review (IR) is required if non-Federal funds are used for construction?

Yes, IR is required regardless of the source of funds used for construction.

Please refer to Slide 20 of the 12/9/24 CHDV webinar for more information on IR.

# Project Resilience

How can I build resilience into my project to protect new equipment purchased under this grant, per the CHDV NOFO and T&C requirements?

Per CHDV T&C E, recipients must incorporate project resilience to the extent practicable.

Recipients can do so through planning, design, and oversight, in areas such as infrastructure, siting decisions, vehicle garaging, and operations planning.

Measures taken to avoid damages could include ensuring fleets and equipment are protected from impacts such as flooding, sea level rise, wildfire, heat, drought, and storm damage.

# Maintenance Costs

Are maintenance costs included in the per-vehicle funding caps, e.g., electrical panel maintenance from the example budget?

Per Section IV.C.2. Section 10 (Budget) of the NOFO, maintenance costs included with the purchase of equipment are included in the cost share and per-vehicle caps and should be included under "Equipment" in the budget. Maintenance contracts purchased separately from the equipment are Project Implementation Costs and should be included under "Other" in the budget.



# Usage Requirements for Vocational Vehicles

Are replacement vocational vehicles held to any type of usage requirements or to the same usage requirements (mileage and idling) as the diesel vehicles they're replacing?

No, there are no usage requirements for new replacement vehicles. However, to be eligible for replacement, existing vehicles must meet the requirements found in Section III.D.2 of the CHDV NOFO.

Other Questions?