

Clean Vehicles Program

Policies and Procedures Manual

February 6, 2018

Houston-Galveston Area Council

PO Box 22777

Houston TX 77227-2777

713-993-2488

CleanVehicles@H-GAC.com

<http://www.h-gac.com/clean-vehicles/>



Clean Vehicles Program
Policies and Procedures Manual

TABLE OF CONTENTS

1. Geographical Scope	1
2. Compliance	1
3. Grant Application Availability	1
4. Applicant Requirements	2
5. Funding Guidelines.....	2
6. Application Submission.....	4
7. Application Review	5
8. Eligibility Determination: Eligibility is determined using tools developed to calculate the scope and limitations of a project, such as:	5
9. Grant Reservation	8
10. Board Approval	9
11. Contract	9
12. Notice to Proceed.....	10
13. Destruction of Old Vehicles/Equipment.....	11
14. Invoicing.....	11
15. Reporting: After a grant has been paid to a sub-recipient, the project enters the Compliance Phase, which involves reporting for a contracted period.	13
16. Usage	14
17. Project Closeout: After project compliance has concluded, Clean Vehicles Program staff will close out the project, provided that the required criteria are met.	15
18. Adoptions by Reference	16
19. Definitions	17

Clean Vehicles Program
Policies and Procedures Manual
Effective February 6, 2018

The Clean Vehicles Program of the Houston-Galveston Area Council strives to provide resources, services and assistance to promote the reduction of harmful emissions in the eight-county nonattainment area. These policies have been created in the interest of achieving that goal and exercising fairness to all stakeholders.

1. Geographical Scope

- 1.1 The Houston-Galveston Area Council (H-GAC) Clean Vehicles Program serves the region covered by the thirteen (13) counties of Austin, Brazoria, Chambers, Colorado, Fort Bend, Galveston, Harris, Liberty, Matagorda, Montgomery, Walker, Waller and Wharton.
- 1.2 All inquiries regarding services outside of the counties listed in paragraph 1.1 will be deferred to the appropriate jurisdiction or metropolitan planning organization.

2. Compliance

- 2.1 All policies set forth in this document comply with the following agreements:
 - A. Applicable Interlocal Agreements between the Texas Department of Transportation (TxDOT) and H-GAC
 - B. The Third-Party Supplemental Environmental Project (SEP) Agreement between the Texas Commission on Environmental Quality (TCEQ) and H-GAC on behalf of the Houston-Galveston Area Emission Reduction Credit Organization (AERCO)
- 2.2 All policies set forth in this document work in conjunction with the bylaws approved by H-GAC and AERCO Boards of Directors where applicable.
- 2.3 All policies set forth in this document comply with H-GAC policies and procedures.
- 2.4 The Clean Vehicles Program will conduct all public meetings in compliance with the requirements described in Chapter 551 of the Texas Government Code (Texas Open Meetings Act).

3. Grant Application Availability

- 3.1 The Clean Vehicles Program application shall be available to any individual or organization with an interest in securing funds to help purchase new, cleaner technology that will reduce emissions in the nonattainment area, including:
 - A. Companies/corporations operating a fleet of any size
 - B. Public entities such as school districts, cities and counties

- C. Individual owner-operators
- 3.2 Applications shall be available for to help replace the following types of equipment:
- A. Class 6, 7 or 8 tractors
 - B. School buses
 - C. Public transportation buses
 - D. Municipal or county vehicles Class 6 and above
 - E. Marine vessel power plant and auxiliary units
 - F. Certain infrastructure components for alternate fuels such as electricity, propane and/or natural gas
- 3.3 When funds are available, applications shall be made available for funding to help replace certain off-road equipment related to the transportation industry.
- 3.4 The engine age of a given vehicle, as opposed to the age of the vehicle itself, will be used to calculate emission reductions and grant amount for the vehicle. Engines older than twenty-five (25) years will not qualify for funding.
- 3.5 There is a limit of twenty-five (25) vehicles per application.

4. Applicant Requirements

- 4.1 Applicants must operate buses or Class 6-8 trucks primarily within the nonattainment area.
- 4.2 Applicants must have a history of operating company vehicles in a businesslike fashion with professionally maintained maintenance, mileage and fuel logs. Other paperwork must comply with local, state and federal guidelines.
- 4.3 Applicants operating as a business must be registered with the Texas Secretary of State.
- 4.4 Applicants must have a credit score rating that can be retrieved from Experian or other reputable credit reporting service.

5. Funding Guidelines

- 5.1 Applicant Eligibility
 - 5.1.1 To be eligible for funding through the Clean Vehicles Program, project vehicles/equipment must be used at least 75% within H-GAC's nonattainment area as described in paragraph 1.1 of this manual.

5.1.2 For funding through the Clean Vehicles Program, the applicant agency must meet the eligibility requirements required by all entities described in Section 2 of this manual.

5.2 Funding Levels and Limits

5.2.1 H-GAC may set funding levels and limits within the constraints of funding agency and other regulatory guidelines.

5.2.2 H-GAC may limit or withhold funding from any individual or organization that shows a pattern of noncompliance to funding agency or other regulatory guidelines.

5.3 Cost effectiveness (dollars per nitrous oxide [NOx] ton reduction per year). The cost effectiveness of a project shall be calculated using either of two levels:

5.3.1 Replacement vehicles burning the traditional fuels of diesel or gasoline will be valued at a rate of \$20,000 per NOx ton reduction, or any revised value as may be determined by H-GAC.

5.3.2 Replacement vehicles utilizing alternative fuels such as electricity, propane or natural gas will be valued at a rate of \$40,000 per NOx ton reduction, or any revised value as may be determined by H-GAC.

5.4 Funding Criteria

5.4.1 All applicants must complete a new application each time a new project is initiated.

5.4.2 History of past Clean Vehicles Program funding will have no bearing on the ability to submit for new projects by a given individual or organization.

5.4.3 Funding is not guaranteed for an application regardless of history of funding with the Clean Vehicles Program.

5.4.4 All applicants are responsible for providing at minimum a 25% match of total project cost.

5.4.5 The amount of Clean Vehicles Program funding, determined by calculating tools provided by the Environmental Protection Agency (EPA), will not exceed 75% of total baseline project cost.

5.4.6 The usage (based on miles traveled, hours of operation or fuel consumption) allowed for a vehicle/equipment shall be determined by the average annual usage over the lifetime of the vehicle/equipment. Prediction of future use or repurposing will not be considered a valid criterion in calculating usage in replacement vehicles.

6. Application Submission

- 6.1 All application materials provided by the Clean Vehicles Program will be distributed in a manner convenient to both H-GAC and the applicant.
- 6.2 Application materials can be distributed at any time of the year, and there is no deadline for application submission.
- 6.3 The basic on-road vehicle replacement application consists of the following components:
- Form A - Basic Applicant Information: This cover sheet contains items relevant to the individual or organization, such as contact, history, signatory and professional information.
 - Form B1 - On-Road Vehicle Data: This worksheet contains information relevant to old and prospective replacement vehicles.
 - Form D - Signature Page: By signing and dating this page, the applicant affirms the Statements of Understanding and authorizes H-GAC to obtain the applicant's credit report. A paper copy of this application with original signatures is required for application processing and approval.
- 6.4 Applications can be submitted to the Clean Vehicles Program using the following methods:
- 6.4.1 Email
- 6.4.1.1 Only application components A and B1 can be emailed via electronic attachments.
- 6.4.1.2 The Clean Vehicles Program accepts only attachments in Excel, Word or pdf format.
- 6.4.1.3 Applications submitted in JPEG or other graphics formats will not be accepted.
- 6.4.1.4 Even if forms A and B1 are emailed, a signed paper original of Form D must be sent by one of the following methods:
- United States Postal Service delivery to:
Clean Vehicles Program
Houston-Galveston Area Council
PO Box 22777
Houston TX 77227-2777
 - In person or by delivery service to:
Clean Vehicles Program
Houston-Galveston Area Council
3555 Timmons Ln Ste 100

Houston TX 77027

7. Application Review

- 7.1 Clean Vehicles Program staff may, within its sole discretion, eliminate an application from consideration due to any of the following factors:
- Incompleteness
 - Discovery of erroneous or fraudulent data or other information
 - Lack of cooperation from the applicant
- 7.2 Clean Vehicles Program staff may request additional or corrected information from the applicant during the grant application process. Applicants will be given a deadline to submit the required information. If the corrected and/or additional information is not submitted to staff by a deadline agreeable to both parties, the application will be considered incomplete, which may eliminate the application from consideration.
- 7.3 Clean Vehicles Program staff will not move an application forward to determine eligibility until it is deemed complete.

8. Eligibility Determination: Eligibility is determined using tools developed to calculate the scope and limitations of a project, such as:

- 8.1 Clean Air Project Evaluation Spreadsheet (CAPES): The EPA provides the parameters for calculating Congestion Mitigation and Air Quality Improvement Program (CMAQ) grant amounts using this Excel workbook. Using data submitted in the application, Clean Vehicles Program staff determine the following values for each project vehicle:
- A. NO_x and other emission reduction values
 - B. Estimated Grant Amount: This amount ranges from 0% to 75% of the total project cost and is based on NO_x emission reduction values.
- 8.2 Risk Assessment Evaluation Tool (Part 1)
- 8.2.1 This Excel worksheet considers the following items in calculating a Part 1 risk assessment score for an application from a business (or for individuals):
- A. Number of Years in Business (years of experience for individuals)
 - B. Credit Score
 - C. Prior History with H-GAC
 - Prior history with H-GAC will be considered “Above Average” if, in its conduct of business with any H-GAC program, the applicant has:

- Submitted all required quarterly compliance monitoring reports on time
- Demonstrated good faith efforts in adhering to Clean Vehicles Program guidelines, and
- Demonstrated transparency in making program and fiscal information available to Clean Vehicles Program staff during all project phases
- Prior History with H-GAC shall be considered “Below Average” if, in its conduct of business with any H-GAC program, the applicant:
 - Was delinquent in submitting more than 25% of required monitoring reports
 - Was assessed three (3) or more findings during any audit or follow-up site visit or
 - Made it difficult for Clean Vehicles Program staff to obtain information or program-related items upon request during any project phase
- D. Business Management - Years of Contract Signatory Experience (efficiency application submission for individuals)
- E. Business Management - Size of Business (number of employees) (promptness of communication with staff for individuals)

8.2.2 If the Part 1 score is low enough to designate the application as “High Risk”, then the application will be rejected.

8.3 Risk Assessment Evaluation Tool (Part 2): If the Part 1 score is low enough to designate the application as a “Moderate Risk”, then a Part 2 risk assessment is required. The following business application items are considered in calculating this score:

- A. Profitability and Trends (based on the three [3] previous consecutive years in business) (trends and net value-to-grant ratio for individuals)
- B. Debt and Quick Ratios and
- C. Best Management Practices will be considered:
 - *Excellent* - if, in the conduct of day-to-day business, the applicant demonstrates a high standard of organization, upkeep and responsiveness based on observations of H-GAC staff during the Application Phase.
 - *Poor* - if H-GAC staff determines that the applicant demonstrates a low standard of organization, upkeep and/or responsiveness during the Application Phase.

8.4 Eligibility Notice (EN)

8.4.1 After having completed the application analysis and Risk Assessment Part 1, an Eligibility Notice is generated, on which the applicant will choose from the following options:

8.4.1.1 *Project Life* - The applicant must choose either a 3-, 4- or 5-year project life. Regardless of project life, the grant amount will not exceed 75% of the total base vehicle cost.

8.4.1.2 *Removal of Vehicles from Consideration* - If the applicant chooses to remove a vehicle or vehicles from consideration, the grant amount will be reduced correspondingly.

8.4.1.3 *Application Amendment* - The applicant may choose to request in writing an amendment to the application. H-GAC will make the final decision to accept or deny the amendment.

8.4.1.4 *Application Withdrawal* - The applicant may choose to withdraw the application completely.

8.4.2 The applicant must sign and submit a signed original paper EN to H-GAC within thirty (30) calendar days, or the application will be denied.

8.5 Pre-Approval Site Visit (PASV)

8.5.1 After having completed the CAPES analysis, Risk Assessment Part 1 and the EN, a site visit is scheduled for the purposes of:

- A. Meeting and becoming acquainted with the applicant in person
- B. Determining use of best business practices and organization
- C. Determining roadworthiness of and photographing all project vehicles and
- D. Comparing application information to fleet inventory and other documentation.

8.5.2 If an engine serial number is either not available or not legible enough to capture photographically during a PASV, logs or maintenance records that connect a serial number with the vehicle identification number (VIN) will serve to validate the engine serial number for that vehicle.

8.5.3 If the primary odometer on a vehicle is discovered to be broken, the following can be used to determine the true total mileage driven by a vehicle:

- A. Readings from an alternate odometer such as a hub odometer
- B. Reliable GPS readings that are properly validated and logged

- C. Mileage logs that are meticulously maintained and linked to a proven alternate source for tracking miles driven
- 8.5.4 As a result of observations made during the PASV, the following factors will result in withdrawal of the application in its entirety:
- A. Discovery that the applicant has submitted fraudulent information in the application
 - B. Discovery that an odometer has been deliberately compromised or tampered with on any vehicle for the purpose of falsifying data submitted in the application
 - C. Lack of an organized, up-to-date recordkeeping system going back the previous three (3) years for the following:
 - Mileage logs
 - Fuel logs
 - Maintenance logs
- 8.5.5 As a result of observations made during the PASV, the following factors will result in removal of a vehicle from a project:
- A. Failed engine start
 - B. Registration that is not current
 - C. Inability to determine usage as represented in the application (based on miles traveled, hours of operation or fuel consumption)
 - D. Determination that the vehicle is not roadworthy and/or has not been used for its intended purposes for the previous two (2) years
 - E. Discovery that an engine has been rebuilt during a year which does not match the reported engine year in the application
- 8.5.6 If any of the factors listed in 8.5.5 is remediated within five (5) business days of the PASV, the vehicle may be restored to the application. Such restoration is subject to H-GAC's acceptance of proposed remediation.

9. Grant Reservation

- 9.1 After having submitted a signed EN and passed standards based on observations during the PASV, a Grant Reservation Letter is generated, on which the applicant will choose from the following options:
- 9.1.1 *Satisfaction with Grant Package as Documented* - If the applicant chooses this option, the project will move forward for approval by the H-GAC Board of Directors (H-GAC Board).

- 9.1.2 *Withdrawal of Application* - Choosing this option will result in removal of the application from consideration, and the applicant will subsequently be sent a closeout letter from the project specialist.
- 9.2 The reservation of funds for a given project is contingent upon the following factors:
 - A. Availability of funds
 - B. Continued satisfactory performance of duties with regard to requirements set forth by H-GAC or any governing body as described in Section 2 of this manual
- 9.3 The applicant must sign and submit a signed original paper copy to H-GAC within thirty (30) calendar days, or the application will be denied.

10. Board Approval

- 10.1 After the Grant Reservation Letter is signed and submitted by the applicant, the project will be placed on the agenda for the next available meeting of the H-GAC Board , whereupon one of two decisions will be made:
 - 10.1.1 *Approval* - If the project is approved, it will progress to the Implementation Phase.
 - 10.1.2 *Disapproval* - If the project is not approved, the application will be rejected.
- 10.2 If the applicant disagrees with the decision of the H-GAC Board, the applicant will have an opportunity to express dissent at a subsequent board meeting, during which three (3) minutes will be allowed to express reasons for the dissent.

11. Contract

- 11.1 Upon approval by the H-GAC Board, Clean Vehicles Program staff will draw up a contract containing project particulars, such as scope, deliverables, etc..
- 11.2 The applicant must sign three (3) paper originals of the contract. It is incumbent on the applicant to read the contract thoroughly to ensure agreement with all provisions before signing.
- 11.3 Once the contract is signed and submitted, H-GAC's Executive Director will countersign it for full execution. Once the contract is fully executed, the applicant becomes a sub-recipient and thereafter will be referred to as "sub-recipient".

- 11.4 Through the course of the project, if a contract change becomes necessary, a change order must be implemented with details about the nature of the change. Following are examples of such changes:
- 11.4.1 *Change to Contract Price* - The price of a contract may be decreased using a change order, but cannot be increased without a second approval by the H-GAC Board.
 - 11.4.2 *Change to Contract Time* - An increase in time must be expressed in number of days and must be accompanied by a detailed explanation of the reason(s) for the delay.
 - 11.4.3 *Change to Data as Listed in Project Specifications* - Any specification change that leads to a decrease in emission reductions will result in a proportionate decrease in the contract amount.

12. Notice to Proceed

- 12.1 Concurrent with the contract, the applicant will be required to sign a Notice to Proceed.
- 12.1.1 The date on which the Notice to Proceed is signed by all parties will serve as the official start date for the Implementation Phase of the project.
 - 12.1.2 The Implementation Phase will last for a period of one (1) calendar year, unless a change order is implemented to extend that time.
- 12.2 Preordering is allowed, but the sub-recipient must not purchase or take delivery of replacement vehicles/equipment before the Notice to Proceed is signed, dated, submitted and documented by all parties. Vehicles/equipment paid for or delivered before that date will be removed from the project.
- 12.3 Once the Notice to Proceed is signed, dated and documented by all parties, the sub-recipient may do the following:
- 12.3.1 Take delivery of new vehicles/equipment for immediate use
 - 12.3.2 Arrange for destruction of the old vehicles/equipment using an H-GAC-approved destruction vendor

13. Destruction of Old Vehicles/Equipment

- 13.1 All sub-recipients of Clean Vehicles Program funds must use an H-GAC-approved destruction vendor to destroy old project vehicles/equipment. Alternative disposition methods must be approved in writing by H-GAC and documented in the Special Conditions of this Agreement. If the sub-recipient is unable to dispose of the vehicle and engine in accordance with an approved alternative disposition method, the sub-recipient must agree to dispose of the vehicle and engine using the standard disposition methods.
- 13.2 Upon job completion, the destruction vendor is responsible for submitting all documentation (including photos) to H-GAC in a timely manner and in the appropriate format(s). If the destruction vendor fails to do so, then the sub-recipient has the final responsibility to do so.

14. Invoicing

- 14.1 The following items will be submitted in a timely manner to H-GAC as required during the invoicing process:
- 14.1.1 From the Sub-recipient
- A. *Project Specification Form* - The Approved Application Summary section of the contract serves as the Project Specification Form for invoicing purposes.
 - B. *Delivery Invoice(s)* - All delivery invoices must originate from the vehicles/equipment vendor and must be dated within the contract period. If vehicles/equipment are delivered on different dates, the date of latest delivery will be recorded as the official date of delivery for the project.
 - C. *Proof of Payment for New Vehicles/Equipment* - To be submitted either via assignment of proceeds, wire transfer record or cancelled check and dated within the contract period.
 - D. *Proof of Direct Cost Fee Payment to H-GAC (if applicable)* - To be submitted by the sub-recipient via check copy and dated within the contract period.
 - E. *Vehicle Synch Table* - Sub-recipient must complete this H-GAC-generated form in order to verify unit numbers, VINs and engine serial numbers of all new vehicles/equipment.
 - F. *Original Signed Billing Statement* - Prerequisites to completion of this form are the delivery invoice(s) and documentation from the destruction vendor. Must be submitted in both pdf soft copy and mailed hard copy of the original; the receipt date of the original hard copy will serve as the official date of receipt of this document.

- 14.1.2 From the Destruction Vendor

- A. *Certification Form* - This form must provide correct vehicle information and salvage amount paid, if any, for destroyed vehicles/equipment.
- B. *Texas Nonrepairable Vehicle Titles* - All titles must align with correct VIN and other vehicle information for each destroyed vehicle and/or equipment.
- C. *Printed Photographs* - Photos submitted must clearly show unit number, VIN, engine serial number and bore hole drilled into engine block for all destroyed vehicles/equipment.
- D. *Electronic Photographs* - Photos must be in JPEG format and may be submitted by either e-mail, compact disc formatted to be read by PC computers, or thumb drive (USB flash drive).

14.1.3 If a contingency is identified, then:

14.1.3.1 The contingency will be communicated in writing to the sub-recipient, with a reasonable amount of time to resolve the issue in question.

14.1.3.2 The invoicing process on the affected project will be placed on hold until contingency is met.

14.1.3.3 If a sub-recipient has more than one (1) project in the Clean Vehicles Program, invoicing for all other projects in the Implementation Phase will be placed on hold until the contingency on the affected project is met.

14.1.4 If submission of the foregoing documents (a) occurs close to the end of the calendar year and (b) reimbursement is projected to be delayed until the beginning of the following year, then available funds may be accrued to be paid the subsequent year.

14.2 Regarding the direct cost fee paid to H-GAC:

14.2.1 If the sub-recipient is a school district, the direct cost fee will be 0.5% of the CMAQ portion of the project.

14.2.2 If the sub-recipient is an organization other than a school district, the direct cost fee will be 1.5% of the CMAQ portion of the project.

14.3 For CMAQ projects, invoicing will not be considered complete until all conditions are met as set forth by H-GAC, TxDOT and any governing body as described in Section 2 of this manual.

14.4 For SEP projects, invoicing will not be considered complete until all conditions are met as set forth by H-GAC, AERCO and any governing body as described in Section 2 of this manual.

- 14.5 For CMAQ projects, or the CMAQ portion of any project with multiple funding sources, the grant amount will be paid according to the following criteria:
 - 14.5.1 If the total project cost is greater than the amount contracted, the CMAQ amount will not exceed the amount contracted.
 - 14.5.2 If the total project cost is less than the amount contracted, the CMAQ amount will be calculated proportionately at the contracted percentage to reflect the difference between the contracted and actual cost.
- 14.6 Payments will be made to the sub-recipient on the following basis:
 - 14.6.1 If the sub-recipient pays for all new vehicles/equipment on a cash basis upon delivery, the following will take place:
 - 14.6.1.1 Funds will be paid directly to the sub-recipient in full before invoice closeout.
 - 14.6.1.2 It will be the sub-recipient's responsibility to attain contracted usage amounts for each project vehicle during the course of the project.
 - 14.6.2 If a sub-recipient pays for all new vehicles(s) and/or equipment with yearly payments to a third-party vendor, such as a bank or dealership, the following will take place:
 - 14.6.2.1 H-GAC will pay the third-party vendor on a yearly basis for the contracted term of compliance or until the balance is paid, whichever comes first.
 - 14.6.2.2 Reimbursement will be subject to usage amount during the invoiced year.
- 14.7 Payments made for the funding of any Clean Vehicles Program project are contingent upon the availability of funds and are not guaranteed regardless of where the project is the invoicing process.
- 15. Reporting:** After a grant has been paid to a sub-recipient, the project enters the Compliance Phase, which involves reporting for a contracted period.
 - 15.1 Reporting for a new project vehicle will begin the first full quarter after the destruction of the vehicle that it replaced.
 - 15.2 The sub-recipient must submit all monitoring reports to Clean Vehicles Program staff on a quarterly basis, as defined by the executed contract.
 - 15.3 H-GAC may require the submission of additional monitoring reports if deemed necessary.

- 15.4 All monitoring reports should be submitted using one of the following mechanisms:
- A. Online web portal for reporting available on H-GAC's website
 - B. Emailed in Excel format, using templates provided by H-GAC
 - C. Emailed in pdf format, created from Excel templates provided by H-GAC
 - D. Automated third-party GPS data vendor
 - Data submitted via a third-party GPS data vendor will be for mileage only.
 - The sub-recipient must submit a separate report to H-GAC with any data pertinent to vehicle use other than mileage.
- 15.5 H-GAC will not accept monitoring reports submitted as a JPEG photograph.
- 15.6 H-GAC will not accept handwritten monitoring reports, whether mailed on paper or emailed in electronic format.
- 15.7 The compliance period chosen by the sub-recipient during the Application Phase of the project can be one of the following:
- A. Three (3) years for twelve (12) monitoring reports
 - B. Four (4) years for sixteen (16) monitoring reports
 - C. Five (5) years for twenty (20) monitoring reports
- 15.8 A single project can have different vehicles/equipment under contract for differing periods of time, if the applicant so chooses.
- 15.8.1 The same contract will be used to outline requirements for all vehicles or equipment, regardless of number of compliance years assigned to each unit individually.
- 15.8.2 The contract period will be defined by the vehicles/equipment with the greater number of reporting years.
- 15.9 H-GAC reserves the right to reject a monitoring report and require re-submission if the report is deemed incomplete or illegible for any reason.
- 15.10 H-GAC reserves the right to terminate a project upon discovery of deliberately false or fraudulent information submitted in a monitoring report.

16. Usage

- 16.1 The sub-recipient is required to keep accurate, up-to-date usage records for reporting purposes, based on contracted miles traveled, hours of operation or fuel consumption.
- 16.2 Only usage within the nonattainment area qualifies for grant funding.

- 16.3 After each monitoring report is received from the sub-recipient, H-GAC will provide the sub-recipient with timely data regarding usage and emission-reduction status. If the status shows that usage is trending below expectations at any point in the Compliance Phase, the sub-recipient should adjust usage of the funded vehicles/equipment to bring the project back into compliance in a timely manner.
- 16.4 If a funded vehicle/equipment unit is out of service because of maintenance, repairs, accident, replacement, etc. and the time out of service significantly impacts the usage, then:
- 16.4.1 The sub-recipient must notify Clean Vehicles Program staff in writing about the nature of the problem and provide supporting documents such as repair orders, bill payments, insurance claims, accidents, etc., along with an estimate of time necessary to make repairs.
- 16.4.2 At the sole discretion of Clean Vehicles Program staff, lost quarters of usage may be made up by extending same number of quarters at the end of the project, or whatever other contracted provisions are available to mitigate the usage shortfall.
- 16.5 If usage fails to meet the contracted standard near the end of the project's Compliance Phase, the following options may be used to bring the project into compliance before the contract is completed:
- 16.5.1 The sub-recipient may reimburse H-GAC for that portion of the grant equal to the unmet usage commitment.
- 16.5.2 The sub-recipient may use other mitigation strategies listed in Section 4.2 (Annual Usage for Activity Life).of the General Contract.
- 17. Project Closeout:** After project compliance has concluded, Clean Vehicles Program staff will close out the project, provided that the required criteria are met.
- 17.1 A project can be closed out for any of the following reasons:
- A. Completion of all requirements in the Compliance Phase
 - B. Withdrawal by choice of the sub-recipient, provided that all terms and conditions are met at that point
 - C. Termination by H-GAC for reasons described in previous sections
- 17.2 A project will be considered eligible for closeout if all of the following criteria are met:
- A. End date and refund status are certifiably verified.
 - B. All reimbursement debts are paid to H-GAC, if any.
 - C. Emission reduction obligations are met and documented.
 - D. Paper copy files and documents are in order and appropriately archived.

- E. Electronic copy files and documents are in order and appropriately archived.
- F. All files and documents are submitted to and approved by H-GAC management.

18. Adoptions by Reference

The Clean Vehicles Program adopts by reference the rules and documents listed below:

Texas Administrative Code (TAC)

Texas Government Code, Chapter 551 (regarding the Texas Open Meetings Act)

Uniform Grant Management Standards (UGMS) adopted pursuant to the Uniform Grant and Contract Management Act of 1981, Chapter 783, Texas Government Code. (See 1 TAC Sections 5.141-5.167.) These requirements apply to all Clean Vehicles Program grants (including those to nonprofit entities) whether using state or federal funds.

19. Definitions

AERCO - Houston-Galveston Area Emission Reduction Credit Organization, which provides funds to the Clean School Bus Program-Houston serving TCEQ Regions 10 and 12, excluding Shelby County. This area currently includes the twenty-seven (27) counties of Angelina, Austin, Brazoria, Chambers, Colorado, Fort Bend, Galveston, Hardin, Harris, Houston, Jasper, Jefferson, Liberty, Matagorda, Montgomery, Nacogdoches, Newton, Orange, Polk, Sabine, San Augustine, San Jacinto, Trinity, Tyler, Walker, Waller and Wharton.

Applicant - individual or organization submitting a written request for financial assistance to facilitate purchase of new, cleaner technology

Application - written request for financial assistance to facilitate purchase of new, cleaner technology

Baseline Cost - price of a new vehicle that does not include taxes, fees or upgrade expenses

Change Order - official documentation that details the nature and reasons for a change in the contract which becomes necessary through the course of a project

Compliant - operating within fund source or administrative agency guidelines

EPA - United States Environmental Protection Agency

Contract - Clean Vehicles Program agreement between H-GAC and sub-recipient of grant funds

Grant - funding awarded to an individual or organization toward purchase of new, cleaner-burning technology

H-GAC - Houston-Galveston Area Council

Nonattainment Area - region that does not comply with the National Ambient Air Quality Standard (40 CFR Part 50) for ozone set by the EPA per the Clean Air Act; as designated by the TCEQ, the Houston-Galveston-Brazoria nonattainment area includes the eight (8) counties of Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty, Montgomery and Waller.

Noncompliant - failing to operate within the guidelines of the fund source or administrative agency

NOx - nitrogen oxide; term used for the general oxides of nitrogen (NO, NO₂, N₂O₂, etc. when discussing air pollution rather than specify any one of all of the family)

Sub-recipient - individual or organization awarded a grant for purchasing new, cleaner technology

TCEQ - Texas Commission on Environmental Quality

Total Project Cost - baseline cost of all new vehicles in a project

Vendor Hold - payment hold placed on an individual or organization found to be noncompliant by H-GAC or other government entity