

AGREEMENT NO.

AGREEMENT BETWEEN  
THE CITY OF LOS ANGELES AND  
CALSTART, INC.

THIS AGREEMENT (“Agreement”) is made and entered into by and between the CITY OF LOS ANGELES, a municipal corporation (“City”), acting by and through its Board of Harbor Commissioners (“Board”) and CALSTART, INC., a California nonprofit public benefit corporation, 48 S. Chester Ave., Pasadena, California 91106 (“Consultant”).

WHEREAS, City seeks to accelerate the purchase and deployment of zero-emission (ZE) drayage trucks that service the San Pedro Bay Ports (“Ports”) in order to meet the City of Los Angeles Harbor Department’s Clean Air Action Plan 2017 Update goal to have 100% ZE drayage trucks operating at the Ports by 2035; and

WHEREAS, the Harbor Department seeks to utilize the existing California Air Resources Board (“CARB”) Hybrid and Zero-Emissions Truck and Bus Voucher Incentive Project (“HVIP”) to provide funding for the Department’s ZE Truck Voucher Incentive Program (“Voucher Incentive Program”) for the purchase of ZE drayage trucks providing short haul drayage services at the Ports; and

WHEREAS, City requires the professional, expert and technical services of Consultant on a temporary or occasional basis to assist the City in administering its Voucher Incentive Program through the CARB HVIP administrative infrastructure; and

WHEREAS, CARB selected Consultant through a competitive selection process to administer the HVIP, and Consultant remains the current HVIP administrator; and

WHEREAS, Consultant, by virtue of training and experience, is well qualified to administer the Harbor Department’s Voucher Incentive Program and has agreed to do so without compensation from the City; and

WHEREAS, City does not employ personnel with the required expertise nor is it feasible to do so on a temporary or occasional basis;

NOW, THEREFORE, IT IS MUTUALLY AGREED AS FOLLOWS:

1. SERVICES TO BE PERFORMED BY CONSULTANT

A. Consultant hereby agrees to render to City, as an independent contractor, certain professional, technical and expert services of a temporary and occasional character as set forth in Exhibit A (“Scope of Work”).

B. Consultant, at its sole cost and expense, shall furnish all services, materials, equipment, subsistence, transportation and all other items necessary to perform the Scope of Work. As between City and Consultant, Consultant is solely responsible for any

taxes or fees which may be assessed against it or its employees resulting from performance of the Scope of Work, whether social security, payroll or other, and regardless of whether assessed by the federal government, any state, the City, or any other governmental entity.

C. The Scope of Work shall be performed by personnel qualified and competent in the sole reasonable discretion of the Executive Director or his or her designee ("Executive Director"), whether performance is undertaken by Consultant or third-parties with whom Consultant has contracted ("Subconsultants"). Obligations of this Agreement, whether undertaken by Consultant or Subconsultants, are and shall be the responsibility of Consultant. Consultant acknowledges and agrees that this Agreement creates no rights in Subconsultants with respect to City and that obligations that may be owed to Subconsultants, including, but not limited to, the obligation to pay Subconsultants for services performed, are those of Consultant alone. Upon Executive Director's written request, Consultant shall supply City's Harbor Department ("Department") with all agreements between it and its Subconsultants.

## 2. SERVICES TO BE PERFORMED BY CITY

A. City shall furnish Consultant, upon its request, all documents and papers in possession of City which may lawfully be supplied to Consultant and which are necessary for it to perform its obligations.

B. City shall be responsible for certain Voucher Incentive Program tasks as set forth in Exhibit A.

C. The Executive Director or his or her designee is designated as the contract administrator for City and shall also decide any and all questions which may arise as to the quality or acceptability of the services performed and the manner of performance, the interpretation of instructions to Consultant and the acceptable completion of this Agreement. Notwithstanding the preceding, the termination of this Agreement shall be governed by the provisions of Article 11 (Termination) hereof.

## 3. EFFECTIVE DATE AND TERM OF AGREEMENT

A. Subject to the provisions of Charter Section 245, the effective date of this Agreement shall be the date of its execution by Executive Director upon authorization of the Board. Consultant is aware that the City Council, pursuant to Charter Section 245 of the City of Los Angeles, has the right to review this Agreement. Accordingly, in no event shall this Agreement become effective until after the expiration of the fifth Council meeting day after Board action, or the date of City Council's approval of the Agreement.

B. This Agreement shall be in full force and effect commencing from the date of execution and shall continue until the earlier of the following occurs:

1. Three (3) years have lapsed from the effective date of this Agreement;

or

2. The Board of Harbor Commissioners, in its sole discretion, terminates and cancels all or part of this Agreement for any reason upon giving to Consultant ten (10) days' notice in writing of its election to cancel and terminate this Agreement.

#### 4. TERMINATION DUE TO NON-APPROPRIATION OF FUNDS

This Agreement is subject to the provisions of the Los Angeles City Charter which, among other things, precludes the City from making any expenditure of funds or incurring any liability, including contractual commitments, in excess of the amount appropriated thereof.

In awarding this Agreement, Consultant agrees that no funds have been appropriated at the time of the Agreement's effective date. Funding for the Voucher Incentive Program shall be provided for pursuant to the Harbor Department's Clean Truck Fund. City may rescind the Voucher Incentive Program at any time under this Agreement and makes no guarantee that any funding appropriations during the term of this Agreement shall be made.

The City, its boards, officers, and employees are not bound by the terms of this Agreement or obligated to make payment thereunder in any fiscal year in which either the Clean Truck Fund has insufficient funds or where the Board does not otherwise appropriate funding for the Voucher Incentive Program. The Consultant shall not issue truck vouchers whenever funds are not available through the Clean Truck Fund or when sufficient funding has not been appropriated by the Board.

At any time during the term of this Agreement, if funds are not available through the Clean Truck Fund or not appropriated by the Board for the Voucher Incentive Program, the Agreement may be terminated.

#### 5. COMPENSATION AND PAYMENT

A. Consultant shall not receive any compensation for performance of the services required by this Agreement.

B. The maximum payable under this Agreement Forty Million Dollars (\$40,000,000), payable as set forth in Exhibit A. City shall fund the Voucher Incentive Program using monies collected under the Department's Clean Truck Fund. Funding in the amount of Forty Million (\$40,000,000) is expected to be allocated for the Voucher Incentive Program after the Clean Truck Fund begins on April 1, 2022. At the time of the effective date of this Agreement, no funding is available and shall become available only if the Department collects fees under the Clean Truck Fund and allocates said funds to the Voucher Incentive Program. Consultant shall not issue vouchers unless and until it

receives written notice from the Department that funding for the Voucher Incentive Program is available.

C. Consultant shall submit to City each Voucher Incentive Program Payment Form electronically (in format approved by City) for payment. Consultant shall also submit appropriate supporting documents with each Voucher Incentive Program Payment Form as set forth in Exhibit A.

D. All Voucher Incentive Program Payment Forms shall be reviewed and approved by the Executive Director or his designee. All Voucher Incentive Program Payment Forms due and payable and found to be in order shall be paid as soon as, in the ordinary course of City business, the same may be approved, audited and paid.

## 6. RECORDKEEPING AND AUDIT RIGHTS

A. Consultant shall keep and maintain full, complete and accurate books of accounts and records of the services performed under this Agreement, and where applicable in accordance with generally accepted accounting principles consistently applied. Consultant's books and records shall be readily accessible to and open for inspection and copying at the premises by City, its auditors or other authorized representatives. Such books and records shall be maintained by Consultant for a period of three (3) years after completion of services to be performed under this Agreement or until all disputes, appeals, litigation or claims arising from this Agreement have been resolved.

B. During the term of this Agreement, City may audit, review and copy any and all writings (as that term is defined in Section 250 of the California Evidence Code) of Consultant and Subconsultants arising from or related to this Agreement or performance of the Scope of Work, whether such writings are (a) in final form or not, (b) prepared by Consultant, Subconsultants or any individual or entity acting for or on behalf of Consultant or a Subconsultant, and (c) without regard to whether such writings have previously been provided to City. Consultant shall be responsible for obtaining access to and providing writings of Subconsultants. Consultant shall provide City at Consultant's sole cost and expense a copy of all such writings within fourteen (14) calendar days of a written request by City. City's right shall also include inspection at reasonable times of the Consultant's office or facilities which are engaged in the performance of the Scope of Work. Consultant shall, at no cost to City, furnish reasonable facilities and assistance for such review and audit. Consultant's failure to comply with this Article 6 shall constitute a material breach of this Agreement and shall entitle City to withhold any payment due under this Agreement until such breach is cured.

## 7. INDEPENDENT CONTRACTOR

Consultant, in the performance of the work required by this Agreement, is an independent contractor and not an agent or employee of City. Consultant shall not

represent itself as an agent or employee of the City and shall have no power to bind the City in contract or otherwise.

8. BUSINESS TAX REGISTRATION CERTIFICATE

Consultant shall not be paid any compensation by City for the services provided pursuant to this Agreement. The transfer of funds from the City to the Consultant shall be solely for the payment of vouchers under the Voucher Incentive Program, and provided to Consultant for purposes of pass-through payment. Consultant shall owe no taxes to the City of Los Angeles for the performance of services pursuant to this Agreement.

9. INDEMNIFICATION

A. Except for the sole negligence or willful misconduct of the City, or any of its Boards, Officers, Agents, Employees, Assigns and Successors in Interest, and to the extent caused by the gross negligent acts or omissions of Consultant, Consultant undertakes and agrees to defend, indemnify and hold harmless the City and any of its Boards, Officers, Agents, Employees, Assigns, and Successors in Interest from and against all suits and causes of action, claims, losses, demands and expenses, including, but not limited to, reasonable attorney's fees (both in house and outside counsel) and reasonable cost of litigation (including all actual litigation costs incurred by the City, including but not limited to, costs of experts and consultants), for death or injury to any person, including Consultant's employees and agents, or damage or destruction of any property of either party hereto or of third parties, caused by or arising from the gross negligent acts, omissions or willful misconduct incident to the performance of this Agreement by Consultant or its subcontractors of any tier. Rights and remedies available to the City under this provision are cumulative of those provided for elsewhere in this Agreement and those allowed under the laws of the United States, the State of California, and the City.

B. With regard to the Services performed by the Consultant pursuant to the terms of this Agreement, the Consultant shall not be liable to the City for any acts or omissions in the performance of Services on the part of Consultant except (i) in the event of a breach by Consultant of its obligations under this Agreement or (ii) when said acts or omissions of the Consultant are due to the negligence or fraud of the Consultant.

C. Notwithstanding any other provision of this Agreement, the Consultant's maximum liability for any damages arising out of or related to this Agreement, whether in contract, tort, or otherwise, shall be limited to One Hundred Fifty Thousand Dollars (\$150,000).

D. NOTWITHSTANDING ANYTHING PROVIDED HEREIN TO THE CONTRARY, NEITHER PARTY SHALL HAVE ANY LIABILITY UNDER THIS AGREEMENT FOR ANY LOST PROFIT OR REVENUE OR FOR ANY CONSEQUENTIAL, INDIRECT, INCIDENTAL, SPECIAL, PUNITIVE, OR EXEMPLARY DAMAGES.

10. TERMINATION PROVISION

The Board of Harbor Commissioners, in its sole discretion, shall have the right to terminate and cancel all or any part of this Agreement for any reason upon giving the Consultant ten (10) days' advance, written notice of the Board's election to cancel and terminate this Agreement. It is agreed that any Agreement entered into shall not limit the right of the City to hire additional consultants or perform the services described in this Agreement either during or after the term of this Agreement.

11. PERSONAL SERVICE AGREEMENT

A. During the term hereof, Consultant agrees that it will not enter into other contracts or perform any work without the written permission of the Executive Director where the work may conflict with the interests of the Department.

B. Consultant acknowledges that it has been selected to perform the Scope of Work because of its experience, qualifications and expertise. Any assignment or other transfer of this Agreement or any part hereof shall be void provided, however, that Consultant may permit Subconsultant(s) to perform portions of the Scope of Work in accordance with Article 1. All Subconsultants whom Consultant utilizes, however, shall be deemed to be its agents. Subconsultants' performance of the Scope of Work shall not be deemed to release Consultant from its obligations under this Agreement or to impose any obligation on the City to such Subconsultant(s) or give the Subconsultant(s) any rights against the City.

12. AFFIRMATIVE ACTION

The Consultant, during the performance of this Agreement, shall not discriminate in its employment practices against any employee or applicant for employment because of employee's or applicant's race, religion, national origin, ancestry, sex, age, sexual orientation, disability, marital status, domestic partner status, or medical condition. The provisions of Section 10.8.4 of the Los Angeles Administrative Code shall be incorporated and made a part of this Agreement. All subcontracts awarded shall contain a like nondiscrimination provision. See Exhibit B.

13. SMALL/VERY SMALL BUSINESS ENTERPRISE PROGRAM AND LOCAL BUSINESS PREFERENCE PROGRAM

It is the policy of the Department to provide Small Business Enterprises (SBE), Very Small Business Enterprises (VSBE) and Minority-Owned, Women-Owned, Disabled Veteran Business Enterprises and all Other Business Enterprises (MBE/WBE/DVBE/OBE) an equal opportunity to participate in the performance of all City contracts in all areas where such contracts afford such participation opportunities. Consultant shall assist the City in implementing this policy and shall use its best efforts to afford the opportunity for SBEs, VSBEs, MBEs, WBEs, DVBEs, and OBEs to achieve participation in subcontracts where such participation opportunities present themselves

and attempt to ensure that all available business enterprises, including SBEs, VSBEs, MBEs, WBEs, DVBEs, and OBEs, have equal participation opportunity which might be presented under this Agreement. See Exhibit C.

It is also the policy of the Department to support an increase in local and regional jobs. The Department's Local Business Preference Program aims to benefit the Southern California region by increasing jobs and expenditures within the local and regional private sector. Consultant shall assist the City in implementing this policy and shall use its best efforts to afford the opportunity for Local Business Enterprises to achieve participation in subcontracts where such participation opportunities present themselves.

NOTE: Prior to being awarded a contract with the City, Consultant and all Subconsultants must be registered on the City's Contracts Management and Opportunities Database, Los Angeles Business Assistance Virtual Network (LABAVN), at <http://www.labavn.org>.

#### 14. CONFLICT OF INTEREST

It is hereby understood and agreed that the parties to this Agreement have read and are aware of the provisions of Section 1090 et seq. and Section 87100 et seq. of the California Government Code relating to conflict of interest of public officers and employees, as well as the Los Angeles Municipal Code (LAMC) Municipal Ethics and Conflict of Interest provisions of Section 49.5.1 et seq. and the Conflict of Interest Codes of the City and the Department. All parties hereto agree that they are unaware of any financial or economic interest of any public officer or employee of City relating to this Agreement. Notwithstanding any other provision of this Agreement, it is further understood and agreed that if such financial interest does exist at the inception of this Agreement, City may immediately terminate this Agreement by giving written notice thereof.

During the term of this Agreement, Consultant shall inform the Department in writing when Consultant, or any of its Subconsultants, employs or hires in any capacity, and for any length of time, a person who has worked for the Department as a Commissioner, officer or employee. Said notice shall include the individual's name and current position and their prior position and years of employment with the Department. Written notice shall be provided by Consultant to the Department within thirty (30) days of the employment or hiring of the individual.

#### 15. COMPLIANCE WITH APPLICABLE LAWS

Consultant shall at all times in the performance of its obligations comply with all applicable laws, statutes, ordinances, rules and regulations, and with the reasonable requests and directions of Executive Director.

16. GOVERNING LAW / VENUE

This Agreement shall be governed by and construed in accordance with the laws of the State of California, without reference to the conflicts of law, rules and principles of such State. The parties agree that all actions or proceedings arising in connection with this Agreement shall be tried and litigated exclusively in the State or Federal courts located in the County of Los Angeles, State of California, in the judicial district required by court rules.

17. TRADEMARKS, COPYRIGHTS, AND PATENTS

Consultant agrees to save, keep, hold harmless, protect and indemnify the City and any of its officers or agents from any damages, cost, or expenses in law or equity from infringement of any patent, trademark, service mark or copyright of any person or persons, or corporations in consequence of the use by City of any materials supplied by Consultant in the performance of this Agreement.

18. PROPRIETARY INFORMATION

A. Writings, as that term is defined in Section 250 of the California Evidence Code (including, without limitation, drawings, specifications, estimates, reports, records, reference material, data, charts, documents, renderings, computations, computer tapes or disks, submittals and other items of any type whatsoever, whether in the form of writing, figures or delineations), which are obtained, generated, compiled or derived in connection with this Agreement (collectively hereafter referred to as "property"), are owned by City as soon as they are developed, whether in draft or final form. City has the right to use or permit the use of property and any ideas or methods represented by such property for any purpose and at any time without compensation other than that provided in this Agreement. Consultant hereby warrants and represents that City at all times owns rights provided for in this section free and clear of all third-party claims whether presently existing or arising in the future, whether or not presently known. Consultant need not obtain for City the right to use any idea, design, method, material, equipment or other matter which is the subject of a valid patent, unless such patent is owned by Consultant or one of its employees, or its Subconsultant or the Subconsultant's employees, in which case such right shall be obtained without additional compensation. Whether or not Consultant's initial proposal or proposals made during this Agreement are accepted by City, it is agreed that all information of any nature whatsoever connected with the Scope of Work, regardless of the form of communication, which has been or may be given by Consultant, its Subconsultants or on either's behalf, whether prior or subsequent to this Agreement becoming effective, to the City, its boards, officers, agents or employees, is not given in confidence. Accordingly, City or its designees may use or disclose such information without liability of any kind, except as may arise under valid patents.

B. If research or development is furnished in connection with this Agreement and if, in the course of such research or development, patentable work product is produced by Consultant, its officers, agents, employees, or Subconsultants, the City shall have, without cost or expense to it, an irrevocable, non-exclusive royalty-free license to



make and use, itself or by anyone on its behalf, such work product in connection with any activity now or hereafter engaged in or permitted by City. Upon City's request, Consultant, at its sole cost and expense, shall promptly furnish or obtain from the appropriate person a form of license satisfactory to the City. It is expressly understood and agreed that, as between City and Consultant, the referenced license shall arise for City's benefit immediately upon the production of the work product, and is not dependent on the written license specified above. City may transfer such license to its successors in the operation or ownership of any real or personal property now or hereafter owned or operated by City.

19. CONFIDENTIALITY

The data, documents, reports, or other materials which contain information relating to the review, documentation, analysis and evaluation of the work described in this Agreement and any recommendations made by Consultant relative thereto shall be considered confidential and shall not be reproduced, altered, used or disseminated by Consultant or its employees or agents in any manner except and only to the extent necessary in the performance of the work under this Agreement. In addition, Consultant is required to safeguard such information from access by unauthorized personnel.

20. NOTICES

In all cases where written notice is to be given under this Agreement, service shall be deemed sufficient if said notice is deposited in the United States mail, postage prepaid. When so given, such notice shall be effective from the date of mailing of the same. For the purposes hereof, unless otherwise provided by notice in writing from the respective parties, notice to the Department shall be addressed to Director of Environmental Management, Los Angeles Harbor Department, P.O. Box 151, San Pedro, California 90733-0151, and notice to Consultant shall be addressed to it at the address set forth above. Nothing herein contained shall preclude or render inoperative service of such notice in the manner provided by law.

21. TAXPAYER IDENTIFICATION NUMBER (TIN)

The Internal Revenue Service (IRS) requires that all consultants and suppliers of materials and supplies provide a TIN to the party that pays them. Consultant declares that it has an authorized TIN which shall be provided to the Department upon request. The parties agree that all funds transferred to Consultant from the City shall be for voucher payments under the Voucher Incentive Program and shall not be considered compensation payment for services provided by Consultant.

22. SERVICE CONTRACTOR WORKER RETENTION POLICY AND LIVING WAGE POLICY REQUIREMENTS

The Board of Harbor Commissioners of the City of Los Angeles adopted Resolution Nos. 19-8419 and 19-8420 on January 24, 2019, adopting the provisions of Los Angeles City Ordinance No. 185356 relating to Service Contractor Worker Retention (SCWR), Section 10.36 et seq. of the Los Angeles Administrative Code, as the policy of

the Department. Further, Charter Section 378 requires compliance with the City's Living Wage requirements as set forth by ordinance, Section 10.37 et seq. of the Los Angeles Administrative Code. Consultant shall comply with the policy wherever applicable. Violation of this provision, where applicable, shall entitle the City to terminate this Agreement and otherwise pursue legal remedies that may be available.

23. WAGE AND EARNINGS ASSIGNMENT ORDERS / NOTICES OF ASSIGNMENTS

The Consultant and/or any Subconsultant are obligated to fully comply with all applicable state and federal employment reporting requirements for the Consultant and/or Subconsultant's employees.

The Consultant and/or Subconsultant shall certify that the principal owner(s) are in compliance with any Wage and Earnings Assignment Orders and Notices of Assignments applicable to them personally. The Consultant and/or Subconsultant will fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignments in accordance with Cal. Family Code Sections 5230 et seq. The Consultant or Subconsultant will maintain such compliance throughout the term of this Agreement.

24. EQUAL BENEFITS POLICY

The Board of Harbor Commissioners of the City of Los Angeles adopted Resolution No. 6328 on January 12, 2005, agreeing to adopt the provisions of Los Angeles City Ordinance No. 172,908, as amended, relating to Equal Benefits, Section 10.8.2.1 et seq. of the Los Angeles Administrative Code, as a policy of the Department. Consultant shall comply with the policy wherever applicable. Violation of this policy shall entitle the City to terminate any Agreement with Consultant and pursue any and all other legal remedies that may be available. See Exhibit D.

25. COMPLIANCE WITH LOS ANGELES CITY CHARTER SECTION 470(c)(12)

The Consultant, Subconsultants, and their Principals are obligated to fully comply with City of Los Angeles Charter Section 470(c)(12) and related ordinances, regarding limitations on campaign contributions and fundraising for certain elected City officials or candidates for elected City office if the agreement is valued at \$100,000 or more and requires approval of a City elected official. Additionally, Consultant is required to provide and update certain information to the City as specified by law. Any Consultant subject to Charter Section 470(c)(12), shall include the following notice in any contract with a subconsultant expected to receive at least \$100,000 for performance under this Agreement:

Notice Regarding Los Angeles Campaign Contribution and Fundraising Restrictions

As provided in Charter Section 470(c)(12) and related ordinances, you are a subconsultant on Harbor Department Agreement No. \_\_\_\_\_. Pursuant to City Charter Section 470(c)(12), subconsultant and its principals are prohibited from making campaign contributions and fundraising for certain elected City officials or candidates for elected City office for 12 months after the Agreement is signed. Subconsultant is required to provide to Consultant names and addresses of the subconsultant's principals and contact information and shall update that information if it changes during the 12 month time period. Subconsultant's information must be provided to Consultant within 10 business days. Failure to comply may result in termination of the Agreement or any other available legal remedies including fines. Information about the restrictions may be found at the City Ethics Commission's website at <http://ethics.lacity.org/> or by calling 213-978-1960.

Consultant, Subconsultants, and their Principals shall comply with these requirements and limitations. Violation of this provision shall entitle the City to terminate this Agreement and pursue any and all legal remedies that may be available.

#### 26. STATE TIDELANDS GRANTS

This Agreement is entered into in furtherance of and as a benefit to the State Tidelands Grant and the trust created thereby. Therefore, this Agreement is at all times subject to the limitations, conditions, restrictions and reservations contained in and prescribed by the Act of the Legislature of the State of California entitled "An Act Granting to the City of Los Angeles the Tidelands and Submerged Lands of the State Within the Boundaries of Said City," approved June 3, 1929 (Stats. 1929, Ch. 651), as amended, and provisions of Article VI of the Charter of the City of Los Angeles relating to such lands. Consultant agrees that any interpretation of this Agreement and the terms contained herein must be consistent with such limitations, conditions, restrictions and reservations.

#### 27. INTEGRATION

This Agreement contains the entire understanding and agreement between the parties hereto with respect to the matters referred to herein. No other representations, covenants, undertakings, or prior or contemporaneous agreements, oral or written, regarding such matters which are not specifically contained, referenced, and/or incorporated into this Agreement by reference shall be deemed in any way to exist or bind any of the parties. Each party acknowledges that it has not been induced to enter into the Agreement and has not executed the Agreement in reliance upon any promises, representations, warranties or statements not contained, referenced, and/or incorporated into the Agreement. **THE PARTIES ACKNOWLEDGE THAT THIS AGREEMENT IS INTENDED TO BE, AND IS, AN INTEGRATED AGREEMENT.**

28. SEVERABILITY

Should any part, term, condition or provision of this Agreement be declared or determined by any court of competent jurisdiction to be invalid, illegal or incapable of being enforced by any rule of law, public policy, or city charter, the validity of the remaining parts, terms, conditions or provisions of this Agreement shall not be affected thereby, and such invalid, illegal or unenforceable part, term, condition or provision shall be treated as follows: (a) if such part, term, condition or provision is immaterial to this Agreement, then such part, term, condition or provision shall be deemed not to be a part of this Agreement; or (b) if such part, term, condition or provision is material to this Agreement, then the parties shall revise the part, term, condition or provision so as to comply with the applicable law or public policy and to effect the original intent of the parties as closely as possible.

29. CONSTRUCTION OF AGREEMENT

This Agreement shall not be construed against the party preparing the same, shall be construed without regard to the identity of the person who drafted such and shall be construed as if all parties had jointly prepared this Agreement and it shall be deemed their joint work product; each and every provision of this Agreement shall be construed as though all of the parties hereto participated equally in the drafting hereof; and any uncertainty or ambiguity shall not be interpreted against any one party. As a result of the foregoing, any rule of construction that a document is to be construed against the drafting party shall not be applicable.

30. TITLES AND CAPTIONS

The parties have inserted the Article titles in this Agreement only as a matter of convenience and for reference, and the Article titles in no way define, limit, extend or describe the scope of this Agreement or the intent of the parties in including any particular provision in this Agreement.

31. MODIFICATION IN WRITING

This Agreement may be modified only by written agreement of all parties. Any such modifications are subject to all applicable approval processes required by, without limitation, City's Charter and City's Administrative Code.

32. WAIVER

A failure of any party to this Agreement to enforce the Agreement upon a breach or default shall not waive the breach or default or any other breach or default. All waivers shall be in writing.

33. EXHIBITS; ARTICLES

All exhibits to which reference is made in this Agreement are deemed incorporated in this Agreement, whether or not actually attached. To the extent the terms of an exhibit conflict with or appear to conflict with the terms of the body of the Agreement, the terms of the body of the Agreement shall control. References to Articles are to Articles of this Agreement unless stated otherwise.

34. COUNTERPARTS

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute together one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date to the left of their signatures.

THE CITY OF LOS ANGELES, by its Board of Harbor Commissioners


Dated: \_\_\_\_\_, 2022

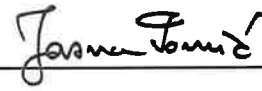
By: \_\_\_\_\_  
EUGENE D. SEROKA  
Executive Director

Attest: \_\_\_\_\_  
AMBER M. KLESGES  
Board Secretary


CALSTART, INC.

Dated: March 15th, 2022

By:   
Piero Stillitano, CFO  
\_\_\_\_\_  
(Print/type name and title)


Attest:   
Jasna Tomic, Vice President  
\_\_\_\_\_  
(Print/type name and title)

APPROVED AS TO FORM AND LEGALITY

, 2022  
MICHAEL N. FEUER, City Attorney  
JANNA B. SIDLEY, General Counsel  
By: \_\_\_\_\_  
Heather M. McCloskey, Deputy

FUNDS AVAILABLE STAMP  
March 16, 2022

AGREEMENT BETWEEN  
THE CITY OF LOS ANGELES AND  
CALSTART, INC.

Account#	59966	W.O. #	
Ctr/Div#	0330	Job Fac.#	
Proj/Prog#	000		
	Budget FY:	Amount:	
	FY 22/23	\$ 2,000,000	
	FY 23/24	\$15,000,000	
	FY 24/25	\$23,000,000	
	TOTAL	\$40,000,000	
<b>For Acct/Budget Div. Use Only</b>			
Verified by:	<b>Flora Khaw</b>	<small>Digitally signed by Flora Khaw Date: 2022.03.16 10:45:54 -07'00'</small>	
Verified Funds Available:		<small>Digitally signed by Frank Liu Date: 2022.03.16 11:22:21 -07'00'</small>	
Date Approved:			

# EXHIBIT A

## PORT OF LOS ANGELES ZERO-EMISSION TRUCK VOUCHER INCENTIVE PROGRAM

### SCOPE OF WORK

#### **I. Voucher Incentive Program Details**

The City of Los Angeles Harbor Department (“City”, “Harbor Department” or “Department”) is establishing a Zero-Emission (“ZE”) Truck Voucher Incentive Program (“Voucher Incentive Program”) to incentivize the purchase of ZE trucks that will provide drayage services at the San Pedro Bay Ports. The Voucher Incentive Program will help fund the transformation of port drayage truck fleets, thereby assisting the City in meeting the goal of 100% ZE truck operations at the Port of Los Angeles by 2035. Funds for the Voucher Incentive Program will come from the Harbor Department’s Clean Truck Fund Rate, expected to begin collection in April 2022.

The California Air Resources Board (“CARB”) established its Hybrid Truck & Bus Voucher Incentive Project (HVIP) as part of the AB118 Air Quality Improvement Program. This statewide HVIP is designed to provide funds to offset the incremental cost of eligible hybrid medium- and heavy-duty vehicles. The statewide HVIP helps commercialize hybrid vehicle technologies and supports a critical ramp-up in production that is necessary to increase deployment of lower emission vehicles, assisting the state in meeting its clean air goals.

CALSTART, Inc. (“CALSTART” or “Contractor”) administers CARB’s HVIP, through Grant Agreement Number G19-HVIP-01, effective March 2020. Through HVIP, CALSTART has established a project infrastructure to provide program outreach, project planning and development, voucher distribution and processing, program monitoring and reporting. The Harbor Department is collaborating with CALSTART to utilize this existing HVIP project infrastructure to distribute the Harbor Department’s incentive funding for qualifying truck purchases.

Under the Harbor Department Agreement, CALSTART will administer the Department’s Voucher Incentive Program in a manner consistent with the requirements and implementation guidelines established by CARB for the statewide HVIP, as set forth herein. CALSTART shall ensure that the funds provided by the City are dedicated to the purchase of HVIP-approved ZE Class 8 trucks, with the purchasers agreeing to provide truck drayage services to the San Pedro Bay Ports for at least a three-year period after redemption of the voucher.

CALSTART will identify eligible participants to receive vouchers, valued at up to \$150,000 to be used toward the purchase price of CARB-approved ZE Class 8 trucks, not including taxes and fees. On a case-by-case basis, the Executive Director has delegated authority to approve voucher funding up to \$300,000 per truck. The Department’s Voucher Incentive Program funding will not be used for trucks receiving other incentive funding from CARB or other federal, state, or local government funding sources.

## **II. The Harbor Department is responsible for the following tasks under the Voucher Incentive Program:**

1. The CARB-CALSTART Agreement, Grant No. G19-HVIP-01 (1<sup>st</sup> Amendment), is set forth herein as Attachment 1. If the CARB-CALSTART Agreement is amended in a way that materially impacts the Department's Voucher Incentive Program, the Department shall confirm in writing that such amendment is acceptable to the Department and may be implemented as part of the Department's Voucher Incentive Program.
2. The CARB HVIP Implementation Manual ("Implementation Manual"), dated March 15, 2022, is set forth herein as Attachment 2. If the Implementation Manual is revised in a way that materially impacts the Department's Voucher Incentive Program, the Department shall confirm in writing that such revision is acceptable to the Department and may be implemented as part of the Department's Voucher Incentive Program.
3. The Executive Director, or his designee, shall confirm in writing that any modifications to CARB's HVIP approved ZE Class 8 drayage trucks that relate to new fuel type technologies, as posted on CALSTART's HVIP website at <https://californiahvip.org/vehiclecatalog/>, are acceptable to the City, and that the Department's incentive funding may be used for vouchers for the CARB HVIP approved ZE Class 8 drayage trucks.
4. Confirm in writing when funding becomes available for the Voucher Incentive Program, including at a minimum, the amount of funding, when voucher funding may begin and the payment method the Department will use to transmit funds.
5. The Executive Director or his designee, shall review Voucher Incentive Program Request Forms (Attachment 3) and Voucher Incentive Program Payment Forms (Attachment 4), and where in compliance with Program requirements, sign and return said forms to CALSTART. In each instance where a Request Form or Payment Form is not in compliance with the Program, the Department shall reply in writing to CALSTART providing reasons for rejection of said forms.
6. At least quarterly, or upon reasonable request from CALSTART, confirm in writing the amount of funding that is available for CALSTART to issue vouchers under the Voucher Incentive Program, and provide written notice to CALSTART if previously reported funding amounts available is increased or decreased.
7. Participate in regular, as-needed, meetings with CALSTART to discuss Voucher Incentive Program status, project refinements, and any other project-related issues as they may arise from time to time.
8. Review modifications to CARB's HVIP Implementation Manual, CALSTART's HVIP website as it relates to the Department's Voucher Incentive Program, HVIP voucher request and redemption forms, voucher payment verifications and CALSTART progress reports.
9. Distribute voucher funds to CALSTART for payment to dealers accepting vouchers as part of qualified ZE truck purchases.



10. Provide project oversight, review, and accountability in conjunction with CALSTART's obligations under the Agreement.

**III. Consultant shall perform the following tasks for the Department's Voucher Incentive Program:**

1. Implement the Department's Voucher Incentive Program and integrate it into the CARB HVIP by performing; i) applicable duties and requirements set forth in the CARB-CALSTART Agreement, ii) applicable duties and requirements set forth in the HVIP Implementation Manual, and iii) any additional services specific to the Department's Voucher Incentive Program as set forth herein. Whether any duty or obligation of CALSTART under CARB's HVIP applies to the Department's Voucher Incentive Program shall be decided by the Harbor Department Executive Director after reasonable consultation with CALSTART.
2. Promote the Voucher Incentive Program through CALSTART's website by announcing and advertising the availability of funds under the Voucher Incentive Program and update the existing HVIP website to include the Department's Voucher Incentive Program with all applicable forms and program requirements. Ideally, the promotion and advertising will be done in conjunction with CARB's HVIP funding rounds as they may occur from time to time. Maintain continuous real-time updates on the website of available Voucher Incentive Program funds.
3. Conduct outreach to potentially eligible applicants providing drayage services to the Port of Los Angeles and the Port of Long Beach and inform them of the additional funding that is (or may be) available through the Voucher Incentive Program, depending on actual funding allocation of collected Clean Truck Fund fees. Ideally, outreach will occur in conjunction with CARB's HVIP funding rounds as they may occur from time to time.
4. Using the CARB electronic HVIP Voucher Request Form and Voucher Redemption Form, as may be modified to integrate the Department's Voucher Incentive Program Request Form and Voucher Incentive Program Payment Form, obtain applications for qualified ZE truck purchases.
5. Evaluate Voucher Incentive Program applications on a first-come, first-served basis pursuant to the requirements outlined in the HVIP Implementation Manual; verify eligibility of the applicants and the selected ZE truck; and ensure that applicants can satisfy the operational criteria with respect to performing drayage services at the San Pedro Bay Ports. The Department's Voucher Incentive Program purchaser eligibility requirements shall include the following provisions:
  - a) Comply with all CARB HVIP Program criteria.
  - b) Select an eligible ZE truck to purchase from the list published on the HVIP website.
  - c) Complete and sign Port of Los Angeles Zero-Emission Truck Voucher Incentive Program Request Form and Payment Form. See Attachment 3 & 4.

- d) Register the ZE truck into the San Pedro Bay Ports' Port Drayage Truck Registry (PDTR) and comply with PDTR insurance requirements.
  - e) Begin to use the ZE truck in drayage service to the Port of Los Angeles no later than sixty (60) days after taking delivery of the ZE truck.
  - f) Remain registered in the PDTR for three years after the date of voucher redemption.
  - g) Provide drayage services with the ZE truck to the San Pedro Bay Ports by making at least fifty (50) trips per year for a period of three-years after the date of voucher redemption. Half of the 50 annual trips (25 trips) shall occur at a Port of Los Angeles terminal, and a trip is defined as a single loaded gate entry to a port terminal.
  - h) Comply with all local, state, and federal laws.
6. Maintain Excel spreadsheets, in a format approved by the Harbor Department, to track all applications and vouchers associated with the Voucher Incentive Program, which shall include, but not be limited to, participant contact information, vendor contact information, vehicle information, delivery time information, voucher amount distributed and annual survey information.
  7. Distribute voucher funds to dealers/vendors/manufactures as approved under the Voucher Incentive Program, using the procedures set forth in the CARB HVIP program and ensure that ZE trucks purchased with Voucher Incentive Program funds are not coupled with any funds provided by CARB or other government incentive programs.
  8. Develop an Annual Usage Survey and collect vehicle operational information annually from each Voucher Incentive Program participant for a period of three years after the date of voucher redemption for each truck. The Annual Usage Survey will allow participants to report the following on an annual basis: vehicle miles traveled, truck trips to the Port of Los Angeles and the Port of Long Beach, truck maintenance performed, and current registry status with the San Pedro Bay Ports' Port Drayage Truck Registry.
  9. Provide to the Harbor Department all applicable reports and notices set forth in the CARB-CALSTART Agreement (as amended from time to time) and the HVIP Implementation Manual (as revised from time to time) for the Voucher Incentive Program, including various status reports (e.g., quarterly and annual) and provide the Department with written notice when program participants are at risk of non-compliance, or are non-compliant, with any Voucher Incentive Program participation requirements.

Exhibit A, Attachment 1

STATE OF CALIFORNIA  
California Environmental Protection Agency  
AIR RESOURCES BOARD  
ASD/BCGB-337 (NEW 10/2017)

**GRANT AGREEMENT COVER SHEET**

GRANT NUMBER  
G19-HVIP-01, **Amendment 1**

NAME OF GRANT PROGRAM Hybrid and Zero Emission Truck and Bus Voucher Incentive Project	
GRANTEE NAME CALSTART, Inc.	
TAXPAYER'S FEDERAL EMPLOYER IDENTIFICATION NUMBER 95-4375022	TOTAL GRANT AMOUNT NOT TO EXCEED \$105,435,000.00 <b><u>\$122,709,962.00</u></b>
FISCAL GRANT TERM FROM: March 2, 2020	TO: <del>March 31, 2024</del> <b><u>May 2, 2025</u></b>
PROJECT PERFORMANCE PERIOD OF GRANT AGREEMENT FROM: March 2, 2020	TO: <del>March 31, 2024</del> <b><u>May 2, 2025</u></b>

This legally binding Grant Agreement, including this cover sheet and Exhibits attached hereto and incorporated by reference herein, is made and executed between the State of California, California Air Resources Board (CARB) and CALSTART, Inc. (the "Grantee"). The parties mutually agree to amend this Grant Agreement. Amendments are shown as deletions in strikethrough and as additions in **bold and underlined** text. All other terms and conditions remain the same.

Exhibit A – Grant Provisions

Exhibit B – Work Statement:

- Attachment I – Budget Summary
- Attachment II – Project Milestones and Disbursement Schedule
- Attachment III – Project Schedule
- Attachment III – Key Project Personnel

Exhibit C – Grantee Application Package

**The purpose of Amendment 1 is to extend the time of the project and to add additional funding.**

This Amendment also includes changes to Exhibit A and B. This Agreement is of no force or effect until signed by both parties. Grantee shall not commence performance until it receives written approval from CARB.

The undersigned certify under penalty of perjury that they are duly authorized to bind the parties to this Grant Agreement.

STATE AGENCY NAME California Air Resources Board		GRANTEE'S NAME (PRINT OR TYPE) CALSTART, Inc.	
SIGNATURE OF ARB'S AUTHORIZED SIGNATORY: <i>Brandy Hunt</i>		SIGNATURE OF GRANTEE (AS AUTHORIZED IN RESOLUTION, LETTER OF COMMITMENT, OR LETTER OF DESIGNATION) <i>[Signature]</i>	
TITLE Contracts, Procurement, and Grants Branch Chief, ASD	DATE 2/17/2021	TITLE <b><u>EXECUTIVE VICE PRESIDENT</u></b>	DATE 2/16/2021
STATE AGENCY ADDRESS 1001 I Street, Sacramento, CA 95814		GRANTEE'S ADDRESS (INCLUDE STREET, CITY, STATE AND ZIP CODE) 48 South Chester Avenue, Pasadena, CA 91106	

**CERTIFICATION OF FUNDING**

AMOUNT ENCUMBERED BY THIS AGREEMENT \$17,274,962.00	PROGRAM 3510000L32 3510000L32	PROJECT 3900-LCTI 3900-LCTI	ACTIVITY 3228HVIP19HVIP 3228HVIP20HVIP
PRIOR AMOUNT ENCUMBERED FOR THIS AGREEMENT \$105,435,000.00	FUND TITLE <i>Greenhouse Gas Reduction Fund</i>		FUND NO. 3228
TOTAL AMOUNT ENCUMBERED TO DATE \$122,709,962.00	(OPTIONAL USE)	FISCAL SUPPLIER ID 0000027167	CHAPTER 23 6 STATUTE AB 74 SB 74
APPR REF 101 1013	ACCOUNT/ALT ACCOUNT 5432500 5432500	REPORTING STRUCTURE 39006100 39006100	SERVICE LOCATION 57207 57101 FISCAL YEAR (ENY) 2019/20 (\$14,506,132.00) 2020/21 (\$2,768,830.00)

*I hereby certify that the California Air Resources Board Legal Office has reviewed this Grant Agreement.*

SIGNATURE OF CALIFORNIA AIR RESOURCES BOARD LEGAL OFFICE: <i>D. Keen</i>	DATE 2/8/21
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**GRANT PROVISIONS**

- A.** The parties agree to comply with the requirements and conditions contained herein, as well as all commitments identified in the Fiscal Year 2019-20 Funding Plan for Clean Transportation Incentives for Low Carbon Transportation Investments and the Air Quality Improvement Program (AQIP) and the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP) and Grantee Application Package. This includes all provisions, roles, and responsibilities identified in the HVIP Implementation Manual as amended from time to time.
- B.** Where applicable, the Grantee agrees to acknowledge the California Climate Investments program and California Air Resources Board (CARB) as a funding source for HVIP. Below are specific requirements for acknowledgement.

The California Climate Investments logo and name serves to bring under a single brand the many investments whose funding comes from the Greenhouse Gas Reduction Fund (GGRF). The logo represents a consolidated and coordinated initiative by the State to address climate change by reducing greenhouse gases, while also investing in disadvantaged communities and achieving many other co-benefits. The Grantee agrees to acknowledge the California Climate Investments program as a funding source from CARB's Low Carbon Transportation program whenever projects funded, in whole or in part by this Agreement, are publicized in any news media, websites, brochures, publications, audiovisuals, or other types of promotional material. The acknowledgement must read as follows: "This Project is part of California Climate Investments, a statewide program that puts billions of Cap-and-Trade dollars to work reducing greenhouse gas emissions, strengthening the economy, and improving public health and the environment particularly in disadvantaged communities." Guidelines for the usage of the CCI logo can be found at <http://www.caclimateinvestments.ca.gov/logo-graphics-request> .



Grantee agrees to acknowledge the California Air Resources Board (hereinafter referred to as CARB, the State, or the Board) as a funding source for HVIP when publicized in any news media, websites, applications, brochures, publications, audiovisuals, or other types of promotional material. The grantee agrees to adhere

to the Board's logo usage requirements in a manner directed by CARB. CARB logos shall be provided to the Grantee by CARB staff.



The CARB logo is a visual representation of our air environment. The arcs represent; the different elements that make up air we breathe, the protection of our atmosphere and the efforts we take to protect the health of Californians, the collaboration of multiple stakeholders all moving in the same direction together, and innovation with the arcs all growing and changing.

### C. GRANT SUMMARY AND AMENDMENTS (if applicable)

Project Title: Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP)

Authorized Officials: Bill Van Amburg

Title: Senior Vice President

**Total Funding: ~~\$105,435,000~~ 122,709,962.00<sup>1</sup>**

### D. GRANT PARTIES AND CONTACT INFORMATION

1. This Grant is from CARB to CALSTART, Inc. (hereinafter referred to as Grantee).
2. CARB Project Liaison is Patrick Chen. Correspondence regarding this project shall be directed to:

Patrick Chen  
California Air Resources Board  
Mobile Source Control Division  
P.O. Box 2815  
Sacramento, California 95812  
Phone: (626) 350-6520  
Email: [patrick.chen@arb.ca.gov](mailto:patrick.chen@arb.ca.gov)

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<sup>1</sup> Assembly Bill 74 (Ting, Chapter 23, Statutes of 2019), Sec. 1.50 item 3900-101-3228, schedule (2)(a) excluding \$1.42 million for CARB administration and 25 percent of total allocation until completion of the fourth GGRF auction. This Grant Agreement will be amended with additional funding depending on the result of the fourth GGRF auction. **This amendment adds \$14,506,132 from the fourth GGRF auction and \$2,768,830 from Budget Act of 2020, Senate Bill 74 (Mitchell, Chapter 6, Statutes of 2020), item 3900-492-3228.**

The Grantee Liaison is Tom Brotherton. Correspondence regarding this project shall be directed to:

Tom Brotherton  
Senior Program Manager  
CALSTART, Inc.  
48 South Chester Avenue  
Pasadena, California 91106  
Phone: (626) 744-5626  
Email: [tbrotherton@calstart.org](mailto:tbrotherton@calstart.org)

## E. TIME PERIOD

1. Performance of work or other expenses billable to CARB under this grant may commence after full execution of this grant by both parties. Performance on this grant ends once the Grantee has submitted the final report or if this grant is terminated, whichever is earlier.
2. Upon completion of the project, the Grantee shall submit a draft final report to the Project liaison no later than **March 15, 2024 2025** (See Section K, Reporting, of this Grant Agreement).
3. Final request for payment and Final Report shall be received by CARB no later than **March 31, 2024 2025** (See Sections H[3] and K[2] of this Grant Agreement).
4. CARB Executive Officer retains the authority to terminate or reduce the dollar amount of this grant if by **January 1, 2024-2025**, 75 percent of project funding has not been reserved in the form of vouchers issued by the Grantee. In the event of such termination, Section H(4) of these provisions shall apply.

## F. OPTION FOR NEW GRANT AGREEMENT

CARB, in its sole discretion, may exercise the option to award a new Grant Agreement for each of the following two fiscal years (FY 2020-21 and FY 2021-22). The Grantee understands and agrees that there is no guarantee that the FY 2020-21 or FY 2021-22 Grant Agreement will be awarded.

## G. DUTIES AND REQUIREMENTS

This section defines the respective duties and requirements of CARB and the Grantee

in implementing HVIP.



## **1. California Air Resources Board**

CARB is responsible for the following:

- a. Provide policy direction and review proposed drafts of the Implementation Manual in consultation with the Grantee.
- b. Selecting the Grantee.
- c. Evaluating and approving vehicles and equipment for HVIP eligibility. CARB is responsible for working closely with vehicle and equipment manufacturers in order to determine vehicle eligibility.
- d. Determining vehicle voucher amounts and providing this information to the Grantee.
- e. Participating in regular meetings with the Grantee to discuss project refinements and guide project implementation.
- f. Reviewing and approving project elements provided by the Grantee, such as the HVIP incentives webpage, voucher payment verification, and progress reports.
- g. Review and approve or return all Grant Disbursement Request Forms (Form MSCD/ISB-90).
- h. Distributing project funds to the Grantee.
- i. Providing project oversight and accountability (in conjunction with the Grantee).
- j. Verifying vehicle ownership through checking vehicle identification numbers (VIN) with the California Department of Motor Vehicles.
- k. Verifying that applicant is in compliance with all applicable regulations when the applicant is unable to present a TRUCR's certificate or additional compliance checks.

## **2. The Grantee**

The Grantee is responsible for implementation of HVIP as approved by the Board as part of the FY 2019-20 Funding Plan for Clean Transportation Incentives (Funding Plan). The Grantee's responsibilities encompass five project areas to ensure the efficient and proper distribution of vouchers for eligible vehicles: project planning and development; education and outreach; voucher distribution

and processing; recordkeeping and reporting; and transition. These phases are to be completed in a manner directed by CARB and on a timeframe as stated in this grant agreement.

The Grantee is responsible for the on-the-ground project implementation and distributing voucher payments for eligible vehicles, including, but not limited to, the following tasks:

**a. Project Planning and Development**

- i. Finalize and update the Implementation Manual in consultation with CARB throughout the grant term.
- ii. Develop a policies and procedures document and flow chart that describes the Grantee's administrative action for processing vouchers. Examples include details on acceptable supporting documentation for voucher applications, process for voucher payments, fiscal procedures, protocols for recording CARB case-by-case approvals, and recordkeeping and audit procedures.
- iii. Assist CARB in updating the heavy-duty three-year investment plan on an annual basis starting with the FY 2020-21 Funding Plan by providing information to CARB upon request. Information requested by CARB may include, but not limited to, the following:
  - a) Status of the heavy-duty market;
  - b) Market and technical analysis on commercialized and emerging vehicle and equipment and infrastructure to determine the state of technologies;
  - c) Barriers and potential solutions;
  - d) Recommendations to improve HVIP and heavy-duty incentive programs;
  - e) Role of incentives and how incentive programs can complement near-term regulatory measures;
  - f) Review other heavy-duty incentive programs from CARB and other local, State and Federal agencies that support the commercialization and deployment of advanced clean heavy-duty vehicles and technologies;
  - g) Coordinate with heavy-duty vehicle technology providers and end user fleets, including school bus fleets, to forecast sales; and,
  - h) Document findings and update the three-year heavy-duty investment strategy.
- iv. Meet all applicable requirements of statutes; all applicable Funding Plans;

CARB's Funding Guidelines<sup>2</sup>; this solicitation; Appendix B: Sample Grant Agreement; the final Grant Agreement; the HVIP Implementation Manual including any future updates and/or revisions issued during the grant term. The Grantee must also ensure its subcontractors meet all the aforementioned requirements, as applicable. CARB's Funding Guidelines and Funding Plan are available at: [www.arb.ca.gov/msprog/aqip/aqip.htm](http://www.arb.ca.gov/msprog/aqip/aqip.htm).

- v. Closely communicate with CARB to ensure that the most current vehicle eligibility list is being used.
- vi. Support and help inform CARB's determination of appropriate base voucher amounts for eligible pieces of equipment and voucher enhancement amounts
- vii. This will include gathering and providing cost information to help support CARB's determination of the estimated aggregated cost of new conventionally-fueled vehicles or equipment that could perform the same function as the vehicles for which manufacturers seek eligibility. This information will be used to calculate the incremental cost. This will be performed for each eligible equipment category outlined in the Implementation Manual, and reviewed periodically as market shifts take place. This cost will be determined on an equipment-specific basis and informed by discussions with fleets and other stakeholders, market data, and/or other relevant information.
- viii. Evaluate and implement innovative strategies to deploy advanced clean vehicles that will help reduce barriers to adoption, such as cost, lack of knowledge with new technologies, maintenance, and infrastructure. Strategies include vehicle lease solutions, secondary lease market for zero-emission vehicles with a focus on DACs, and other innovative strategies.

**b. Education and Outreach**

- i. Conduct statewide public outreach to vehicle dealers and fleets necessary for the project to be successful. Outreach could include on-site dealer trainings and public question and answer sessions.
  - a) Develop and implement outreach strategies to increase the awareness of fleets and dealers of the incentives to spur the adoption of advanced clean heavy-duty vehicles and equipment statewide;
  - b) Target outreach in disadvantaged communities (based on CalEnviroScreen 3.0<sup>3</sup>); and

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<sup>2</sup> CARB, 2018; <https://ww2.arb.ca.gov/resources/documents/cci-funding-guidelines-administering-agencies>

<sup>3</sup> The CalEnviroScreen 3.0 mapping tool is available at <https://oehha.ca.gov/calenviroscreen/report/calenviroscreen-30>

- c) Develop and implement a strategy to engage lower-income and disadvantaged communities through activities relevant to the community being served.
- ii. Develop/maintain a user-friendly public website that may be hosted by CARB, the grantee, or a CARB approved third party. The website, and all content posted thereto must be ADA compliant in accordance to the Web Content Accessibility Guidelines 2.0, or a subsequent version, published by the Web Accessibility Initiative of the World Wide Web Consortium at a minimum Level AA success criteria. The website must include, at a minimum:
  - a) General project information and instructions on how to participate;
  - b) A list of eligible vehicles and equipment and associated voucher amount;
  - c) Voucher request and voucher redemption forms which include terms and conditions to which purchasers must attest or commit;
  - d) Real-time voucher statistics, including vouchers requested and vouchers redeemed, dollars awarded by funding source, available and expended funds, location of voucher, and other statistics as defined by CARB such as vehicle type, location, and vocation;
  - e) Ability to provide a visual representation of where vouchers are being requested and/or disbursed with a mapping tool;
  - f) Ability to provide user survey data to display information such as demographics, dealer experience, motivations to purchase, decision-making process, etc., upon request by CARB;
  - g) Applicable documents and forms related to the project; and
  - h) Other information to support fleets including infrastructure funding information and links to other funding sources.
- iii. Develop, make available, and distribute language-specific and culturally-appropriate materials, to be determined by CARB which will be used for the effective implementation of HVIP. Language-specific materials must include, but not limited to, the following:
  - a) Outreach and education materials;
  - b) Website;
  - c) Owner requirements;
  - d) Terms and conditions agreement forms;

- e) Frequently asked questions; and
  - f) Contact information.
- iv. Train and approve vehicle dealers for participation in HVIP based upon eligibility criteria identified in the Implementation Manual.
  - v. Respond promptly to legislative and public requests regarding HVIP in coordination with CARB.
  - vi. Work with vehicle manufacturers to create a list of dealerships authorized to submit voucher requests and receive HVIP voucher payments.
  - vii. Develop and provide outreach materials, to be determined by CARB, which will be used to help inform fleets and stakeholders about how to access HVIP, describe advanced clean technologies, and/or acknowledge California Climate Investments as a source of funding. Outreach materials may include, but are not limited to, the following:
    - a) Posters;
    - b) Stickers;
    - c) Flash drives or other electronic media;
    - d) Apparel;
    - e) Pamphlets, flyers, and banners; and
    - f) Merchandise to be distributed at outreach events.

**c. Voucher Distribution and Processing**

- i. Ensure participating equipment manufacturers, vehicle dealers, purchasers and lessees meet all applicable HVIP requirements.
- ii. Support three year ownership and lease-term requirements by identifying and reporting voucher recipients to CARB who are at risk of not meeting the requirements.
- iii. Track and report vehicle resale inquiries to CARB.
- iv. Contact voucher recipients that have, or will potentially sell their vehicle early (See Section E[3] of the Implementation Manual).
- v. Review required documentation prior to voucher redemption. Documents include, but are not limited to, the following:
  - a) Signed Final Invoice – must show the final purchase price less the voucher amount and any other additional incentive funding. It must also provide line items listing:

- 1) Vehicle or equipment base price.
  - 2) Price of equipment upgrades (i.e., non-standard features).
  - 3) Sale price of any other equipment supported by HVIP.
  - 4) Voucher discount, including all voucher enhancements itemized.
  - 5) All applicable taxes and fees.
- b) Financing/Lease Documentation – copy of check, money transfer receipt, financing/loan agreement identifying the lien holder, and/or lease contract indicating terms of lease.
- c) DMV Registration or application, which includes:
- 1) California registration.
  - 2) Gross Vehicle Weight Rating (GVWR).
  - 3) California License plate number.
- d) Delivery Bill of Lading – must be signed and dated at delivery location.
- e) Line Setting Ticket (Factory Build Sheet) – manufacturer issued indicating GVWR.
- f) Digital photos of vehicle showing:
- 1) Vehicle from left side – showing completed vehicle with applicable numbering.
  - 2) Engine tag – with engine serial number (ESN) & Engine Family Number (EFN).
  - 3) VIN tag.
  - 4) Odometer.
- g) HVIP Vehicle Inspection signed by authorized dealer or Grantee representative.
- h) Vehicle must have no more than 3,500 miles at time of the vehicle inspection. Vouchers for vehicles with more than 3,500 miles may be redeemed on a case-by-case basis at the sole discretion of the CARB Project Liaison with sufficient evidence or explanation justifying such mileage.
- i) Verify there is a label placed on or in any zero-emission vehicle stating that no on-board fuel-fired heaters or auxiliary motors that emit any vehicle exhaust emissions or fuel-based evaporative emissions are present on the vehicle.

- j) Documentation to demonstrate that voucher applicants are in compliance with all applicable federal, state, and local air quality rules and regulations, including, but not limited to the CARB Truck and Bus Regulation and Innovative Clean Transit Regulation.
  - k) For voucher applicants proposing to use multiple grant or incentive funding sources, collect information on the name of the funding source, amount of funding requested, and what portions of the purchase will be covered by the funding. Follow the HVIP Implementation Manual and CARB's guidance to determine if co-funding is allowed with the proposed funding source.
  - l) Coordinate with other funding programs, including but not limited to, the Carl Moyer Memorial Air Quality Standards Program, Prop 1B Goods Movement Emission Program, Volkswagen Environmental Trust Funding, AB 617 Community Air Protection Program, and Funding Agricultural Replacement Measures for Emissions Reductions (FARMER) Program funds, to ensure that fleets are not inappropriately accepting multiple funding sources.
- vi. Use the criteria in the Implementation Manual to review and approve or disapprove voucher requests and document this process in each project file.
  - vii. Require the purchaser/lessee and dealer to sign and date the HVIP Voucher Request Form.
  - viii. Establish safeguards to ensure HVIP participants (i.e., equipment manufacturers and purchasers) conform to all applicable terms and conditions set forth in the Implementation Manual.
  - ix. Distribute voucher payments to vehicle and equipment dealers for eligible vehicle and equipment purchases.
  - x. The Grantee will develop a mechanism to notify the electric utility for the service area of the vehicle operator of any plug-in equipment purchase plans, based on the details of voucher requests. The utility will be able to determine if there are any infrastructure requirements and upgrades needed to successfully utilize the additional zero-emission equipment. The Grantee will facilitate coordination between the utility/energy provider and the purchaser to ensure the necessary infrastructure installation or upgrades take place successfully.
  - xi. Develop and maintain accounting procedures to track funding reservation and expenditures by grant award, fiscal year, and funding source.

- xii. Establish a process for returned voucher funds as a result of uncashed voucher checks, prorated returns, cancellations, etc.
- xiii. Establish a waiting list if the project becomes oversubscribed and CARB determines a waiting list is appropriate.

**d. Recordkeeping and Reporting**

- i. Establish and maintain voucher records (see Section M[3] of the Grant Agreement).
- ii. Utilize best practices to store all records in a safe and secure storage facility that maintains confidentiality and provides fire and natural disaster protection. Files shall be retained during the term of the Grant Agreement plus three years. Upon completion of the required record-retention period, the Grantee must submit all project records to CARB. Hardcopy or electronic records are suitable. Acceptable forms of electronic media must be approved based on prior written concurrence from CARB.
- iii. Develop a systematic process and schedule to back-up HVIP database(s) each day, at a minimum.
- iv. Develop and enforce security measures to safeguard HVIP database(s).
- v. Develop, in coordination with CARB, an annual vehicle user survey/questionnaire (Questionnaire) and mileage reporting tool, that characterizes vehicle usage and evaluates fleet user satisfaction with HVIP-funded vehicles. Grantee will, at a minimum:
  - a) Develop and implement an effective mechanism for vehicle operators to respond to the satisfaction and usage Questionnaire annually for three years from the vehicle purchase date;
  - b) Conduct quality control for Questionnaire data, and provide to CARB as part of the periodic HVIP Status Report; and
  - c) Provide a mechanism, which should be outlined in the Grantee's transfer plan, for subsequent Grantees to continue collecting such data from fleets for a three year period after voucher redemption.
- vi. Acquire key telematics data from HVIP-funded vehicles as required, except Low NOx and military vehicles for a minimum of three years from the vehicle purchase date collecting hours of operation and mileage within and outside of disadvantaged community census tracts. Grantee must



provide a mechanism for subsequent Grantees to continue collecting such data from fleets for a three year period after voucher redemption (See Section C[1][k] of the Implementation Manual).

- vii. Track vouchers issued to vehicles domiciled in AB 1550 (Gomez, Chapter 369, Statutes of 2016) in a manner directed by CARB and outlined in the Implementation Manual.
- viii. Provide data updates to CARB upon request, which could include all voucher records
- ix. Provide periodic data summaries to the public via a method approved by CARB.
- x. Provide monthly Status Reports to the CARB detailing vouchers approved for ordered vehicles and redeemed for purchased vehicles (See Section K[1] of the Grant Agreement).
- xi. Provide information, upon request, to individuals or organizations that wish to appeal a voucher denial to CARB.
- xii. If necessary, the Grantee shall support CARB's enforcement efforts, including the recapturing of funds, by providing CARB with any fleet information, purchaser information, documents, data, or other material needed to investigate or carry out such efforts.
- xiii. Support CARB in efforts to track key information about the distribution of State funds to support the development, deployment, and commercialization of eligible vehicles and equipment.

**e. Transition**

- i. Once the term of the HVIP grant agreement has ended, the Grantee shall deliver all project data to CARB or the subsequent Grantee in a format approved by CARB.
- ii. Develop and execute a project transfer plan, as part of the Grantee's closeout duties, to ensure a complete and timely transfer of data and website to the next administrator on a timely basis. The project transfer plan, which will be approved by CARB, includes at a minimum the following tasks:
  - a) Process vouchers for all of FY 2019-20;
  - b) Complete all tasks associated with the FY 2019-20 HVIP closeout (See Section K[2] of the Grant Agreement);

- c) Process vouchers for FY 2020-2021 for up to three months or until the subsequent Grantee is prepared to process vouchers; and
  - d) If applicable, transfer HVIP to new Grantee/administrator selected by CARB (See Section N of the Grantee Agreement).
- iii. Provide CARB with a Final Report that summarizes and evaluates total fund expenditures (including match, interest earned, and in-kind funds), vehicles funded, outreach efforts, and implementation challenges per source of funding and recommends potential program improvements (See Section K[2] of the Grant Agreement).
- iv. All information, and data and webpages received or generated under this grant and subsequent grant agreement is the property of CARB. No information or data received or generated under this grant or subsequent grant agreement shall be released without CARB's approval (see Section N of this grant agreement).

## H. FISCAL ADMINISTRATION

### 1. Budget

- a. The maximum amount of this grant is up to ~~\$105,435,000~~ **122,709,962.00**. The maximum amount of this Grant may be increased further contingent upon receiving additional funds. The Grantee understands and agrees that there is no guarantee that additional funds will become available. Under no circumstance will CARB reimburse the Grantee for more than this amount. A written grant agreement amendment is required whenever there is a change to the amount of this Grant.
- b. The budget for this project is shown in Exhibit B, Attachment I. Grant Disbursement Requests (Form MSCD/ISB-90) for vehicle voucher and Grantee voucher processing fee shall not exceed the grant amount.
- c. The total funding may be reallocated at CARB's sole discretion in the event that the Grantee requests less than the total voucher processing fee than the amount stated in the budget.
- d. Subject to prior written approval from CARB, line item shifts of up to ten percent of the grant total may be made over the life of the grant. Line item

shifts greater than ten percent require a formal amendment to the grant. Line item shifts may be proposed by either the State or the Grantee and must not increase or decrease the total grant amount. All line item shifts must be approved in writing by CARB. If the grant is formally amended, all line item shifts must be included in the amendment.

## **2. Project Funding**

### **a. Vehicle Voucher Funding**

The success of HVIP is contingent upon vehicle dealerships deducting the voucher amount from the vehicle purchase price at the time the purchaser makes the purchase. A dealership is more likely to accept the voucher's cash value at the time of purchase if the voucher is redeemed quickly. As such, the Grantee will receive an initial disbursement of up to 10 percent of HVIP vehicle voucher funding as seed money at project start-up in order to turn around voucher redemptions from dealers within one to two weeks once the Grant Agreement has been signed and upon availability of funds (See Exhibit B, Attachment II of this Grant Agreement).

In order to ensure adequate project funds are available in the Grantee's account to cover the cost of vouchers, the Grantee may request subsequent disbursements by submitting a Status Report documenting the need for additional vehicle funding from CARB. Except for wait list situations in which voucher funds must be available, the Grantee must ensure that no more than 20 percent of total vehicle voucher funds are available in the Grantee's general ledger account. The Grantee must advise CARB whenever the 20 percent limit is exceeded. Additional funds may be disbursed, if necessary and at CARB's sole discretion, to reflect an increase in market activity.

### **b. Voucher Processing Fee (up to seven percent of the total project amount)**

The Grantee shall receive voucher processing fees on the following schedule:

- i. Up to 50 percent of voucher processing fees at the time the Grant Agreement is signed and upon availability of funds for outreach, dealer training, and other project start-up costs.
- ii. Up to 5 percent of voucher processing fees after completion of dealer trainings, finalization of the HVIP implemented through the Implementation Manual, and HVIP website is fully functional.
- iii. Up to 5 percent of voucher processing fees after 25 percent of voucher funding is committed via vouchers issued.

- iv. Up to 5 percent of voucher processing fees after 50 percent of voucher funding is committed via vouchers issued.
- v. Up to 5 percent of voucher processing fees after 75 percent of voucher funding is committed via vouchers issued.
- vi. Up to 5 percent of voucher processing fees after all voucher funding is committed via vouchers issued.
- vii. Up to 5 percent of voucher processing fees after 25 percent of voucher funding has been expended on vehicles purchased.
- viii. Up to 5 percent of voucher processing fees after 50 percent of voucher funding has been expended on vehicles purchased.
- ix. Up to 5 percent of voucher processing fees after 75 percent of voucher funding has been expended on vehicles purchased.
- x. Final 10 percent (100 percent cumulative) of voucher processing fees after CARB has received all intellectual property and data needed to ensure continued smooth implementation of HVIP (See Section N of this Grant Agreement), the Grantee provides documentation describing expenditure of all match funding and in-kind services committed to in the project application and CARB has received a Final Report documenting vehicles paid for by the program and fulfillment of all project commitments.

CARB will have the sole discretion to accelerate the timeline for allowable disbursements of voucher processing fees identified above (with the exception of the final voucher processing fee disbursement) necessary to assure the goals of the project are met. With the exception of the initial 50 percent of voucher processing fees provided for project start-up, all voucher processing fees provided to the Grantee shall be on a reimbursement basis and requires cost summaries approved by CARB for completed tasks and/or eligible expenses. The Grantee must provide documentation of actual processing costs incurred for the first 50 percent of voucher processing fees before additional voucher processing fees will be provided.

Invoices used to justify voucher processing fees from CARB must provide documentation in accordance with Section H(6) for costs for work completed in the following categories: 1) labor expenses (including total staff time and labor costs); 2) external consultant fees for completed work (if applicable); 3) printing, mailing, travel, and other outreach expenses; and 4) indirect costs. Additional invoices may be provided to CARB if warranted. Documentation substantiating these costs must be maintained by the Grantee and provided to CARB upon request, as described in Section H(6)

of this Grant Agreement. Furthermore, in consultation with CARB and subject to CARB's approval, the grantee may redirect any voucher processing fees to fund additional vouchers for eligible vehicles.

### 3. Grant Disbursements

- a. Requests for payment shall be made with the Grant Disbursement Request Form (Form MSCD/ISB-90) and conform to the instructions identified in Sections H and J of this Grant Agreement. Disbursements requesting funds from multiple funding sources shall be submitted individually by funding source. Grant payments shall be made only for reasonable costs incurred by the Grantee and (with the exception of the first disbursement of voucher processing fee funds) only when the Grantee has submitted a Grant Disbursement Request Form (Form MSCD/ISB-90), milestones stipulated in Exhibit B, Attachment II, the requirements established herein including Section H(6) and in Section K of this Grant Agreement have been accomplished, documentation of accomplishment has been provided to CARB in the form of the Status Report, and any associated deliverables (if applicable) have been provided to CARB. CARB will have the sole discretion to accelerate the allowable timeline for disbursement of voucher processing fee funds identified in Exhibit B, Attachment II (with the exception of the final disbursement of voucher processing fee funds), necessary to assure the goals of the project are met.
- b. Grant payments are subject to CARB's approval of Status Reports and any accompanying deliverables. (See Section K, Reporting, of this Grant Agreement.) A payment will not be made if CARB Project Liaison deems that a milestone has not been accomplished or documented, that a deliverable meeting specification has not been provided, that claimed expenses have not been documented or accomplished, not valid per the budget, or not reasonable, or that the Grantee has not met other terms of the grant.

The Chief of the Mobile Source Control Division or designee of CARB may review the Project Liaison's approval or disapproval of a grant disbursement. No reimbursement will be made for expenses that, in the judgment of the Division Chief of the Mobile Source Control Division, are not reasonable or do not comply with the Grant Agreement.

- c. ~~The Grantee shall mail Grant Disbursement Requests to CARB Project Liaison.~~ **The Grantee shall submit the Grant Disbursement Requests to the CARB Project Liaison. The Grantee may submit this electronically, based on CARB's current electronic submission guidance at the time of request, or mail original with "wet" signatures in blue ink.**
- d. CARB will withhold payment of ten percent of voucher processing fees, as identified in Section H(2)(b) of this Grant Agreement, until completion of all

work, all intellectual property has been relinquished to CARB in accordance with Sections K and N of these provisions, CARB has received and approved the Grantee's mechanism for receiving annual activity reports and questionnaires, and submission to CARB by Grantee of a Final Report. It is the Grantee's responsibility to submit a Grant Disbursement Request for this final disbursement of funds.

- e. CARB shall disburse funds in accordance with the California Prompt Payment Act, Government Code, Section 927, et seq.

#### **4. Termination and Suspension of Payments**

- a. CARB reserves the right to terminate this grant upon 30 days' written notice to the Grantee. In addition, CARB may terminate this Grant in accordance with Section O(24). In case of early termination, the Grantee will submit a grant disbursement request form, a Status Report covering activities up to, and including, the termination date, following the requirements in Section K of these provisions. Upon receipt of the Grant Disbursement Request form, and Status Report, and once all intellectual property has been relinquished to CARB, a final payment will be made to the Grantee. This payment shall be for all CARB-approved, actually incurred costs that in the opinion of CARB are justified. However, the total amount paid shall not exceed the total grant amount.
- b. CARB reserves the right to issue a grant suspension order in the event that a dispute should arise. The grant suspension order will be in effect until the dispute has been resolved or the grant has been terminated. If the Grantee chooses to continue work on the project after receiving a grant suspension order, the Grantee will not be reimbursed for any expenditure incurred during the suspension in the event CARB terminates the grant. If CARB rescinds the suspension order and does not terminate the grant, CARB will reimburse the Grantee for any expenses incurred during the suspension that are reimbursable in accordance with the terms of the grant.
- c. CARB reserves the right to immediately terminate this Grant in accordance with Section O(24).
- d. Upon termination for whatever reason, vehicle voucher funds must be immediately returned to CARB.

#### **5. Contingency Provision**

In the event this Grant is terminated for whatever reason, CARB Executive Officer or designee reserves the right in his or her sole discretion to award a grant to the next highest scored applicant and if an agreement cannot be reached, to the next applicant(s) until an agreement is reached. If CARB is

unable to award a grant under these circumstances, CARB may reallocate funding to other projects.

## 6. Documentation of Voucher Processing Fees

- a. Voucher processing fees shall be used to fund Grantee costs for administering HVIP to process vouchers and activities covering voucher processing and outreach and includes all Grantee costs including:
  - i. Grantee's personnel costs and fringe benefits;
  - ii. Operating costs (i.e. rent, supplies, and equipment);
  - iii. Indirect costs (i.e. general administrative services, office space, and telephone services);
  - iv. Travel expenses and per diem rates set at the rate specified by California Department of Human Resources (CalHR)<sup>4</sup>;
  - v. Overhead;
  - vi. Consultant fees (if pre-approved by CARB); and,
  - vii. Printing, records retention, and mailing.

In no event shall the voucher processing fee exceed ~~\$7,838,143~~ \$9,117,350. In no event shall general and administrative costs, which are included within the voucher processing fees, exceed five percent of the total project amount.

- b. The Grantee must maintain documentation of HVIP voucher processing fees used for implementation and outreach, as follows:
  - i. Personnel documentation must make use of timesheets or other labor tracking software. Duty statements or other documentation may also be used to verify the number of staff and actual hours or percent of time staff devoted to HVIP implementation and outreach.
  - ii. Fees for external consultants must be documented with copies of the consultant contract and invoices. All external consultant fees must be pre-approved by CARB. Fees included in the budget as a part of the Grantee Application Package are considered pre-approved by CARB.
  - iii. Printing, mailing, and travel expenses must be documented with receipts and/or invoices.
  - iv. Any reimbursement for necessary travel and per diem shall be at rates not to exceed those amounts paid to the State's represented employees. No travel outside the State of California shall be reimbursed unless prior written authorization is obtained from CARB. The State's travel and per diem reimbursement amounts may be found online at <http://www.calhr.ca.gov/employees/pages/travel-reimbursements.aspx>.

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<sup>4</sup> CARB will only reimburse travel expenses and per diem rates that are set by CalHR. The Grantee will be responsible for travel expenses and per diem rates that exceed CalHR rates

Reimbursement will be at the State travel and per diem amounts that are current as of the date costs are incurred by the Grantee.

- v. If indirect costs are used to document voucher processing fees for HVIP, the Grantee must have an official written policy regarding calculation of these costs. The Grantee must maintain documentation for all costs referenced in the indirect cost calculation formula.
- c. The above documentation, records, and referenced materials must be made available for review during monitoring visits and audits by CARB, or its designee. These records must be retained for a minimum of three years after submittal of the final HVIP invoice to CARB.
- d. The above documentation must be provided to CARB in Status Reports and a Final Report.

## **7. Earned Interest**

“Earned interest” means any interest generated from State funds provided to the Grantee and held in an interest-bearing account.

- a. Interest earned by the Grantee on HVIP funds must be reported to CARB. All interest income on HVIP funds, including both vehicle voucher funds and voucher processing fee /outreach funds, must be reinvested in HVIP to fund additional vouchers for eligible vehicles. The Grantee is responsible for reporting to CARB on all vehicles funded with interest earned on HVIP funds.
- b. The Grantee must maintain accounting records (e.g. general ledger) that tracks interest earned and expended on HVIP funds, as follows:
  - i. The calculation of interest must be based on an average daily balance or some other reasonable and demonstrable method of allocating the proceeds from the interest-generating account back into the program.
  - ii. The methodology for tracking earned interest must ensure that it is separately identifiable from interest earned on non-HVIP funds.
  - iii. The methodology for calculating earned interest must be consistent with how it is calculated for the Grantee’s other fiscal programs.
  - iv. Earned interest must be fully expended by **March 15, 2024 2025**.
- c. Documentation of interest earned on the HVIP funds must be retained for a minimum of three years after it is generated. Documentation of interest expended on eligible vehicles must be retained for a minimum of three years after the interest-funded voucher has been redeemed.



- d. The above documentation must be provided to CARB in a Status Reports and a Final Report.

## 8. In-Kind Services

The Grantee is encouraged to contribute in-kind services to improve HVIP's effectiveness. "In-kind services", for the purposes of HVIP, means payments or contributions made in the form of goods and services, rather than direct monetary contributions. Funds expended on in-kind services must meet all the requirements described herein and must be documented in the HVIP Final Report to CARB.

## 9. Advance Payments

Consistent with the Legislature's direction to expeditiously disburse grants, CARB in its sole discretion may provide advance payments of grant awards in a timely manner to support program initiation and implementation with a focus on mitigating the constraints of modest reserves and potential cash flow problems.

~~Grantee acknowledges that CARB is in the process of promulgating Advance Payment regulations. Grantee agrees that this Agreement may be reopened and modified to comply with those regulations once finalized, as appropriate.~~

**Grantee acknowledges that CARB has finalized Advance Payment regulations which become effective on January 1, 2021. Grantee agrees that this Agreement and all advance payment requests will comply with these regulations, which can be found at: 17 California Code of Regulations (C.C.R.) Sections 91040-91044.**

Recognizing that appropriate safeguards are needed to ensure grant monies are used responsibly, CARB has developed the grant conditions described below to establish control procedures for advance payments. CARB may provide advance payments to grantees of a grant program or project if CARB determines all of the following:

- a. The advance payments are necessary to meet the purposes of the grant project.
- b. The use of the advance funds is adequately regulated by grant or budgetary controls.
- c. The request for application or the request for proposals contains the terms and conditions under which an advance payment may be received consistent with this section.

- d. The Grantee is either a small air district or the Grantee meets all of the following criteria:
  - i. Has no outstanding financial audit findings related to any of the moneys eligible for advance payment and is in good standing with the Franchise Tax Board and Internal Revenue Service.
  - ii. Agrees to revert all unused moneys to CARB if they are not liquidated within the timeline specified in the grant agreement.
  - iii. Submits a spending plan to CARB for review prior to receiving the advance payment.
  - iv. The spending plan shall include project schedules, timelines, milestones, and the Grantee's fund balance for all state grant programs.
  - v. CARB shall consider the available fund balance when determining the amount of the advance payment.
  - vi. Reports to CARB any material changes to the spending plan within 30 days.
  - vii. Agrees to not provide advance payment to any other entity.
- e. In the event of the nonperformance of the Grantee, CARB shall require the full recovery of the unspent moneys. A Grantee shall provide a money transfer confirmation within 45 days upon the receipt of a notice from CARB.
- f. The Grantee must complete and submit to CARB for review and approval, an Advance Payment Request Form, along with each grant disbursement that is requesting advance payment. The Advance Payment Request Form shall be provided by CARB to the Grantee after the grant execution.
- g. Grantee must also submit a certification to CARB pursuant to 17 C.C.R. Section 91043 for each advance payment request.
- h. CARB may provide an advance of the direct project costs of the grant, if the program has moderate reserves and potential cash flow issues. Advance payments will not exceed the Grantee's interim cash needs.
- i. The grantee assumes legal and financial risk of the advance payment.
- j. Grantee shall place funds advanced under this section in an interest-bearing account. Grantee shall track interest accrued on the advance payment. Interest earned on the advance payment shall only be used for eligible grant-related expenses as outlined in the Grant Provisions, Exhibit A or will be returned to CARB.
- k. Grantee shall report to CARB the value of any unused balance of the advance payment and interest earned and submit quarterly fiscal accounting reports consistent with Section K (Reporting) of this grant agreement.

- I. Grantee shall remit to CARB any unused portion of the advance payment and interest earned within 90 days following the end date of this Grant Agreement term on ~~March 31, 2024~~ **May 2, 2025** or the reversion date of the appropriation.

## **10. Grantee Match Funding**

- a. Match funding from the Grantee, if applicable, can only be used in two ways – to increase the number of eligible vehicles funded or to increase the voucher amount provided to eligible vehicles, as directed by CARB. Match funding must meet the following criteria:
  - i. Funding from other state or federal revenue sources, such as the Carl Moyer Program or other AB 118 programs, may not be counted as match from the Grantee.
  - ii. The combination of HVIP and match funding may not exceed a vehicle's purchase price.
  - iii. Match funding must meet the same requirements applicable to HVIP funds.
  - iv. Vehicles purchased wholly or in part with match funding, must meet the same requirements as vehicles funded with HVIP funds.
- b. Documentation of match funding must be retained for a minimum of three years after the voucher has been redeemed.
- c. The above documentation must be provided to CARB in a Final Report.

## **I. PROJECT MONITORING**

### **1. Meetings**

- a. Initial meeting: A meeting will be held between key project personnel and CARB staff before work on the project begins. The purpose of the first meeting will be to discuss the overall plan, details of performing the tasks, the project schedule, and any issues that may need to be resolved.
- b. Review meetings: Meetings to discuss progress must be held at least quarterly beginning three months after the initial meeting. Additional meetings may be scheduled at the sole discretion of CARB Project Liaison.

Such meetings may be conducted by phone, if deemed appropriate by CARB Project Liaison.

- c. Site visits: Site visits shall be established by CARB Project Liaison during the term of this grant.

## **2. Technical Monitoring**

- a. Any changes in the scope or schedule for the project shall require the prior written approval of CARB Project Liaison and may require a formal grant amendment.
- b. The Grantee shall notify CARB Project Liaison and Grant Coordinator in writing, immediately if any circumstances arise (technical, economic, or otherwise), which might place completion of the project in jeopardy. The Grantee shall also make such notification if there is a change in key project personnel (see Exhibit B, Attachment IV).
- c. In addition to Status Reports (see Section K, Reporting, of this Grant Agreement), the Grantee shall provide information requested by CARB Project Liaison that is needed to assess progress in completing tasks and meeting the objectives of the project.
- d. Any change in budget allocations, re-definition of deliverables, or extension of the project schedule must be requested in writing to CARB Project Liaison and approved by CARB, in its sole discretion and may require a formal grant amendment.

## **J. DOCUMENTATION OF EXPENDITURE OF STATE FUNDS**

The Grantee must provide CARB with documentation accounting for the proper expenditure of CARB funds. The documentation must be provided in Status Reports submitted monthly to CARB and a Final Report submitted after all vehicle funding has been expended and prior to the Grantee receiving their last disbursement of voucher processing funding.

## **K. REPORTING**

### **1. Status Reports**

- a. The Grantee shall submit Status Reports on a monthly basis. The Status Reports shall be provided in a format agreed upon between CARB Project Liaison and the Grantee and meet the requirements specified herein. CARB may specify an electronic format for Status Reports.

- b. The Grantee must provide a Status Report to CARB detailing the vehicles and associated voucher amounts assigned and redeemed to date. The Status Report must include the following components:
  - i. Excel spreadsheet of vehicles funded for the reporting period – format and data fields to be agreed upon by the Grantee and CARB. Data fields will include, but not limited to, Vehicle Identification Number (VIN), purchasing fleet home office city and zip code, physical address or domicile address of the vehicle, census tract, and air district in which the vehicle is to be domiciled, vehicle type, make and model, and purchase/lease date.
  - ii. Additionally, at a minimum of three-month intervals, the Status Report must include telematics data as specified within the Implementation Manual pursuant to Section C(1)(k).
  - iii. Summary report-
    - a) Number of vouchers received, approved, in-process, and pending.
    - b) Number and dollar amount of vouchers issued by vehicle vocation (i.e. beverage delivery truck, parcel delivery truck, utility vehicle, refuse hauler, etc...)
    - c) Number, dollar amount, and percentage of vouchers issued by vehicle type, model, purchase price and voucher amount.
    - d) Graph of vouchers issued by vehicle model and month
    - e) Number of vouchers for vehicles leased versus owned.
    - f) Number of vouchers per Air District.
    - g) Number of vouchers and dollar amount provided to vehicles meeting disadvantaged community eligibility as defined by CARB as specified in the Implementation Manual.
    - h) Track and report which Senate and Assembly district vehicles are domiciled, along with the corresponding legislative representative.
    - i) Other financial incentives received (other than tax vouchers), if applicable.
    - j) Remaining grant funding available.
  - iv. Grantee voucher processing fee summaries, if applicable.

- v. Identified problems or concerns and proposed solutions, if applicable.
- c. The Status Report provides a mechanism for the Grantee to justify a need for additional HVIP funding from CARB. The Status Report must be submitted monthly, but may be provided on an as needed basis to justify additional funding from CARB. The first Status Report must be submitted one month after the grant agreement is fully executed or when requesting additional disbursement of funds, whichever is sooner.
- d. Every Grant Disbursement Request Form (Form MSCD/ISB-90) shall be accompanied by a Status Report that documents the completion of a milestone specified in Exhibit B, Attachment II.
- e. If the project is behind schedule, the Status Reports must contain an explanation of reasons and how the Grantee plans to resume the schedule.

## **2. Final Report**

- a. The Grantee must submit a Final Report to CARB after all vehicle funding has been expended.
- b. The Final Report must include, at a minimum:
  - i. Total fund expenditures documentation (including but not limited to vehicle voucher funds, voucher processing fee, match and in-kind funds).
  - ii. Excel spreadsheet of any vehicles funded not previously included in a Status Report (see Status Report).
  - iii. Summary report of all vehicles funded by HVIP for the period covered by the Grant Agreement (may be provided as summaries or previously submitted Status Reports - see Status Report).
  - iv. Total fund expenditures of HVIP funding per source of funding and fiscal year.
  - v. Total vouchers and funding amounts benefitting Disadvantaged Communities.
  - vi. Telematics data as specified within the Implementation Manual pursuant to Section C(1)(k).
  - vii. VIN for each vehicle purchased or repowered with a low NOx engine.
  - viii. Outreach efforts.

- ix. Implementation challenges.
  - x. Recommendations for potential program improvements.
  - xi. Earned interest.
- c. When the project is complete, the Grantee shall submit a draft Final Report. The draft Final Report must be submitted to CARB in an appropriate format agreed upon between CARB Project Liaison and the Grantee. The Final Report must meet the requirements specified herein. Upon approval of the draft Final Report by CARB Project Liaison, the Grantee shall provide a written copy of the final version, plus an electronic file.

#### **L. OVERSIGHT AND ACCOUNTABILITY**

1. The Grantee shall comply with all oversight responsibilities identified herein.
2. CARB or its designee may recoup the funds which were received based upon misinformation or fraud, or for which a Grantee, manufacturer (including truck equipment manufacturer), technology provider, or vehicle purchaser is in significant or continual non-compliance with the terms of this Grant or State law. CARB also reserves the right to prohibit any entity from participating in HVIP due to non-compliance with project requirements.
3. If the Grantee detects any actual and/or potentially fraudulent activity by a vehicle, purchaser, or lessee, shall notify CARB as soon as possible and work with CARB to determine an appropriate course of action.

#### **M. PROJECT RECORDS**

As further described below, project records include but is not limited to Grantee, financial, and voucher records. All project records must be retained for a period of three (3) years after final payment under this Grant. All project records are subject to audit pursuant to Section O(4) of this Grant Agreement. Upon completion of the third year of record retention, the Grantee shall submit all project records to CARB. Hardcopy of electronic records are suitable. Acceptable forms of electronic media include hard drives, CDs, DVDs, and flash drives. Other forms of electronic media may be allowed based on prior written concurrence from CARB.

1. Grantee Record:

The Grantee shall retain a combined file for HVIP containing:

- a. Original executed copy of the HVIP Grant Agreement and Grant Agreement Amendments (if applicable).
- b. Policies and Procedure Manual.
- c. Copies of Grant Disbursement Request Forms.
- d. Documentation of earned interest generation and expenditure (see Section H(7) for more information).

2. Financial Records:

Without limitation of the requirement to maintain project accounts in accordance with generally accepted accounting principles, the Grantee must:

- a. Establish an official file for HVIP which shall adequately document all significant actions relative to the project.
- b. Establish separate accounts which will adequately and accurately depict all amounts received and expended on HVIP.

3. Voucher Records:

Grantee is required to establish and maintain voucher records which must include, at a minimum:

- a. HVIP voucher applications.
- b. Unique identifier that links each voucher to its corresponding file.
- c. Documentation on any deviations from the normal processing of vouchers (examples include enforcement action, CARB case-by-case approvals).
- d. Maintain copies of all disapproved voucher applications and the reason for disapproval.

## **N. INTELLECTUAL PROPERTY**

Any webpage(s), software, databases, project data, or other intellectual property developed or purchased by the Grantee for the purposes of administering or implementing HVIP, are the property of CARB. Should a different grantee be selected to manage HVIP in subsequent funding years, it will be the Grantee's responsibility to turn over this property and information to the next administrator or a third party at CARB's discretion, and provide all reasonable and necessary assistance needed to ensure a smooth transfer. It is CARB's intention that



voucher access and redemption be seamless to vehicle purchasers and lessees as HVIP transitions to each new fiscal year.

## **O. GENERAL PROVISIONS**

- 1. Amendment:** No amendment or variation of the terms of this Grant Agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or agreement not incorporated in the Grant Agreement is binding on any of the parties.
- 2. Assignment:** This Grant is not assignable by the Grantee, either in whole or in part, without the consent of CARB.
- 3. Availability of Funds:** CARB's obligations under this Grant Agreement are contingent upon the availability of funds. In the event funds are not available, the State shall have no liability to pay any funds whatsoever to the Grantee or to furnish any other considerations under this Grant Agreement.
- 4. Audit:** Grantee agrees that CARB, the Department of General Services, Department of Finance, the Bureau of State Audits, or their designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Grant and all State funds received. Grantee agrees to maintain such records for possible audit for three (3) years after the term of this Grant is completed, unless a longer period of records retention is stipulated. Grantee agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, Grantee agrees to include similar right of the State audit records and interview staff in any Grant related to performance of this Agreement.
- 5. Compliance with law, regulations, etc. :** The Grantee agrees that it will, at all times, comply with and require its contractors and subcontractors to comply with all applicable federal and State laws, rules, guidelines, regulations, and requirements.
- 6. Computer software:** The Grantee certifies that it has appropriate systems and controls in place to ensure that State funds will not be used in the performance of this Grant Agreement for the acquisition, operation or maintenance of computer software in violation of copyright laws.
- 7. Confidentiality:** No record which has been designated as confidential by CARB, or is the subject of a pending application of confidentiality, shall be disclosed by the Grantee.

- 8. Conflict of interest:** The Grantee certifies that it is in compliance with applicable State and/or federal conflict of interest laws. The Grantee may have no interest, and shall not acquire any interest, direct or indirect, which will conflict with its ability to impartially complete the tasks described herein. The Grantee must disclose any direct or indirect financial interest or situation which may pose an actual, apparent, or potential conflict of interest with its duties throughout the grant term. CARB may consider the nature and extent of any actual, apparent, or potential conflict of interest in the Grantee's ability to perform the grant. The Grantee must immediately advise CARB in writing of any potential new conflicts of interest throughout the grant term.
- 9. Disputes:** The Grantee shall continue with the responsibilities under this Grant Agreement during any dispute. Grantee staff or management may work in good faith with CARB staff or management to resolve any disagreements or conflicts arising from implementation of this Grant Agreement. However, any disagreements that cannot be resolved at the management level within 30 days of when the issue is first raised with CARB staff shall be subject to resolution by CARB Executive Officer, or his designated representative. Nothing contained in this paragraph is intended to limit any rights or remedies that the parties may have under law.
- 10. Environmental justice:** In the performance of this Grant Agreement, the Grantee shall conduct its programs, policies, and activities that substantially affect human health or the environment in a manner that ensures the fair treatment of people of all races, cultures, and income levels, including minority populations and low-income populations of the State.
- 11. Fiscal management systems and accounting standards:** The Grantee agrees that, at a minimum, its fiscal control and accounting procedures will be sufficient to permit tracing of grant funds to a level of expenditure adequate to establish that such funds have not been used in violation of State law or this Grant Agreement. Unless otherwise prohibited by State or local law, the Grantee further agrees that it will maintain separate Project accounts in accordance with generally accepted accounting principles.
- 12. Force majeure:** ~~Neither CARB nor the Grantee shall be liable for or deemed to be in default for any delay or failure in performance under this Grant Agreement or interruption of services resulting, directly or indirectly, from acts of God, enemy or hostile governmental action, civil commotion, strikes, lockouts, labor disputes, fire or other casualty, etc.~~ **Neither CARB nor the Grantee must be liable for or deemed to be in default for any delay or failure in performance under this Grant Agreement or interruption of services resulting, directly or indirectly, from acts of God, enemy or hostile governmental action, civil commotion, strikes, government orders, national or state declared pandemics, lockouts, labor disputes, fire, flood, earthquakes or other physical natural disaster. If either party intends to**

**invoke this clause to excuse or delay performance, the party invoking the clause must provide written notice to the other party immediately but no later than within fifteen (15) calendar days of when the force majeure event occurs and reasons that the force majeure event is preventing that party from or delaying that party in performing its obligations under this contract. CARB may terminate this Grant Agreement immediately in writing without penalty in the event Grantee invokes this clause.**

**13. Governing law and venue:** This Grant is governed by and shall be interpreted in accordance with the laws of the State of California. CARB and the Grantee hereby agree that any action arising out of this Grant Agreement shall be filed and maintained in the Superior Court in and for the County of Sacramento, California, or in the United States District Court in and for the Eastern District of California. The Grantee hereby waives any existing sovereign immunity for the purposes of this Grant Agreement.

**14. Grantee's responsibility for work:** The Grantee shall be responsible for work and for persons or entities engaged in work, including, but not limited to, contractors, subcontractors, suppliers, and providers of services. The Grantee shall be responsible for any and all disputes arising out of its contract for work on the Project, including but not limited to payment disputes with contractors, subcontractors, and providers of services. The State will not mediate disputes between the Grantee and any other entity concerning responsibility for performance of work. The Grantee will pay out CARB funds to other entities on a reimbursement basis only.

**15. Indemnification:** The Grantee agrees to indemnify, defend and hold harmless the State and the Board and its officers, employees, agents, representatives, and successors-in-interest against any and all liability, loss, and expense, including reasonable attorneys' fees, from any and all claims for injury or damages arising out of the performance by the Grantee, and out of the operation of equipment that is purchased with funds from this Grant Award.

**16. Independent Contractor:** The Grantee, and its agents and employees, if any, in their performance of this Grant Agreement, shall act in an independent capacity and not as officers, employees or agents of CARB.

**17. Nondiscrimination:** During the performance of this Grant Agreement, the Grantee and its third party entities shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (e.g., cancer), age (over 40), marital status, and denial of family care leave. The Grantee and its third party entities shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. The Grantee and its third party entities shall comply with the

provisions of the Fair Employment and Housing Act (Gov. Code §12990 (a-f) et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. The Grantee and its third party entities shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

The Grantee shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under this Grant Agreement.

- 18. No third party rights:** The parties to this Grant Agreement do not create rights in, or grant remedies to, any third party as a beneficiary of this Grant Agreement, or of any duty, covenant, obligation or undertaking establish herein.
- 19. Ownership:** All information, data, and documents received or generated by the Grantee under this agreement is the property of CARB. No information or data received or generated under this agreement shall be released without CARB's approval.
- 20. Personally Identifiable Information:** Information or data that personally identifies an individual or individuals is confidential in accordance with California Civil Code sections 1798, et seq. and other relevant State or Federal statutes and regulations. The Grantee shall safeguard all such information or data which comes into their possession under this agreement in perpetuity, and shall not release or publish any such information or data.
- 21. Prevailing wages and labor compliance:** If applicable, the Grantee agrees to be bound by all the provisions of State Labor Code Section 1771 regarding prevailing wages. If applicable, the Grantee shall monitor all agreements subject to reimbursement from this Grant Agreement to ensure that the prevailing wage provisions of State Labor Code Section 1771 are being met.
- 22. Professionals:** For projects involving installation or construction services, the Grantee agrees that only licensed professionals will be used to perform services under this Grant Agreement where such services are called for and licensed professionals are required for those services under State law.
- 23. Severability:** If a court of competent jurisdiction holds any provision of this Grant Agreement to be illegal, unenforceable or invalid in whole or in part for any reason, the validity and enforceability of the remaining provisions, or portions of those provisions, will not be affected.

**24. Termination:** CARB may terminate this Grant Agreement by written notice at any time prior to completion of the project funded by this Grant Agreement, upon violation by the Grantee of any material provision after such violation has been called to the attention of the Grantee and after failure of the Grantee to bring itself into compliance with the provisions of this Grant Agreement.

**25. Timeliness:** Time is of the essence in this Grant Agreement. Grantee shall proceed with and complete the Project in an expeditious manner.

**26. Waiver of Rights:** Any waiver of rights with respect to a default or other matter arising under the Grant Agreement at any time by either party shall not be considered a waiver of rights with respect to any other default or matter. Any rights and remedies of the State provided for in this Grant Agreement are in addition to any other rights and remedies provided by law.

## **P. Insurance Requirements**

The Grantee must comply with all requirements outlined in the (1) General Provisions section and (2) Insurance Requirements section.

No payments will be made under the grant until the Grantee fully complies with all insurance requirements.

### **1. General Provisions**

- a. Coverage Term – Coverage needs to be in force for the complete term of the grant. If insurance is set to expire during the term of the grant, a new certificate must be received by the State at least ten days prior to the expiration of this insurance. Any new insurance must comply with the original grant terms.
- b. Policy Cancellation or Termination & Notice of Non-Renewal – Grantee is responsible to notify the State within five business days of any cancellation, non-renewal, or material change that affects required insurance coverage. New certificates of insurance are subject to the approval of the Department of General Services and the Grantee agrees no work or services will be performed prior to obtaining such approval. In the event that the Grantee fails to keep in effect at all times the specified insurance coverage, the State may, in addition to any other remedies it may have, terminate the grant upon the occurrence of such event, subject to the provisions of the grant.
- c. Premiums, Assessments and Deductibles – The Grantee is responsible for any premiums, policy assessments, deductibles or self-insured

retentions contained within their insurance program.

- d. Primary Clause – Any required insurance contained in the grant shall be primary, and not excess or contributory, to any other insurance carried by the State.
- e. Insurance Carrier Required Rating – All insurance companies must carry an AM Best rating of at least “A–” with a financial category rating of no lower than VI. If the Grantee is self-insured for a portion or all of its insurance, review of financial information including a letter of credit may be required.
- f. Endorsements – Any required endorsements requested by the State must be physically attached to all requested certificates of insurance and not substituted by referring to such coverage on the certificate of insurance.
- g. Inadequate Insurance – Inadequate or lack of insurance does not negate the Grantee’s obligations under the grant.
- h. Use of Subcontractor – In the case of the Grantee’s utilization of subcontractors to complete the grant scope of work, the Grantee shall include all subcontractors as insured’s under the Grantee’s insurance or supply evidence of the subcontractor’s insurance to the State equal to policies, coverages, and limits required of the Grantee.

**2. Grant Insurance Requirements** – The Grantee shall display evidence of the following on a certificate of insurance. Failure to provide the certificate upon request will result in the termination of the grant. The following coverages must be evidenced on the certificate of insurance :

- a. Commercial General Liability – The Grantee shall maintain general liability on an occurrence form with limits not less than \$1,000,000 per occurrence for bodily injury and property damage liability combined with a \$2,000,000 annual policy aggregate. A “per project aggregate” endorsement is required. The policy shall include coverage for liabilities arising out of premises, operations, independent Grantees, products, completed operations, personal and advertising injury, and liability assumed under an insured contract or grant. This insurance shall apply separately to each insured against whom claim is made or suit is brought subject to Grantee’s limit of liability. The policy must name the State of California, its officers, agents, and employees as additional insured, but only with respect to work performed under the grant.
- b. Automobile Liability – If the Grantee will be using vehicles to complete the project or driving a vehicle onto State property, automobile liability insurance is required. The Grantee shall maintain motor vehicle liability

with limits of not less than \$1 million per accident. Such insurance shall cover liability arising out of a motor vehicle including owned, hired, and non-owned motor vehicles. At the request of CARB, the Grantee must show proof of automobile liability. Failure to provide proof upon request will result in the termination of the grant. The policy must name the State of California, its officers, agents, and employees as additional insured, but only with respect to work performed under the grant.

- c. Workers Compensation and Employers Liability – The Grantee shall maintain statutory worker’s compensation and employer’s liability coverage for all its employees who will be engaged in the performance of the grant. In addition, employer’s liability limits of \$1,000,000 are required. A Waiver of Subrogation or Right to Recover endorsement in favor of the State of California must be attached to the certificate.
- d. Crime Insurance – Crime insurance requirements are negotiable at CARB’s sole discretion. At a minimum, the maximum amount of funding that the Grantee will have on hand at any time should be covered. Coverage shall include but not be limited to employee dishonesty, theft, forgery or alteration, and inside/outside money and securities coverages including first and third party theft for state-owned or leased property in the care, custody, and/or control of the Grantee. The policy shall include as loss payee, the State of California, California Air Resources Board.

**Attachment I – Budget Summary**

**Grantee: CALSTART, Inc.**

**Grant No.: G19-HVIP-01**

**Project: Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project**

**Total Costs & Funding**

Funding Source	Amount	Voucher Processing Fees	Vehicle Voucher Funds
<b>GGRF: HVIP Funding</b>	<del>\$105,435,000</del> <u>122,709,962</u>	<del>\$7,838,113</del> <u>\$9,117,350</u>	<del>\$97,596,887</del> <u>\$113,592,612</u>
<b>TOTAL</b>	<del>\$105,435,000</del> <u>122,709,962</u>	<del>Up to \$7,838,113</del> <u>\$9,117,350</u>	<del>\$97,596,887</del> <u>\$113,592,612</u>

**Disbursement of Funds:**

**Voucher Processing Fees**

The Grantee shall receive voucher processing fee funding in accordance with Section H(2)(b) of this Grant Agreement.



**Exhibit B, Work Statement  
Grant Agreement: G19-HVIP-01-1**

**Attachment II – Project Milestones and Disbursement Schedule**

**Grantee: CALSTART, Inc.**

**Grant No.: G19-HVIP-01**

**Project: Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project**

<b>Milestone</b>	<b>Milestone Description</b>	<b>Funding Amount</b>
<b>GGRF: HVIP</b>		
	<b>Voucher Processing Fees</b>	
1.0	Sign Grant Agreement with CARB <sup>1</sup>	Up to 50 percent
1.1	Completion of fully-functional voucher request and redemption website; Finalized Implementation Manual; Completion of Dealer Trainings	Up to 5 percent
1.2	25 Percent of Voucher Funding Committed via Vouchers Issued	Up to 5 percent
1.3	50 Percent of Voucher Funding Committed via Vouchers Issued	Up to 5 percent
1.4	75 Percent of Voucher Funding Committed Via Vouchers Issued	Up to 5 percent
1.5	100 Percent of Voucher Funding Committed Via Vouchers Issued	Up to 5 percent
1.6	25 Percent of Voucher Funding Expended	Up to 5 percent
1.7	50 Percent of Voucher Funding Expended	Up to 5 percent
1.8	75 Percent of Voucher Funding Expended	Up to 5 percent
1.9	Voucher Fund Disbursement Complete; Transfer of Intellectual Property and Data; Completion of Vehicle Activity Reporting Mechanism; Receipt of Final Report	Up to 10 percent
	<b>Vehicle Voucher Funding</b>	
2.0	Sign Grant Agreement with CARB	Up to 20 percent
2.1	Ongoing disbursement of voucher funds <sup>1</sup>	Up to 80 percent
<b>GGRF: HVIP Funding Subtotal</b>		<b>\$105,435,000 <u>122,709,962</u></b>

<sup>1</sup>Project funds will be disbursed in accordance with the instructions identified in Section H(2) and H(3) of this Grant Agreement.

**Exhibit B, Work Statement  
Grant Agreement: G19-HVIP-01-1**

**Attachment III – Project Schedule**

**Grantee: CALSTART, Inc.**

**Grant No.: G19-HVIP-01**

**Project: Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project**  
Detailed Scope of Work and Schedule

<b>Work Task</b>	<b>Start Date</b>	<b>Completion Date</b>
Task 1 – Sign Grant Agreement with CARB; submit to CARB one original copy of fully executed Grant Agreement.	February 2020	February 2020
Task 2 – Finalize Implementation Manual and update voucher application forms <sup>1</sup> .	February 2020	April 2020
Task 3 – Outreach and education, including robust outreach activities in disadvantaged communities.	Ongoing	Ongoing
Task 4 – Update Implementation Manual (in a manner directed by CARB), Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project webpages, and HVIP database; accept voucher applications; process and disburse vouchers; initiate enforcement process for 36-month ownership requirement by identifying and reporting at-risk voucher recipients; initiate enforcement for maximum voucher requirement; tracking and reporting vehicle resale inquiries and voucher in disadvantaged communities; and contacting voucher recipients that have, or will potentially sell their vehicle early, to request repayment of the prorated voucher amount. Submit a mechanism for receiving annual activity reports and questionnaires to CARB for approval. See section G(2) for detailed tasks.	February 2020	Until voucher funding is depleted
Task 5 – Provide CARB Status Reports.	Every month or whenever requesting additional funds, whichever is sooner	
Task 6 – Provide CARB with HVIP documents and data needed to ensure smooth implementation of HVIP in future years; submit Final Report to CARB.	Within 6 weeks of voucher depletion or March 31, 2024-2025, whichever is sooner	

<sup>1</sup> Personal information or other data collected from voucher applications may not be used or released in any way; however, with approval from CARB, this information can be used for other related CARB incentive programs with the consent of the applicant (e.g. checking “opt-in” boxes on the application) and the written consent of CARB.

**Exhibit B, Work Statement  
Grant Agreement: G19-HVIP-01-1**

**Attachment IV – Key Project Personnel**

**Grantee: CALSTART, Inc.  
HVIP-01**

**Grant No.: G19-**

**Project: Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project**

Name	Position	Duties
Bill Van Amburg	Senior Vice President	Bill will serve as the prime point of contact (POC) for the HVIP program and will provide oversight of program activities and performance. He will supervise the activities of the HVIP Program Manager and his team, who will have day-to-day responsibility for the program.
Tom Brotherton	Senior Program Manager	Tom will serve as the Program Manager for the HVIP program and operate the program day-to-day with a deputy PM. Tom has direct experience operating HVIP since its inception and has long and strong experience managing complex programs, program detail, and coordination. He will lead the efforts for outreach and provide assistance in other tasks.
Tarah Campi	Program Manager	Tarah will serve as Deputy Program Manager to Tom and manage program logistics, milestones, and timelines for the PM. Tarah will support data collection, reporting and voucher payment coordination.
Priscilla Barragan	Staff Engineer	Priscilla has been one of the main points of contact for program implementation and approval for voucher request and redemption since 2013. She will operate the program day-to-day activities, including management of the program bilingual call center and voucher implementation. Additional duties will consist of fraud protocol compliance, program transparency and accountability, record keeping, and reporting. She will be fully coordinated

		with CALSTART to assist with any other efforts needed and keep informed of any upcoming changes or updates to the program.
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# IMPLEMENTATION MANUAL FOR THE HYBRID AND ZERO-EMISSION TRUCK AND BUS VOUCHER INCENTIVE PROJECT (HVIP)

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*March 15, 2022*



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Appendix A: Vehicle Eligibility List (catalog)

Appendix B: Vehicle Eligibility Applications

Appendix C: Vehicles under Common Ownership and Control

Appendix D: Voucher Request Form

Appendix E: Voucher Redemption Form

Appendix F: Innovative Small E-Fleets ***(to be published separately from this document)***

Appendix G: Public School Bus Set Aside for Small and Medium Air Districts

***Some policies and requirements in Appendices F-G related to Innovative Small E-Fleets and Public School Bus Set Aside for Small and Medium Air Districts differ from the policies and requirements in the remainder of this Implementation Manual. Where the policies and requirements in the appendices differ, the appendices take precedence. Also, the Terms and Conditions, Request Form, and Redemption Form included Appendices D-E do not apply to programs covered in Appendices F-G. Separate documents will be required for these set-asides.***

## A. INTRODUCTION AND OVERVIEW

The Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP) accelerates the deployment of zero-emission and plug-in hybrid trucks and buses, and trucks equipped with electric power take off (ePTO) systems, in California. HVIP benefits the residents of California by stimulating deployment of advanced clean commercial vehicles, improving community health with immediate air pollution emission reductions, as well as reducing greenhouse gas emissions to help meet State climate goals, and yielding substantial economic benefits. It is implemented through a partnership between the California Air Resources Board (CARB) and a Grantee, selected via a competitive CARB grant solicitation. HVIP provides vouchers on a first-come, first-served basis in most cases. In addition, HVIP provides increased incentives for small fleets<sup>1</sup> domiciled in disadvantaged communities and meeting other requirements.

There are several key pieces of legislation that provide the overall policy framework and funding to support HVIP. In 2007, Governor Schwarzenegger signed into law the *California Alternative and Renewable Fuel, Vehicle Technology, Clean Air, and Carbon Reduction Act of 2007*. Assembly Bill (AB) 118 (AB 118, Statutes of 2007, Chapter 750) created the Air Quality Improvement Program (AQIP), a voluntary incentive program implemented by the California Air Resources Board (CARB), to fund clean vehicle and equipment projects, air quality research, and workforce training.

As required in Health and Safety Code (HSC) Section 44274(a), the Board adopted implementation guidelines in 2009 for AQIP. The Guidelines for the AB 118 Air Quality Improvement Program (Guidelines) define the overall administrative requirements, policies, and procedures for program implementation based on the framework established in statute.

In 2012, the legislature passed, and Governor Brown signed into law, three bills – AB 1532 (Pérez, Chapter 807), SB 535 (de León, Chapter 830), and SB 1018 (Budget and Fiscal Review Committee, Chapter 39s) – that established the Greenhouse Gas Reduction Fund (GGRF) to receive Cap-and-Trade auction proceeds and to provide the framework for how the auction proceeds will be administered to further the purposes of AB 32 (Núñez, Chapter 488, Statutes of 2006). Cap-and-Trade auction proceeds have been appropriated to CARB for Low Carbon Transportation projects that reduce greenhouse gas (GHG) emissions, with an emphasis on investments that benefit the State’s disadvantaged communities. Per statute these funds must be used to further the purposes of AB 32. The Low Carbon Transportation investments build upon and greatly expand existing advanced technology and clean transportation programs, which provide mobile source incentives to reduce criteria pollutant, air toxic, and GHG emissions. In 2016, AB 1550 (Gomez, Chapter 369, Statutes of 2016) established disadvantaged community, low-income community, and low-income household targets for the State’s Cap-and-Trade auction proceeds investments.

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<sup>1</sup> See Section C(6) for more information



Senate Bill (SB) 1204 (Lara, Chapter 524, Statutes of 2014) guides CARB’s heavy-duty vehicle investments funded with Cap-and-Trade auction proceeds. SB 1204 creates the California Clean Truck, Bus, and Off-Road Vehicle and Equipment Technology Program intended to help accelerate the introduction of the next generation of cleaner heavy-duty vehicles and engines with a priority on projects that benefit disadvantaged communities. Among other requirements, SB 1204 directs CARB to develop an annual framework and plan to guide these investments. The Three-Year Investment Strategy for Heavy-Duty Vehicles and Off-Road Equipment included in the annual Funding Plan is designed to help address this requirement.

In August 2020, CARB adopted the Heavy-Duty Engine and Vehicle Omnibus Regulation and Associated Amendments, which creates a new optional standard of 0.01 g/bhp-hr NOx. HVIP can help to accelerate the market for technologies that meet the new optional standard.

The Implementation Manual, in conjunction with the Guidelines, and the corresponding Funding Plans identify the minimum requirements for implementing the program. At CARB’s sole discretion, this funding may be released in “waves” during the program year. If so, information will be provided to participants in advance of fund availability.

The Implementation Manual may be periodically updated as needed to clarify project requirements and improve project effectiveness. The Implementation Manual, including any updates, will be posted on the HVIP webpage at [www.CaliforniaHVIP.org](http://www.CaliforniaHVIP.org) and sent via email to subscribers of the HVIP website. Project participants are responsible for checking the HVIP website on an ongoing basis for the latest program updates.

CARB has sole discretion to determine eligibility for HVIP funding. Definitions of key program parameters are in Section G of this Implementation Manual. Table 1 clarifies which fiscal year coincides with which HVIP project year.

**Table 1: Fiscal Year/HVIP Project Year**

Fiscal Year	HVIP Project Year
FY 2009-10	Year 1
FY 2010-11	Year 2
FY 2011-12	Year 3
FY 2012-13	No HVIP Funding
FY 2013-14	Year 4
FY 2014-15	Year 5

FY 2015-16	Year 6
FY 2016-17	Year 7
FY 2017-18	Year 8
FY 2018-19	Year 9
FY 2019-20	Year 10
FY 2020-21	Year 11
FY 2021-22	Year 12

**Project Framework**

Figure 1 illustrates a hypothetical vehicle dealer sale and voucher reimbursement transaction. Figure 2 shows the voucher request / redemption process and timeline, or the “lifecycle” of a voucher. HVIP provides a voucher for the vehicle incentive amount, based on corresponding vehicle voucher amount tables found in Section C to a registered HVIP dealer. The dealer provides the discount to the purchaser at the time of sale, and the voucher is redeemable by the dealer at the time the vehicle is delivered and when required voucher redemption paperwork is complete.

The HVIP website includes a list of eligible trucks and buses, as well as the eligible voucher amount(s) for each vehicle. HVIP-approved dealers have access to the HVIP online Voucher Processing Center (VPC), through which a dealer completes a voucher request with the purchaser’s input and submits at the time a specific vehicle is ordered. A similar structure also applies to vehicles which are ordered directly from a manufacturer who acts as an HVIP dealer.

**Figure 1: Example HVIP Truck or Bus Purchase Transaction**

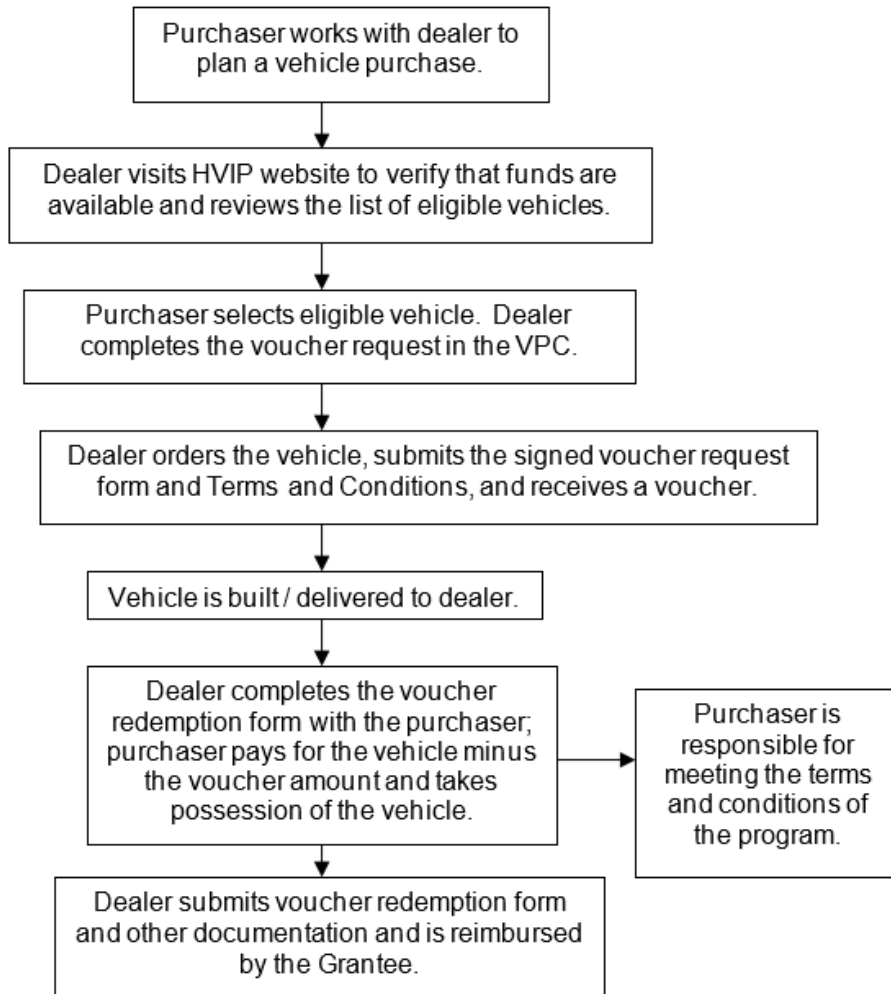


Figure 2

### **Voucher Progression Overview: Statuses in online Voucher Processing Center (VPC)**

- Pending Submittal: Dealer enters information into Voucher Processing Center about the request (quantity, purchaser, etc.)
- Submitted: After dealer submits, the Grantee's Administrative (Admin) team conducts preliminary review (approximately 5 business days)
- Queued: After initial review, Admin team assigns funding status or assigns request to a contingency list if available. Admin team then begins standard initial review, and dealer will have 10 days to address any issues.
- Accepted Pending Signed Forms: Admin team sends Terms and Conditions to dealer and purchaser for review and signature.
- Accepted Pending Confirmation: Vouchers are now created and voucher numbers assigned. Dealer provides VIN and other vehicle information.
- Approved: Voucher must be updated every 90 days to confirm the anticipated delivery date.
- Redemption Processing: Dealer has completed all items on Redemption Checklist. Redemption must occur within 18 months of voucher requests.
- Redemption Approved: Grantee's Accounts Payable mails payment to dealer (approximately 7 business days)
- Completed Paid: Dealer has been reimbursed and Purchaser will complete and submit annual survey for 3 years.

## **B. VEHICLE TECHNOLOGY ELIGIBILITY**

This section describes minimum criteria necessary for vehicles to obtain HVIP eligibility. Once a vehicle becomes HVIP eligible, the vehicle must continually meet the minimum criteria as stated. If a vehicle fails to continually meet the minimum eligibility criteria, the vehicle will become ineligible and will be removed from the list of eligible vehicles. Additionally, if a vehicle associated with a voucher request fails to meet the minimum eligibility criteria, the voucher request will be cancelled. If a vehicle has already been delivered and received HVIP funding, and later found to be ineligible at the time of voucher request, the manufacturer will be responsible for returning the full amount of the HVIP voucher. It is the responsibility of the manufacturer to ensure the vehicle meets the minimum eligibility criteria at time of vehicle delivery and voucher redemption. The manufacturer is also responsible for informing the HVIP Project Liaison if a HVIP-eligible vehicle does not meet the minimum eligibility criteria at time of vehicle delivery and voucher redemption.

CARB is responsible for evaluating and approving the eligibility of vehicles for HVIP funding. CARB, at its sole discretion, may inspect delivered vehicles to ensure the vehicles meet all applicable local, state, and federal laws, ordinances and requirements, including but not limited to CARB certification and all applicable safety and air quality regulations. Vehicle eligibility applications are found in Appendix B.

Application submittal instructions and an updated list of eligible vehicles are found at <https://www.californiahvip.org/>. Approved vehicles and engines meeting the new optional standard of 0.01 g/bhp-hr NOx will remain eligible for two years following the current vehicle or engine model year with the exception of ePTO systems. ePTO systems are approved for HVIP eligibility without a specific model year.

## 1. Requirements for All Vehicles

The vehicle, including the propulsion system, powertrain/drivetrain, batteries/energy storage system(s) and engine (if applicable) must be covered by a manufacturer warranty. The engine warranty requirements in HVIP applies to vehicles receiving funding and is not intended to supplant or limit the certification requirements. With the exception of new and repowered vehicles using engines certified to the optional Low NOx standard of 0.01 g/bhp-hr and ePTOs, HVIP eligibility applies only to vehicles identified on CARB Executive Orders (EO).

A- Prior to approving a vehicle model for addition to the List of Eligible Vehicles, CARB may request that the manufacturer provide copies of representative vehicle, engine and battery warranties and a description of the manufacturer's plans to provide warranty and routine vehicle service. HVIP vehicles must provide one of two warranty options described below. A manufacturer has the option to provide either warranty on any vehicle.

- i. The warranty must provide protection for a minimum of 3 years or 50,000 miles, whichever comes first, and provide full warranty coverage of, at a minimum: motor, propulsion system, powertrain/drivetrain, battery, parts and labor; or
- ii. The warranty must provide protection for a minimum of 2 years or 100,000 miles, whichever comes first, and provide full warranty coverage of, at a minimum: motor, propulsion system, powertrain/drivetrain, battery, parts and labor.

B - A vehicle is not eligible for an HVIP voucher if the same vehicle make and model is receiving public incentive funding as a research vehicle. Vehicles of the same make and model participating in pre-commercial demonstration and pilot deployment projects may be eligible for HVIP. However, the VIN of a vehicle receiving HVIP funding may not match any vehicle participating in pre-commercial demonstration and pilot deployment project.

C- The vehicle must be a commercial, non-profit agency, or public fleet vehicle. Personal vehicles are not eligible for HVIP funding.

D- Vehicles that are approved for the Clean Vehicle Rebate Project (CVRP) are not eligible to participate in HVIP.

E- Pickup trucks and recreational vehicles / housecars are not eligible for HVIP. A pickup is defined by the California DMV as a motor truck with a GVWR of less than 11,500 pounds and equipped with an open box-type bed less than 9 feet in length. (Section 471 of the Vehicle Code). Housecars are motor vehicles originally designed, or permanently altered, and equipped for human habitation, or to which a camper has been permanently attached (Section 362 of the Vehicle Code).

F- The chassis of any vehicle receiving an HVIP voucher must be titled and licensed in California, and the vehicle must be California-registered. The delivered chassis must match the chassis listed on the corresponding CARB Executive Order.

G- HVIP eligible vehicle must be purchased from a dealer approved by the Grantee to participate in HVIP.

H - Eligible vehicles must have at least one California-based service facility affiliated with the vehicle manufacturer capable of providing vehicle service, warranty service, and repairs statewide.

I - Vehicle manufacturers and California-based service providers affiliated with the vehicle manufacturer must be capable of providing vehicle service, warranty service, and repairs for eligible vehicles statewide.

J - No retrofits or other hardware or software modifications that significantly impact the vehicle's emissions characteristics are permitted. (California Vehicle Code section 27156).

K - The vehicle must meet all applicable local, state, and federal laws, ordinances, and requirements, including but not limited to all applicable safety and air quality regulations.

L - Vehicles with lead-acid batteries used for traction power or ePTO operation are not eligible for HVIP. Lead-acid batteries may be used to power accessories or other justified uses.

M - For all HVIP-funded school buses, California Highway Patrol (CHP) certification is required. It is the responsibility of the school district to obtain CHP certification once the school district takes possession of the school bus.

N - Telematics data for Disadvantaged Communities: All vehicles, except military vehicles, shall be equipped with a data acquisition system capable of collecting vehicle GPS data and vehicle mileage. Telematics requirements for ePTO vehicles are covered separately in section C(5)(f). Each vehicle manufacturer shall be responsible for providing quarterly reports for each HVIP-funded vehicle to the Grantee. Each quarterly report shall have current quarterly and cumulative data listing the following information for each HVIP-funded vehicle:

- i. Hours and percentage of total time when the vehicle is operating (operating would mean vehicle is "key on") within a disadvantaged community (DAC)<sup>2</sup>.
- ii. Percentage of days when workday is ended in a DAC.
- iii. Total miles and percentage of total miles when the vehicles are driving within a DAC.
- iv. Each report shall be broken into two groups:
  1. Vehicles domiciled in a DAC.
  2. Vehicles not domiciled in a DAC.

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<sup>2</sup> <https://calepa.ca.gov/EnvJustice/GHGInvest/>

- v. Grantee shall provide manufacturer a list of vehicles to be included in each quarterly report.
- vi. Vehicle manufacturers shall provide a minimum of three years of data for vehicles from the date of voucher payment.

For DAC mapping data files, please visit CARB's Disadvantaged and Low-income Communities Investments website at:

<https://www.arb.ca.gov/cc/capandtrade/auctionproceeds/communityinvestments.htm>

## 2. New Zero-Emission Vehicles

Hydrogen fuel cell and battery electric-powered vehicles emit zero tailpipe emissions and are eligible for HVIP. Other technologies, which emit zero-emissions when in operation, may be considered for HVIP eligibility on a case-by-case basis. Hydrogen Fuel cell vehicles must not have plug-in capacity.

- a. The vehicle must be a new vehicle as defined in California Vehicle Code Section 430.<sup>3</sup>
- b. For the purposes of HVIP, a new chassis that has been converted with aftermarket parts or equipment to create a zero-emission vehicle is not considered a new vehicle, unless the completed zero-emission vehicle has obtained CARB new vehicle certification. HVIP-eligible vehicle (and vehicle chassis) must be new and not yet have been registered in any state or paid for by the purchaser (other than a vehicle down payment) in order to receive a voucher. Used vehicles (including vehicles used by dealers, manufacturers, or other entities or for demonstration purposes) are not eligible for HVIP. Any delivered chassis must match the chassis listed on the corresponding CARB Executive Order.
  - i. A Vehicle Emissions Control Information (VECI) label must be provided on the chassis and the information must match the CARB Executive Order.
- c. Zero-emission vehicle makes/models must fall into one of the following categories to apply to CARB for HVIP eligibility:
  - i. Zero-emission vehicles from 8,501 to 14,000 lbs GVWR that are CARB-certified as Type I, I.5, II or III zero-emission vehicles as defined in the California ZEV Regulation (Section 1962(d)(5)(A), Title 13, California Code of Regulations (CCR) for 2003-2008 model year vehicles and Section 1962.1(d)(5)(A), Title 13, CCR for 2009 and subsequent model years). Those vehicles from 8,501 to 10,000 lbs GVWR may apply for HVIP eligibility; however, eligibility for this lightest vehicle class is provided on a case-by-case basis only

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<sup>3</sup> Per section 430 of the California Vehicle Code, a "new vehicle" is a vehicle constructed entirely from new parts that have never been the subject of a retail sale, or registered with the California Department of Motor Vehicles, or registered with the appropriate agency or authority of any other state, District of Columbia, territory or possession of the United States, or foreign State, province, or country.

if the vehicle is exclusively for commercial (not personal) use and meets the intent of HVIP.

- ii. Zero-emission vehicles above 14,000 lbs GVWR that are CARB-certified. The manufacturer must also certify that the vehicle model complies with all applicable federal safety standards for new motor vehicles and new motor vehicle equipment issued by the National Highway Traffic Safety Administration. The Federal Motor Vehicle Safety Standards are found in Title 49 of the Code of Federal Regulations (CFR) Part 571.
- iii. If a written statement and documentation have been previously provided to CARB in the course of applying for CARB approval/certification of the vehicle model, no additional written statement is required.
- d. The vehicle must demonstrate a minimum 35-mile all-electric range (AER). CARB retains sole authority to determine the appropriate procedure to perform AER demonstration.
- e. The vehicle must be demonstrably designed exclusively for commercial use (i.e. not intended for private or non-commercial use).
- f. Zero-emission terminal and yard trucks were transitioned to the Clean Off-Road Equipment (CORE) Voucher Incentive Project in February 2020 and are no longer eligible for HVIP funding.
- g. Zero-emission transit buses are required to have passed Federal Transit Administration's (FTA) New Model Bus Testing Program (often referred to as "Altoona Testing")

### 3. Zero-Emission Vehicle Conversions

This section applies to new or in-use vehicles with any fuel type that convert to zero-emission, including battery electric and hydrogen fuel cell technologies. Hydrogen Fuel cell vehicles must not have plug-in capacity.

- a. For conversions of any type of vehicle to zero-emission, the aftermarket conversion kits must receive an exemption executive order (EO) from CARB.<sup>4</sup>
- b. A voucher will not be issued until the vehicle conversion is verified by the Grantee, CARB, or CARB's designee.
- c. The maximum chassis age for zero-emission vehicle conversions is ten years. CARB may consider chassis older than ten years on a case-by-case basis.
- d. Refer to the voucher tables in this document for zero-emission vehicle conversion voucher amounts.
- e. Conversions must demonstrate proof of compliance with the AER requirements.

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<sup>4</sup> For more information, go to: <https://ww3.arb.ca.gov/msprog/aftermkt/aftermkt.htm>



- f. If a vehicle has an Executive Order Relating to Conversion of On-Highway Vehicles to Electricity, (Conversion EO) the vouchers requested for that vehicle must be a Conversion Voucher.

#### 4. New Plug-In Hybrid Vehicles

- a. The vehicle must be a new vehicle as defined in California Vehicle Code Section 430.<sup>5</sup>
- b. The vehicle must demonstrate a 35 percent improvement or greater in fuel economy relative to its baseline and a minimum 35-mile all-electric range (AER).
- c. For the purposes of HVIP, a new chassis that has been converted with aftermarket parts or equipment to create a hybrid vehicle is not considered a new vehicle, unless the completed hybrid vehicle has obtained CARB new vehicle certification. HVIP-eligible vehicle (and vehicle chassis) must be new and not yet have been registered in any state or paid for by the purchaser (other than a vehicle down payment) in order to receive a voucher. Any delivered chassis must match the chassis of the corresponding CARB Executive Order.
- d. Used vehicles (including vehicles with over 3,500 miles) are not eligible for HVIP.
- e. Plug-In Hybrid vehicle makes/models must fall into one of the following categories to apply to CARB for HVIP eligibility:
  - i. A plug-in hybrid vehicle from 8,501 to 10,000 lbs GVWR which is CARB-certified to be sold in California.
  - ii. A CARB-certified plug-in hybrid commercial vehicle between 6,001 and 8,500 lbs may apply for HVIP eligibility; however, vouchers for these vehicles are provided on a case-by-case basis only if a vehicle manufacturer and purchaser can demonstrate the vehicle is for commercial (not personal) use only and meets the intent of HVIP.
  - iii. A plug-in hybrid vehicle greater than 10,000 lbs GVWR which is CARB-certified to be sold in California as an original, newly manufactured vehicle must follow emission testing requirements within the Innovative Technology Regulation (ITR)<sup>6</sup> for the pathway to HVIP funding eligibility. All A to B testing performed using ITR must result in no increased NOx emissions compared to the equivalent baseline vehicle and demonstrate a minimum 35-mile AER. Manufacturers will be required to present a (portable emissions measurement system) PEMS or chassis dynamometer testing plan that complies with ITR testing requirements. CARB has sole discretion to review and approve the testing plan.

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<sup>6</sup> <https://ww3.arb.ca.gov/regact/2016/itr2016/hybconvproc.pdf>

- f. The plug-in hybrid vehicle may not emit more NOx emissions compared to the equivalent baseline vehicle.
- g. The vehicle must use a CARB-certified engine operating on in-state renewable fuel. The engine must be appropriately matched for the intended service class of the hybrid vehicle in which it is used.
- h. A plug-in hybrid vehicle engine must be new.
- i. Modifications to engine performance (including changes in horsepower), emissions characteristics, engine emission components (not including repairs with like-original equipment manufacturers replacement parts), or any other modifications to the engine's emission's control function is not allowed (Vehicle Code section 27156).

## 5. Vehicles with ePTO

The following vehicle eligibility requirements apply to vehicles equipped with ePTO:

- a. Vehicles with an ePTO powered by lead acid battery technology are not eligible.
- b. Vehicles whose ePTO is powered by a battery chemistry other than lithium ion or other zero-emission technology will be considered for HVIP funding eligibility on a case-by-case basis, with voucher amounts dependent upon technology incremental cost, potential for technology transfer to other vehicle or equipment applications, and other criteria.
- c. An ePTO system must use alternating current (AC) to power the electric motor and have a voltage of at least 40 volts. An ePTO system using direct current may be approved by CARB Project Liaison on a case-by-case basis based upon evidence the system is robust and will not compromise workplace safety.
- d. The vehicle ePTO system must demonstrate ability to charge from the battery manufacturer recommended minimum state-of-charge (i.e., the remaining battery voltage defined by the manufacturer at which the vehicle engine will turn on to recharge the ePTO battery) to fully charged within twelve hours when plugged in. The manufacturer recommended minimum state-of-charge utilized during HVIP eligibility application ePTO demonstration may not be adjusted in-use for a minimum of three years from the vehicle's HVIP voucher redemption date.
- e. When the ePTO system is engaged at the jobsite, heating, ventilation, and air conditioning (HVAC) cab comfort must be powered by the ePTO battery.
- f. The vehicle must include a telematics device that electronically tracks:
  - i. Vehicle location
  - ii. Time of operation in ePTO mode

- iii. Telematics data for DACs: All work vehicles with ePTO, except military vehicles, shall be equipped with a data acquisition system capable of collecting vehicle GPS data. Each vehicle manufacturer shall be responsible for providing quarterly reports for each vehicle to the Grantee. Each quarterly report shall have current quarterly and cumulative data listing the following information:
  - a. Hours and percentage of total time when the vehicles are parked and operating in ePTO mode (engine off, providing work power from batteries) within a DAC.
- iv. Each report shall be broken into two groups:
  - a. Vehicles domiciled in a DAC.
  - b. Vehicles not domiciled in a DAC.
- v. Grantee shall provide manufacturer a list of vehicles for each quarterly report.
- vi. Vehicle manufacturers shall provide a minimum of three years of data for vehicles from the date of voucher payment.
- vii. For DAC mapping data files, please visit CARB's Disadvantaged and Low-income Communities Investments website at:  
<https://www.arb.ca.gov/cc/capandtrade/auctionproceeds/communityinvestments.htm>
- g. Class 5/6 ePTO Plug-In Requirement:
  - i. Class 5/6 ePTO Plug-In Vehicle purchasers must agree to provide access to necessary charging equipment at the domicile location, or a copy of their company's charging policy showing plug-in access.
- h. Work vehicles with ePTO may be deemed HVIP-eligible by CARB staff based on a demonstration that the vehicle engine does not idle to recharge the battery or to power the truck mounted hydraulic, pneumatic, or electric work equipment utilized for performing stationary work in a typical workday.  
 The use of video conferencing and/or telematics data collection may be utilized for ePTO demonstrations unless the CARB Project Liaison specifies otherwise. The CARB Project Liaison and manufacturer applicant will agree on the demonstration method on a case-by-case basis.
  - i. The CARB Project Liaison may also require in-person demonstration. In-person demonstration must be conducted within a 100-mile radius of CARB headquarters in Sacramento, California unless an alternate location is preapproved by the CARB Project Liaison.
- i. The following procedures are required for the demonstration of utility bucket trucks. The CARB Project Liaison or designee may approve in writing modifications to the ePTO demonstration procedures listed below.

## Demonstration of ePTO Systems on Aerial Vehicles with GVWR 26,001+ lbs

The ePTO demonstration consists of three steps:

- The CARB Project Liaison or designee approves in writing a vehicle and ePTO duty cycle that reflects a typical workday. The duty cycle must include the following parameters:
  - At least 45 minutes of total boom movement with at least 175 lbs in the bucket, including a minimum of 22.5 minutes of vertical boom movement and 22.5 minutes of horizontal boom movement. Each boom movement must extend to maximum achievable boom left/right and up/down positions.
  - At least five minutes of air conditioning, running at maximum capacity with the cab windows closed.
  - Vehicles with a battery charge while driving feature may include up to one hour of driving as part of the duty cycle. Drive cycles will be considered by the CARB Project Liaison on a case-by-case basis, and must reflect a suburban driving environment (i.e. moderate speeds and number of stops).

## Demonstration of ePTO Systems on Aerial Vehicles with GVWR 16,000-26,000 lbs

Due to differing duty cycles of Class 5 and Class 6 aerial vehicles, the following demonstration is required for ePTO installed on aerial vehicles with GVWR between 16,001-26,000 lbs.

The work cycle is defined as 6 job sites with 10 miles between each job site. At each job site, the vehicle will perform one aerial boom cycle as defined below.

- An aerial boom cycle consists of taking the aerial device from the stowed position to a defined working position, and returning to the stowed position.
- From stowed to the working position: Activate upper and lower boom simultaneously until upper boom reaches 45 degrees above horizontal and lower boom is completely unfolded or vertical. Rotate machine 90 degrees. Extend upper boom if unit is equipped with a telescopic boom section.
- From working position to the stowed position: stow the unit fully in the reverse order, retracting telescopic boom sections, rotating, and lower the upper and lower boom simultaneously. A cycle is considered completed once the aerial device has returned to the stowed position.
- ePTO systems must be able to perform the below defined demonstration without fully depleting the ePTO battery and without engine auto-start in order to be eligible for funding. During the ePTO demonstration, the battery state-of-

charge (SOC) must be recorded for each of the steps below. The ePTO demonstration consists of the following:

- Park the test vehicle at the test site and conduct pre-operational safety procedures, as applicable.
  - Place the vehicle into ePTO mode and set the outriggers, if applicable
  - Engage the aerial device controls and perform one aerial boom cycle (as described above)
  - Return aerial boom to the stowed position and operate at least five minutes of air conditioning, running at maximum capacity with the cab windows closed.
  - Drive vehicle for a total of 10 miles and return to test site.
  - Repeat steps 1-5 to simulate a second jobsite.
  - Repeat steps 1-5 to simulate a third jobsite.
  - Repeat steps 1-5 to simulate a fourth jobsite.
  - Repeat steps 1-5 to simulate a fifth jobsite.
  - Repeat steps 1-5 to simulate a sixth jobsite.
  - Record final battery SOC.
- j. For the demonstration of non-utility bucket truck ePTO systems, the CARB Project Liaison and manufacturer applicant will develop and agree on the testing procedure on a case-by-case basis.

## 6. New and Repowered Vehicles Using Engines certified to the optional Low NOx standard of 0.01 g/bhp-hr

Below are the minimum criteria necessary for a vehicle equipped with or repowered with an engine certified to the optional Low NOx standard of 0.01 g/bhp-hr. Once a vehicle is equipped with such an engine, the vehicle must continually meet the minimum criteria as stated. The telematics requirement (Section B(1)(l)) does not apply to this section.

- a. New vehicles must be equipped or repowered with an engine certified to 0.01 g/bhp-hr
- b. The engine must be covered by a manufacturer warranty. The warranty must provide protection for a minimum of 3 years or 50,000 miles, whichever comes first or 2 years or 250,000 miles, whichever comes first.
- c. The engine warranty requirements in HVIP applies to vehicles receiving funding and is not intended to supplant or limit the certification requirements. The emissions warranty specified in title 13 CCR section 2036, remain applicable to engines used in HVIP-funded vehicles. For example, for an engine used in a heavy heavy-duty Class 8 vehicle (33,000 lbs. and greater gross vehicle weight rating) that is funded, the engine emissions warranty would be as specified in title 13 CCR section 2036.
- d. If the engine is for a repower, the engine repower must be performed by an installer authorized by the engine manufacturer.

- e. Fleets using natural gas internal combustion engines are required to self-certify per the Terms and Conditions that they are refueling with 100% California-produced Renewable Natural Gas (RNG) for a minimum of three years, either at public stations, via a fuel contract, or both.

Annual Participant Surveys (Section D(2)(a)) are sent to HVIP purchasers in the fall. Continued usage of renewable fuel will be monitored via the Survey for a three-year period. Fleets that fail to submit the annual vehicle surveys/questionnaires as required from any HVIP funding year may be ineligible for additional HVIP vouchers while this information remains outstanding.

CARB, at its sole discretion, may request documentation from Natural Gas Internal Combustion engine purchasers to verify the use of 100 percent California-produced RNG. Natural Gas Internal Combustion engine purchasers not adhering to the in-State RNG requirement may be barred from eligibility for HVIP and other CARB incentives.

### C. VOUCHER REQUIREMENTS

HVIP vouchers shall only be provided for a specific vehicle or engine certified to the optional Low NOx standard of 0.01 g/bhp-hr ordered and purchased by a specific customer. The dealer must work with the vehicle or engine purchaser to complete the HVIP voucher request form (available once a voucher request is submitted through the Voucher Processing Center (VPC)). **Submittal of a voucher request not associated with a binding complete vehicle order is prohibited. Vouchers requested for vehicles that have already been delivered will not be accepted.**

Only vehicles approved by CARB and listed as eligible on the HVIP webpage may receive a voucher. HVIP funds the purchase/order of a completed vehicle, a vehicle that requires no further manufacturing operations to perform its intended function, upon delivery to purchaser.

Incentive amounts are also listed on the HVIP webpage<sup>7</sup>, as well as introductory information on how to participate in HVIP. HVIP-approved dealers will only have access within the VPC to request vouchers for the vehicles they associated with on the HVIP Eligible Vehicle Catalog<sup>7</sup>.

For the purposes of HVIP, the Purchaser is the fleet that will purchase or lease the eligible vehicle and operate the vehicle for at least three years. HVIP transactions will only involve a purchaser, a dealer, and a manufacturer. Generally, all communications and responsibilities are exclusively with the dealer identified on the HVIP voucher request.

A vehicle dealer must provide CARB (or its designee) with all requested information related to compliance with HVIP requirements or any vehicle(s) purchased with a HVIP voucher within 10 calendar days of CARB's written request for such information. Requested information may include but is not limited to purchase orders or agreements and vehicle payment information and related bank records.

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<sup>7</sup> <https://californiahvip.org/vehiclecatalog/>

For new-vehicle vouchers, the dealer must sell the entire HVIP-eligible completed vehicle or completed vehicle with engine certified to the optional Low NOx standard of 0.01 g/bhp-hr to the purchaser. Voucher requests for incomplete vehicles, including vehicles without the body installed, and zero-emission powertrains/drivetrains alone are prohibited and are subject to cancellation at the point of voucher request.

A dealership, manufacturer, or leasing entity is not a purchaser. A purchaser is not a manufacturer, dealership, leasing company, or any entity that enters into any agreement with another party to operate the vehicle. Dealerships, leasing entities, manufacturers, and any entities under common ownership or control with such establishments are prohibited from requesting a voucher as a purchaser. Entities, including entities under common ownership and control, that have been identified as a dealership, leasing entity, or manufacturer in past HVIP transactions are prohibited from requesting new vouchers as a purchaser.

## 1. Voucher Request

A valid signed Purchase Order (or other binding Agreement, Contract, Buyer's Order, or action/resolution by a government entity's governing body) from the dealer to purchaser is required at the time a voucher request is made for vehicles purchases and leases. Non-binding agreements or quotes are not sufficient to reserve a voucher. The Purchase Order must include the purchaser and dealer names, HVIP voucher amount, number of units (if a batch request), model name and year of the vehicle as listed on the CARB EO, issued date, HVIP eligible vehicle description, and the purchaser's signature. The purchase order provided by the dealer must represent a real vehicle order that is ready to be placed. Voucher requests submitted with a purchase order / sales agreement that is missing any of this mandatory information may be subject to cancellation at the point of voucher request.

In cases where a public entity's governing body plans for final approval of the binding agreement after the award of HVIP funds, a letter stating the date by which documentation of final approval will be provided must be included at the time of the voucher request, signed by an authorized representative of the public entity.

Additional requirements about Purchase Orders, including how backdated a Purchase Order, can be found at [CaliforniaHVIP.org](http://CaliforniaHVIP.org) in the event of program re-opening to voucher requests after a period where new voucher requests are not accepted. Case by case requests for accommodation of longer procurement timelines for public fleets can be submitted to [voucherprocessing@tetrattech.com](mailto:voucherprocessing@tetrattech.com).

Once a voucher request is submitted-- along with the purchase order or other binding sales agreement representing a real vehicle order-- the dealer, vehicle, and fleet information, including vehicle domicile address, cannot be changed without CARB approval. If the voucher is for a lease, the lessee (end-user fleet / purchaser) cannot be changed. If either the dealer, fleet or vehicle information changes after a voucher request is submitted, that voucher will be cancelled. A new voucher may be requested, contingent on funding availability, with the new dealer, vehicle, or purchaser / lessee information.

Voucher requests cannot list any HVIP-approved dealer, leasing entity, manufacturer, and any entities under common ownership or control with such establishments as the purchaser or lessee.

A residential address may NOT be used as a vehicle domicile location unless specifically approved by CARB or its designee. Purchasers intending to use a residential address as a vehicle domicile location must provide a letter of explanation as to the commercial use of the residential property to [voucherprocessing@tetrattech.com](mailto:voucherprocessing@tetrattech.com) at the time of voucher request, or the voucher will be cancelled. The letter must explain the infrastructure and parking parameters that support the vehicles identified in the voucher request at the residential location that make it suitable for commercial use, the number of commercial vehicles domiciled on the site, and the date that commercial vehicle activity started at the site. The letter also must include a copy of the purchaser's charging policy and strategy showing plug-in access for all HVIP-funded vehicles domiciled at the site. The purchaser must demonstrate access to necessary charging equipment at the domicile location and capability to support all the vehicles identified in the voucher request or the vouchers will be subject to cancellation.

For school bus vouchers, the domicile address must be affiliated with the school district purchasing the vehicle.

Within 10 calendar days after any voucher request, dealers must: 1) Provide the purchaser's Truck and Bus Regulation (TRUCRS) ID or compliance certificate to the Voucher Processing Center. If a TRUCRS ID is not available, a signed letter from the fleet purchaser stating that the fleet purchaser is not subject to TRUCRS must be submitted within 30 calendar days to [voucherprocessing@tetrattech.com](mailto:voucherprocessing@tetrattech.com). 2) Address any missing information that may have been identified during the initial review of the voucher request, such as a missing Taxpayer Identification Numbers (TIN) or California Carrier Identification Number (CA#), domicile location clarification, or vehicle model year confirmation. Dealers will be contacted within 5 business days of a voucher request regarding any missing information that must be addressed.

The dealer must also provide the vehicle identification number (VIN) (and serial number for repowers) that uniquely identifies the vehicle, along with the vehicle expected delivery date, within 60 calendar days of voucher acceptance. Serial numbers, production numbers, factory build sheets, or other documentation that confirms that the dealer has made an order with the manufacturer may be accepted in lieu of a VIN; dealers must notify the Voucher Processing Center of the intention to use other documentation. The Grantee may reject the voucher after 60 calendar days if the VIN or other documentation is not provided or does not match the vehicle identified on the voucher request.- If the VIN is not available for more than 60 calendar days, the dealer should inform the grantee in advance.

The VIN model year is required to be identical to the EO model year for voucher processing. A letter of attestation may be provided by the manufacturer to resolve any misalignment between VIN model year and EO model year. The letter of attestation must specify the VIN model year(s), vehicle models names, and EOs associated with the vehicles. The letter must also include language stating that the manufacturer will be responsible for returning HVIP voucher funds and for any CARB penalties should there be any issues resulting from the VIN model year and EO model year misalignment. Please contact [voucherprocessing@tetrattech.com](mailto:voucherprocessing@tetrattech.com) for more information on the letter of attestation.



Once all voucher request forms and information are received by the Grantee, the voucher request is considered Accepted to the next status of the voucher process.

Automated emails from the Voucher Processing Center will be sent directly to the Dealer regarding voucher status and required actions. However, purchasers will also receive notifications 1) when the Dealer requests a voucher on their behalf, and when funding is secured, 2) when the voucher has been redeemed by the Dealer, and 3) in any instance wherein the voucher is cancelled for any reason.

Purchasers should notify [voucherprocessing@tetrattech.com](mailto:voucherprocessing@tetrattech.com) if the email address that should receive these messages changes. Dealers must keep their contact information current via the Voucher Processing Center or by updating [dealertraining@californiahvip.org](mailto:dealertraining@californiahvip.org).

Dealers and purchasers are required to use email addresses and other contact information affiliated with the business on whose behalf they are participating in HVIP. Use of personal contact information (i.e. using general domains such as @gmail and @yahoo) is prohibited unless business-affiliated contact information is the same as personal contact information.

The dealer and purchaser are responsible for checking the HVIP website on an ongoing basis for the latest program updates.

## 2. Voucher Caps

**Purchaser cap:** Each fleet /purchaser is limited to placing 30 voucher requests per calendar year, except for drayage fleet / purchasers who are limited to placing 50 total voucher requests per calendar year, cumulatively in the set-asides and HVIP standard funds. Vehicles under common ownership or control that share a common TIN or CA# are considered part of a single fleet even if they are part of different subsidiaries, divisions, or other organizational structures of a company or government entity. If a fleet already has requested the maximum allowable number of vouchers and the vouchers are unredeemed and at the status of "Accepted" or higher in the Voucher Processing Center in a given calendar year, any additional requests for that fleet will be rejected and the dealer and fleet will be notified. Any redeemed vouchers that were requested in the same calendar year are exempt from the voucher cap. For example, if a fleet receives vouchers for 30 trucks, and the truck manufacturer delivers / redeems 20 of those truck vouchers within the calendar year, the fleet would be eligible to request another 20 vouchers before the end of the calendar year, depending on funding availability. It is the responsibility of the dealers to determine fleet eligibility before requesting a voucher.

If a waitlisted request is made in a different calendar year than the calendar year in which it is converted to funded status, the fleet cap applies to the year in which it is converted to funded status. For example, if a fleet places a waitlisted request for 20 delivery vans in 2022 and the request moves off the waitlist

and is funded<sup>8</sup> in 2023, the fleet has 20 vehicles toward its 30-voucher cap for 2023.

**Manufacturer cap:** The manufacturer rolling “soft” cap allows each manufacturer to hold up to 100 unredeemed vouchers at a time across all of the manufacturer’s HVIP-eligible product line and approved Dealers. As a manufacturer redeems vouchers, more vouchers will become available for vehicles from that manufacturer. Under the “soft” cap, manufacturers can be granted additional vouchers beyond the cap on a case-by-case basis. The cap applies across HVIP funding types, including set-aside funding for drayage, transit, and school bus.

**The cap does not prevent vouchers from being requested for a manufacturer’s technologies;** rather it triggers the requirement for a case by case review process by CARB in order for those additional vouchers to be accepted.

If a batch request causes the cap to be exceeded, the quantity of voucher requests in the batch that are below the cap can proceed while the quantity that are above the cap will require case by case review.

If a manufacturer has 100 unredeemed vouchers and the manufacturer or a dealer wants to request additional vouchers, the manufacturer may submit a case-by-case request to [voucherprocessing@tetrattech.com](mailto:voucherprocessing@tetrattech.com) for consideration at CARB’s sole discretion. The case-by-case request must provide the details of the request and must be signed by the manufacturer. The request must affirm the production timeframe and ability to deliver within the maximum allowed voucher term of 540 calendar days for all currently unredeemed vouchers. The evaluation includes documentation from the manufacturer regarding their build progress and delivery plan for unredeemed vouchers as well as past delivery performance. The manufacturer is responsible for providing any information requested by CARB (or its designee) to support the case-by-case evaluation within 10 calendar days of CARB’s written request for such information.

Manufacturers shall contact [voucherprocessing@tetrattech.com](mailto:voucherprocessing@tetrattech.com) for instructions on how to submit a case by case request. A manufacturer who receives a cap exceedance approval or denial may re-submit for reevaluation by CARB after no fewer than 90 calendar days

Vouchers exceeding 100 will remain in the Voucher Processing Center — maintaining their reserved funds and place relative to other voucher requests — during case-by-case review, however they will not be accepted until and unless approved by CARB. If a manufacturer’s request to exceed the manufacturer cap is denied, all voucher requests exceeding 100 unredeemed vouchers will be cancelled, in the order received unless otherwise specified by CARB.

Dealers can view the number of unredeemed vouchers per manufacturer via the Voucher Processing Center on an ongoing basis via a dashboard graphic. Manufacturers who do not have VPC access can

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<sup>8</sup> Funded is defined here as a budget has been approved and available to fund the vouchers on the waitlist

receive this same information by contacting [voucherprocessing@tetrattech.com](mailto:voucherprocessing@tetrattech.com)

### 3. Voucher Renewal

A voucher will be valid for 90 calendar days from the date it is assigned funding by the Grantee and must be renewed by the participating dealer at any point within those 90 calendar days through the modification of the electronic voucher record online. Renewal of the voucher automatically reserves the voucher funding for an additional three months. A voucher not renewed within a three-month period may be deemed expired and the voucher funds may be allocated to the next eligible participant.

A voucher may be renewed at three-month intervals for up to a total of 540 calendar days from the time of the electronic voucher request (or the date funding was confirmed, if different), and must be redeemed at that point. Request for voucher extensions beyond 540 calendar days will be reviewed by the Grantee in consultation with CARB on a case-by-case basis. A decision regarding extension of the voucher reservation beyond 540 days shall be made by the Grantee in consultation with CARB, and shall be based upon factors, including but not limited to the projected vehicle DMV registration date, demand from other participants for remaining available HVIP funding, and the good faith efforts of the purchaser, dealer, and manufacturer to complete the purchase and place the vehicle into service. CARB has sole discretion to cancel vouchers exceeding the 540-day limit. The Grantee must maintain written documentation regarding approval of voucher reservations that are extended beyond 540 calendar days for three years after voucher redemption.

### 4. Voucher Redemption

Only completed and accurate voucher redemption forms will be accepted. A voucher shall only be redeemed if the vehicle and purchaser / lessee match that on the original voucher request form. CARB, the Grantee, and HVIP are not responsible for payment of a voucher if the vehicle or purchaser do not match those described on the voucher request form. If the dealer has a new purchaser for a delivered vehicle and HVIP funds are still available, the dealer and new purchaser may request a new voucher.

CARB, the Grantee, and HVIP are not responsible for payment of a voucher if the vehicle, transaction, and entities involved with the vouchers do not meet the requirements found in this HVIP Implementation Manual. A vehicle must be fully compliant with all provisions and descriptions of the associated Executive Order.

Once a vehicle has been registered at DMV and is ready to be placed into service, the dealer must submit the voucher and required documentation to the Grantee for redemption. All items listed below must be submitted via the online Voucher Processing Center before the voucher can be redeemed. A voucher will only be redeemed if the vehicle and purchaser listed on the voucher match that in the completed purchase transaction. HVIP voucher redemption requests must also meet the following criteria

- a. An HVIP voucher can only be redeemed upon vehicle delivery, final payment to the dealer by the purchaser (less the voucher amount), and registration of the vehicle in California.
- b. For vehicles repowered with engines certified to the optional Low NOx standard of 0.01 g/bhp-hr as of the publication of this Implementation Manual, vouchers may be redeemed when the customer takes delivery of the engines and has paid the balance due (minus voucher amount).
- c. Fleets / purchasers may only request vouchers for those engines that are anticipated to be installed within 90 calendar days of the date of voucher request. For large engine orders (more than 30), fleets will be required to break the voucher requests into smaller increments that represent no more than 90 days of inventory.
- d. A copy of the final complete vehicle invoice and temporary DMV registration or DMV registration for the purchased vehicle must be provided to confirm delivery and purchase specifications. DMV Form REG397 (request for registration) may be submitted in lieu of completed registration; grantee will contact the purchaser within 180 days after voucher redemption to obtain a copy of the completed registration. CARB may approve HVIP vouchers for vehicles that are federally registered in lieu of being registered in California (such as military vehicles) on a case-by-case basis.
- e. The DMV registration must match the vehicle listed on the CARB Executive Order
- f. A copy or photo of the VIN tag listing the GVWR must be provided to the Grantee to confirm vehicle GVWR. The GVWR on the VIN tag must match the GVWR provided on the voucher request form.
- g. For engines, a copy of the final signed and dated repower invoice containing the VIN and engine serial number must be provided to the Grantee.
- h. The invoice for the complete vehicle must be signed and dated by the vehicle purchaser. Invoices must be issued for the purchaser only. Invoices issued to leasing entities or any entities that are not the purchaser will not be accepted for voucher redemption.
- i. Invoices for incomplete vehicles or for zero-emission powertrains/drivetrains will not be accepted for voucher redemption.
- j. The final vehicle invoice must show that the voucher amount has been fully discounted from the vehicle or engine purchase price. The final vehicle invoice provided for voucher redemption must itemize all complete vehicle charges (e.g., price of the complete vehicle, delivery fee, all applicable taxes, etc.) on a single invoice.
- k. The vehicle must have no more than 3,500 miles at time of the vehicle inspection. Proof of vehicle mileage at the time of vehicle DMV registration must be provided by the dealer in the form of a telematics mileage report, DMV odometer disclosure statement, or photo of the odometer upon delivery. Vouchers for vehicles with more than 3,500 miles may be redeemed

on a case-by-case basis with CARB's sole approval and with sufficient evidence or explanation justifying such mileage. Not applicable for engine repowers.

- l. Vehicle model year, vehicle model name, chassis, chassis model year, and configuration on redemption paperwork must be in compliance with the corresponding CARB issued Executive Order.
- m. Financial documentation identifying the method and date of final payment from the purchaser to the dealer must be provided to the Grantee prior to voucher redemption. This can be a copied check or transaction showing an electronic money transfer. If lease or financial arrangements involve a third party, they must also be identified with the title or lienholder clearly indicated. Digital inspection photos of the vehicle showing that it is ready to be placed into service must be provided prior to voucher redemption. In instances where vouchers for an order of 10 or more vehicles are being redeemed at the same time, a "group photo" may be uploaded, however a list of the VINs of all pictured vehicles must accompany the photo.
- n. A HVIP Vehicle Inspection Form signed by an HVIP Approved Dealer or Manufacturer must be submitted electronically prior to voucher redemption.
- o. A signed copy of the voucher redemption form must be provided prior to voucher redemption. The Dealer and purchasing fleet must sign electronically.
- p. All documents that are submitted to the Grantee or its subcontractor for processing voucher redemption must clearly indicate the voucher number or the VIN.
- q. The dealer must submit all voucher redemption documentation within 60 calendar days of receipt of payment. Failure to provide all the required documentation by this deadline may nullify the voucher. Payment is inclusive of the vehicle itself but does not need to include related items such as vehicle training that the dealer / manufacturer may be providing to the purchaser.
- r. In instances when a batch of vouchers is not redeemed within 540 calendar days of the date of the voucher request (or the date on which the request was moved off a waitlist), a non-fungible redemption schedule may be imposed at CARB's sole discretion, in lieu of cancellation at the 18-month mark. If such a schedule is permitted, vouchers not redeemed in accordance with the schedule will be cancelled on the corresponding dates outlined by the schedule.

When program funding is available, it is the goal of HVIP to provide payment to the dealership within 7 business days from the time the eligible voucher redemption form and all associated documentation is received by the Grantee. If the voucher payment is delayed beyond 10 business days from the time the eligible voucher redemption form and associated documentation is received, the Grantee will notify the dealership by phone or email at the earliest possible time of such delay.

A vehicle dealer must provide CARB (or its designee) with all requested information related to voucher redemption for compliance with requirements found in this HVIP Implementation Manual within 10 calendar days of CARB's written request for such information. Any vouchers found to be not in compliance with HVIP requirements or for vehicles not in compliance with the corresponding CARB Executive Order will be cancelled.

Dealers and participating fleets that provide false or misleading information may be barred from future participation in CARB incentives and may be subject to enforcement action or other legal remedies at CARB's sole discretion.

It is the Grantee's responsibility to notify the dealer that the voucher request or redemption has been rejected in writing within 5 business days of receipt of signed Terms and Conditions forms or vehicle documentation that disqualifies the vehicle and/or voucher request or redemption. Any rejections will include the reason for a rejected voucher request or redemption.

Vouchers that have been cancelled by the Grantee may be reviewed by CARB at CARB's sole discretion. To request such a review, the dealer must reach out to [voucherprocessing@tetrattech.com](mailto:voucherprocessing@tetrattech.com) within 10 calendar days of the date of the cancellation. Only the dealer can request a review. Vouchers cancelled due to the manufacturer and purchaser caps are not eligible for CARB review. If the only basis for the request for review is that the dealer or purchaser disagrees with the policies set forth in HVIP Terms and Conditions and the Implementation Manual, there is no basis for a review. If a review is underway, updates may be requested monthly by contacting [voucherprocessing@tetrattech.com](mailto:voucherprocessing@tetrattech.com). If vouchers that are the subject of an active CARB Case Review reach their expiration date in the Voucher Processing Center, they will not be cancelled pending the outcome of CARB's review. If a review is requested because the dealer or purchaser disagrees with the cancellation, but new information is not provided to support the review of the cancelled vouchers, the vouchers will remain cancelled.

## 5. Vehicle Voucher Amounts

All eligible vehicles may receive an HVIP voucher for up to the funding amounts identified in the tables below. The Public Transit Bus Plus-up found in Table 3 are reserved for transit buses purchased by a city or county government; a transportation district / transit district; or a public agency. Public transit includes paratransit services operated by a public transit agency. Only vehicles domiciled in a Disadvantaged Community are eligible for the Disadvantaged Community voucher enhancement, or any vehicle purchased or leased by a California Native American tribal government (for Tribe eligibility requirements see Section D(2)(f)). The Class 8 Fuel Cell plus-up is for vehicles fueled exclusively with hydrogen and not capable of being recharged with electricity.

**Public Transit Bus Set-Aside:** \$70 million for zero-emission transit bus incentives in FY21-22. When the set-aside funds are fully requested, HVIP will continue to allow standard HVIP voucher requests for all public transit bus fleets subject to funding availability.

**Innovative Small e-Fleets:** \$25 million of pilot funding for incentives for small trucking fleets and independent owner operators for FY21-22. Adding Innovative Small e-Fleets to HVIP allows CARB to implement new and innovative mechanisms including, but not limited to flexible leases, peer to peer truck sharing, truck as a service, assistance with infrastructure, individual owner planning assistance, as well as other mechanisms. ***See more details in Appendix F, which will be published separately from this document. The requirements for this funding differ from standard HVIP. Interested parties can contact [isef@californiahvip.org](mailto:isef@californiahvip.org) for additional information. Dealers' participation in standard HVIP is unrelated to participation in or training for ISEF. Projects cannot be co-funded between ISEF and standard HVIP.***

**Public School Bus Set Aside for Small and Medium Air Districts:** \$130 million in FY21-22. This set-aside funding is for California public school bus fleets purchasing zero-emission school buses in small and medium air districts. ***Details about eligible applicants, scrappage, and other project requirements are in Appendix G. The requirements for this funding differ from standard HVIP.*** HVIP will continue to allow standard HVIP voucher requests for any school buses not eligible for the set-aside, and for all zero-emission school buses if set-aside funding is exhausted, subject to funding availability.

**Drayage Truck Set-Aside:** \$75 million for zero-emission drayage truck incentives (class 8 tractors performing drayage operations). The \$150,000 voucher amount for drayage truck early adopters will continue through December 31, 2022.

In order to qualify for the Drayage Truck Early Adopter incentive, purchasers must submit a copy of their permission to enter a port or railyard to [voucherprocessing@tetrattech.com](mailto:voucherprocessing@tetrattech.com) within 30 calendar days of the voucher request. Acceptable documentation includes Uniform Intermodal Interchange and Facilities Access Agreement UIIA Authorization, concession agreements, or other forms of drayage operations permissions. If Drayage operations are being performed at the Port of Los Angeles, the permissions document must specify this.

*Drayage trucks are defined by CARB regulation Article 4.5, Chapter 1, Division 3, title 13, section 2027, California Code of Regulations as: Any in-use on-road vehicle with a (GVWR) greater than 33,000 pounds that is used for transporting cargo, such as containerized, bulk, or break-bulk goods, that operates on or transgresses through a port or intermodal railyard property for the purpose of loading, unloading or transporting cargo, including transporting empty containers and chassis or off port or intermodal railyard property transporting cargo or empty containers or chassis that originated from or is destined to a port or intermodal railyard property.*

*Drayage trucks are not:* Vehicles operating off of port or intermodal railyard properties that transport cargos that have originated from a port or rail yard property but have been off-loaded from the equipment (e.g., a trailer or container) that transported the cargo from the originating port or rail yard or Vehicles operating off of port or intermodal railyard properties that transport cargos that are destined for a port or rail yard but will be subsequently transferred into or onto different equipment (e.g., a trailer or container) before being delivered to a seaport or intermodal railyard.

Zero-Emission Vehicle (ZEV) Voucher Table

<b>Vehicle Weight Class</b>	<b>Base Vehicle Incentive</b>
Class 2b	\$7,500
Class 3	\$45,000
Class 4-5	\$60,000
Class 6-7	\$85,000
Class 8	\$120,000
<b>ZEV Voucher Modifiers (plus-ups and deductions from base)</b>	
Class 8 Drayage Truck Early Adopter	+25%
Disadvantaged Community  For vehicles domiciled in a disadvantaged community that are purchased or leased by any public or private small fleet with 10 or fewer trucks or buses, and less than \$50 million in annual revenue for private fleets, or for any purchase or lease by a California Native American tribal government. There is no revenue provision for public fleets.	+15%
Class 8 Fuel Cell	+100%
Public Transit Agencies	+15%
School Buses for Public School Districts (unless part of the Public School Bus Set Aside for Small and Medium Air Districts; see Appendix G for set-aside voucher amounts)	+65%
Plug-in Hybrid (>35 mi AER)	-50%
In-Use Converted/Remanufactured	-50%

For a zero-emission vehicle conversion voucher, the dealer may sell a powertrain/drivetrain installed in a vehicle identified at the time of voucher request. The dealer is prohibited from requesting a voucher for a transaction involving only the powertrain/drivetrain without installation of the powertrain/drivetrain into a vehicle identified at the time of voucher request.



### Eligible ePTO Voucher Amounts

Energy Storage Capacity	Base Vehicle Incentive <sup>1</sup>
3 – 10 kWh	\$20,000
10 - 15 kWh	\$30,000
> 15 kWh	\$40,000

<sup>1</sup>ePTO funding amounts may cover up to 50 percent of the incremental cost of the ePTO vehicle, not to exceed the funding levels listed in this table.

An approved vehicle's voucher amount is determined by the vehicle's Base Vehicle Incentive which is associated with the vehicle's weight class and then multiplied by the appropriate modifiers. A plus-up modifier increases the voucher amount while a discount modifier decreases the voucher amount. There can be multiple modifiers, but the additions or subtractions do not compound. For example, a full-sized urban bus (class 8, \$120,000), sold to a transit agency (15% x \$120,000), and domiciled in a qualifying DAC (15% x \$120,000) would receive the base voucher amount of \$120,000 plus the sum of its modifiers (\$18,000 + \$18,000), or \$150,000. Dealers must indicate claimed plus-up(s) when requesting a voucher. Documentation submitted during voucher request and/or redemption will be used to confirm claimed plus-up eligibility and final voucher amount.

## 6. Disadvantaged Communities Voucher Enhancements

In 2014, the California Environmental Protection Agency (Cal/EPA) identified disadvantaged communities (DAC) for the purposes of SB 535 using the California Communities Environmental Health Screening Tool (CalEnviroScreen 2.0). In 2017, Cal/EPA updated the list of disadvantaged communities based on the newer CalEnviroScreen 3.0 model and identified low-income communities for the purposes of implementing AB 1550. CARB will use the 2017 CalEnviroScreen 3.0 based list of disadvantaged communities and the new low-income communities to determine compliance with AB 1550 requirements. More information on the CalEnviroScreen model and disadvantaged communities is available on Cal/EPA's website<sup>9</sup>.

To ensure that HVIP continues to meet its goal of providing funding in disadvantaged communities, and to satisfy AB 1550 requirements, a set aside of HVIP funding might be needed. Throughout the project year, if data shows that HVIP is not meeting AB 1550 goals, funding will be earmarked for vehicles located in disadvantaged communities. As part of the reporting requirements associated with Low Carbon Transportation funding, CARB will track where these funds are spent so the portion that is spent

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<sup>9</sup> <http://www.calepa.ca.gov/EnvJustice/GHGInvest/>

in disadvantaged and low-income communities can be calculated and reported in future annual reports to the Legislature.

Dealers are responsible for indicating DAC eligibility on the voucher request form, and the grantee will verify to ensure the DAC incentive is applied to all eligible vouchers. Voucher enhancements will be applied for domicile addresses that fall within the pink and pink/blue striped boundaries of a DAC using the mapping tool at:

<https://www.arb.ca.gov/cc/capandtrade/auctionproceeds/communityinvestments.htm> and meet the following criteria.

The DAC incentive is 15% and is only available for vehicles domiciled in a disadvantaged community that are purchased or leased by any public or private small fleet with 10 or fewer trucks or buses, and less than \$50 million in annual revenue for private fleets -- or for any purchase or lease by a California Native American tribal government [more on tribal government application requirements in Section D(2)(f)]. The revenue provision includes all revenues from subsidiaries, subdivisions, or branches. There is no revenue provision for public fleets.

A small fleet is defined as any entity that has 10 or fewer vehicles with a GVWR greater than 8,500 lbs under common ownership and control and domiciled in California, Unredeemed HVIP vouchers count toward this total. For example, a fleet with 8 vehicles with a GVWR greater than 8,500 lbs under common ownership and control and domiciled in California that also has 4 existing unredeemed voucher requests does not qualify as a small fleet in HVIP. Any entity requesting more than 10 HVIP vouchers also does not qualify as a small fleet in HVIP.

## 7. Maximum Allowable Voucher Amount

For privately owned vehicles, the total voucher amount including HVIP Base Vehicle Incentive plus voucher enhancements, plus all other eligible public incentives – or other discretionary public funding such as grants -- may not exceed 90 percent of the total vehicle cost (excluding taxes and fees). For publicly owned vehicles, including public school buses, public transit buses, and municipal vehicles, the sum of HVIP and other eligible public funding may not exceed the full vehicle cost excluding taxes and fees. Utilities that are investor-owned are not public entities.

Vouchers exceeding the above limits will be adjusted to the maximum allowable voucher amounts. HVIP funding may not pay for any taxes or fees. Taxes and fees must be paid for by another funding source. The total vehicle cost is to be determined by CARB in consultation with the vehicle manufacturer, based upon the vehicle invoice sale price, typical industry standard costs for that vehicle technology and type, and other factors. In addition, HVIP voucher amount for vehicles equipped with ePTO may not exceed the cost of the ePTO system. For plug-in hybrid heavy-duty vehicles, funding amounts may cover up to 50 percent of the incremental cost of the hybrid vehicle, not to exceed the funding levels listed in the Voucher Tables in this document.

HVIP vouchers for zero-emission vehicles are not restricted to vehicle incremental cost, in order to help accelerate the market for this more advanced and costly vehicle technology.

## 8. Combining with Other Funding Sources

HVIP vouchers may be combined or “stacked” with other eligible public incentives, where applicable, to further support fleet purchase decisions. HVIP’s intent is to substantially offset the cost of new technology, without exceeding the amount of public funding needed to influence a purchase decision. To stack eligible public incentives, the dealer and purchaser must ensure that all of HVIP’s and respective public incentive program’s requirements and policies regarding the stacking of public funds are met. Local- and federal-funded incentives may be combined with HVIP vouchers, so long as each incentive program is not paying for the same incremental costs, or the total sum of incentives does not exceed the total cost of the vehicle.

Local incentives that may be combined with HVIP include programs administered by local air districts or local municipalities that are locally funded. AB 923 funds administered by local air districts may also be combined with HVIP for school buses only. Examples of programs funded by local air districts and not the State that may be stacked with HVIP include, but are not limited to, the following:

- Sacramento Metropolitan AQMD’s Sacramento Emergency Clean Air & Transportation (SECAT) Grant Program
- South Coast AQMD’s Mobile Source Air Pollution Reduction Review Committee (MSRC) grants
- Bay Area AQMD’s Mobile Source Incentive Fund and Transportation Fund for Clean Air
- San Joaquin Valley Air Pollution Control District’s Heavy-Duty Truck Replacement Program

Federal incentive programs may be combined with HVIP vouchers, including funding provided by the Federal Transit Administration (FTA), the Department of Energy (DOE), and other federal agencies.

Except for public transit buses, stacking HVIP with State-funded incentives is not allowed. The list of State-funded incentive programs that MAY NOT be combined with HVIP include, but are not limited, to the following:

- California Climate Investments (CCI)
- Volkswagen Environmental Mitigation Trust for California (VW Mitigation Trust)
- Carl Moyer Memorial Air Quality Standards Attainment Program (Carl Moyer Program)
- Community Air Protection Incentives to Reduce Emissions in AB 617 Communities
- Goods Movement Emission Reduction Program (Prop 1B Program)
- Transit and Intercity Rail Capital Program (TIRCP)
- Low Carbon Transit Operations Program (LCTOP)
- Alternative and Renewable Fuel and Vehicle Technology Program (ARFVTP)

Transit buses operated by a city or county government; a transportation district / transit district; or a public agency, including paratransit services, are the exception to the above requirements and may stack State-funded incentives with HVIP. When stacking HVIP vouchers with other funding sources for public transit buses, HVIP funding may be combined with the provision that HVIP will only fund the remaining cost up to the maximum voucher amount after the other incentives have been applied at their maximum allowable amounts.

## 9. Example Calculations

This section provides example calculations of the maximum allowable HVIP voucher amount, based upon assumptions regarding other potential funding sources. These examples are for illustrative purposes only. The actual maximum voucher amount will depend upon each specific circumstance.

**EXAMPLE 1:** A local air district grant provides \$100,000 to a private fleet to replace an old truck with a new \$140,000 diesel truck of 35,000 lbs GVWR. HVIP augments this grant by providing a \$150,000 voucher for the purchaser to upgrade to a \$300,000 zero-emission truck. The zero-emission truck incremental cost is \$160,000. HVIP voucher amount combined with the air district funding cannot exceed 90 percent of the zero-emission vehicle purchase cost (excluding taxes and fees). HVIP funding may not pay for any taxes or fees. Taxes and fees must be paid for by another funding source.

In this case, \$150,000 HVIP voucher < \$160,000 vehicle incremental cost

\$100,000 district grant + \$150,000 HVIP voucher = \$250,000

\$300,000 \* 90 percent = \$270,000

\$250,000 total public funds < 270,000

The transaction can proceed without discounting HVIP voucher.

**EXAMPLE 2:** Transit agencies receive an 80 percent grant from the FTA for most new vehicle purchases, including new zero-emission vehicle purchases. For example, suppose a public transit agency receives a \$640,000 FTA grant towards the purchase of a new \$800,000 battery-electric zero-emission transit bus of 45,000 lbs. GVWR. The transit agency also receives \$20,000 in Congestion Mitigation and Air Quality (CMAQ) funding for the bus. In this example, the transit fleet is also receiving \$100,000 from CalSTA's Transit and Intercity Rail Capital Program (TIRCP). Since it is a zero-emission public transit bus, the sum of HVIP voucher and all other public incentives may not exceed the full vehicle cost and funding from other state incentive programs may be combined. Therefore, the maximum allowable HVIP voucher could not exceed \$40,000 as HVIP vouchers may be applied after all other funding sources have been accounted for.

\$640,000 FTA Grant + \$20,000 CMAQ Funding + \$100,000 TIRCP Funding

= \$760,000 Other Public Incentive Funds

HVIP voucher cannot exceed \$40,000

The maximum allowable voucher amount may not exceed \$40,000 since the sum of all public incentives cannot exceed the full vehicle cost. The HVIP voucher will be discounted to \$40,000.

**EXAMPLE 3:** A trucking fleet is replacing a 2009 Class 8 truck with a new zero-emission truck. The fleet has secured funding from the Volkswagen (VW) Environmental Mitigation Trust. This vehicle is not eligible for an HVIP voucher because it is already receiving incentive funding from another state incentive program and the fleet is not a public transit agency purchasing a zero-emission transit bus.

## 10. Funding Shortfall Provisions

### **Randomization:**

If standard HVIP is closed to new voucher requests due to oversubscription of funds, a randomization process may be used to manage demand when HVIP reopens.

Specifically, for the first 24 hours when the online Voucher Processing Center is open to new voucher requests (until 9:59 a.m. Pacific on the day after opening day), the submitted requests will not be assigned a status of funded OR unfunded. If the cumulative dollar value of all requests received during the first 24 hours is **lower** than the amount of available funds, funds will be assigned in the order the requests were received, based on the timestamp. If a batch is requested, funding will be assigned for all requests in the batch (as long as funds are available).

Duplicate voucher requests will be removed before funds are assigned. Duplicates are defined as two voucher requests, or two separate batches of voucher requests, for the same purchaser, vehicle, and vehicle domicile location. If two or more duplicate batches of different quantities are submitted, the smaller will be deleted.

After funding has been set aside, the initial review of the voucher will commence as specified in this Implementation Manual. After the first 24 hours that HVIP is open, the amount of funding requested to date will be posted on the HVIP website and any additional voucher requests submitted thereafter will be assigned funds in the order they are received based on timestamp.

If the dollar value of all requests received during the first 24 hours is **greater** than the amount of available funds, funding will be assigned using a randomization process.

Specifically, requests will be assigned their place in the queue for funding using a random-number generator, with the caveat that requests for vehicles domiciled in a DAC will be assigned funded status before the remaining voucher requests, as will any requests for vehicles purchased / leased by a California Native American Tribal Government. Purchasers do not need to meet all qualifications for the DAC plus-up as defined in this Implementation Manual in order to be allocated prioritization, as long as the vehicle is domiciled within a DAC or purchased / leased by a tribal entity.

If requests for DACs / tribal entities made in the first 24 hours do not exceed available funds, voucher requests for DACs / tribal entities will be assigned funding in the order they were received based on

timestamp, and all remaining requests that had been received during the initial 24 hours will be randomized as described below as needed based on demand. If requests for DACs / tribal entities made in the first 24 hours exceed available funds, these requests will be randomized first and all other requests will be randomized separately and remain on a contingency list as described below.

The process of applying the randomization will be conducted by the Grantee and witnessed by CARB staff. The process will be video recorded, and the recording will be available upon request by contacting [voucherprocessing@tetrattech.com](mailto:voucherprocessing@tetrattech.com). Any batch of requests-- which includes more than one vehicle request with the same purchaser, vehicle, and domicile submitted together or individually-- will be assigned one "group" number for randomization, not multiple numbers for each vehicle in the batch, and all vouchers in the batch will receive funding according to that position in the queue.

Any requests not allocated funding via the randomization process will then remain on a contingency list for 90 calendar days after the date that funding status is announced. They will be assigned funds -- in the order of their randomly assigned number designating their place in the queue for funding -- if any requests are cancelled during the initial review period. At the end of 90 calendar days the remaining unfunded contingency list will be cancelled.

Note: If randomization is needed due to demand, funds for standard HVIP, transit set-aside funds, and drayage set-aside funds, as referenced in this Implementation Manual, will be assigned within their own cohort. Innovative Small E-Fleet and Public School Bus Set Aside for Small and Medium Air Districts funds will not be randomized. See Appendices F-G for details on these set-asides.

***Small Fleet Provision:***

To ensure that small fleets have an opportunity for funding, HVIP will reserve \$25 million of traditional HVIP funds (exclusive of set-asides) for fleets of 10 or fewer trucks and buses until the third quarter of 2022. If small fleets have not already requested at least \$25 million by October 1, 2022, any remaining funding from the \$25 million reserve would be available to fleets of any size.

A small fleet is defined as any entity that has 10 or fewer vehicles with a GVWR greater than 8,500 lbs under common ownership and control and domiciled in California. Unredeemed HVIP vouchers count toward this total. For example, a fleet with 8 vehicles with a GVWR greater than 8,500 lbs under common ownership and control and domiciled in California that also has 4 existing unredeemed voucher requests does not qualify as a small fleet in HVIP. Any entity requesting more than 10 HVIP vouchers also does not qualify as a small fleet in HVIP.

***Waitlist:***

When available voucher funding is fully subscribed, CARB has sole discretion to permit a waitlist, and only if adequate funding will be available in the following budget cycle to cover a waitlist. Waitlisted voucher requests will be submitted to the Grantee following existing voucher processing procedures.

When funding is available, waitlisted voucher requests will be reviewed in the order they were received by the Voucher Processing Center. If CARB provides case-by-case approval for any dealers /

manufacturer to deliver a waitlisted vehicle during the waitlist period, any such voucher requests will be reviewed first when funding is available.

Requests are subject to the Implementation Manual and the Terms and Conditions that are in place at the time they are converted to funded vouchers, not the version in place at the time the waitlist request is initially made (if different).

If a waitlist request is made in a different calendar year than the calendar year in which it is converted to funded status, the fleet cap applies to the year in which it is converted to funded status. For example, if a fleet places a waitlisted request for 20 delivery vans in 2022 and the request moves off the waitlist and is funded in 2023, the fleet has 20 vehicles toward its 30-voucher cap for 2023.

All waitlisted voucher requests for vehicles that will be leased require a lessee to be named on the request. All waitlisted voucher requests must include a vehicle model year that is included in the HVIP Eligible Vehicle Catalog.

If a waitlist is only kept for a pre-specified amount of time in order to fill in for cancellations, it is referred to as a contingency list, and its use will be specified in advance (i.e., the 90-day contingency list in the Randomization section above).

## D. DUTIES AND REQUIREMENTS

### 1. Vehicle Dealers

#### a. ELIGIBLE PARTICIPANTS

Truck and bus dealers play a central role in HVIP's success. The Grantee will work with CARB to develop/maintain a list of dealers eligible to participate in HVIP, and to receive a written commitment from these dealers to comply with all applicable project requirements. The eligible dealer list will be used to streamline project access while ensuring project transparency and accountability. The following entities may be considered eligible vehicle dealers for the purposes of HVIP:

- i. A truck or bus dealership that has had a valid business license for the past two years, has an official dealer license and has a written agreement with a medium- or heavy-duty vehicle manufacturer.
- ii. A truck, van or bus vehicle manufacturer that manufactures HVIP eligible vehicles and sells those vehicles directly to fleets.
- iii. A truck, bus or equipment manufacturer that has a written agreement with another medium- or heavy-duty vehicle manufacturer that has had a valid business license for the past two years and an official dealer license.

- iv. A manufacturer that manufactures engines certified to the optional Low NOx standard of 0.01 g/bhp-hr, or dealer in possession of an official dealer license and selling such engines.

A truck, van or bus manufacturer or dealer that converts an existing vehicle and has had a valid business license for the past two years and either has an official dealer license OR automotive repair dealer license.

The HVIP Approved Dealer is defined as the vendor of the completed vehicle or vendor that sells and installs engines in existing vehicles, and not the vendor of the vehicle chassis. **An HVIP Approved Dealer must be the individual responsible for the final invoice to the purchasing fleet AND delivery of the completed vehicle.**

For the purposes of HVIP, an HVIP Approved Dealer may be considered a dealership or OEM salesperson, grant manager, financial controller, or similar role. Those individuals are responsible for requesting and redeeming vouchers for a vehicle they are approved to sell according to the HVIP Eligible Vehicle Catalog ([californiaHVIP.org](http://californiaHVIP.org)). An entire dealership (or manufacturing organization) is not entitled to request HVIP vouchers when it employs an HVIP-approved dealer. Rather, individuals at the dealership are responsible for becoming an approved HVIP dealer if they wish to request their own vouchers. Each separate office location of a dealership or manufacturing organization is limited to 3 individual VPC accounts. Sharing VPC accounts with unauthorized users and a VPC account used by multiple individuals are prohibited. Manufacturers or other affiliated parties who are not authorized dealers do not have access to the VPC and can request voucher status information directly from the dealer who submitted the voucher request.

If a dealership or manufacturer entity has at least one active HVIP dealer, requests to add more are limited to once per quarter (Jan-March, April-June, July-Sept, Oct-Dec). Exceptions can be granted by contacting [dealertraining@californiahvip.org](mailto:dealertraining@californiahvip.org).

#### b. HVIP APPROVED DEALER RESPONSIBILITIES

The Grantee will work with vehicle manufacturers to maintain a list of dealers authorized to receive HVIP vouchers. Dealer responsibilities include:

- i. Familiarity with all HVIP requirements.
- ii. Participation in dealer training and registration.
- iii. Providing accurate information to vehicle purchasing fleet, the Grantee, and CARB.
- iv. Completing voucher request and voucher redemption forms, with the assistance of the vehicle purchasing fleet, and in supplying the necessary vehicle purchase documentation.
- v. Ensuring access to the correct vehicles in the VPC by checking the HVIP Eligible Vehicle Catalog ([californiaHVIP.org](http://californiaHVIP.org)) and notifying the Grantee if it appears inaccurate.
- vi. Issuing the final vehicle invoice to the purchaser and delivering the completed vehicle to the designated domicile location.



- a. Invoices must show the HVIP voucher amount being provided to the purchaser to discount the purchase or lease of the vehicle.
- vii. Holding a current and valid dealer license that permits selling vehicles within California.
- viii. Providing accurate and complete documentation of the vehicle purchase to the Grantee.
- ix. Providing reasonable assistance to CARB or its designee to obtain updated purchaser/fleet information, inspect vehicles, and review HVIP related records during the first three years after vehicle receipt and final payment by the purchasing fleet, whichever is later.
- x. Frequently checking the HVIP webpage at [CaliforniaHVIP.org](http://CaliforniaHVIP.org) for updates and announcements.

HVIP is intended to lower the vehicle price for purchasers by the full voucher amount. Vehicle dealers must deduct the full voucher amount from the vehicle purchase price to be eligible for a voucher. Sales tax for the vehicle purchase shall be based upon the pre-voucher cost of the vehicle. The invoices provided by the dealer as proof of purchase for voucher redemption must itemize all vehicle charges (e.g., price of the vehicle, delivery fee, all applicable taxes, etc.) and must show the deduction of the voucher amount from the purchase price for the purchaser. Voucher requests and redemptions in which the voucher amount is deducted from the purchase price for entities other than the purchaser, such as the leasing company, are prohibited and the vouchers will be cancelled. Private fleets accessing loan financing toward the HVIP-funded vehicle must provide proof of a down payment that is at least as much as the voucher amount. Dealers and purchasing fleet are required to disclose other sources of public funding. Voucher requests cannot list the dealer or the leasing entity as the purchaser or lessee.

Upon CARB case-by-case approval and only when necessary to support the goals of HVIP, vouchers may be reimbursed directly to the purchasing fleet. The fleet will be required to provide CARB additional information including, but not limited to, a signed letter in which they state this request and confirm their understanding that this is a departure from standard HVIP procedure, and a copy of a paid invoice showing the voucher amount was paid to the dealer.

The voucher request form and voucher redemption form both are legally binding and enforceable agreements to meet the requirements of the project. The dealer is responsible for ensuring the accuracy of the vehicle and dealership information on all voucher request or redemption forms submitted to the Grantee. Submission of false information on any of these forms may result in cancellation of the voucher, recapture of funds, and removal from the dealer list. In addition, CARB may seek other remedies available under law.

Participating dealers must keep written records of sales transactions for vehicles funded with an HVIP voucher – including but not limited to the vehicle invoice and proof of purchase -- for three years after the vehicle receipt and final payment by the fleet, whichever is later. A vehicle dealer must provide CARB (or its designee) with all requested information related to compliance with HVIP requirements or any vehicle(s) purchased with a HVIP voucher within 10 calendar days of CARB's written request for such information. Requested information may include but is not limited to purchase orders or agreements and vehicle payment information and related bank records.

A dealer with no voucher activity for more than a year may be deactivated from the VPC. Reactivation may require additional dealer training. All dealers associated with unredeemed vouchers (voucher owner) are required to keep their VPC account active, including any required training. This also applies where account sharing is enabled.

Dealers that submit false information to the Grantee or inflate the price of a funded vehicle may be required to return the full voucher amount to the Grantee or CARB and may be excluded from future participation in HVIP. In addition, CARB may seek other remedies available under law.

Dealer or manufacturer violations of any parameter of the IM may result in CARB barring or limiting the number of new voucher requests that can be placed by that dealer or manufacturer, and by any other dealers from an affiliated dealership. The length of the restriction is at CARB's sole discretion and can be up to 365 calendar days.

## 2. Vehicle Purchaser

### a. PURCHASER RESPONSIBILITIES

The purchaser is responsible for participating in the preparation of voucher request and redemption forms with the dealer and for paying the non-voucher portion of the vehicle cost. To receive an HVIP voucher:

The purchaser must be a business, non-profit, or government entity which is based in California or has a California-based affiliate. Vehicles for personal use are not eligible for HVIP funding.

- a. If a private entity, the purchaser must be registered with the California Secretary of State
- b. A tax identification number (TIN) must be provided from the purchaser at the point of voucher request. CARB or its designee may utilize the California Secretary of State Business Search portal (<https://businesssearch.sos.ca.gov/>) to determine whether a purchaser is eligible for HVIP funding.
- c. Businesses and non-profits that are not registered with the California Secretary of State or unable to provide a TIN are not eligible for HVIP,
- d. Businesses and non-profits not listed on the portal that believe they are valid HVIP-eligible purchasers as defined by this manual may submit a letter describing why they are not listed to [voucherprocessing@tetrattech.com](mailto:voucherprocessing@tetrattech.com) at the time of the voucher request for consideration by CARB.

The purchaser must demonstrate access to necessary charging/fueling equipment at the domicile location located in California and capability to support all the vehicles identified in the voucher request.

A residential address may NOT be used as a vehicle domicile location unless specifically approved by CARB. Purchasers intending to use a residential address as a vehicle domicile location must provide a letter of explanation as to the commercial use of the residential property to [voucherprocessing@tetrattech.com](mailto:voucherprocessing@tetrattech.com) at the time of voucher request, or the voucher will be cancelled. The

letter must explain the infrastructure and parking parameters that support the vehicles identified in the voucher request at the residential location that make it suitable for commercial use, the number of commercial vehicles domiciled on the site, and the date that commercial vehicle activity started at the site. The letter also must include a copy of the purchaser's charging policy and strategy showing plug-in access for all HVIP-funded vehicles domiciled at the site. The purchaser must demonstrate access to necessary charging equipment at the domicile location and capability to support all the vehicles identified in the voucher request or the vouchers will be subject to cancellation.

A purchaser for the purposes of HVIP is the fleet or individual owner / operator who will operate the vehicle for a minimum of three years after voucher redemption, whether through lease or direct purchase. A purchaser is not a manufacturer, dealership, leasing company, or any entity that enters into any agreement with another party to operate the vehicle. Dealerships, leasing entities, manufacturers, and any entities under common ownership or control with such establishments are prohibited from requesting a voucher as a purchaser. Entities, including entities under common ownership and control that have been identified as a dealership, leasing entity, or manufacturer in HVIP transactions beginning January 1, 2022, are prohibited from requesting new vouchers as a purchaser.

Purchasers must be in compliance with the California Truck and Bus Regulation (TRUCRS). Fleets are encouraged to have their TRUCRS Compliance Certificate renewed at the start of each calendar year to facilitate timely compliance checks. Out-of-compliance fleets and businesses are not eligible for HVIP incentives and vouchers for fleets found to be out of compliance with any regulation cannot be redeemed. Lessees are not permitted to use the lessor's TRUCR ID; they must have their own TRUCR ID, unless their lease agreement states that the lessor is responsible for maintenance and compliance.

Purchasers must maintain insurance as required by law. If the purchased vehicle is destroyed or otherwise permanently inoperable due to a crash or for any other reason, the vehicle purchaser must notify the Grantee. The notification must provide proof that the specific funded vehicle has become inoperable, including photographs of the inoperable vehicle with license plates or other identifying markings, as well as any applicable insurance or police documentation.

The purchaser must commit to operate the vehicle in California for at least three years after the voucher redemption date. Vehicles registered in a California county that borders another state or Mexico and emergency response vehicles may accrue up to 25 percent of their mileage each year for the three-year reporting period outside of California, without prior approval. Class 8 freight trucks, including port drayage trucks, may accrue up to 50 percent of their mileage each year outside of California without prior approval, as long as goods are being transported to or from California. Vehicles that are registered via the California DMV's International Registration Plan may also accrue up to 50 percent of their mileage each year outside of California without prior approval. All other vehicles must operate 100 percent within California for at least three years. Mileage is verified via telematics reporting by the manufacturer.

Purchasers must not make or allow any modifications to the vehicle's emissions control systems, hardware, software calibrations, or hybrid system (Vehicle Code Section 27156).

Purchasers must submit annual surveys for three years. Surveys will be provided by CARB or Grantee for completion by the vehicle purchaser. Fleets and businesses that systematically fail to submit accurate and timely surveys/questionnaires may be prohibited from future HVIP and other incentive participation.

Purchasers must agree to Telematics requirements specified in Section B(1)(l), except vehicles equipped with engines certified to the optional Low NOx standard of 0.01 g/bhp-hr as of the publication of this document.

Purchasers must allow CARB, the Grantee, or their designee to verify the vehicle registration with the DMV. The DMV registration must match the vehicle listed on the CARB Executive Order.

Purchasers must be available for follow-up inspection if requested by the Grantee, CARB, or CARB's designee.

Military vehicles are not subject to some conditions (see Terms and Conditions Appendix).

Purchasers must disclose all sources of public funding used in combination with HVIP funds.

The purchaser is responsible for ensuring the accuracy of the vehicle, engine and purchaser information on the voucher request and redemption forms. Submission of false information on either of these forms may be considered a criminal offense and is punishable under penalty of perjury under the laws of the State of California.

If a batch of more than 5 vouchers is requested, and the batch represents the fleet's first vehicles domiciled in California, the fleet must submit a letter to [voucherprocessing@tetrattech.com](mailto:voucherprocessing@tetrattech.com) within 30 calendar days of the voucher request, explaining the operations that are anticipated for these vehicles for the first year after vehicle delivery.

Purchasers must keep written records of the vehicle purchase for vehicles funded with an HVIP voucher – including the vehicle invoice, proof of purchase, and DMV records – for three years after the vehicle purchase transaction. A vehicle purchaser must provide CARB (or its designee) with all requested information related to any vehicle purchased with an HVIP voucher within 10 calendar days of CARB's written request for such information. Requested information may include but is not limited to purchase orders or agreements, vehicle payment information and related bank records, and purchaser fleet information. Vehicle or engine purchasers that submit false information to the Grantee or CARB may be required to return the full voucher amount to the Grantee or CARB and may be excluded from future participation in HVIP. In addition, CARB may pursue other remedies available under the law.

#### b. RESALE OF VEHICLES

Purchasers participating in HVIP are expected to keep the vehicle and meet all applicable project requirements for a minimum three-year period after the date of voucher redemption. However, resale of a vehicle may be allowed within this three-year period if necessitated by unforeseen or unavoidable circumstances. Resale of an HVIP funded vehicle must receive CARB written approval **prior to resale**; the name, phone number, and email address of the prospective new purchasing organization must be provided to [voucherprocessing@tetrattech.com](mailto:voucherprocessing@tetrattech.com) before the sale. At that time, a copy of the current

Purchaser Terms and Conditions Form will be provided to the prospective new vehicle purchaser to review before the sale. If written approval to resell the vehicle is provided by CARB, the original vehicle purchaser must provide documentation of the transaction to [voucherprocessing@tetrattech.com](mailto:voucherprocessing@tetrattech.com) as proof that the original voucher amount was passed on to the new purchaser. A vehicle purchased with an HVIP voucher may not be resold more than once within three years of the original purchase date. Any resale request is required to comply with the IM in effect at the time of the resale request.

For vehicles resold within three years of the original purchase date (and after CARB provides written approval), the original vehicle purchaser must provide the new purchaser of applicable voucher project requirements. The new vehicle purchaser must meet all HVIP eligibility requirements and agree in writing to meet all applicable program requirements found in the IM in effect at the time of the resale request. **The new vehicle purchaser is prohibited from entering into an agreement with another party to operate the vehicle including, but not limited to, vehicle rentals, vehicle subscription services, vehicle sharing platforms, and fleet-as-a-service models.**

If the vehicle is moved out of the State, resold to an entity that enters into an agreement with another party to operate the vehicle, resold to a purchaser that is ineligible, or resold and the new vehicle purchaser does not agree in writing to meet all applicable HVIP requirements in place at the time of resale, the original vehicle purchaser must refund a prorated portion of their voucher to the Grantee within 30 calendar days, in an amount equivalent to the original voucher amount divided by 36 months and then multiplied by the number of months remaining in the original 36 month period (rounded to the nearest month):  $(\text{Original Voucher Amount} \div 36 \text{ Months}) \times (36 - \text{months since vehicle or engine purchase or lease date})$ .

The original vehicle purchaser must notify CARB Project Liaison in writing of its intent to sell the vehicle at least 7 calendar days prior to the vehicle resale. Within 7 calendar days after the vehicle resale, the original vehicle purchaser must notify the Grantee that the vehicle has been resold and provide the resale price. Within 30 calendar days after the vehicle resale, the entity buying the vehicle from the original vehicle purchaser must also provide the Grantee with: a copy of the signed Terms and Conditions, a copy of the new DMV title documenting of the vehicle resale and terms and conditions signed by the new purchaser, and a written commitment to complete and return the annual usage survey/questionnaire as required by the original voucher. CARB reserves the right to pursue all remedies available under the law for noncompliance with these requirements.

#### c. VEHICLE LEASING

For the purposes of HVIP, any fleet / end-use operator that enters into a lease agreement of three or more years shall be considered the vehicle purchaser. The lease must be specified on the voucher request form and the lease agreement must be uploaded to the Voucher Processing Center before voucher redemption. The vehicle domicile address shall be listed as the lessee fleet address. **Leases shorter than three years are not permitted. Vehicle rentals are not permitted. A purchaser is prohibited from entering into an agreement with another party to operate the vehicle including, but not limited to, vehicle rentals, vehicle subscription services, vehicle sharing platforms, and fleet-as-a-service models. Dealers, manufacturers and any entities under common ownership and control of**

**such establishments are prohibited from being the lessor entity on HVIP voucher requests without approval from CARB. Dealers and manufacturers requesting approval to be a lessor must contact [voucherprocessing@tetrattech.com](mailto:voucherprocessing@tetrattech.com) prior to each voucher request**

The lessor entity must disclose the voucher amount and voucher terms to the vehicle lessee on the lease agreement. The lease agreement must include all commitments needed from the lessee to ensure that 1) the vehicle operates 100 percent in California as required by the voucher redemption form and 2) all required annual Purchaser Surveys will be submitted.

A truck or bus leasing agency based outside of California is eligible to be a lessor if the vehicle is leased to a California business, non-profit, or government entity that will meet all HVIP operational, reporting, and other applicable requirements.

The cost of the vehicle listed on the lease must match the cost of the vehicle reflected on the final invoice from the dealer to the purchaser and must specify the rate in the absence of the HVIP voucher, ensuring that the full value of the voucher has been passed on to the lessee and not to intermediary parties. CARB or its Grantee will review lease agreements to confirm appropriate disclosures are made regarding HVIP voucher amount received and vehicle activity and reporting requirements. The lessor entity must provide CARB (or its Grantee) all requested information related to any vehicle leased with an HVIP voucher within 10 calendar days of CARB's written request for such information. An HVIP voucher can be requested at the time of vehicle purchase only and is not provided at the time a vehicle is leased. If a lease is broken or terminated, the vehicle lessor must notify [voucherprocessing@tetrattech.com](mailto:voucherprocessing@tetrattech.com) within 30 calendar days.

If a lessee defaults on the lease agreement, the lessor must work with the dealer to obtain CARB approval, via [voucherprocessing@tetrattech.com](mailto:voucherprocessing@tetrattech.com), to sell or lease the vehicle if within 3 years of voucher redemption, and the vehicle must remain domiciled in California for 3 years after voucher redemption. If the dealer and the lessor is unable to resell the vehicle, the lessor will be responsible for repaying the prorated voucher amount.

In the instance of a Waitlist, any waitlisted voucher requests for vehicles that will be leased require a lessee to be named on the request.

#### d. BATTERY LEASING

Arrangements in which a vehicle, with the exception of the battery, is purchased and the battery is leased to the vehicle purchaser may be allowed by CARB Project Liaison on a case-by-case basis if the battery lease term is a minimum of three years.

#### e. SCHOOL BUSES

##### *Eligible Applications for School Bus Funding*

Public school districts in California that own their own school buses are eligible to participate in HVIP. This includes public school districts that own their school buses but contract with a County Office of

Education or private contractor for maintenance and operations. Where several public school districts have formed a Joint Powers Authority (JPA), and the JPA holds ownership of the school buses, then the JPA is also eligible to participate. Public charter schools that own their own school buses and County Offices of Education that own their own school buses are also eligible to participate.

Private transportation providers that own their own school buses and contract with public school districts to provide transportation services for public school students are also eligible to participate in HVIP.

Private schools are not eligible purchasers.

#### *School Buses Eligible for All-Electric Conversions*

School buses with current California Highway Patrol (CHP) safety certifications qualify for an all-electric school bus conversion voucher funding if all other requirements in HVIP are met.

***Please see appendix G for information on the Public School Bus Set Aside for Small and Medium Air Districts, which differs from standard HVIP.***

#### f. CALIFORNIA TRIBAL GOVERNMENTS

Tribal governments eligible for HVIP include all federally recognized tribes in California listed on the most recent notice of the Federal Register, and non-federally recognized tribes, including those listed on the California Tribal Consultation List maintained by the California Native American Heritage Commission.

Limited Waiver of Sovereign Immunity: For applicants that are Federally Recognized Tribes or Federally Recognized Tribal controlled entities, all such applicants shall provide and execute a limited waiver of sovereign immunity agreeing to the personal and subject matter jurisdictions of state court and shall require at a minimum, compliance with state construction standards and regulations. Sovereign immunity waiver language shall be included in the voucher agreement and all regulatory and loan or grant agreements, all of which may be accomplished by incorporating by reference a separately executed sovereign immunity waiver instrument.

#### E. OVERSIGHT AND ACCOUNTABILITY

Through administration of longstanding incentive programs such as the Carl Moyer Program, CARB has found that project evaluations and program reviews are essential to ensure that incentive program funds are run in accordance with statutory requirements and that State funds are spent transparently and efficiently. The Grantee is responsible for working closely with vehicle manufacturers, dealers and CARB to safeguard HVIP funds from misuse as it implements HVIP. Vehicle dealers and purchasers

participating in HVIP must provide CARB or its designee and the Grantee access to all requested files and relevant information related to vehicle purchases involving an HVIP voucher.

CARB holds the overarching responsibility for HVIP fund oversight and project accountability and has final authority and sole discretion over all aspects of HVIP, including applicant and vehicle eligibility, and all program requirements. As such, CARB is responsible for monitoring and reviewing the Grantee's implementation of HVIP. The Grantee shall allow CARB, the Bureau of State Audits, or their designated representative the right to review and to copy any records and supporting documentation pertaining to its development or implementation of HVIP. The Grantee must maintain such records for a possible audit for a minimum of three years after final payment from CARB. The Grantee must allow CARB or its designee access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records.

Responsibilities for HVIP oversight include but is not limited to the following:

- a. CARB has primary oversight responsibility for HVIP to ensure transparent and efficient implementation, and that AQIP funds are spent consistent with the requirements of statute, the AQIP Guidelines and Funding Plan, HVIP solicitation and grant agreement with the Grantee, and this Implementation Manual. CARB reserves the right to conduct a site visit, evaluation, review, or audit HVIP for the life of the project grant.
- b. If the Grantee detects any potentially fraudulent activity by a vehicle dealer or purchaser, they shall notify CARB as soon as possible and work with CARB to determine an appropriate course of action.
- c. CARB staff or its designees have primary responsibility for conducting project reviews and/or fiscal audits of HVIP administration and implementation.
- d. Voucher recipients and the Grantee and its subcontractors shall allow CARB, the California Department of Finance, the California Bureau of State Audits, or any authorized designee access, during normal business hours, to conduct HVIP reviews and fiscal audits or other evaluations. Granting of access includes, but is not limited to, reviewing project records, site visits, and other evaluations as needed. Project evaluations or site visits may occur unannounced as CARB staff, or its designee deems necessary.
- e. The Grantee shall, in coordination with CARB, maintain an online Voucher Processing Center (VPC) for dealers to quickly, effectively, and transparently request and redeem vouchers. The VPC shall include all the information necessary for the dealer to submit the voucher request. Only completed and accurate voucher request forms will be accepted. The Grantee will review the voucher request form for eligibility and provide vouchers until HVIP funds are depleted or until CARB pauses requests.



## F. PROJECT NON-PERFORMANCE

CARB or its designee has the authority to recoup HVIP funds which were received based upon misinformation or fraud, or for which the Grantee or its subcontractors, a dealer, manufacturer, or vehicle purchaser is in significant or continual non-compliance with this Implementation Manual or State law. CARB also retains the authority to prohibit any entity from participating in HVIP due to non-compliance with project requirements.

## G. DEFINITIONS

**“Account Sharing”** is a feature within the VPC which allows multiple HVIP approved dealers within the same organization to view/edit one another’s vouchers.

**“Batch”** One voucher request that includes a quantity of more than one, with the same purchaser, vehicle, and vehicle domicile

**“Bill of Lading”** for the purposes of this program means a written receipt that confirms transportation of goods by a carrier (i.e., a binding contract that evidences an agreement of shipment between carrier and shipper; a receipt that acts as evidence of delivery of the shipment).

**“CARB-Certified”** for the purposes of HVIP means a vehicle that has been certified and issued an Executive Order by CARB.

**“CARB Project Liaison”** for the purposes of this program is CARB staff person named in this Implementation Manual that serves as the point of contact for coordination with HVIP Grantee.

**“California Native American Tribal Government”** for the purposes of this program, California Native American tribal governments include all federally recognized tribes in California listed on the most recent notice of the Federal Register, and non-federally recognized tribes, including those listed on the California Tribal Consultation List maintained by the California Native American Heritage Commission.

**“Commercial vehicle”** for the purposes of this program means any vehicle used by a business, public or governmental agency, or non-profit to carry people, property, or hazardous materials.

**“Common ownership or control”** for the purposes of this program means being owned by the same person, corporation, partnership, limited liability company, or association. In addition, vehicles managed day to day by the same directors, officers, or managers, or by corporations controlled by the

same majority stockholders are considered to be under common control even if their title is held by different business entities. See Appendix C of this Implementation Manual for more information.

**“Complete Vehicle”** for the purposes of HVIP and as defined by the Federal Transit Administration<sup>10</sup>, “a vehicle that requires no further manufacturing operations to perform its intended function. This includes vehicles that are altered only by (1) the addition, substitution, or removal of readily attachable components (such as mirrors, or tire and rim assemblies) or (2) minor finishing operations (such as painting) in such a manner that the vehicle's stated weight ratings are still valid.”

**“Dealer”** (HVIP approved dealer)” for the purposes of HVIP means the vendor of the complete vehicle or vendor that sells and installs engines in existing vehicles and includes dealers or manufacturers that sell new medium- or heavy-duty vehicles directly to a vehicle purchaser.

**“Disadvantaged Communities”** for the purposes of this program are identified by the California Environmental Protection Agency (CalEPA).<sup>11</sup> To determine whether a project qualifies as located in a disadvantaged community, the Grantee must use the criteria in Assembly Bill 1550.<sup>12</sup> Specifically, addresses in the pink or pink and blue striped area at <https://webmaps.arb.ca.gov/PriorityPopulations/> qualify for the purposes of HVIP.

**“Domicile”** for the purposes of this program is defined as the vehicle’s “home base” / deployed location; where the vehicle stays overnight, returns after its route, or is parked when it is not working.

**“Earned interest”** for the purposes of this program means any interest generated from State AQIP funds provided to the Grantee and held in an interest-bearing account.

**“Expend”** for the purpose of this program means the payment of funds on an invoice for an eligible vehicle.

**“Exportable power”** for the purposes of the program means AC electrical power generated by a commercial plug-in vehicle, typically to power electric tools, lighting, or other accessories at a job site.

**“Fleet”** Fleet means vehicles traveling in California owned by a person, business, non-profit or government agency and consists of one or more vehicles. Vehicles under common ownership or control that share a common TIN or CA # are considered part of a single fleet even if they are part of different subsidiaries, divisions, or other organizational structures of a company or government agency. A fleet is

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<sup>10</sup> <https://www.transit.dot.gov/faq/region-9/there-fta-dictionary>

<sup>11</sup> The identified disadvantaged community census tracts are available at: <http://www.calepa.ca.gov/EnvJustice/GHGInvest/>.

<sup>12</sup> Assembly Bill 1550 Implementation, contains the criteria for determining whether a project is located within a disadvantaged community. This Guidance is available at: <https://www.arb.ca.gov/cc/capandtrade/auctionproceeds/communityinvestments.htm>

not a manufacturer, dealership, or leasing company that enters into any agreement with another party to operate the vehicles.

**“g/bhp-hr”** for the purposes of this program means grams/brake horsepower-hour.

**“Grantee”** for the purposes of this program means the entity selected by CARB via competitive solicitation to administer HVIP. The responsibilities of the Grantee are described in this Implementation Manual and in the grant agreement between CARB and the Grantee. The Grantee is responsible for ensuring it and its HVIP subcontractors meet all project requirements.

**“Gross vehicle weight rating (GVWR)”** for the purposes of this program means the vehicle weight described on the VIN tag or original manufacturer Line Setting Ticket provided to the vehicle dealer.

**“Hybrid vehicle”** for the purposes of this program means any vehicle that can draw propulsion energy from both of the following on-vehicle sources of stored energy:

1) consumable fuel, and 2) a rechargeable energy storage system.

**“Hybrid vehicle conversions”** for the purpose of this program means installing a hybrid driveline and other advanced technology to a newly manufactured vehicle or chassis.

**“Hydrogen Fuel Cell Vehicle”** for the purposes of this program means a ZEV that is fueled primarily by hydrogen and does not have plug-in capacity.

**“Eligible Engines”** for the purposes of this program means any engine certified to the optional Low NOx standard of 0.01 g/bhp-hr as of the publication of this document.

**“Incomplete Vehicle”** for the purposes of HVIP and as defined by the Federal Transit Administration<sup>13</sup>, “an assemblage of components consisting of, as a minimum, frame and chassis structure, powertrain, steering system, suspension system, and braking system - to the extent that those systems are to be part of a completed vehicle.”

**“Incremental cost”** for the purposes of this program for new vehicle means the difference in cost between HVIP eligible vehicle and a comparable new conventionally fueled vehicle that would be purchased to perform the same function. For engine vouchers, the incremental cost means the difference in cost between a baseline vehicle/engine and vehicle/engine certified to the standard utilizing the same fuel type. This cost is determined on a case-by-case basis based upon a manufacturer’s HVIP eligibility application submittal, HVIP voucher redemption data, discussions with fleets and other stakeholders, and other relevant data and information.

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<sup>13</sup> <https://www.transit.dot.gov/faq/region-9/there-fta-dictionary>

**“In-kind services”** for the purposes of this program means payments or contributions made in the form of goods and services, rather than direct monetary contributions.

**“Lessor Entity,”** an entity, often a financial institution, that holds the lease on an HVIP-funded vehicle

**“Line setting ticket”** for the purposes of this program means the factory build or construction sheet created when the vehicle order is sent to the vehicle manufacturer. The Line Setting Ticket typically includes the new vehicle’s VIN, all the codes for standard equipment and options the salesman used to create this vehicle for his purchaser. After the factory assembles the vehicle and the vehicle is shipped and sold, the Line Setting Ticket identifies such things as the gross vehicle weight rating, engine type, transmission type, drive line, paint codes, gear ratio, and standard and optional equipment, specific to that vehicle.

**“Match funding”** for the purposes of this program, means those funds contributed by the Grantee directly to HVIP for the sole purposes of funding additional vehicles or increasing the vehicle voucher amount.

**“Non-profit agency”** for the purposes of this program means an agency or corporation that does not distribute corporate income to shareholders and is exempt from federal income taxes under Section 501 of the Internal Revenue Code (26 U.S.C.A. § 501).

**“Plug-in hybrid electric vehicle”** (also known as a Grid-connected HEV or GHEV) means a hybrid electric vehicle that has:

- zero emission vehicle range capability
- on-board electrical energy storage device with useful capacity equivalent to greater than or equal to ten miles of Urban Dynamometer Driving Schedule range on electricity alone is equipped with an on-board charger, and is rechargeable from an external connection to an off-board electrical source

**“Public fleet”** for the purposes of this program includes all federal, state, city and other government fleets plus public universities, public airports, public school districts, California public ports and special districts such as water, utility, and irrigation districts.

**“Public transit bus”** for the purposes of this program means an on-road vehicle greater than 8,500 pounds GVWR normally powered by a heavy-duty engine fueled by diesel or alternative fuel, owned or operated by a city or county government; a transportation district / transit district; or a public agency, and which is not an urban bus. Public transit includes paratransit services operated by a public transit agency, but not shuttle buses with restricted services including but not limited to airport shuttles, university shuttles, and prisoner transport shuttles.

**“Purchaser”** A purchaser for the purposes of HVIP is the fleet or individual owner / operator who will operate the vehicle for a minimum of three years after voucher redemption, whether through lease or direct purchase. A purchaser is not a manufacturer, dealership, or leasing company that enters into any agreement with another party to operate the vehicle.

**“Manufacturer recommended minimum state-of-charge”** for the purposes of this program means the minimum allowable battery capacity recommended by the battery manufacturer to ensure the most efficient and durable battery operation, as a percent of the maximum battery capacity.

**“Renewable fuel”** for the purposes of this program is comprised of definitions of alternative fuels from the Low Carbon Fuel Standard (LCFS), California Code of Regulations Section 95481. Section 95481(79) defines transportation fuel as any fuel used or intended for use as a motor vehicle fuel or for transportation purposes in a non-vehicular source. For HVIP, transportation fuel, as defined above, must satisfy Section 95481(11) that defines Bio-CNG as biogas-derived biomethane which has been compressed to CNG. Additionally, fuel may be produced out-of-state as defined in Section 95481(66) that defines Producer as the entity that made or prepared the fuel. This definition of Producer includes “out-of-state” producers where the production facility is out of the State of California and the entity has opted into the LCFS pursuant to section 95483.1. As more engines that use renewable fuels other than renewable become available, CARB will expand this definition to include those renewable fuels.

**“Repower”** for the purposes of this program means the replacement of an existing engine with a new engine certified to any tier of the Optional emission standard approved by CARB instead of rebuilding the existing engine to its original specifications.

**“Small Fleet”** A small fleet is defined as any entity that has 10 or fewer vehicles with a GVWR greater than 8,500 lbs under common ownership and control and domiciled in California, Unredeemed HVIP vouchers count toward this total. For example a fleet with 8 vehicles with a GVWR greater than 8,500 lbs under common ownership and control and domiciled in California that also has 4 existing unredeemed voucher requests does not qualify as a small fleet in HVIP. Any entity requesting more than 10 HVIP vouchers also does not qualify as a small fleet in HVIP.

**“Telematics”** for the purposes of this program means a data acquisition system capable of collecting vehicle GPS data, vehicle mileage and hours of operation.

**“Truck Equipment Manufacturer (TEM)”** for the purposes of this program means a company that installs equipment on a truck or bus chassis. The TEM bears full responsibility for any vehicle defects under federal law and is responsible for certifying that the vehicle meets all applicable federal safety standards.

**“UDDS”** means urban dynamometer driving schedule as set forth Appendix I of title 40, Code of Federal Regulations, Part 86.

**“Vehicle Type,”** listed in Voucher Processing Center and Vehicle Catalog: ePTO, Heavy Duty Bus, Medium Duty Bus, Refuse, School Bus, Step / Panel Van, Straight Truck, Tractor

**“Zero-emission power take-off (ePTO)”** for the purposes of this program means a method for taking power from an on-vehicle source (typically a battery) that produces no emissions of pollutants (including carbon dioxide, carbon monoxide, hydrocarbons, oxides of nitrogen, and particulates) and which can be used to power truck mounted hydraulic, pneumatic or electric work equipment utilized for performing stationary work.

**“Zero-emission vehicle (ZEV)”** means a vehicle that itself produces no emissions of pollutants (including carbon dioxide, carbon monoxide, hydrocarbons, oxides of nitrogen, and particulates) when stationary or operating.

**“Zero-Emission Vehicle Conversions”** for the purpose of this program means removing any type of existing propulsion system and replacing it with a zero-emission propulsion system, such as battery or hydrogen fuel cell powered electric powertrain/drivetrain.

## H. LIST OF ACRONYMS

AC	Alternating Current
AQIP	Air Quality Improvement Program
CARB	California Air Resources Board
CA #	California Carrier Identification Number
CCR	California Code of Regulations
CFR	Code of Federal regulations
CMAQ	Congestion Mitigation and Air Quality
DAC	Disadvantaged Community
DMV	Department of Motor Vehicles
DOC	Diesel Oxidation Catalyst
DPF	Diesel Particulate Filter
ePTO	Electric Power Take-Off
FTA	Federal Transportation Authority

FY	Fiscal Year
GGRF	Greenhouse Gas Reduction Fund
GVWR	Gross Vehicle Weight Rating
HSC	Health and Safety Code
HVIP	Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project
JPA	Joint Powers Authority
LESBP	Lower-Emission School Bus Program
MY	Model Year
PEMS	Portable emissions measurement system
NOx	Oxides of Nitrogen
OBD	On-Board Diagnostics
OEM	Original Equipment Manufacturer
SCR	Selective Catalytic Reduction
TEM	Truck Equipment Manufacturer
USC	United States Code
VIN	Vehicle Identification Number
VIP	Voucher Incentive Program
VPC	Voucher Processing Center
ZEV	Zero-Emission Vehicle

## APPENDIX A: HVIP Vehicle Eligibility List

The current list of HVIP eligible vehicles, as well as a historical record of some previously eligible vehicles, and a list of Vehicle Types and active dealers, can be found on the California HVIP website at:

[www.californiahvip.org/vehiclecatalog](http://www.californiahvip.org/vehiclecatalog)



## APPENDIX B: Vehicle Eligibility Applications

### Vehicle Eligibility Application Submittal Instructions for Original Vehicle Manufacturers

Please submit the vehicle eligibility application to Patrick Chen by e-mail at Patrick.Chen@arb.ca.gov and provide a signed electronic copy of the application. There is no deadline for application submittal. Vehicle eligibility applications will be evaluated in the order they are received.

Applications for HVIP eligibility must match the corresponding Executive Order including vehicle model year, vehicle model name, chassis, chassis model year, and configuration. Voucher requests that are not identical to the corresponding Executive Order and HVIP Approval Letter may be subject to cancellation. The exception to this is when a letter of attestation is provided addressing Vehicle – EO MY alignment. Specifically, in instances where the Model Year of the VIN for an HVIP-funded vehicle will not match the Model Year on the corresponding CARB Executive Order, a letter of attestation must be provided by the OEM on company letterhead a minimum of 30 calendar days in advance of the voucher request to voucherprocessing@tetrattech.com with the following information: 1) identifying the EO that covers the vehicle for which funds are being requested, 2) listing which Vehicle Models are covered by the corresponding EO, 3) listing which Vehicle MYs are covered by the MY of the corresponding EO, and 4) stating the OEM's understanding that if the OEM delivers an HVIP-funded vehicle that is not covered by the EO and HVIP Approval Letter, the OEM will be responsible for returning HVIP funds and covering any penalties issued by CARB, if applicable

Questions regarding submittal of the vehicle eligibility application or application requirements should be directed to the CARB Project Liaison at patrick.chen@arb.ca.gov.

The timeline from when a complete and accurate eligibility application is received by CARB to when the vehicle is available in the HVIP Eligible Vehicles Catalog and Voucher Processing Center (VPC) is an average of 75 days. This includes 60 days for CARB's review and 15 days for HVIP staff to update the Catalog and VPC

#### Note:

If the MY of an HVIP-funded vehicle changes in the time between when the voucher was requested and when the voucher was redeemed (i.e., MY2022 requested and MY2023 delivered), this does not affect the voucher status / redemption or the purchase order, if the subsequent model year is covered by a CARB Executive Order or letter of attestation as described above. It will be acceptable for the voucher request and purchaser order / sales agreement even if it is not included in the HVIP Vehicle Catalog.

## APPENDIX B1: NEW ZERO-EMISSION VEHICLE/ZERO-EMISSION COMMERCIAL VEHICLE CONVERSION ELIGIBILITY APPLICATION

This is an application for new zero-emission and zero-emission vehicle conversion commercial vehicles to be included on the list of vehicles eligible for HVIP. This application must be completed along with the Zero-Emission Vehicle/Zero-Emission Commercial Vehicle Conversion Vehicle Component Cost supplemental application form. Vehicle must receive approval by CARB prior to the vehicle being eligible for a voucher. Zero-emission vehicles subject to the Federal Transit Administration’s (FTA) New Model Bus Testing Program (often referred to as “Altoona Testing”) are required to have passed the testing before becoming HVIP-eligible.

CARB reserves the right to request additional information or clarification of information provided in this application. This application applies to and must be completed by the original vehicle manufacturer or its legal representative.

Please check the box that applies:

- New zero-emission commercial vehicle
- Zero-emission vehicle conversion commercial vehicle

School buses funded specifically with funds from the Public School Bus Set Aside for Small and Medium Air Districts (see Appendix G for more information) must have Vehicle-to-Grid (V2G) functionality and meet the following requirements:

1. Each bus must have the ability to charge with level 2 SAE J-1772 charging.
2. Each bus must be capable of vehicle-to-grid (V2G) bi-directional charging and discharging via use of type 1 combined charging system (CCS), with a minimum of 60 kwh.
3. The bus must be designed so that no hardware or firmware changes are necessary to allow the bus to immediately serve demand that is independent of the utility grid (e.g. vehicle-to-load functions that are “islanded” or electrically separated from the utility system).
4. The bus must be able to receive a remote update enabling grid-interconnected V2G functions (e.g. vehicle-to-building functions connected to the utility system), upon completion of applicable requirements for safe electrical interconnection.

Please self-certify that this vehicle meets this definition if the vehicle is a school bus:

- Yes
- No

### Part I: Vehicle Manufacturer Information

1. Manufacturer Name: Tax Identification Number:		
2. Staff Contact Name and Title:		
3. Business Mailing Address and Contact Information Street:		
City:	State:	Zip Code:
Phone: (    )		E-mail:

Please identify the zero-emission vehicle and its baseline (gasoline or diesel-powered) equivalent in Tables 1 and 2, respectively. These vehicles must be of the same make, model, drive configuration (4 x 2 or 4 x 4), frontal area, and gross vehicle weight.

**Table 1: Zero-Emission Vehicle Information**

<b>Vehicle MY</b>	<b>Vehicle Make and Model</b> (vehicle type, vehicle model, drive configuration (4 x 2 or 4 x 4), and frontal area)	<b>Gross Vehicle Weight Range</b>

**Table 2: Baseline Vehicle Information**

<b>Vehicle MY</b>	<b>Vehicle Make and Model</b> (vehicle type, vehicle model, drive configuration (4 x 2 or 4 x 4), and frontal area)	<b>Gross Vehicle Weight Range</b>

What is the typical California pre-tax cost of the zero-emission vehicle (identified in Table 1) with normal dealer profit? \$\_\_\_\_\_

What is the typical California pre-tax cost of this equivalent baseline vehicle (identified in Table 2 with normal dealer profit) \$\_\_\_\_\_

**Part II: Verification of Vehicle Eligibility**

**A. For vehicle models not currently on the list of eligible vehicles:**

Please provide the following information as attachments to this form for each vehicle model listed in Table 1. CARB reserves the right to request additional information to complete the vehicle eligibility evaluation.

- CARB Executive Order (EO) for new zero-emission commercial vehicles.
- For conversions of any type of vehicle to zero-emission, the aftermarket conversion kits must receive an exemption EO from CARB
- Warranty provisions
- After sales service provisions
- MSRP price sheets
- Proof of compliance with the all-electric range requirements identified in Section C(3)(d) of HVIP Implementation Manual
- Briefly describe information provided to vehicle dealers/purchasers regarding proper disposal of both

the propulsion and auxiliary vehicle battery and how this information is conveyed

**B. For vehicle models currently on the list of eligible vehicles (addition of new model years):**

Please check box below if the following statement is true.

- I certify that the vehicle(s) listed in Table 1 have not been modified from the vehicle(s) that were previously approved by CARB for inclusion on the List of Eligible Vehicles including warranty and after sales service provisions.

Please provide the following information for each vehicle model listed in Table 1.

- MSRP price sheets
- CARB EO for new zero-emission commercial vehicles.
- For conversions of any type of vehicle to zero-emission, the aftermarket conversion kits must receive an exemption EO from CARB

Which HVIP-approved -dealers currently sell this vehicle? See [www.californiahvip.org/dealerlist](http://www.californiahvip.org/dealerlist).

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**Part III: Applicant Signature**

I certify under penalty of perjury that all information provided in this application and any attachments are true and correct. Additionally, the vehicle manufacturer agrees to the telematics requirement as stated in Section B(1)(I) of the HVIP Implementation Manual.

Printed Name of Responsible Party:	Title:
Signature of Responsible Party:	Date:
City:	State:

**APPENDIX B2 – ZERO-EMISSION/ZERO-EMISSION CONVERSION COMMERCIAL VEHICLE COMPONENT COST FORM**

This is a supplemental application form for new zero-emission and zero-emission vehicle conversion commercial vehicles to be included on the list of vehicles eligible for the HVIP. This application must be completed and submitted to CARB along with the New Zero-Emission Vehicle/Zero-Emission Vehicle Conversion Eligibility Application for vehicle eligibility approval.

Approved in the Fiscal Year 2020-21 Funding Plan for Clean Transportation Incentives, the application form is a part of the required HVIP vehicle eligibility documentation for each model year to help maintain current data and identify cost trends. Staff will monitor and use the results to better determine voucher incentive amounts or modify voucher amounts for specific applications, vehicle classes, or technologies.

CARB reserves the right to request additional information or clarification of information provided in this application. This application applies to and must be completed by the original vehicle manufacturer or its legal representative.

Please check the box that applies:

- New zero-emission commercial vehicle
- Zero-emission vehicle conversion commercial vehicle

**Part I: Vehicle Manufacturer Information**

1. Company Name/Organization Name/Individual Name: Tax Identification Number:		
2. Contact Name and Title:		
3. Business Mailing Address:		
City:	State:	Zip Code:
Phone:	E-mail:	

**Part II: Zero-Emission Vehicle/Zero-Emission Vehicle Conversion Component Costs**

*Zero-Emission Vehicle Information*

Vehicle MY	
Vehicle Make and Model	
California Pre-Tax Cost of Vehicle	
Gross Vehicle Weight Rating (GVWR)	
Length of Vehicle (for buses only)	
Zero-Emission Driving Range	

*Component Information and Costs*

Battery Manufacturer	
Battery Chemistry	
Battery Capacity (kWh)	
Battery System Cost	
Battery Cost (\$/kWh)	
Fuel Cell Cost (FCEV only)	
Hydrogen Storage Tank Size (FCEV only)	
Hydrogen Storage Tank Cost (FCEV only)	
Electric Traction Motor Manufacturer	
Electric Traction Motor Power (kW)	
Electric Traction Motor Cost (Total)	
Electric Traction Motor Cost (\$/kW)	
Onboard Charger Cost	
Power Electronic Controller Cost	
Vehicle Chassis/Glider Kit Cost	

Please check the box that applies:

- The information highlighted above and indicated in any additional documentation is confidential and considered proprietary information/trade secrets. The Applicant understands that in the event there is a California Public Record Request for this document, that CARB will follow the process set forth in Title 17, California Code of Regulations, sections 91000 - 91022
- All of the information and documentation provided as part of this supplemental application form are not confidential, proprietary information or trade secrets

Which HVIP-approved-dealers currently sell this vehicle? See [www.californiahvip.org/dealerlist](http://www.californiahvip.org/dealerlist).

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**Part III: Applicant Signature**

I certify under penalty of perjury that all information provided in this application and any attachments are true and correct.

Printed Name of Responsible Party:	Title:
Signature of Responsible Party:	Date:
City:	State:

**APPENDIX B3: NEW PLUG-IN HYBRID VEHICLE/HYBRID VEHICLE CONVERSION ELIGIBILITY APPLICATION**

This is an application for new plug-in hybrid vehicle manufacturers to have a plug-in hybrid vehicle with all-electric range make/model listed as eligible for the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP). This application must be completed and submitted to CARB, and the vehicle must receive written approval from CARB prior to the vehicle being eligible for a voucher.

This application must be completed by the original vehicle manufacturer or its legal representative. An application must be submitted for each combination of vehicle engine and model years (i.e. a 2020 MY vehicle with a 2019 MY engine and one with a 2020 MY engine require separate applications). CARB reserves the right to request additional information or clarification of responses provided in this application. CARB may require additional information from the vehicle manufacturer or Final Stage Vehicle Manufacturer before listing a vehicle as eligible for funding.

**Part I: Original Manufacturer Information**

1. Company Name/Organization Name/Individual Name: Tax Identification Number:		
2. Contact Name and Title:		
3. Business Mailing Address and Contact Information Street:		
City:	State:	Zip Code:
Phone: (     )	E-mail:	

**Part II: Vehicle Description**

Please identify the plug-in hybrid vehicle and its baseline (non-hybrid) equivalent in Tables 1 and 2, respectively. These vehicles must be of the same make, model, drive configuration

(4 x 2 or 4 x 4), frontal area, and gross vehicle weight and use the same CARB-certified engine.

**Table 1: Hybrid Vehicle Information**

<b>Vehicle MY</b>	<b>Engine MY</b>	<b>Hybrid Vehicle Description</b> (vehicle type, vehicle model, drive configuration (4 x 2 or 4 x 4), frontal area, engine model, and hybrid system)	<b>Gross Vehicle Weight Range</b>

**Table 2: Baseline Vehicle Information**

<b>Vehicle MY</b>	<b>Engine MY</b>	<b>Equivalent Non-Hybrid Vehicle Description</b> (vehicle type, vehicle model, drive configuration (4 x 2 or 4 x 4), frontal area, and engine model)	<b>Gross Vehicle Weight Range</b>

What is the typical California pre-tax cost of the hybrid vehicle (identified in Table 1) with normal dealer profit?

\$ \_\_\_\_\_

What is the typical California pre-tax cost of this equivalent baseline vehicle (identified in Table 2) with normal dealer profit?

\$ \_\_\_\_\_

**Part III: Application Attachments to be Provided by Original Vehicle Manufacturer**

**A. For vehicle models not currently on the list of eligible vehicles**

- CARB Executive Order (EO) for new plug-in hybrid commercial vehicles.
- Provide in-use or chassis dynamometer criteria testing data to ensure the hybrid vehicle does not result in increased NOx emissions compared to an equivalent baseline vehicle. Only vehicles for which the hybrid platform, engine, and after-treatment system continue to function as required will be approved. NOx emissions testing data must demonstrate no increase in NOx emissions compared to an equivalent baseline vehicle.
- Provide proof of compliance with the all-electric range (AER) requirements identified in the HVIP Implementation Manual.
- Minimum warranty provisions.



- After sales service provisions.
- MSRP price sheets.
- Briefly describe what information is provided to plug-in hybrid vehicle dealers/purchasers regarding proper disposal of the plug-in hybrid vehicle battery and how this information is conveyed.

**B. For vehicle models currently on the list of eligible vehicles (addition of new model years):**

Please check box below if the following statement is true.

- I certify that the vehicle(s) listed in Table 1 have not been modified from the vehicle(s) that were previously approved by CARB for inclusion on the List of Eligible Vehicles including warranty and after sales service provisions.

Please provide the following information for each vehicle model listed in Table 1.

- CARB Executive Order (EO) for new plug-in hybrid commercial vehicles.
- Minimum warranty provisions.
- After sales service provisions.
- MSRP price sheets.
- Briefly describe what information is provided to plug-in hybrid vehicle dealers/purchasers regarding proper disposal of the plug-in hybrid vehicle battery and how this information is conveyed.

Which HVIP-approved-dealers currently sell this vehicle? See [www.californiahvip.org/dealerlist](http://www.californiahvip.org/dealerlist).

**Part V: Applicant Signature**

I certify under penalty of perjury that all information provided in this application and any attachments are true and correct.

Printed Name of Responsible Party:	Title:
Signature of Responsible Party:	Date:
City:	State:

## APPENDIX B4: WORK VEHICLE WITH ePTO ELIGIBILITY APPLICATION

### Part I: Original Manufacturer Information

1. Company Name/Organization Name/Individual Name: Tax Identification Number:		
2. Contact Name and Title:		
3. Business Mailing Address:		
City:	State:	Zip Code:
Phone:	E-mail:	

### Part II: Vehicle Description

Please identify the vehicle and its applicable ePTO system proposed for HVIP eligibility in Tables 1 and 2, respectively. **Table 1: Aerial Boom Vehicle Information**

Vehicle MY Note: ePTO systems are approved for HVIP eligibility with specific vehicle model year(s)	
Vehicle Make and Model	
Engine Make and Model	
Boom Maximum Working Height (ft)	
Gross Vehicle Weight Range (lbs)* * including ePTO system.	

**Table 2: ePTO Information**

Battery Manufacturer	
Battery Chemistry	
Battery Capacity (kWh)	
Battery Manufacturer Recommended Minimum State-of-ePTO Make and Model	
Regenerative Braking	<input type="checkbox"/> Yes <input type="checkbox"/> No
Alternator Charging	<input type="checkbox"/> Yes <input type="checkbox"/> No
Battery State-Of-Charge (SOC) at Engine Auto-Start	

What is the typical California pre-tax cost with normal dealer profit of the truck identified in Table 1 with traditionally powered PTO (i.e. vehicle engine idles to power bucket)?

\$ \_\_\_\_\_

What is the typical California pre-tax cost with normal dealer profit of the bucket truck identified in Table 1 when equipped with the ePTO system identified in Table 2?

\$ \_\_\_\_\_

Make and model of vehicle telematics system: \_\_\_\_\_

Which HVIP-approved-dealers currently sell this vehicle? See [www.californiahvip.org/dealerlist](http://www.californiahvip.org/dealerlist).

**Part III: Self-Certification of Vehicle, Engine and ePTO Parameters**

Please check the box next to each statement if the statement is correct. **Do not check the box if the statement is not correct.**

- The vehicle complies with applicable air quality provisions of California and federal law.
- The vehicle complies with motor vehicle safety provisions of 49 USC Sections 30101 through

30169.

- The vehicle meets the original engine manufacturer's build requirements.
- No modifications have been made to the engine hardware or after-treatment device(s).
- No modifications have been made to the engine's original software calibrations.
- The vehicle meets HVIP minimum three year warranty requirements, as described in Section C(1)(a) of the HVIP Implementation Manual
- The vehicle manufacturer agrees to the telematics requirement as stated in Sections C(1)(m) and C(6)(h) of the HVIP Implementation Manual.
- The ePTO battery is capable of recharging from the manufacturer specified battery cut-off voltage to full charge within twelve hours.
- The battery manufacturer recommended minimum state-of-charge for the ePTO make/model identified in this application equals that in the aerial boom vehicle provided for consumer purchase and intended for the vehicle in-use for a minimum of three years from date of voucher redemption.
- There is at least one service provider for the vehicle in California. Please provide name and city of primary service provider: \_\_\_\_\_
- The vehicle and ePTO system meet all the requirements of the HVIP, including those identified in this application and the HVIP Implementation Manual.

**Part IV: Application Attachments to be Provided by Original Vehicle Manufacturer**

- Warranty provisions.
- After sales service provisions.
- MSRP price sheets.
- Manufacturer's vehicle marketing flyer, including vehicle and exportable power specifications and justification for export power usage in proposed vehicle vocation (if requesting HVIP approval of exportable power option).
- If any of the statements in Part III are not true and correct (i.e. if any of the boxes above are not checked), please attach a narrative explaining why.
- Briefly describe what information is provided to vehicle dealers/purchasers regarding proper disposal of the ePTO battery and how this information is conveyed.

**Part V: Demonstration of ePTO System**

The intent of the ePTO system demonstration is to verify that the ePTO will function entirely on battery power over the course of a typical work day.

The applicant shall work with the CARB Project Liaison or his or her designee to determine an applicable method to demonstrate the ePTO system to ensure that the vehicle completes a typical work day duty cycle without the need for the engine to recharge the battery (i.e. the battery manufacturer recommended minimum state-of-charge is not reached). The use of video conferencing and/or telematics data collection will be required unless specified by the CARB Project Liaison. The CARB Project Liaison may also require in-person demonstration of the ePTO system. The CARB Project Liaison and applicant will agree on the testing method on a case-by-case basis. For more information on ePTO demonstration, see Section C(5) of the Implementation Manual.

The CARB Project Liaison is: Patrick Chen

[patrick.chen@arb.ca.gov](mailto:patrick.chen@arb.ca.gov)

Which HVIP-approved-dealers currently sell this vehicle? See [www.californiahvip.org/dealerlist](http://www.californiahvip.org/dealerlist).

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**Part VI: Applicant Signature**

I certify under penalty of perjury that all information provided in this application and any attachments are true and correct.

Printed Name of Responsible Party:	Title:
Signature of Responsible Party:	Date:
City:	State:

**APPENDIX B5: ELIGIBILITY APPLICATION FOR NEW VEHICLE EQUIPPED WITH ENGINE CERTIFIED TO THE OPTIONAL LOW NOX STANDARD OF 0.01 G/BHP-HR**

This is an eligibility application for new vehicles equipped with engines certified to the optional Low NOx standard of 0.01 g/bhp-hr. This application must be completed, submitted to CARB, and vehicle must receive approval prior to the vehicle being eligible for a voucher.

**Do not use this application for an engine used for a repower.**

CARB reserves the right to request additional information or clarification of information provided in this application. This application applies to and must be completed by the original vehicle/ engine manufacturer or its legal representative.

**Part I: Vehicle Manufacturer Information**

1. Manufacturer Name: Tax Identification Number:		
2. Staff Contact Name and Title:		
3. Business Mailing Address and Contact Information Street:		
City:	State:	Zip Code:
Phone: (     )		E-mail:

Please identify the vehicle equipped with an engine certified to the optional Low NOx standard of 0.01 g/bhp-hr and its baseline equivalent in Tables 1 and 2, respectively. These vehicles must be of the same make, model, drive configuration (4 x 2 or 4 x 4), frontal area, and gross vehicle weight.

**Table 1: New Vehicle Information**

Vehicle Model Year	
Vehicle Make/Model	
Vehicle Gross Vehicle Weight Range	
Engine Model Year	
Engine Make/Model	
Executive Order Number	

**Table 2: Baseline Vehicle Information**

Vehicle Model Year	
Vehicle Make/Model	
Vehicle Gross Vehicle Weight Range	
Engine Model Year	
Engine Make/Model	

Executive Order Number	
------------------------	--

What is the typical California pre-tax cost of the vehicle equipped with engine certified to the optional Low NOx standard of 0.01 g/bhp-hr(identified in Table 1) with normal dealer profit? \$\_\_\_\_\_

What is the typical California pre-tax cost of this equivalent baseline vehicle (conventional engine identified in Table 2) with normal dealer profit \$\_\_\_\_\_

**Part II: Verification of Vehicle Eligibility**

**A. For vehicle models not currently on the list of eligible vehicles:**

Please provide the following information as attachments to this form for each vehicle model listed in Table 1. CARB reserves the right to request additional information to complete the vehicle eligibility evaluation.

- CARB engine Executive Order
- Warranty provisions for engine and vehicle
- After sales service provisions
- MSRP price sheets

**B. For vehicle models currently on the list of eligible vehicles (addition of new model years):**

Please check box below if the following statement is true.

I certify that the vehicle(s) listed in Table 1 have not been modified from the vehicle(s) that were previously approved by ARB for inclusion on the List of Eligible Vehicles including warranty and after sales service provisions.

Which HVIP-approved-dealers currently sell this vehicle? See [www.californiahvip.org/dealerlist](http://www.californiahvip.org/dealerlist).

**Part III: Applicant Signature**

I certify under penalty of perjury that all information provided in this application and any attachments are true and correct.

Printed Name of Responsible Party:	Title:
Signature of Responsible Party:	Date:
City:	State:

**APPENDIX B6: ELIGIBILITY APPLICATION FOR ENGINE CERTIFIED TO THE OPTIONAL LOW NOX STANDARD OF 0.01 G/BHP-HR USED FOR REPOWER**

This is an eligibility application for engines certified to the optional Low NOx standard of 0.01 g/bhp-hr used for repowers. This application must be completed, submitted to CARB, and the engine must receive approval prior to the engine being eligible for a voucher.

CARB reserves the right to request additional information or clarification of information provided in this application. This application applies to and must be completed by the original engine manufacturer or its legal representative.

**Part I: Vehicle Manufacturer Information**

1. Manufacturer Name: Tax Identification Number:		
2. Staff Contact Name and Title:		
3. Business Mailing Address and Contact Information Street:		
City:	State:	Zip Code:
Phone: (     )		E-mail:

Please identify the engine(s) and its baseline (conventional engine) equivalent in Tables 1 and 2, respectively. The engine(s) must be of the same make, horsepower and displacement.

**Table 1: Engine Information**

Engine Model Year	
Engine Make/Model	
Engine Horsepower	
Engine Displacement	
Executive Order Number	

**Table 2: Baseline Engine Information**

Engine Model Year	
Engine Make/Model	
Engine Horsepower	
Engine Displacement	
Executive Order Number	



What is the typical California pre-tax cost of the n engine (identified in Table 1) with normal dealer profit?  
\$ \_\_\_\_\_

What is the typical California pre-tax cost of this equivalent baseline engine (conventional engine identified in Table 2) with normal dealer profit \$ \_\_\_\_\_

**Part II: Verification of Engine Eligibility**

**A. For engine models not currently on the list of eligible engines:**

Please provide the following information as attachments to this form for each engine model listed in Table 1. CARB reserves the right to request additional information to complete the vehicle eligibility evaluation.

- CARB Natural Gas Internal Combustion engine Executive Order
- Warranty provisions for engine
- After sales service provisions
- MSRP price sheets

**B. For engine models currently on the list of eligible engines (addition of new model years):**

Please check box below if the following statement is true.

- I certify that the engine(s) listed in Table 1 have not been modified from the engine(s) that were previously approved by ARB for inclusion on the List of Eligible Engines including warranty and after sales service provisions.

Which HVIP-approved-dealers currently sell this vehicle? See [www.californiahvip.org/dealerlist](http://www.californiahvip.org/dealerlist).

---

**Part III: Applicant Signature**

I certify under penalty of perjury that all information provided in this application and any attachments are true and correct.

Printed Name of Responsible Party:	Title:
Signature of Responsible Party:	Date:
City:	State:

## APPENDIX C: Vehicles Under Common Ownership and Control

If vehicles are under common ownership, for the purposes of the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP) this means that they are owned by the same person, corporation, partnership, limited liability company, or association, including sharing a Tax Identification Number (TIN) or California Carrier Identification Number (CA#) In addition, vehicles managed day to day by the same directors, officers, or managers, or by corporations controlled by the same majority stockholders are considered to be under common control even if their title is held by different business entities.

The examples provided below are intended to further specify, for the purposes of HVIP, the definition of common ownership, corporation, or other entity wishing to purchase or lease an HVIP eligible vehicle or engine.

### Example 1 – Parent/Child Company

The George Corporation forms a new, wholly owned corporation, Sam’s Transportation Services, and secures a different federal tax identification number for it. While the George Corporation and Sam’s Transportation Services can report and comply separately with the regulation, because they are under common ownership, the total number of vehicles of both must be summed in order to determine the fleet size.

### Example 2 – Common Ownership

The ABC Company and the 123 Company are wholly-owned subsidiaries of Alphabet Group Incorporated. They were acquired by Alphabet Group Incorporated in 1950 and 1970, respectively. Alphabet Group Incorporated is located in Nevada, however ABC Company and 123 Company are both located in California and each have their own Federal Tax Identification numbers. In addition, they each have unique motor carrier numbers. Both ABC and 123 are decentralized, with most of the decision making pushed down to the operating company level. However, the corporate office centralizes things like insurance, bonding, cash, and financial statement consolidation.

Because ABC and 123 are under common ownership, the total number of vehicles of this fleet must be determined by adding up all the vehicles for ABC and 123. However, ABC and 123 can report and comply separately with the regulation.

### Example 3 – Common Control

Bill Brown owns Brown’s Transportation and controls the day to day operation of his fleet. Bonnie Brown is the owner of Bonnie’s Transportation, but her vehicles are controlled on a day to day basis by Bill Brown. Mr. Brown makes decisions regarding vehicle use, maintenance, purchases and sales, etc. Because Brown’s Transportation and Bonnie’s Transportation fleets are under the common control of Mr. Brown, all of the vehicles in both fleets must be summed to determine their fleet size. If, for example, the summed vehicles exceed three, neither could utilize the small fleet provision.

#### Example 4 – 50/50 Ownership

John Smith owns Company A, and Jane Doe owns Company B. John and Jane also each both own 50 percent of Company C. Because neither John nor Jane have a majority stake in Company C (neither have more than 50 percent), as long as Company C is not under common control with either Company A or B, neither John nor Jane must add Company C's vehicles to their own when determining fleet size. Each fleet - Company A, B, and C would report separately and determine its fleet size separately.

If, however, John controlled both the Company A and Company C fleet on a day-to-day basis (managing the vehicles use, maintenance, purchases and sales, etc.), then Company A and Company C's vehicles would need to be combined when determining fleet size.

CARB enforcement may use organizational documents of fleet owners (such as articles of incorporation) to validate fleet ownership.

#### Example 5 – Farming Business

Top Grade Dairy owns two dairies in Tulare with 100 milking cows at each location. John Smith, the owner, the president, and CEO of the company manages the day to day operations. Top Grade Dairy owns the land where the dairies are located and also owns 25 acres where sorghum is grown. Mr. Smith formed a limited liability company, where he is the only member, called Top Grade Silage, which is also managed by Mr. Smith, and only supplies silage to Top Grade Dairies. Each company has a different federal tax identification number.

Since Mr. Smith owns both companies, all the vehicles owned by both Top Grade Dairy and Top Grade Silage would be counted to determine fleet size.

For purposes of determining whether each company meets the definition of a farming business, each business entity must be examined separately. Top Grade Dairy clearly meets the definition of a farming business because it is involved in the operation of a farm as an owner. However, Top Grade Silage does not own the land and therefore does not meet the definition of a farming business. If Top Grade Silage had owned the land, or was a tenant, it would meet the definition of a farming business.

Appendix D: HVIP VOUCHER REQUEST FORM

**HVIP Voucher Request Form**

Vehicle \_\_\_\_\_  
 Voucher ID \_\_\_\_\_  
 Date \_\_\_\_\_  
 Number of Vouchers in Batch (Quantity in Request) \_\_\_\_\_  
 Vehicle Type \_\_\_\_\_

Vehicle Information:

Vehicle Manufacturer:	Vehicle Model Year:
GVWR:	Preliminary Voucher Amount:

**Purchaser Information**

*Is this Vehicle a Lease?*  Yes  No (Lessee must be listed as Purchaser)

Note: After the voucher request is submitted, lessee (end-user fleet / operator) CANNOT change

Purchaser Contact Name (person with signing authority): _____		
Optional: Secondary Contact Name (i.e., fleet manager or data manager) (This secondary person will receive ALL notifications that primary contact receives): _____		
Purchaser Company / Entity:		
Parent Company, if any:		
Mailing address:		
City, State, Zip code:		
Phone:	Email:	
Is Mailing address the same as vehicle Domicile? (deployed "home base") Yes <input type="checkbox"/> No <input type="checkbox"/>		
If No please indicate the domicile (deployed "home base") address below:		
Address:		
City:	State:	Zip Code:
Is domicile address in a disadvantaged community? Yes <input type="checkbox"/> No <input type="checkbox"/> (Find out by entering address at <a href="https://webmaps.arb.ca.gov/PriorityPopulations/">https://webmaps.arb.ca.gov/PriorityPopulations/</a> ) addresses in the pink or pink and blue striped area qualify		
TIN:	CA#: <input type="checkbox"/> Exempt	DOT#: <input type="checkbox"/> Exempt
CA# Reason for exemption (if applicable):		
DOT# Reason for exemption (if applicable):		
TRUCRS ID#: <input type="checkbox"/> Exempt		
NOTE: Purchasers claiming exemption for CA#, DOT#, or TRUCRS must submit a letter of explanation to <a href="mailto:voucherprocessing@tetrattech.com">voucherprocessing@tetrattech.com</a> within 30 calendar days of the date the voucher was requested.		

Is the Purchaser designated by the U.S. Dept of Transportation as a Disadvantaged Business Enterprise, listed at <https://ucp.dot.ca.gov/licenseForm.htm>?

Yes  No

This information does not affect your voucher request in any way

Name of Lessor Entity, if vehicle is a lease:

Name of Contact at Lessor Entity:

Phone:

Email:

Is the vehicle performing Drayage operations as defined in the Implementation Manual? Yes  No

If the vehicle is performing Drayage operations, are any operations taking place at the Port of Los Angeles? Yes  No

If the vehicle is performing Drayage operations, are any operations taking place at the Port of Long Beach? Yes  No

If the vehicle is NOT performing Drayage operations, is it being used for other freight activities? Specifically, to transport products or raw materials in bulk, including intermodal transfer to train, ship, or aircraft? Yes  No

Is the Purchaser a Public Transit Agency, or otherwise meeting the definition of "Public Transit" provided in the Implementation Manual

Yes  No

Is the Purchaser a Public School District?

Yes  No

If the Purchaser is a Public School District, which air district is the school district headquarters / main office located in? See map at

<https://www.arb.ca.gov/capcoa/dismap.htm>.

Is the Purchaser a California Native American Tribal Government? See definition in the Implementation Manual for included categories of entities

Yes  No

Please categorize the fleet / organization

Public (government entity)

Private

If Private, please identify the total revenue, receipts, and sales reported to the Internal Revenue Service in your most recent filing. This information may be

reported in Box 1c of IRS Form 1120, Box 1c of IRS Form 1065, or Box 3 of IRS Schedule C (Form 1040).

≤\$10,

>\$10 and ≤ \$25

>\$25 and ≤ \$35

>\$35 and ≤ \$50

>\$50 and ≤ \$75

>\$75 and ≤ \$100

>\$100

If you do not have this information, provide a letter of explanation to [voucherprocessing@tetrattech.com](mailto:voucherprocessing@tetrattech.com) within 30 calendar days of the voucher request.

Note: There is no revenue provision for public fleets.

**Fleet size (# of vehicles)**

Please include all vehicles of GVWR greater than 8,500 lbs under common ownership and control and domiciled in California.

**Dealer Information**

Dealer Name:		Company Name:	
Street address:			
City:		State:	Zip Code:
Email:		Phone:	

**IMPORTANT NOTES:** 1) In the instance of batch requests, the domicile address must be the same for all vehicles in the batch. Separate voucher requests are required for differing domiciles. 2) If this request includes multiple vouchers, please be aware that only the first voucher number may appear on the form in the Voucher Processing Center. 3) Requests for an operator who is different than the purchaser, i.e. a third-party contractor operating on behalf of a transit agency, may be approved at CARB's sole discretion, by contacting [voucherprocessing@tetrattech.com](mailto:voucherprocessing@tetrattech.com)

## HVIP Voucher Request and Terms and Conditions Form Purchaser / Lessee

As a condition for participating in the State of California, Air Resources Board (CARB) Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP), the purchaser/lessee must comply with the requirements below:

1. I have reviewed and verified all information in all sections of the voucher request, including the fleet definitions, DAC, and all other Purchaser Information on this request form, and including the Vehicle and Vehicle Vocation / Type selected for this voucher;
2. I have read, understand and agree to all provisions in HVIP Implementation Manual;
3. I understand that I am prohibited from entering into an agreement with another party to operate the vehicle including, but not limited to, vehicle rentals, vehicle subscription services, vehicle sharing platforms, and fleet-as-a-service models
4. If this voucher includes the Drayage Early Adopter Incentive, I certify that my fleet activities meet the definition and requirements in this document.
5. I agree to register the vehicle in California with the Department of Motor Vehicles (DMV). Military and U.S. Postal Service vehicles are not subject to this requirement;
6. I agree to allow CARB, Grantee, or their designee to verify the vehicle registration with the DMV;
7. I agree to maintain vehicle insurance as required by law;
8. I agree to never modify the vehicle's emission control system, engine, or engine software calibrations;
9. I agree to ensure plug-in vehicles purchased with an HVIP voucher, including plug-in hybrid vehicles, plug-in electric vehicles, and work vehicles with zero- emission power take-off, will be plugged in regularly as recommended by the vehicle manufacturer to ensure battery durability, efficiency, and reliability;
10. I agree to provide access to necessary charging equipment at the domicile location, or a copy of their company's charging policy showing plug-in access;
11. I understand that the fleet must be in compliance and remain in compliance with all applicable federal, state, and local air quality rules and regulations, including but not limited to the CARB Truck and Bus Regulation; furthermore I understand that CARB reserves the right to check compliance at any time;
12. If I have claimed exemption from TRUCR regulation reporting, I acknowledge that I must submit a letter of explanation to [voucherprocessing@tetrattech.com](mailto:voucherprocessing@tetrattech.com) within 30 calendar days of the date the voucher was requested;
13. I agree to own/lease and operate this vehicle 100 percent in California for a minimum of three years from the date of purchase/lease unless: 1) the vehicle is an emergency response vehicle which may be deployed out of state, 2) the vehicle address identified in this form is in a county which borders Arizona, Nevada, Oregon or Mexico, or 3) the vehicle is a Class 8 truck conducting business outside of California. In the first two cases only, the vehicle may operate outside of California for up to 25 percent of its mileage. For the third case, the vehicle may operate outside of California for up to 50 percent. Military vehicles are not subject to this requirement;
14. I agree to retain ownership/lease of the vehicle for at least three years from the date of purchase/lease, unless given explicit prior written approval from CARB to sell or

- transfer the vehicle;
15. I understand that I will receive automated emails from the HVIP Voucher Processing Center when the Dealer requests a voucher on my behalf; when the voucher has been redeemed by the Dealer; and in any instance wherein the voucher is cancelled for any reason. I will notify voucherprocessing@tetrattech.com if a different person should receive these messages instead;
  16. I agree to keep written records of the vehicle purchase/lease for three years after the purchase/lease date and provide CARB or its designee with these records within ten days of their request. These records include but are not limited to the vehicle invoice, proof of purchase, DMV records, vehicle payment information and related bank records, and purchaser/lessee fleet information;
  17. I agree that the purchased/leased vehicle and emission reductions it generates shall not be used as emission reductions to comply with an enforcement obligation of any person or entity other than CARB;
  17. I agree to complete the annual usage survey and questionnaire for three years, as requested by CARB. Military vehicles are not subject to this requirement;
  18. I agree that all information associated with this voucher request and voucher redemption, including business name and address, contact information, and sales transaction are public information and subject to release;
  - 18a. I understand that this information will also be shared with geographically relevant utility provider(s) for the purposes of infrastructure planning and incentive coordination;
  19. I agree to disclose all sources of public funding that apply to the purchase of any vehicles for which I request HVIP vouchers;
  20. I agree to the Manufacturers Terms and Conditions for usage of the vehicle's telematics device. Additionally, I agree to allow the Manufacturer to have access to the vehicle location and on/off data so the Manufacturer can report to CARB Grantee, or their designee the vehicle operation telematics for each HVIP-funded vehicle within disadvantaged communities. Vehicles equipped with Natural Gas Internal Combustion engines, and military vehicles are exempt from this requirement;
  21. I agree to be available for a follow-up inspection by CARB, Grantee or their designee, if requested;
  22. The information provided in this application is true and all supporting documentation is true and correct and meet the minimum requirements of HVIP;
  23. I have the legal authority to apply for incentive funding for the purchasing entity described in this agreement;
  24. I agree that failure to comply with the terms of this agreement may result in repayment to CARB of voucher funds received;
  25. I understand that this HVIP voucher request is only valid for this specific vehicle purchased/leased through this specific dealer/manufacturer, and that any voucher provided based on this voucher request will be null and void if the purchaser/lessee, dealer/manufacturer, or vehicle identified herein change prior to voucher redemption or for noncompliance with applicable HVIP requirements;
  26. I understand that after a voucher request is submitted, the lessee / end-user fleet / operator cannot be changed;
  27. I understand that CARB reserves all rights and remedies available under the law to enforce the terms of this agreement.



Per #19: Additional Public Funding Sources for this Vehicle:

(Note: Formula funding from the Federal Transit Administration does not need to be included; discretionary FTA funds do need to be included)

Funding Source (i.e, name of grant program)	Funding Organization	Anticipated Funding Amount	Date or Anticipated Date of Funding

**To support the deployment of your new clean vehicle, this HVIP voucher may be able to be accompanied by infrastructure funding from the California Energy Commission’s EnergIIZE Commercial Vehicles program. Please indicate below whether you are interested in infrastructure funding, and more information about timeline and participation details will be provided to you.**

I already have infrastructure funding in place to support this vehicle(s):

Yes  No

I am interested in receiving EnergIIZE funding for infrastructure for this vehicle(s):

Yes  No

I am purchasing a drayage vehicle and plan to use public charging

Yes  No

In addition to EnergIIZE infrastructure funding, I need help planning for my infrastructure project to support this vehicle deployment (i.e., siting coordination)  Yes  No

This voucher request represents my organization’s first zero-emission vehicle purchase

Yes  No

If you answered yes to the question above, have you contacted your utility service provider?  Yes  No

- If you are not sure which utility service provider is relevant to your project, refer to the map at <https://cecgis-caenergy.opendata.arcgis.com/apps/california-electric-infrastructure-app/explore>, select the “Layer List” icon (second from left) check the Electric Load Servicing Entities boxes (clear all others), then type the vehicle domicile address in the search bar. Information will pop up including the name of the utility that services the property.

*If you are purchasing any Refuse Vehicle, Panel / Step Van, Straight Truck, or Tractor, please answer the following questions about your insurance.*

- 1) I plan to obtain the following insurance for this vehicle(s): please list insurer and plan type.

Your answer will not affect your voucher status in any way, though insurance coverage is required by law once the vehicle has been delivered.

- 2) What is your estimated annual cost to insure this vehicle(s)?
- 3) Were there any barriers or concerns that you faced in obtaining insurance? If yes, please explain.
- 4) If you own non-ZEV trucks or tractors in your fleet that are similar to your ZEV vehicle(s), does it cost more, less, or about the same to insure your HVIP vehicle(s) compared to a similar internal combustion engine (ICE) vehicle?

**By signing HVIP Voucher Request and Terms and Conditions Form, I acknowledge that I have read and understand, and agree to be bound by, the terms and conditions as outlined above.**

**I certify under penalty of perjury that the information provided is accurate.**

Name of Vehicle Purchaser/Lessee:

Signature of Vehicle Purchaser/Lessee:

Date:

**HVIP Voucher Request and Terms and Conditions Form  
Dealer**

1. I have read, understand and agree to all provisions in the HVIP Implementation Manual;
2. The vehicle and vehicle order information identified on this form are true and correct;
3. I certify that this HVIP voucher request corresponds with a real and completed vehicle order, which has not yet been delivered to the purchaser;
4. I understand that after a voucher request is submitted, the lessee / end-user fleet operator cannot be changed;
5. I agree to seek pre-approval from the California Air Resources Board before any sale of the vehicle or any lease not included on the Voucher Request Form;
6. I have not inflated the price of the HVIP funded vehicle and I agree to deduct 100% of the requested voucher amount from the price of the vehicle;
7. I agree to be available for a follow-up inspection by the California Air Resources Board, Grantee, or their designee, if requested;
8. I agree to keep written records of the vehicle purchase for three years after the purchase date and provide the California Air Resources Board or its designee with these records within ten days of their request. These records include but are not limited to the vehicle invoice, proof of purchase, California Department of Motor Vehicle records, vehicle payment information and related bank records, and purchaser fleet information;
9. I understand that this HVIP voucher request is only valid for this specific vehicle purchaser/lessee and vehicle, and that any voucher provided based on this voucher request will be null and void if the purchaser/lessee and vehicle identified herein change prior to voucher redemption or for noncompliance with applicable HVIP requirements;
10. I agree to keep my Voucher Processing Center account active while I have unredeemed vouchers, including any required training, and including shared accounts.
11. I have the legal authority to participate in HVIP for the Dealer described in this agreement;
12. I understand that any information submitted may be subject to public requests for information.
13. I understand that CARB reserves all rights and remedies available under the law to enforce the terms of this agreement.

**By signing HVIP Voucher Request and Terms and Conditions Form, I acknowledge that I have read and understand, and agree to be bound by, the terms and conditions as outlined above. I certify under penalty of perjury that the information provided is accurate.**

Name of Dealer Representative:

Signature of Representative:

Date:

## Appendix E: HVIP VOUCHER REDEMPTION FORM

Note: The redemption form current at the date of redemption will be used for all vouchers



### HVIP Voucher Redemption Form

Voucher # (If a batch, separate redemption forms are still required for each voucher)	
Voucher Amount:	Vehicle Delivered Price:

**Purchaser / Lessee Information**

Primary Contact:		
Company Name / Entity:	Parent Company:	
Name of Lessor, if lease:		
Vehicle Domicile Address:	Vehicle Domicile City:	
Vehicle Domicile State:	Vehicle Domicile Zip:	
Purchaser Phone:	Purchaser E-mail:	
TIN:	CA #:	DOT #:
CA # Reason for exemption (if applicable):		
DOT # Reason for exemption (if applicable):		
TRUCRS ID or Reason for exemption:		

**Dealer Information**

Dealer Name:	Company Name:	
Address:		
City:	State:	Zip Code:
Phone:	E-mail:	

**Vehicle Information**

Vehicle Manufacturer:	
Vehicle Description:	
Vehicle Model Year:	Vehicle Type:
GVWR:	VIN:



## Confirmation of Completion of Redemption Checklist

All items identified below must be received and approved by the VPC for voucher redemption:

- Signed Final Invoice – must be signed by purchaser and show the final purchase price less the voucher amount and any other additional incentive funding. It must also provide line items listing:
  - vehicle VIN; vehicle VIN and engine serial number for Natural Gas repowers
  - vehicle base price
  - voucher discount indicated as HVIP-funded
  - all applicable taxes and fees
- Financing Documentation – copy of check, money transfer, or financial arrangements identifying the lien holder and indicating terms of lease
  - » For leases – must provide a copy of the executed lease agreement, along with the lease schedule
    - Lease schedule must illustrate that the full value of the voucher was passed down to the lessee, for example through a capital cost reduction. The cost of the vehicle listed on the lease agreement would reflect the voucher discount; lease payment instalments would be based on that reduced price.
    - Paperwork description: A schedule is an attachment to a master lease that lists and describes the leased item, lease payments, and other terms applicable to the lease. A new lease schedule is executed whenever an item (vehicle) is added to the master lease. The lease terms and conditions may either be fixed as per the master lease or may be subject to individual negotiations for every schedule.
- Signed Delivery Receipt – required for leases only, must be signed and dated by the lessee; document must capture delivery location and VIN and/or serial number of the vehicle
- DMV Registration – must show:
  - California registration
  - Gross Vehicle Weight Rating (GVWR)
  - CA License plate number
  - » A completed Application for Registration of New Vehicle form (REG 397) is acceptable in lieu of the registration. However, the VPC will follow-up with the fleet 6 months after voucher redemption to get copy of the vehicle registration.
- Digital photos of vehicle showing:
  - Vehicle from left side – showing completed vehicle
  - Engine tag – required for vehicles that have a combustion engine, must list engine serial number (ESN) & Engine Family Number (EFN) (not required for electric vehicles)
  - VIN tag – must capture model year or manufacturer date, GVWR & VIN
  - Vehicle Emissions Control Information (VECI) label for re-certified vehicles and for vehicles with a VIN Model Year that does not match the Model Year on the CARB Executive Order
- Proof of Mileage at the time of vehicle delivery – not required for Natural Gas repowers, acceptable documents include digital photo of odometer, telematics printout, DMV odometer disclosure statement., etc. (CARB approval is needed if reading exceeds 3,500 miles)
- HVIP Voucher Redemption Form & Vehicle Inspection Form signed electronically by authorized dealer / manufacturer

Voucher Number: \_\_\_\_\_

Vehicle Identification Number: \_\_\_\_\_

### Dealer:

1. I verify that I have submitted all items identified in the Redemption Checklist via website upload to the Voucher Processing Center.
2. The vehicle identified on this form has been delivered.
3. The vehicle has been visually inspected and the inspection form has been completed.
4. The vehicle has been purchased and the information on this form is true and correct.

I certify under penalty of perjury that the information provided is accurate.

Name of Dealer Representative: \_\_\_\_\_

Company: \_\_\_\_\_

Signature of Dealer Representative: \_\_\_\_\_

Date: \_\_\_\_\_

**Purchaser:**

1. The vehicle, vehicle price, and vehicle purchaser information on this form are true and correct.
2. I have reviewed and reaffirm my obligation to adhere to the Terms and Conditions of the Voucher Request Form for this vehicle.

I certify under penalty of perjury that the information provided is accurate.

Name of Vehicle Purchaser/Lessee Representative:

\_\_\_\_\_  
Purchaser/Lessee: \_\_\_\_\_ Signature of Vehicle  
Date: \_\_\_\_\_



## HVIP Vehicle Inspection Form

The vehicle must be visually inspected upon delivery to verify the following:

- ✓ the delivered vehicle manufacturer, engine, vehicle description, and vehicle and engine model year match those identified on page one of this form
- ✓ the VIN on the delivered vehicle matches the VIN on page one of this form
- ✓ the vehicle GVWR, bus length, energy storage, or Natural Gas certification identified on page one of this form matches that on the vehicle identification plate.

Please check one of the boxes below to identify who has visually inspected the vehicle:

- The dealer identified on the voucher personally inspected the vehicle
- Another HVIP-approved dealer or OEM has inspected the vehicle. A list of HVIP- approved dealers and participating OEMs can be found at [www.californiahvip.org](http://www.californiahvip.org)
- CALSTART representative or other CARB designee
- I have received prior written approval for an alternative vehicle inspection mechanism and have included a copy of this written approval as an attachment to this form. Approval may be provided by calling the HVIP Toll-Free Hotline at 1-888- 457-4847 or emailing [voucherprocessing@tetrattech.com](mailto:voucherprocessing@tetrattech.com)

**I certify under penalty of perjury that the information provided is accurate.**

Voucher Number: \_\_\_\_\_

Vehicle Identification Number: \_\_\_\_\_

Name of Inspector: \_\_\_\_\_

Inspector's Company Name: \_\_\_\_\_

Signature of Inspector: \_\_\_\_\_

Date: \_\_\_\_\_

If the inspector is different than the dealer, please contact [voucherprocessing@tetrattech.com](mailto:voucherprocessing@tetrattech.com) for instructions on how to submit this form.

**Appendix F: Innovative Small E-Fleets:**

Will be published separately from this document.

Please contact [isef@californiahvip.org](mailto:isef@californiahvip.org)  
and visit [www.californiahvip.org](http://www.californiahvip.org)  
for more information.



**Appendix G**  
**Public School Bus Set-Aside for Small and Medium Air Districts**

In FY21-22, \$130 million is available for purchases of qualifying school buses made by public school districts and other qualifying entities located in small-sized air districts and in medium-sized air districts. The Public School Bus Set-Aside for Small and Medium Air Districts (Public School Bus Set-Aside) will offer higher voucher amounts, prioritize fleet owners in rural and underserved communities, and will require an old bus to be scrapped, per the requirements detailed below.

**Voucher amounts:**

Voucher amounts in the Public School Bus Set-Aside intend to cover nearly, if not all, the full cost of a new zero-emission school bus. Therefore, maximum voucher amounts are based on current base price averages for zero-emission school bus models in California at the amounts shown in Table 1 below. Vouchers for the Public School Bus Set-Aside may cover taxes and fees related to the purchase of the eligible vehicle. The sum of HVIP and other eligible public funds may not exceed the full vehicle cost inclusive of taxes and fees.

Table 1: Maximum Voucher Amounts

School Bus Type	Voucher Amount*
Type A (with or without a wheelchair lift)	\$350,000
Type C & D without a wheelchair lift	\$375,000
Type C & D with a wheelchair lift	\$400,000

\*Vouchers for the Public School Bus Set-Aside are intended to eliminate the cost barrier of adopting zero-emission school buses.

**Eligible applicants:**

Public school districts in California that own their own school buses are eligible to participate in the Public School Bus Set-Aside. This includes public school districts that own their school buses but contract with a County Office of Education or private contractor for maintenance and operations. Where two or more public school districts have formed a Joint Powers Authority (JPA), and the JPA holds ownership of the school buses, the JPA is eligible to participate. Public charter schools that own their own school buses and County Offices of Education that own their own school buses are also eligible to participate.

- California Public School Districts
- California Public Charter Schools, as listed at <https://www.cde.ca.gov/ds/si/cs/>
- California Joint Power Authorities (JPAs)

- California County Offices of Education (COEs)
- Division of State Special Schools of the California Department of Education

All applicants must serve students at the K-12<sup>th</sup> grade level.

The physical address of the school district main office / headquarters must be located within the boundaries of a California Air District defined as Small or Medium, per the guidelines of the California Air Pollution Control Officers Association (CAPCOA) (see Table 2 below for the list of eligible air district locations). In cases where JPAs apply for funding, Small or Medium air district eligibility is determined by the physical address of the JPA headquarters. If the JPA does not have a physical address, eligibility is determined by the school district main office / headquarters of the school district where the school buses will be domiciled.

**Application prioritization for set-aside:**

All applicants in small- and medium-sized air districts are eligible to apply for the set-aside funds immediately when HVIP re-opens to requests in 2022.

During the first 90 calendar days, funds will be prioritized first to applicants that are located in both a Disadvantaged Community (DAC) and within a small-sized air district, based on timestamp of Application Part A. After the 90-day application submission window, the remaining available funds, if any, will be allocated to requests that have been received **during** the 90-day window according to the order described below:

1. Applicants located in small air districts but not located in DACs, then
2. If additional funds remain, requests from applicants located in medium-sized air districts and in DACs will be funded, then
3. If additional funds remain, requests from applicants located in medium-sized air districts that are not in DACs will be funded.

After the initial 90-day window described above, if any funding remains, requests will continue to be accepted and funds will be allocated on a first-come, first-served basis thereafter for any applicants in small- and medium-sized air districts, without prioritizing DACs or prioritizing small air districts over medium.

Requests will be accepted until the fund have been fully requested. If funds have not been fully requested, CARB may use the remaining set-aside funds towards public school bus vouchers requested via standard HVIP.

**Air District size and DAC locator:**

The physical address of the school district headquarters/main office must be within the boundaries of a small or medium-sized air district in California. A map of California air districts can be found at <https://www.arb.ca.gov/capcoa/dismap.htm>. Table 2 lists the air districts by size, per CAPCOA definitions.

Table 2: Air Districts by Size

<b>Small Air District</b>	Amador County APCD	Glenn County APCD	Modoc County APCD
	Antelope Valley AQMD	Great Basin Unified APCD	North Coast Unified AQMD
	Butte County AQMD	Imperial County APCD	Northern Sonoma APCD
	Calaveras County APCD	Lake County AQMD	Shasta County AQMD
	Colusa County APCD	Lassen County APCD	Siskiyou County AQMD
	El Dorado County AQMD	Mariposa County APCD	Tehama County APCD
	Feather River AQMD	Mendocino County AQMD	Tuolumne County APCD
<b>Medium Air District</b>	Eastern Kern APCD	San Luis Obispo County APCD	
	Mojave Desert AQMD	Santa Barbara County APCD	
	Monterey Bay Unified APCD	Ventura County APCD	
	Placer County APCD	Yolo-Solano AQMD	
<b>Large Air District</b>	Bay Area AQMD		
	Sacramento Metro AQMD		
	San Diego County APCD		
	San Joaquin Unified APCD		
	South Coast AQMD		

Eligible
Not Eligible

Applicants within an eligible air district (small/medium-sized air district) will receive priority during the 90 calendar day window if any Disadvantaged Communities (DAC) fall within the school district boundaries. DAC priority will be applied using California Climate Investments Priority Populations map, located online at <https://webmaps.arb.ca.gov/PriorityPopulations/>. DAC designation will apply to applicants if overlap occurs between the California Climate Investments Priority Populations map (Disadvantaged Community (map legend color: pink) or within the boundaries of a Disadvantaged and Low-income Community (map legend color: pink-blue striped)) and the boundaries of the school district.

**Old school bus scrappage requirements for set-aside funding:**

Participation in the set-aside requires the scrappage of an old school bus. The old school bus can be any internal combustion engine using any fuel type. The following are the old bus eligibility requirements:

- The bus chassis must be a 2007 model year or older. The bus chassis age is verified by the model year listed on the DMV Registration Form.
- The bus must be applicant owned. The bus cannot have a lienholder listed on the DMV Registration Form.
- The bus must have a Gross Vehicle Weight Rating (GVWR) greater than 14,000 pounds
- The bus must have a current California Highway Patrol Safety Certification (CHP 292 or equivalent)
- The bus must be compliant with the California Truck and Bus Regulation in order to receive a full voucher amount. In cases where the old school bus is not compliant, a \$20,000 voucher deduction will be applied. Review the School Bus Fact Sheet on the Truck & Bus Regulation for detailed information: [ww3.arb.ca.gov/msprog/onrdiesel/documents/fsschoolbus.pdf](http://ww3.arb.ca.gov/msprog/onrdiesel/documents/fsschoolbus.pdf)

Proof of scrappage utilizes a Dismantle Form and required supporting documentation. The Dismantle Form will require the following documentation to be considered a complete submittal:

- A copy of the DMV Dismantler's Notice of Acquisition /Report of Vehicles to be Dismantled (REG 42) **or** a DMV Junk Slip **and** Certificate of Destruction from the entity destroying the bus.
- Photographs documenting proper bus chassis and bus engine destruction:
  - Vehicle Identification Number (VIN) plate
  - Engine plate depicting engine serial number
  - Photograph(s) depicting the method used to scrap the non-engine portion of the bus (chassis). To dismantle the bus chassis means to punch, crush, stamp, hammer, shred or otherwise render permanently and irreversibly incapable of functioning as originally intended.
  - Photograph(s) depicting the method used to scrap the engine portion of the bus. To dismantle the engine portion a 5-inch hole must be cut into the engine block.
- Scrappage of the old bus can occur after Terms and Conditions have been executed and must occur within 365 calendar days of new bus delivery.

**Eligible vehicles for set-aside funding:**

School buses funded with set-aside funds must have Vehicle-to-Grid (V2G) functionality via use of type 1 combined charging system (CCS), which enables them to store and discharge generated electricity of at least 60kw, though there is no specific requirement for the purchaser's utilization of this technology. OEMs must self-certify as to this capability. More information about the HVIP eligibility process is at [www.californiahvip.org/sellers](http://www.californiahvip.org/sellers). Purchasers can discern whether a specific HVIP-eligible school bus is included in the set-aside by viewing the indication on each bus's listing at [www.californiahvip.org/vehicle-category/school-bus](http://www.californiahvip.org/vehicle-category/school-bus). A purchaser intending to purchase a school bus that is not indicated as being part of the set-aside (due to not having V2G capability), will instead participate in standard HVIP on a first come first served basis, including utilizing the voucher amounts and program rules included in the standard Implementation Manual.

**Application process and timeline for set-aside:**

**Application Part A:**

- Applicants will submit Application Part A directly via an online portal
- In Application Part A, applicants must list their contact information, projected quantity of vehicles they plan to purchase, and provide information on the old school bus, including the number of buses they intend to scrap.
- Applicants must provide a Letter of Intent signed by a school district official stating the district's intent to purchase.
- Additional information will be requested on charging infrastructure, both existing and planned needs for the school bus(es).

### **Application Part B:**

- If initially selected for funding, applicants will be required to complete Application Part B within 30 calendar days. Requests for extension can be submitted to [voucherprocessing@tetrattech.com](mailto:voucherprocessing@tetrattech.com).
- At this stage, applicants will select a qualifying school bus(es) from the HVIP catalog and work with the HVIP approved dealer to complete Application Part B. Applicants are not required to select a like-for-like replacement school bus. Applicants can choose any school bus in the HVIP catalog that meets the requirements for set-aside funding.
- Application Part B requires participation of both the applying school district and the selected HVIP approved dealer. The following documentation must be gathered by the applicant and provided to the selected HVIP approved dealer. The dealer is to then complete a voucher request on behalf of the applicant and upload the required documentation upon voucher request submission:
  - **Board Resolution:** A resolution from a school district or governing board that authorizes participation in the program and identifies an individual authorized to implement and administer the project. Board Resolutions must specify HVIP funding and cannot be dated prior to November 19, 2021.
  - **Proof of CHP 292 Certification (or equivalent):** The old bus is required to be CHP certified at time of Application Part A and remain certified until new bus delivery or until the old bus is scrapped, whichever occurs first.
  - **A copy of the current DMV registration with no lienholder listed.**
  - **A photograph of the school bus manufacturer's ID tag.** The photo must legibly depict the vehicle identification number (VIN) and GVWR rating.
  - **A photograph of the school bus engine plate.** The photo must legibly depict the engine serial number.
  - **Proof of compliance with the California Truck and Bus Regulation** for this bus only, not the entire fleet.
- Once the HVIP approved dealer submits the voucher request with all required documentation, Application Part B is considered complete and ready for review. HVIP administrators will work directly with the dealer to progress the voucher through redemption. The voucher progression processes are detailed in the standard Implementation Manual.

### **Terms and Conditions / Purchase Order for set-aside:**

- Upon approval of Application Part B, Terms and Conditions will be issued to the applicant and dealer for signature.
- The old school bus must be compliant with the California Truck and Bus Regulation prior to executing Terms and Conditions; non-compliance results in a voucher decrease of \$20,000.
- After the Terms and Conditions are fully executed, the applicant will have 10 business days to complete and submit a purchase order or other binding agreement for the new bus.

**Redemption process for set-aside:**

- In addition to adhering to redemption requirements detailed in the standard Implementation Manual, the following are required for Public School Bus Set-Aside participants:
  - The new bus must be delivered, and CHP certified. Proof of CHP Certification of the new bus is required within 30 calendar days of vehicle delivery.
  - The voucher will be eligible for redemption following CHP certification in addition to the standard Implementation Manual requirement of DMV registration of the delivered bus.
- The old bus must be dismantled and required documentation provided within 365 calendar days of the bus delivery date. The difference between the Public School Bus Set-Aside voucher amount and standard FY21-22 HVIP eligible school bus voucher amount must be refunded to CARB if the purchaser fails to meet this requirement.
- All HVIP Terms and Condition requirements must be met.
- Telematics reporting requirements are the same as standard HVIP as described in the standard HVIP Implementation Manual.

**Port of Los Angeles (POLA)  
Zero-Emission Truck Voucher Incentive Program  
Voucher Request Form**

<b>A. Purchasing Company or Individual Purchaser Information</b>			
<b>Purchasing Company or Individual Purchaser Name:</b>			
<b>Company DBA (Provide DBA Filing):</b>			<input type="checkbox"/> Not Applicable
<b>Business Address:</b>			
<b>City:</b>		<b>State:</b>	<b>ZIP:</b>
<b>Mailing Address:</b>			<input type="checkbox"/> Same as Business Address
<b>City</b>		<b>State:</b>	<b>ZIP:</b>
<b>Telephone Number:</b>		<b>Facsimile Number:</b>	
<b>Email Address:</b>		<b>Secondary Email Address:</b>	
<b>Principal Contact:</b>		<b>Title:</b>	
<b>B. Dealer Information</b>			
<b>Dealer Name:</b>		<b>Company Name:</b>	
<b>Location Address:</b>			
<b>City:</b>		<b>State:</b>	<b>ZIP:</b>
<b>Phone:</b>		<b>Email:</b>	
<b>C. Preliminary Vehicle Information</b>			
<b>Manufacturer:</b>			
<b>GVWR:</b>		<b>Vehicle Model Year:</b>	
<b>Preliminary Voucher Amount:</b>			
<b>D. Additional Required Forms</b>			
<p>Before voucher funding is released, Purchasing Company or Individual Purchaser shall complete and submit the following forms for the Port of Los Angeles and the California Air Resources Board (CARB) Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project.</p>			

**Port of Los Angeles (POLA)  
Zero-Emission Truck Voucher Incentive Program  
Voucher Request Form**

POLA Zero-Emission Truck Voucher Incentive Program Payment Form

CARB HVIP Voucher Request Form

CARB HVIP Voucher Redemption Form

CARB HVIP Vehicle Inspection Form

**E. Terms & Conditions**

As a condition for participating in the Port of Los Angeles Zero-Emission Truck Voucher Incentive Program, the Purchasing Company or Individual Purchaser shall comply with the following requirements for three years starting from the date of voucher redemption:

1. An authorized representative of the Purchasing Company or the Individual Purchaser shall complete all Voucher Incentive Program and the California Air Resources Board (CARB) Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP) forms listed in Section D above.
2. The undersigned, as an authorized representative of the Purchasing Company or the Individual Purchaser has read, understands and agrees that the Purchasing Company or the Individual Purchaser shall comply with the Voucher Incentive Program requirements as specified herein.
3. The Purchasing Company or the Individual Purchaser shall apply the voucher funds to the purchase price of one or more eligible zero-emission trucks, as identified in the HVIP vehicle list of zero-emission trucks, and will use the truck(s) for port drayage operations at the Port of Los Angeles and Port of Long Beach.
4. The Purchasing Company or Purchaser shall register the truck(s) in the San Pedro Bay Ports Drayage Truck Registry (PDTR) and provide drayage services to POLA container terminals within 60 days of delivery of the truck(s) (<https://pdtr.cleanairactionplan.org/Default.aspx>).
5. The Purchasing Company or Individual Purchaser shall remain registered, and in good standing, with the PDTR for three years from the date of voucher redemption. In order to remain in good standing within the PDTR, the Purchasing Company or Individual Purchaser shall:
  - A. Comply with all local, state, and federal rules and regulations applicable to drayage truck operations including but not limited to labor, safety, and transportation requirements; and
  - B. Comply with PDTR insurance requirements.
6. The Purchasing Company or Individual Purchaser shall provide drayage services at the San Pedro Bay Ports (defined as the Port of Los Angeles and the Port of Long Beach) by performing at least 50 trips a year, per participating truck, for three years following the date of voucher redemption.
  - A. A trip is defined as a single loaded gate entry to a container terminal at the San Pedro Bay Ports.
  - B. At least half (i.e., 25 trips) of each annual 50 trip minimum shall be calls at POLA container terminals.
7. The Purchasing Company or Individual Purchaser shall complete the Voucher Incentive Program annual usage survey for each year during the three years following the date of voucher redemption.
8. The Purchasing Company or Individual Purchaser shall provide written responses to all reasonable written requests for additional information submitted by the City of Los Angeles Harbor Department, or its designee, about the zero-emission truck(s) for three years following the date of voucher redemption.
9. The Purchasing Company or Individual Purchaser agrees that the voucher issued for the truck(s) identified herein shall be applied solely toward the purchase of the truck(s) identified, and any voucher(s) shall be



**Port of Los Angeles (POLA)  
Zero-Emission Truck Voucher Incentive Program  
Voucher Request Form**

null and void if a voucher is used for a different purchaser/lessee, dealer/manufacturer, or vehicle identified on the Voucher Incentive Program Payment Form or if there is noncompliance with the voucher requirements.

10. The Purchasing Company or Individual Purchaser agrees that the City of Los Angeles reserves all rights and remedies available under law to enforce the terms of this agreement and recoup from the Purchasing Company or Individual Purchaser any or all incentive funding it received pursuant to the Voucher Incentive Program.

**PURCHASING COMPANY OR INDIVIDUAL PURCHASER SIGNATURE**

The undersigned, a representative of the Purchasing Company authorized to execute this Agreement, or the Individual Purchaser, hereby certifies that the Purchasing Company or the Individual Purchaser agrees to comply with all POLA Zero-Emission Truck Voucher Incentive Program Terms and Conditions set forth herein. The undersigned signatory affirms that the above information is true and correct and that the Purchasing Company or Individual Purchaser will notify the City of Los Angeles Harbor Department, or its designee, if any of the information set forth herein changes or otherwise ceases to be true and correct.

**Purchasing Company  
or Individual Purchaser Name:**

**Date:**

**Title:**

**Owner/Officer Signature:**

**Print Name:**

**CITY OF LOS ANGELES HARBOR DEPARTMENT SIGNATURE**

**Title:**

**Date:**

**Signature:**

**Print Name:**

**Administrative Purposes Only**

**Voucher ID:**

**Port of Los Angeles (POLA)  
Zero-Emission Truck Voucher Incentive Program  
Voucher Payment Form**

A. Purchasing Company or Individual Purchaser Information			
Voucher ID:		Date:	
Purchasing Company or Individual Purchaser Name:			
Company DBA (Provide DBA Filing):			<input type="checkbox"/> Not Applicable
Business Address:			
City:		State:	Zip Code:
Mailing Address:		<input type="checkbox"/> Same as Business Address	
City:		State:	Zip Code:
Telephone Number:		Facsimile Number:	
Email Address:		Secondary Email Address:	
Principal Contact:		Title:	
B. Dealer Information			
Dealer Name:		Company Name:	
Location Address:			
City:		State:	ZIP:
Phone:		Email:	
C. Vehicle Information			
Manufacturer:		Delivery Date:	
Model:		Model Year:	
VIN:		Voucher #:	

**Port of Los Angeles (POLA)  
Zero-Emission Truck Voucher Incentive Program  
Voucher Payment Form**

<b>Voucher Amount:</b>	<b>Vehicle Delivered Price:</b>
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<b>Vehicle Delivery Date:</b>
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<b>Truck Domicile Address:</b>	<input type="checkbox"/> <b>Same as Business Address</b>
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<b>City:</b>	<b>State:</b>	<b>ZIP:</b>
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**D. Additional Required Forms**

Before the voucher funding is released, Purchasing Company or Individual Purchaser shall complete and submit the following forms for the Port of Los Angeles and the California Air Resources Board (CARB) Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP).

POLA Zero-Emission Truck Voucher Incentive Program Request Form

CARB HVIP Voucher Request Form

CARB HVIP Voucher Redemption Form

CARB HVIP Vehicle Inspection Form

**E. Terms & Conditions**

As a condition for participating in the Port of Los Angeles Zero-Emission Truck Voucher Incentive Program, the Purchasing Company or Individual Purchaser shall comply with the following requirements for three years starting from the date of voucher redemption:

1. An authorized representative of the Purchasing Company or the Individual Purchaser has completed all POLA Voucher Incentive Program and the California Air Resources Board (CARB) Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP) forms listed in Section D above.
2. The authorized representative of the Purchasing Company or the Individual Purchaser has received a completed CARB HVIP Vehicle Inspection Form.
3. The undersigned, as an authorized representative of the Purchasing Company, or the Individual Purchaser has read, understands and agrees that the Purchasing Company or Individual Purchaser shall comply with the Voucher Incentive Program requirements as specified herein.
4. The Purchasing Company or Individual Purchaser has used voucher funds for the purchase of one or more eligible zero-emission truck(s), as identified in the HVIP vehicle list of zero-emission trucks, and will use the truck(s) for port drayage operations at the Port of Los Angeles and the Port of Long Beach.
5. The Purchasing Company or Individual Purchaser shall register the truck(s) in the San Pedro Bay Ports Drayage Truck Registry (PDTR) and provide drayage services to POLA terminals within 60 days of delivery of the truck(s) (<https://pdtr.cleanairactionplan.org/Default.aspx>).
6. The Purchasing Company or Individual Purchaser shall remain registered, and in good standing, with the PDTR for three years from the date of voucher redemption. In order to remain in good standing with the PDTR, the Purchasing Company or Individual Purchaser shall:

**Port of Los Angeles (POLA)  
Zero-Emission Truck Voucher Incentive Program  
Voucher Payment Form**

- A. Comply with all local, state, and federal rules and regulations applicable to drayage truck operations including but not limited to labor, safety, and transportation requirements; and
  - B. Comply with PDTR insurance requirements.
7. The Purchasing Company or Individual Purchaser shall provide drayage services at the San Pedro Bay Ports (defined as the Port of Los Angeles and the Port of Long Beach) by performing at least 50 trips a year, per participating truck, for three years following the date of voucher redemption.
    - A. A trip is defined as a single loaded gate entry to a container terminal at the San Pedro Bay Ports.
    - B. At least half (i.e., 25 trips) of each annual 50 trip minimum shall be calls at POLA container terminals.
  8. The Purchasing Company or Individual Purchaser shall complete the Voucher Incentive Program annual usage survey for each year during the three years following the date of voucher redemption.
  9. The Purchasing Company or Individual Purchaser shall provide written responses to all reasonable written requests for additional information submitted by the City of Los Angeles Harbor Department, or its designee, about the zero-emission truck(s) for three years following the date of voucher redemption.
  10. The Purchasing Company or Individual Purchaser agrees that the voucher issued for the truck(s) identified herein shall be applied solely toward the purchase of the truck(s) identified, and any voucher(s) shall be null and void if a voucher is used for a different purchaser/lessee, dealer/manufacturer, or vehicle identified on the POLA Voucher Incentive Program Payment Form or if there is noncompliance with the Voucher Incentive Program requirements.
  11. The Purchasing Company or Individual Purchaser agrees that the City of Los Angeles reserves all rights and remedies available under law to enforce the terms of this agreement and recoup from the Purchasing Company or Individual Purchaser any or all incentive funding it received pursuant to the Voucher Incentive Program.

**PURCHASING COMPANY OR INDIVIDUAL PURCHASER SIGNATURE**

The undersigned, a representative of the Purchasing Company authorized to execute this Agreement, or the Individual Purchaser, hereby certifies that the Purchasing Company or the Individual Purchaser agrees to comply with all POLA Zero-Emission Truck Voucher Incentive Program Terms and Conditions set forth herein. The undersigned signatory affirms that they have not received funds from any federal, state or local agency program for the same vehicle(s). The undersigned signatory affirms that the above information is true and correct, and that the Purchasing Company or Individual Purchaser will notify the City of Los Angeles Harbor Department, or its designee, if any of the information set forth herein changes or otherwise ceases to be true and correct.

**Purchasing Company  
or Individual Purchaser Name:**

**Date:**

**Title:**

**Owner/Officer Signature:**

**Print Name:**

**CITY OF LOS ANGELES HARBOR DEPARTMENT SIGNATURE**

**Port of Los Angeles (POLA)  
Zero-Emission Truck Voucher Incentive Program  
Voucher Payment Form**

<b>Date:</b>
<b>Signature:</b>
<b>Print Name:</b>
<b>Approved Payment Amount:</b>
<b>Send ACH Payment to CALSTART Inc.,</b>

<b>Voucher ID:</b>	<b>Date:</b>
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## **EXHIBIT B - AFFIRMATIVE ACTION PROGRAM PROVISIONS**

### **Sec. 10.8.4 Affirmative Action Program Provisions.**

Every non-construction and construction Contract with, or on behalf of, the City of Los Angeles for which the consideration is \$25,000 or more shall contain the following provisions which shall be designated as the AFFIRMATIVE ACTION PROGRAM provisions of such Contract:

A. During the performance of a City Contract, the Contractor certifies and represents that the Contractor and each Subcontractor hereunder will adhere to an Affirmative Action Program to ensure that in its employment practices, persons are employed and employees are treated equally and without regard to or because of race, color, religion, national origin, ancestry, sex, sexual orientation, age, disability, marital status, domestic partner status or medical condition.

1. This section applies to work or services performed or materials manufactured or assembled in the United States.

2. Nothing in this section shall require or prohibit the establishment of new classifications of employees in any given craft, work or service category.

3. The Contractor shall post a copy of Paragraph A., hereof, in conspicuous places at its place of business available to employees and applicants for employment.

B. The Contractor shall, in all solicitations or advertisements for employees placed, by or on behalf of, the Contractor, state that all qualified applicants will receive consideration for employment without regard to their race, color, religion, national origin, ancestry, sex, sexual orientation, age, disability, marital status, domestic partner status or medical condition.

C. At the request of the Awarding Authority or the DAA, the Contractor shall certify on an electronic or hard copy form to be supplied, that the Contractor has not discriminated in the performance of City Contracts against any employee or applicant for employment on the basis or because of race, color, religion, national origin, ancestry, sex, sexual orientation, age, disability, marital status, domestic partner status or medical condition.

D. The Contractor shall permit access to, and may be required to provide certified copies of, all of its records pertaining to employment and to its employment practices by the Awarding Authority or the DAA for the purpose of investigation to ascertain compliance with the Affirmative Action Program provisions of City Contracts and, upon request, to provide evidence that it has or will comply therewith.

E. The failure of any Contractor to comply with the Affirmative Action Program provisions of City Contracts may be deemed to be a material breach of a City Contract. The failure shall only be established upon a finding to that effect by the Awarding

Authority, on the basis of its own investigation or that of the DAA. No finding shall be made except upon a full and fair hearing after notice and an opportunity to be heard has been given to the Contractor.

F. Upon a finding duly made that the Contractor has breached the Affirmative Action Program provisions of a City Contract, the Contract may be forthwith cancelled, terminated or suspended, in whole or in part, by the Awarding Authority, and all monies due or to become due hereunder may be forwarded to and retained by the City of Los Angeles. In addition thereto, the breach may be the basis for a determination by the Awarding Authority or the Board of Public Works that the Contractor is a non-responsible bidder or proposer pursuant to the provisions of Section 10.40 of this Code. In the event of such determination, the Contractor shall be disqualified from being awarded a contract with the City of Los Angeles for a period of two years, or until he or she shall establish and carry out a program in conformance with the provisions hereof.

G. In the event of a finding by the Fair Employment and Housing Commission of the State of California, or the Board of Public Works of the City of Los Angeles, or any court of competent jurisdiction, that the Contractor has been guilty of a willful violation of the California Fair Employment and Housing Act, or the Affirmative Action Program provisions of a City Contract, there may be deducted from the amount payable to the Contractor by the City of Los Angeles under the contract, a penalty of ten dollars for each person for each calendar day on which the person was discriminated against in violation of the provisions of a City Contract.

H. Notwithstanding any other provisions of a City Contract, the City of Los Angeles shall have any and all other remedies at law or in equity for any breach hereof.

I. The Public Works Board of Commissioners shall promulgate rules and regulations through the DAA and provide to the Awarding Authorities electronic and hard copy forms for the implementation of the Affirmative Action Program provisions of City contracts, and rules and regulations and forms shall, so far as practicable, be similar to those adopted in applicable Federal Executive Orders. No other rules, regulations or forms may be used by an Awarding Authority of the City to accomplish this contract compliance program.

J. Nothing contained in City Contracts shall be construed in any manner so as to require or permit any act which is prohibited by law.

K. By affixing its signature to a Contract that is subject to this article, the Contractor shall agree to adhere to the provisions in this article for the duration of the Contract. The Awarding Authority may also require Contractors and suppliers to take part in a pre-registration, pre-bid, pre-proposal, or pre-award conference in order to develop, improve or implement a qualifying Affirmative Action Program.

1. The Contractor certifies and agrees to immediately implement good faith effort measures to recruit and employ minority, women and other potential employees in

a non-discriminatory manner including, but not limited to, the following actions as appropriate and available to the Contractor's field of work. The Contractor shall:

- (a) Recruit and make efforts to obtain employees through:
  - (i) Advertising employment opportunities in minority and other community news media or other publications.
  - (ii) Notifying minority, women and other community organizations of employment opportunities.
  - (iii) Maintaining contact with schools with diverse populations of students to notify them of employment opportunities.
  - (iv) Encouraging existing employees, including minorities and women, to refer their friends and relatives.
  - (v) Promoting after school and vacation employment opportunities for minority, women and other youth.
  - (vi) Validating all job specifications, selection requirements, tests, etc.
  - (vii) Maintaining a file of the names and addresses of each worker referred to the Contractor and what action was taken concerning the worker.
  - (viii) Notifying the appropriate Awarding Authority and the DAA in writing when a union, with whom the Contractor has a collective bargaining agreement, has failed to refer a minority, woman or other worker.
- (b) Continually evaluate personnel practices to assure that hiring, upgrading, promotions, transfers, demotions and layoffs are made in a non-discriminatory manner so as to achieve and maintain a diverse work force.
- (c) Utilize training programs and assist minority, women and other employees in locating, qualifying for and engaging in the training programs to enhance their skills and advancement.
- (d) Secure cooperation or compliance from the labor referral agency to the Contractor's contractual Affirmative Action Program obligations.
- (e) Establish a person at the management level of the Contractor to be the Equal Employment Practices officer. Such individual shall have the authority to disseminate and enforce the Contractor's Equal Employment and Affirmative Action Program policies.
- (f) Maintain records as are necessary to determine compliance with Equal Employment Practices and Affirmative Action Program obligations and make the records available to City, State and Federal authorities upon request.



(g) Establish written company policies, rules and procedures which shall be encompassed in a company-wide Affirmative Action Program for all its operations and Contracts. The policies shall be provided to all employees, Subcontractors, vendors, unions and all others with whom the Contractor may become involved in fulfilling any of its Contracts.

(h) Document its good faith efforts to correct any deficiencies when problems are experienced by the Contractor in complying with its obligations pursuant to this article. The Contractor shall state:

- (i) What steps were taken, how and on what date.
- (ii) To whom those efforts were directed.
- (iii) The responses received, from whom and when.
- (iv) What other steps were taken or will be taken to comply and when.
- (v) Why the Contractor has been or will be unable to comply.

2. Every contract of \$25,000 or more which may provide construction, demolition, renovation, conservation or major maintenance of any kind shall also comply with the requirements of Section 10.13 of the Los Angeles Administrative Code.

L. The Affirmative Action Program required to be submitted hereunder and the pre-registration, pre-bid, pre-proposal or pre-award conference which may be required by the Awarding Authority shall, without limitation as to the subject or nature of employment activity, be concerned with such employment practices as:

1. Apprenticeship where approved programs are functioning, and other on-the-job training for non-apprenticeable occupations;
2. Classroom preparation for the job when not apprenticeable;
3. Pre-apprenticeship education and preparation;
4. Upgrading training and opportunities;
5. Encouraging the use of Contractors, Subcontractors and suppliers of all racial and ethnic groups; provided, however, that any contract subject to this ordinance shall require the Contractor, Subcontractor or supplier to provide not less than the prevailing wage, working conditions and practices generally observed in private industries in the Contractor's, Subcontractor's or supplier's geographical area for such work;
6. The entry of qualified women, minority and all other journeymen into the industry; and

7. The provision of needed supplies or job conditions to permit persons with disabilities to be employed, and minimize the impact of any disability.

M. Any adjustments which may be made in the Contractor's work force to achieve the requirements of the City's Affirmative Action Program in purchasing and construction shall be accomplished by either an increase in the size of the work force or replacement of those employees who leave the work force by reason of resignation, retirement or death and not by termination, layoff, demotion or change in grade.

N. This ordinance shall not confer upon the City of Los Angeles or any Agency, Board or Commission thereof any power not otherwise provided by law to determine the legality of any existing collective bargaining agreement and shall have application only to discriminatory employment practices by Contractors engaged in the performance of City Contracts.

O. All Contractors subject to the provisions of this article shall include a similar provision in all subcontracts awarded for work to be performed under the Contract with the City and shall impose the same obligations including, but not limited to, filing and reporting obligations, on the Subcontractors as are applicable to the Contractor. Failure of the Contractor to comply with this requirement or to obtain the compliance of its Subcontractors with all such obligations shall subject the Contractor to the imposition of any and all sanctions allowed by law, including, but not limited to, termination of the Contractor's Contract with the City.

**EXHIBIT C**  
**SMALL/VERY SMALL BUSINESS ENTERPRISE PROGRAM**  
**LOCAL BUSINESS PREFERENCE PROGRAM**

(1) **SMALL/VERY SMALL BUSINESS ENTERPRISE PROGRAM:**

The Harbor Department is committed to creating an environment that provides all individuals and businesses open access to the business opportunities available at the Harbor Department in a manner that reflects the diversity of the City of Los Angeles. The Harbor Department's Small Business Enterprise (SBE) Program was created to provide additional opportunities for small businesses to participate in professional service and construction contracts. An overall Department goal of 25% SBE participation, including 5% Very Small Business Enterprise (VSBE) participation, has been established for the Program. The specific goal or requirement for each contract opportunity may be higher or lower based on the scope of work.

It is the policy of the Harbor Department to solicit participation in the performance of all service contracts by all individuals and businesses, including, but not limited to, SBEs, VSBEs, women-owned business enterprises (WBEs), minority-owned business enterprises (MBEs), and disabled veteran business enterprises (DVBES). The SBE Program allows the Harbor Department to target small business participation, including MBEs, WBEs, and DVBES, more effectively. It is the intent of the Harbor Department to make it easier for small businesses to participate in contracts by providing education and assistance on how to do business with the City, and ensuring that payments to small businesses are processed in a timely manner. **In order to ensure the highest participation of SBE/VSBE/MBE/WBE/DVBES, all proposers shall utilize the City's contracts management and opportunities database, the Los Angeles Business Assistance Virtual Network (LABAVN), at <http://www.labavn.org>, to outreach to potential subconsultants.**

The Harbor Department defines a SBE as an independently owned and operated business that is not dominant in its field and meets criteria set forth by the Small Business Administration in Title 13, Code of Federal Regulations, Part 121. Go to [www.sba.gov](http://www.sba.gov) for more information. The Harbor Department defines a VSBE based on the State of California's Micro-business definition which is 1) a small business that has average annual gross receipts of \$3,500,000 or less within the previous three years, or (2) a small business manufacturer with 25 or fewer employees.

The SBE Program is a results-oriented program, requiring consultants who receive contracts from the Harbor Department to perform outreach and utilize certified small businesses. **Based on the work to be performed, it has been determined that the percentage of small business participation will be 0%.**

Consultant shall be responsible for determining the SBE status of its subconsultants for purposes of meeting the small business requirement. Subconsultants must qualify as an SBE based on the type of services that they will be performing under the Agreement. All business participation will be determined by the percentage of the total amount of compensation under the agreement paid to SBEs. The Consultant shall not substitute an SBE firm without obtaining prior approval of the City. A request for substitution must be based upon demonstrated good cause. If substitution is permitted, Consultant shall endeavor to make an in-kind substitution for the substituted SBE.

Consultant shall complete, sign, and submit as part of the executed agreement the attached Affidavit and Consultant Description Form. The Affidavit and Consultant Description Form, when

signed, will signify the Consultant's intent to comply with the SBE requirement. All SBE/VSBE firms must be certified by the time proposals are due to receive credit. In addition all consultants and subconsultants must be registered on the LABAVN by the time proposals are due.

(2) LOCAL BUSINESS PREFERENCE PROGRAM:

The Harbor Department is committed to maximizing opportunities for local and regional businesses, as well as encouraging local and regional businesses to locate and operate within the Southern California region. It is the policy of the Harbor Department to support an increase in local and regional jobs. The Harbor Department's Local Business Preference Program (LBPP) aims to benefit the Southern California region by increasing jobs and expenditures within the local and regional private sector.

Consultants who qualify as a Local Business Enterprise (LBE) will receive an 8% preference on any proposal for services valued in excess of \$150,000. The preference will be applied by adding 8% of the total possible evaluation points to the Consultant's score. Consultants who do not qualify as a LBE may receive a maximum 5% preference for identifying and utilizing LBE subconsultants. Consultants may receive 1% preference, up to a maximum of 5%, for every 10% of or portion thereof, of work that is subcontracted to a LBE. LBE subconsultant preferences will be determined by the percentage of the total amount of compensation proposed under the Agreement.

The Harbor Department defines a LBE as:

- (a) A business headquartered within Los Angeles, Orange, Riverside, San Bernardino, or Ventura Counties. Headquartered shall mean that the business physically conducts and manages all of its operations from a location in the above-named counties; or
- (b) A business that has at least 50 full-time employees, or 25 full-time employees for specialty marine contracting firms, working in Los Angeles, Orange, Riverside, San Bernardino, or Ventura Counties.

In order for Harbor Department staff to determine the appropriate LBE preference, Consultant shall complete, sign, notarize (where applicable) and submit the attached Affidavit and Consultant Description Form. The Affidavit and Consultant Description Form will signify the LBE status of the Consultant and subconsultants.

In the event of Consultant's noncompliance during the performance of the Agreement, Consultant shall be considered in material breach of contract. In addition to any other remedy available to City under this Agreement or by operation of law, the City may withhold invoice payments to Consultant until noncompliance is corrected, and assess the costs of City's audit of books and records of Consultant and its subconsultants. In the event the Consultant falsifies or misrepresents information contained in any form or other willful noncompliance as determined by City, City may disqualify the Consultant from participation in City contracts for a period of up to five (5) years.

## AFFIDAVIT OF COMPANY STATUS

"The undersigned declares under penalty of perjury pursuant to the laws of the State of California that the following information and information contained on **the attached Consultant Description Form** is true and correct and includes all material information necessary to identify and explain the operations of

**CALSTART, Inc.**

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Name of Firm

as well as the ownership and location thereof. Further, the undersigned agrees to provide complete and accurate information regarding ownership in the named firm, and all of its domestic and foreign affiliates, any proposed changes of the ownership and to permit the audit and examination of firm ownership documents, and the ownership documents of all of its domestic and foreign affiliates, in association with this agreement."

(1) **Small/Very Small Business Enterprise Program:** Please indicate the ownership of your company.

Please check all that apply. At least one box must be checked:

SBE     VSBE     MBE     WBE     DVBE     OBE

- A Small Business Enterprise (SBE) is an independently owned and operated business that is not dominant in its field and meets criteria set forth by the Small Business Administration in Title 13, Code of Federal Regulations, Part 121.
- A Very Small Business Enterprise (VSBE) is 1) a small business that has average annual gross receipts of \$3,500,000 or less within the previous three years, or (2) a small business manufacturer with 25 or fewer employees.
- A Minority Business Enterprise (MBE) is defined as a business in which a minority owns and controls at least 51% of the business. A Woman Business (WBE) is defined as a business in which a woman owns and controls at least 51% of the business. For the purpose of this project, a minority includes:
  - (1) Black (all persons having origins in any of the Black African racial groups not of Hispanic origin);
  - (2) Hispanic (all persons of Mexican, Puerto Rican, Cuban, Central or South American or other Spanish Culture or origin, regardless of race);
  - (3) Asian and Pacific Islander (all persons having origins in any of the original peoples of the Far East, Southeast Asia, The Indian Subcontinent, or the Pacific Islands); and
  - (4) American Indian or Alaskan Native (all persons having origins in any of the original peoples of

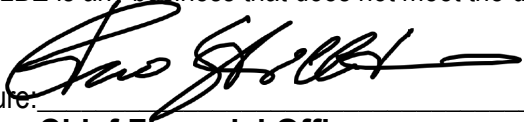
North America and maintaining identifiable tribal affiliations through membership and participation or community identification).

- A Disabled Veteran Business Enterprise (DVBE) is defined as a business in which a disabled veteran owns at least 51% of the business, and the daily business operations are managed and controlled by one or more disabled veterans.
- An OBE (Other Business Enterprise) is any enterprise that is neither an SBE, VSBE, MBE, WBE, or DVBE.

(2) **Local Business Preference Program:** Please indicate the Local Business Enterprise status of your company. Only one box must be checked:

LBE     Non-LBE

- A Local Business Enterprise (LBE) is: (a) a business headquartered within Los Angeles, Orange, Riverside, San Bernardino, or Ventura Counties; or (b) a business that has at least 50 full-time employees, or 25 full-time employees for specialty marine contracting firms, working in Los Angeles, Orange, Riverside, San Bernardino, or Ventura Counties. "Headquartered" shall mean that the business physically conducts and manages all of its operations from a location in the above-named counties.
- A Non-LBE is any business that does not meet the definition of a LBE.

Signature: 

Title: **Chief Financial Officer**

Printed Name: **Piero Stillitano**

Date Signed: **03/14/2022**

## Consultant Description Form

### PRIME CONSULTANT:

Contract Title: \_\_\_\_\_

Business Name: CALSTART, Inc. LABAVN ID#: 87346

Award Total: \$ \_\_\_\_\_

Owner's Ethnicity: \_\_\_\_\_ Gender \_\_\_\_\_ Group: SBE VSBE MBE WBE DVBE OBE (Circle all that apply)

Local Business Enterprise: YES X NO \_\_\_\_\_ (Check only one)

Primary NAICS Code: 541620 Average Three Year Gross Revenue: \$ 95 million

Address: 48 S. Chester Avenue

City/State/Zip: Pasadena, CA 91106

County: Los Angeles

Telephone: (626) 744-5600 FAX: (626) 744-5600

Contact Person/Title: Piero Stillitano

Email Address: accounting@calstart.org

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### SUBCONSULTANT:

Business Name: \_\_\_\_\_ LABAVN ID#: \_\_\_\_\_

Award Total: (% or \$): \_\_\_\_\_

Services to be provided: \_\_\_\_\_

Owner's Ethnicity: \_\_\_\_\_ Gender \_\_\_\_\_ Group: SBE VSBE MBE WBE DVBE OBE (Circle all that apply)

Local Business Enterprise: YES \_\_\_\_\_ NO \_\_\_\_\_ (Check only one)

Primary NAICS Code: \_\_\_\_\_ Average Three Year Gross Revenue: \$ \_\_\_\_\_

Address: \_\_\_\_\_

City/State/Zip: \_\_\_\_\_

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

Telephone: ( ) \_\_\_\_\_ FAX: ( ) \_\_\_\_\_

Contact Person/Title: \_\_\_\_\_

Email Address: \_\_\_\_\_

## EXHIBIT D

### Sec. 10.8.2.1. Equal Benefits Ordinance.

Discrimination in the provision of employee benefits between employees with domestic partners and employees with spouses results in unequal pay for equal work. Los Angeles law prohibits entities doing business with the City from discriminating in employment practices based on marital status and/or sexual orientation. The City's departments and contracting agents are required to place in all City contracts a provision that the company choosing to do business with the City agrees to comply with the City's nondiscrimination laws.

It is the City's intent, through the contracting practices outlined in this Ordinance, to assure that those companies wanting to do business with the City will equalize the total compensation between similarly situated employees with spouses and with domestic partners. The provisions of this Ordinance are designed to ensure that the City's contractors will maintain a competitive advantage in recruiting and retaining capable employees, thereby improving the quality of the goods and services the City and its people receive, and ensuring protection of the City's property.

#### (c) Equal Benefits Requirements.

(1) No Awarding Authority of the City shall execute or amend any Contract with any Contractor that discriminates in the provision of Benefits between employees with spouses and employees with Domestic Partners, between spouses of employees and Domestic Partners of employees, and between dependents and family members of spouses and dependents and family members of Domestic Partners.

(2) A Contractor must permit access to, and upon request, must provide certified copies of all of its records pertaining to its Benefits policies and its employment policies and practices to the DAA, for the purpose of investigation or to ascertain compliance with the Equal Benefits Ordinance.

(3) A Contractor must post a copy of the following statement in conspicuous places at its place of business available to employees and applicants for employment: "During the performance of a Contract with the City of Los Angeles, the Contractor will provide equal benefits to its employees with spouses and its employees with domestic partners." The posted statement must also include a City contact telephone number which will be provided each Contractor when the Contract is executed.

(4) A Contractor must not set up or use its contracting entity for the purpose of evading the requirements imposed by the Equal Benefits Ordinance.



(d) Other Options for Compliance. Provided that the Contractor does not discriminate in the provision of Benefits, a Contractor may also comply with the Equal Benefits Ordinance in the following ways:

(1) A Contractor may provide an employee with the Cash Equivalent only if the DAA determines that either:

a. The Contractor has made a reasonable, yet unsuccessful effort to provide Equal Benefits; or

b. Under the circumstances, it would be unreasonable to require the Contractor to provide Benefits to the Domestic Partner (or spouse, if applicable).

(2) Allow each employee to designate a legally domiciled member of the employee's household as being eligible for spousal equivalent Benefits.

(3) Provide Benefits neither to employees' spouses nor to employees' Domestic Partners.

(e) Applicability.

(1) Unless otherwise exempt, a Contractor is subject to and shall comply with all applicable provisions of the Equal Benefits Ordinance.

(2) The requirements of the Equal Benefits Ordinance shall apply to a Contractor's operations as follows:

a. A Contractor's operations located within the City limits, regardless of whether there are employees at those locations performing work on the Contract.

b. A Contractor's operations on real property located outside of the City limits if the property is owned by the City or the City has a right to occupy the property, and if the Contractor's presence at or on that property is connected to a Contract with the City.

c. The Contractor's employees located elsewhere in the United States but outside of the City limits if those employees are performing work on the City Contract.

(3) The requirements of the Equal Benefits Ordinance do not apply to collective bargaining agreements ("CBA") in effect prior to January 1, 2000. The Contractor must agree to propose to its union that the requirements of the Equal Benefits Ordinance be incorporated into its CBA upon amendment, extension, or other modification of a CBA occurring after January 1, 2000.

(f) Mandatory Contract Provisions Pertaining to Equal Benefits. Unless otherwise exempted, every Contract shall contain language that obligates the Contractor to comply with the applicable provisions of the Equal Benefits Ordinance. The language shall include provisions for the following:

(1) During the performance of the Contract, the Contractor certifies and represents that the Contractor will comply with the Equal Benefits Ordinance.

(2) The failure of the Contractor to comply with the Equal Benefits Ordinance will be deemed to be a material breach of the Contract by the Awarding Authority.

(3) If the Contractor fails to comply with the Equal Benefits Ordinance the Awarding Authority may cancel, terminate or suspend the Contract, in whole or in part, and all monies due or to become due under the Contract may be retained by the City. The City may also pursue any and all other remedies at law or in equity for any breach.

(4) Failure to comply with the Equal Benefits Ordinance may be used as evidence against the Contractor in actions taken pursuant to the provisions of Los Angeles Administrative Code Section 10.40, et seq., Contractor Responsibility Ordinance.

(5) If the DAA determines that a Contractor has set up or used its Contracting entity for the purpose of evading the intent of the Equal Benefits Ordinance, the Awarding Authority may terminate the Contract on behalf of the City. Violation of this provision may be used as evidence against the Contractor in actions taken pursuant to the provisions of Los Angeles Administrative Code Section 10.40, et seq., Contractor Responsibility Ordinance.