

AB 2766 DMV Surcharge Fund

Program

Request

for

Proposal

Grant Year 2026

Board Approval Meeting Date: June 23, 2025

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NORTHERN SIERRA AIR QUALITY MANAGEMENT DISTRICT

AB 2766 DMV SURCHARGE FUND PROJECTS AND PROGRAMS

Grant Year 2026 Request For Proposal

SECTION I. INTRODUCTION

The Northern Sierra Air Quality Management District (District) requests proposals for AB 2766 DMV Surcharge Fund projects and programs for the following purpose according to the terms and conditions herein.

PURPOSE: To assist in attaining the requirements of the California Clean Air Act. The District solicits proposals for projects and programs that will: 1) reduce air pollution emissions from motor vehicles; 2) implement the mobile transportation demand management measures. Entities with proposals that are selected for either full or partial funding must enter into explicit contracts with the District setting forth performance criteria to ensure compliance with statute and audit requirements. Public and private entities are eligible to apply either solely or in combination for this funding. However, proposals from private entities will be examined to ensure they result in public as opposed to solely private benefit.

NOTE: CREDITS FOR EMISSION REDUCTIONS FROM A PROJECT OR PROGRAM FUNDED BY MOTOR VEHICLE EMISSION REDUCTIONS PROJECTS FUNDS ARE NOT TRANSFERABLE AND MAY NOT BE USED AS EMISSION OFFSETS. THEY WILL BE USED TO MEET THE EMISSION REDUCTIONS NEEDED TO MAINTAIN COMPLIANCE WITH THE CALIFORNIA CLEAN AIR ACT, AND ARE THEREFORE THE PROPERTY OF THE DISTRICT.

NOTE: This request for proposal (RFP) is subject to modification. Any significant modifications will be sent to the recipients of this RFP who have requested information for notifications of the AB 2766 program.

NOTE: Applicants are responsible for knowing all information contained in this RFP and must adhere to all requirements. Failure to adhere to all requirements may be cause for termination of the contract with the District.

FOR FURTHER INFORMATION: Questions, comments, or requests for further information regarding this RFP may be obtained by **contacting Melissa Klundby, located at the Portola Office, email:melissak@myairdistrict.com Phone: (530) 832-0102 extension 4.**

SECTION II. SCHEDULE

DATE

EVENT

DATE

EVENT

June 23, 2025

Board approval of RFP

June 24, 2025 to
July 1, 2025

Distribution of 2-page screening proposal solicitation.
Distribution will be via email only this year

August 29, 2025

Screening proposals due 4:00 P.M. (postmarks NOT accepted). **Any screening proposal received after this time will NOT be considered for funding.** Email submissions preferred.

September 12, 2025

Detailed Request for Proposal (RFP) and application sent to qualified applicants. Applicants should work with District staff to ensure applications are complete prior to the submission deadline of **October 24, 2025**

Incomplete submittals and/or applications will NOT be considered for funding.

October 24, 2025

Application submission deadline, complete application/submittals must be fully complete by this date. Applicants should submit information early to make sure it is complete by this date. **Incomplete submittals will NOT be considered for funding.** Email submissions preferred.

October 27, 2025 to November
17, 2025

District staff reviews applications and performs ranking criteria/review and prepares packages for Board review.

November 24, 2024

Applications are presented to the Board for review and funding recommendations. Governing board approves, rejects, or directs staff on the funding recommendations.

November 24, 2025 to
December 21, 2024

All contracts signed by the Executive Director, Chair and participants. Grants must be signed or award may be denied.

January 1, 2025

Commencement of Funding

SECTION III. BACKGROUND

Assembly Bill 2766 (Sher) authorized air pollution control districts and air quality management districts to impose a \$2 to \$4 motor vehicle registration fee to provide funds for air districts to meet new responsibilities mandated under the California Clean Air Act. The District set the fee at \$4 per registered motor vehicle for Nevada County and Plumas County. Sierra County remains at \$2 per registered vehicle.

The California Health and Safety Code states that the fees shall be used to reduce air pollution from motor vehicles and for related planning, monitoring, enforcement and technical studies necessary to implement the California Clean Air Act. The California Air Resources Board has expanded on this with guidance titled *Proposed Criteria and Guidelines For Use of Motor Vehicle Registration Fees*.

The District's Governing Board will determine from year to year what amount of motor vehicle registration fees are to be budgeted to fulfill the District's requirements for implementing the California Clean Air Act. On April 22, 2024, the District's Board of Directors made a tentative budget allocation of **\$216,171 for Nevada County, \$34,708 for Plumas County and \$5,826 for Sierra County**. The amount available for projects may change if the revenues change or plans change. In addition, since these funds are also used to fund internal programs referred to in the paragraphs above, plans for internal activities may influence the funds available for external projects.

Eligible projects and programs are described in Section IV in more detail. The District and its committees will rank proposed projects and programs based on evaluation criteria (see Section X and Attachment 5) approved by the board and make recommendations to the District's Governing Board. *The District will be sensitive to an equitable distribution of the funds within the District,* as long as projects from a given area score well against the evaluation criteria.

The District's Governing Board may approve proposals, reject proposals, or refer proposals back to the District and its committees for reconsideration or refinement to improve various aspects of the proposal. The District may request minor changes in a project proposal or in rare cases, may request major changes instead of simply rejecting the project. The proposer is expected to comply with the District's requests to modify proposals to be compatible with the District's program needs, however, the proposer has the option to withdraw a refer-back proposal if the District's requested changes are not compatible with the proposer's needs. Once a proposal (or a modified proposal) is submitted, it shall be considered firm.

SECTION IV. ELIGIBLE PROJECTS

The District will be seeking to reduce the nonattainment air pollutants associated with motor vehicles (e.g. ozone precursors and vehicle-related particulates). Projects eligible for AB 2766 DMV Surcharge funding must meet one of two goals in order to be considered by the District. Those goals include (1) reducing air pollution emissions from motor vehicles, reductions in vehicle miles traveled, and/or reductions in vehicle trips; (2) implementing transportation control measures (TCMs) and transportation demand management (TDM) measures.

Applicants are instructed to determine which of the *two* categories described below (Quantifiable or Reduced Emission Vehicles) their proposal falls under. Applicants are to select one of the two categories, for each submitted proposal, on Attachment 2, Request For Proposal Contents Checklist. The District reserves the right to reclassify the category of a proposal. Additionally, if the applicant does not choose a category, the District will select a category for the proposal.

The proposal will be evaluated in one of two (2) categories as follows:

1) QUANTIFIABLE

Such projects are known to have measurable results and demonstrate the most significant emission reduction benefits. Emissions benefits should be calculated using a calculation methodology acceptable to the District. Documentation of the assumptions and inputs used in calculations must be included in the proposal.

2) REDUCED EMISSION VEHICLES

These are projects that use Reduced Emission Vehicle technology to demonstrate significant emission reduction benefits. An example of a project may include vehicle conversions to zero emissions vehicles (ZEV) or purchase of a new ZEV. Another option is purchasing a vehicle manufactured using alternate technologies producing fewer emissions than its comparable counterpart. For example, purchasing a bus that is powered by compressed natural gas (CNG) or liquid petroleum gas (LPG, propane) instead of purchasing a diesel powered bus or even a diesel hybrid.

NOTE: CNG and LPG conversion kits must be ARB-certified to be eligible for funding. Bi-fueled vehicle conversion proposals must agree to enhanced recordkeeping to monitor both CNG and LPG fuel use and conventional fuel use to facilitate emissions reduction calculations.

NOTE: All projects must have cost-effectiveness less than \$100.00/lb to be considered for funding.

The following projects are not eligible for AB 2766 DMV Surcharge funding:

1. Projects required as mitigation by an environmental document under CEQA or NEPA are not eligible.
2. Projects and programs with fund requests to reimburse administrative costs with AB 2766 Funds (refer to Attachment 6).
3. Any project that falls under any Air District or the California Air Resources Board regulation (funding will not be used for rule compliance).

NOTE: Some proposals may need to be reduced in scope and/or funding level. Therefore, proposals should be presented in segments, if possible, so that portions of a proposal may be easily approved for funding. The District reserves the right to recommend for approval to the District's Governing Board only a portion of the proposer's scope of work and funding request. In this case, the proposer may be requested to submit a revised work statement, schedule of deliverables, and cost breakdown. For this reason, it is strongly recommended that proposals be structured with alternate funding levels in proposals, if feasible.

NOTE: Any applications submitted that contains more than one project type must be submitted as **separate proposals**. Submitting combined proposals may result in rejection of the entire proposal. However, in some cases, the District may return the proposal and request separate proposals. Typical project types that should be separated follow: Alternative fuel vehicles, alternative fuel infrastructure, electric vehicles, electric charging infrastructure, marketing of transit services, new transit services, fare subsidies/incentives, new shuttle services, telecommunications, vanpools, rideshare matching services and bikeways. In the case of voluntary employer trip reduction programs, project components may include rideshare matching, vanpools, guaranteed ride home, etc., however, special structuring is necessary to separately evaluate trips and VMT reduced, and emissions reduced for each component. The cost-effectiveness is then determined as the quotient of the AB 2766 funding and the combined emissions reductions for each component.

SECTION V. FORMAT OF PROPOSALS

Applicants have two choices for proposal formats: email or paper submission. Proposals submitted via email should be in a common readable format (pdf, doc, xls, or txt) and no longer than 10 pages.

Proposals submitted on paper shall adhere to the following requirements:

- All proposals must follow the format outlined below and all requested information must be supplied:
- Proposals must be submitted on white paper; stapled (not bound) and or be provided in a word or pdf document electronically.
- No plastic covers on proposals.
- No covers of any kind; the Exhibit Summary Sheet will be the cover.
- All proposals must be clearly printed or typed.
- Technical appendices may be attached.
- No videos will be accepted with proposals.

FAILURE TO ADHERE TO THE AFOREMENTIONED SPECIFICATIONS MAY BE CAUSE FOR REJECTION OF PROPOSAL.

SECTION VI. CONTENTS OF PROPOSALS

All proposals must be submitted with the following sections, in the order listed below, and must provide the information specified below:

- A. Exhibit Summary Sheet - Provide basic information indicated, including a brief project overview in the space provided. The "Exhibit Summary Sheet" form is included in this RFP as Attachment 1.
- B. Request For Proposal Contents Checklist - Use the summary checklist sheet to ensure that all of the appropriate contents of the proposal have been included (see Request For Proposal Contents Checklist form, Attachment 2).
- C. Authorization Letter/Resolution - **A letter or resolution authorizing the applicant to submit a proposal must be included with the proposal.** The letter must include the proposing entity's name, address, telephone number and contact person, and must be signed by the person or persons authorized to represent the proposing entity. For proposals from more than one entity, letter(s) must be signed by an authorized representative from each entity. Please indicate which entity will be the project manager of the project.
- D. Project Description - Identify specific objectives of the proposal and describe the scope of work of the proposed project. The applicant should refer to the appropriate section of the California Air Resources Board's *Methods to Find the Cost-Effectiveness of Funding Air Quality Projects -- 2005 Edition* (this is a hardcopy version of the "Automated" methods) for assistance on successful project design. The Handbook can be obtained from the District's web page (<http://www.myairedistrict.com>). Select "Grants and Incentives", and then select "AB2766 DMV Funds."
- E. Project Organization/Background - Provide a very brief description (one page or less; no resumes) of your organization. Please indicate if your agency has successfully completed a similar project. If subcontractors are to be used in the project, please identify and state their qualifications, or if subcontractors have not been identified, state the specific qualifications that must be met. Describe the technical capabilities available to the proposer for preparing estimates of emissions reductions for both the proposal and reporting. Describe the accounting capabilities available to the proposer for tracking costs by project task and tracking which funding source pays for each expenditure.
- F. Emission Benefits/Cost Effectiveness - This important section shall clearly state the estimated total lifetime emission reductions of NOx, ROG, and PM10, if emissions reductions are quantifiable. When emissions reductions are quantifiable, state the vehicle miles traveled (VMT) reductions, vehicle trip reductions, or persons served. The calculations and assumptions necessary to derive and support these estimates must be clearly and concisely included in the technical appendix and will be verified by District staff. Please refer to Section XI of this RFP for more detailed information on this important section of your proposal.

The applicant should also refer to the appropriate section of the California Air Resources Board's (ARB) *Methods to Find the Cost-Effectiveness of Funding Air Quality Projects*

-- **2005 Edition (this is a hardcopy version of the "Automated" methods)** for assistance on successful project design, necessary data inputs, emission factors, and formulas used to determine cost-effectiveness. The Handbook can be obtained from the District's web page (<http://www.myairdistrict.com>). Select "Grants and Incentives", and then select "AB2766 DMV Funds."

The District will be looking for the maximum benefit per AB 2766 dollar spent and per total project dollar spent. Therefore, the proposal must provide the cost-effectiveness based on AB 2766 funding and the cost-effectiveness based on total project dollar spent. NOTE: More points are allocated for cost-effectiveness than any other evaluation criteria.

- G. Work Statement - Describe separately each phase of the work to be performed. Break the work down into logical tasks, list tasks within each phase of work and describe as necessary. Such a breakdown will vary somewhat for each project or program, but normally there are between 2 and 12 tasks. State the sequence of work activities, including a starting date no sooner than January 1 of the grant year and a completion date within one year of said January 1. Include all relevant information regarding: a) the technology involved in the project; and b) the parties involved in the project.

All project recipients must provide some type of public acknowledgment that their project was funded by the District utilizing DMV Surcharge Funds. How this is done will vary by project (e.g. logo/placard on equipment, include acknowledgment in pamphlets, etc.), but must be addressed in this section of the proposal.

- H. Funding Request/Breakdown of Cost - A table is recommended for this purpose listing costs by task (and sub-tasks) in rows and funding sources in columns. Identify all sources of funds, including the AB 2766 DMV Surcharge funds, other direct funding sources and in-kind (non-dollar) contributions. Clearly state the amount of AB 2766 funds requested from the District for each task. Clearly state the amount of matching funds (co-funding) available from each co-funding source for each task and whether funds are monetary or in-kind (non-cash) contributions. Clearly state the total costs for each task and the total project costs. District staff will review all matching funds for availability and will verify eligibility. If identified matching funds are found to no longer be available, it may be grounds for eliminating the project.

This breakdown of costs must include a category for all administrative costs. The District will not reimburse for any administrative costs due to State-mandated limits (ref. California Health and Safety Code, Section 44233). Administrative costs must be funded by other funding sources or paid by the proposer with an "in-kind" contribution. The California Air Resources Board's definition of administrative costs is included in Attachment 6.

NOTE: If a person whose job title is considered administrative by your agency is completing project management tasks, this is acceptable as long as you label the work "project management" and the billing rate you use is not "burdened" with administrative costs, as defined by ARB.

Separate from the above table, provide an itemized list of equipment to be purchased and the proportion of the cost of each piece of equipment to be funded by AB 2766 DMV

Surcharge funds. The program will fund only that portion of the equipment's cost that is related to the provision of motor vehicle emissions reductions or technical studies, planning or monitoring related to the implementation of the California Clean Air Act. Co-funding must be used to fund any non-qualifying benefit.

Separate from the above table, provide an estimate of the operating costs to be funded by AB 2766 funds. The program will fund only that portion of the operating costs that is related to the provision of motor vehicle emissions reductions or technical studies, planning or monitoring related to the implementation of the California Clean Air Act. Co-funding must be used to fund any non-qualifying benefit.

It is recommended that proposals include alternate funding levels in case the District cannot fully fund your proposal.

Describe what procedures will be used to track/monitor costs against those approved in the project.

If AB 2766 funding has been provided to the proposer for the past 2 years for the same project or program being proposed for the upcoming grant year, then provide a discussion and analysis showing when this activity can become self-funding so that AB 2766 funding "sunsetts". Refer to the Evaluation Criteria, Ranking and Sunsetting section in Attachment 5 for more information/discussion on the District's fund sunsetting strategy.

NOTE: Reimbursements will not for any project work done prior to contract execution.

- I. Schedule of Deliverables/Monitoring Program - Provide a list of all work products or deliverable items and their anticipated dates of delivery. The schedule should not extend past more than one year after the date of contract execution. Show the task sequence in chart-form using a time-line for each task.

Describe how the project objectives will be measured and reported, being consistent, as applicable, with the requirements described in Section IX. A monitoring program is required for all projects to assure the necessary data are collected to quantify reductions of vehicle trips and vehicle miles traveled. ARB's *Methods to Find the Cost-Effectiveness of Funding Air Quality Projects -- 2005 Edition* should be used as a resource to identify the data that must be collected for an acceptable monitoring program. There are alternative ways to measure effectiveness, such as number of people reached, number of responses where asked for, and increased participation in a promoted event or service.

SECTION VII. SUBMISSION OF PROPOSALS

All proposals must be submitted according to specifications set forth in the RFP. Failure to adhere to these specifications may be cause for rejection of proposal.

DUE DATE: ALL PROPOSALS ARE DUE NO LATER THAN 4:00 P.M., October 27, 2025 (POSTMARKS NOT ACCEPTED) AND SHOULD BE EMAILED/DELIVERED TO:

Email is preferred
melissak@myairdistrict.com

Mailing Address:
ATTN: Melissa Klundby
P.O. Box 2227,
Portola, CA 96122

UPS/FedEx Shipping Address:
Northern Sierra Air Quality Management District
257 East Sierra Unit E
Portola, CA 96122

PROPOSALS WILL NOT BE ACCEPTED AT ANY OTHER LOCATIONS. LATE PROPOSALS WILL NOT BE ACCEPTED UNDER ANY CIRCUMSTANCES.

Grounds for Rejection - A proposal will be rejected if:

- a) It is received at any time after the exact date and time set for receipt of proposals.
- b) Any of the contents described on the Request for Proposal Contents Checklist (Attachment 2) are not provided in the application.
- c) The proposal does not meet the criteria described in the RFP.
- d) The District determines that the project is ineligible (See Section IV).

Disposition of Proposals - The District reserves the right to reject any or all proposals. All proposals become the property of the District. Proposals are valid only during the current funding cycle that the proposals are submitted.

Modification or Withdrawal - Once submitted, proposals may not be altered. Additional information may not be accepted after the proposal is submitted. All proposals shall constitute firm offers. The District may contact the applicant for more information or clarification on a proposal. The applicant may be asked by the District to submit additional written information or clarification on a proposal. Applicants are not to initiate contact with the District during the project evaluation phase about proposed projects. Lobbying for a proposed project is expressly forbidden. The Board may approve a project on the proviso that the proposal is modified in specific ways. The District may require a proposal to be modified prior to being included as an attachment to a contract agreement to help clarify the project commitments.

SECTION VIII. CONTRACT PREPARATION AND PROJECT TERM

Those projects that are chosen for funding will be required to complete a contract with the District as a condition of receiving funds. A draft copy of a contract is enclosed in this RFP as Attachment 3. Contract preparation will begin soon after approval of projects by the District Governing Board. Contracts will be executed by the Air Pollution Control Officer after the Governing Board approves projects. This will occur in September or October. All projects should be scheduled to begin no sooner than January 1st of the grant year. Projects must be completed within one year from the execution of the contract with the District. Multiple-year or phased projects can only be guaranteed funding for one year, but may apply each year for additional funding. Prior to receiving any funds, the District will provide the project participant with ONE final COPY of the signed contract. Refer to Attachment 4 (***Project Guidance***) for written instructions on how to request funds. Prior to receiving any funds, the project participant must provide the District with the following documents:

- i) *Verification of appropriate signing authority.* The signing authority must be the person authorized in the contract as the person who can act on all fiscal matters on behalf of the funded agency. This may be accomplished by resolution, or the like.
- ii) *Verification of all insurance requirements identified in the contract.* If self-insured, a letter from a risk manager or the like will be acceptable.
- iii) *Verification that any and all matching funds identified in the proposal are still available.* The signing authority must provide formal documentation of the available matching funds.

The contract will require the applicant to perform adequate record keeping to allow the District to take credit for the emission reductions. **All emissions reductions achieved through this program are the property of the District.** It will also include requirements for monitoring and reporting by the proposer. The District may conduct a fiscal audit of the project participants' records to ensure appropriate expenditure of the AB 2766 DMV Surcharge funds. An in-house audit may be conducted on selected projects.

Proprietary Rights - Applicants wishing to propose the use of proprietary data developed solely at their own expense should clearly identify such data and the restrictions on its use in their proposals (see Attachment 3 - Standard Agreement).

SECTION IX. REPORTING AND AUDIT PROCEDURES

Contract monitoring will be performed by the District on a regular basis. All projects will be reimbursed only for work completed. A Monthly/Quarterly Financial Report is required to be submitted by the applicant (see Attachment 4 - Project Guidance) with each request for reimbursement, which must include a brief progress report. A mid-way *Monitoring Report* is also due by July 31 of the grant year describing what work has been successfully completed on schedule, percentage completion for each task, what work is behind schedule and why, what will be done to get back on schedule (if needed), and whether challenges are anticipated in completing the scheduled work by December 31 of the grant year. This is the project participants' opportunity to accent successes and forewarn about anticipated problems. In addition, a *Final Report* is required detailing what was actually accomplished and providing a final cost breakdown. The final report will also include emission reductions achieved, based on actual monitoring data, if applicable, and shall include all information necessary to judge the success of the project in meeting its goals. This analysis shall include a comparison of the proposed benefits to the actual benefits. More detailed information on the reporting requirements is included in the *Project Guidance* (Attachment 4).

The District, may at any time during regular business hours, and as often as the District may deem necessary, examine all records and data with respect to the matters contained in the contractual agreement. The applicant will be required to permit the District access to such records and data to ensure the applicant's compliance with the terms of said agreement (see Attachment 3).

Any entity that receives monies from the AB 2766 DMV Surcharge funds may be subject to an audit of each project funded. The audit will be conducted by an independent auditor selected by the District. Upon the completion of an audit, the District will make the audit available to the public, and the proposer upon request. The District will review the audit to determine if the monies were used per the contractual agreement for the reduction of air pollution from motor vehicles.

If the District determines that the monies were expended in a manner contrary to law or not in accordance with contract provisions, the District will notify the contractor of the determination, and within forty-five days, the District's Governing Board will hold a public hearing at which the contractor may present information related to the expenditure of monies. After the hearing, if the District determines that the contractor has expended the monies in a manner that is contrary to law or not in accordance with contract provisions; the District shall withhold monies from the contractor in an amount equal to the amount that was inappropriately expended. In addition to all other available remedies, the District may, at its discretion, also seek re-payment of funds misappropriated, spent for non-eligible activities, or otherwise inappropriately expended.

SECTION X. PROPOSAL EVALUATION

Proposals will be evaluated and points awarded based upon the criteria outlined in the District's Evaluation Criteria, Ranking and Sunsetting section (see Attachment 5). The maximum possible score is 100 points. The maximum score for each category was approved by the Board of Directors and is based on the priorities of the Board. Cost-effectiveness is the category that receives the most points. Projects with the highest total scores may be funded first.

Note: Points may be deducted for applicants whose previous project performance is not consistent with the commitments made in their previous funding proposal(s). This may include, but is not limited to: failure to execute a contract, numerous contract extensions, or poor goal achievement (e.g. over-promising in proposals and under-delivering during the implementation).

Note: Projects and applicants that have received funding for **three years or more** fall under the **sunsetting** category and are eligible for remaining funds after non-sunsetting projects have been approved. This allows start-up projects to compete, based on other relevant criteria (e.g. cost-effectiveness), against marginal, ongoing projects that request funding for operating expenses (see attachment 5-9 for more information on sunseting).

Allocated funds are earmarked for each county. Funds are portioned out to each county according to the most up to date census data. This attempts to assure a measure of fairness. However, exact parceling of funding in this manner is not intended. There may be circumstances where the amounts will vary from the optimum, and times when it is desirable to provide more funding in an area due to need (e.g. high pollution areas).

District staff will evaluate all projects. Projects will be ranked and presented to the District's Board of Directors for approval. The District's Board of Directors may form, at their discretion, an ad hoc project evaluation committee for each County to review proposals for that County. At the completion of the evaluation process, each committee recommends proposals and the amount of funding for each proposal to the District's Governing Board for approval at a regular meeting.

The evaluation criteria are included in Attachment 5 (near end) to provide the proposer additional insights on how their proposal that will be evaluated.

NOTE: ALL DISTRICT BOARD MEETINGS ARE OPEN TO THE GENERAL PUBLIC. OPPORTUNITIES FOR PUBLIC COMMENTS ARE ENTERTAINED AT THE END OF EACH MEETING. IT IS REQUESTED THAT NO UNSOLICITED COMMENTS BE MADE BY THE GENERAL PUBLIC DURING ANY PORTION OF THE MEETING, EXCEPT DURING THE PUBLIC COMMENT PERIOD. ALL MEETINGS OF THE DISTRICT ARE SUBJECT TO THE RALPH M. BROWN ACT.

NOTE: THE DISTRICT STRONGLY RECOMMENDS THAT ALL APPLICANTS ATTEND THE DISTRICT GOVERNING BOARD MEETING WHEN PROJECTS ARE APPROVED OR DENIED FOR FUNDING.

NOTE: AFTER THE APPLICATION DUE DATE, APPLICANTS ARE NOT ALLOWED TO INITIATE DISCUSSIONS REGARDING THEIR PROJECTS WITH DISTRICT STAFF. LOBBYING FOR A PROPOSAL IS EXPRESSLY FORBIDDEN. HOWEVER, THE DISTRICT MAY INITIATE DISCUSSIONS WITH APPLICANTS TO GATHER INFORMATION OR CLARIFICATION ON PROPOSALS DURING THE EVALUATION PERIOD.

SECTION XI. EMISSIONS CALCULATIONS AND COST-EFFECTIVENESS

For most project types, it is possible to estimate emissions reductions, however, certain assumptions are necessary in many cases.

The California Air Resources Board (ARB) has developed standardized methods for calculating emissions reductions for typical projects encountered around the state. Innovative projects may require innovative development of methodologies to calculate emissions reductions and cost-effectiveness. ARB adds new methodologies as they are developed and approved by a committee of reviewers. **Please note: Use the 2018 Emission Factors instead of the outdated emission factors included within the Method for Finding Cost Effectiveness guide:** <http://myairdistrict.com/wp-content/uploads/2018/09/Emission-Factor-Tables-March-2018.pdf>

In cases where there is an existing methodology, appropriate for a proposed project, the applicant is responsible for providing the emissions calculations. Please run the software and submit a copy of the report with the proposal as a technical appendix. The District will assist the applicant in completing these calculations, if requested. The applicant must justify the use of the inputs and assumptions in the proposal's technical appendix. District staff will review the emissions calculations and assumptions provided by the applicant for accuracy.

For innovative projects that have not been attempted before, the District will need to work with the applicant to develop an acceptable methodology. In such cases, a rough estimation may be all that is required for the proposal. However, the method may be refined by the District as a greater understanding of the project emerges and the new information becomes available. This refined methodology would then be used in the final report.

ARB's methodologies often calculate cost-effectiveness based on total project costs. ARB recommends rejection of proposals that exceed \$10 per pound. The District does not agree that this approach is appropriate, especially in rural areas. The District's position is that cost-effectiveness should be based on the motor vehicle emissions reductions and the AB 2766 funding used to achieve those emissions reductions. Also, cost-effectiveness based on overall project cost may be helpful in comparing other similar projects that have been attempted, but should not be the singular cause to reject a project. Projects will not necessarily be rejected if they exceed the ARB threshold of \$10 per pound. However, the District's goal is not to fund projects that greatly exceed ARB's recommended cost-effectiveness recommendation.

ATTACHMENT 1

EXHIBIT SUMMARY SHEET

EXHIBIT SUMMARY SHEET

Proposing Entity (include other participating entities):

Contact Person:

Address:

Phone #:

FAX #:

EMAIL:

Total Project Budget:

	AB 2766 Funds	Co-Funding	Total Project Costs
Capital Costs	\$ _____	\$ _____	\$ _____
Operating Costs	\$ _____	\$ _____	\$ _____
TOTAL	\$ _____	\$ _____	\$ _____

Type of Project: (check one)

___ Quantifiable Project

___ Reduced Emission Vehicles Project

Implementation Area for Project: Check if District-wide ___

Describe the Implementation Area for the Project (e.g. city, county, region):

Estimated Emission Reductions:

A. Emission Reductions (lbs/yr)

Reactive Organic Gases _____ Nitrogen Oxides _____ PM₁₀ _____

B. Vehicle Miles Traveled (VMT) Reduced _____

Single Occupancy Vehicle Trips Reduced _____

C. Number of people reached per day through public education _____

Cost-effectiveness: \$ _____ per pound (AB 2766 Funds Only)

Brief Project Description:

ATTACHMENT 2

REQUEST FOR PROPOSAL

CONTENTS CHECKLIST

REQUEST FOR PROPOSAL CONTENTS CHECKLIST

Applicant: _____

Please complete and attach this checklist with your application.

☐

Exhibit Summary Sheet - page _____

☐

Request for Proposal Contents Checklist - page _____

☐

Authorization Letter/Resolution - page _____

☐

Project Description - page _____

☐

Project Organization/Background - page _____

☐

Emissions Benefits/Cost-Effectiveness - page _____

☐

Work Statement - page _____

☐

Funding Request/Breakdown of Cost - page _____

☐

Schedule of Deliverables/Monitoring - page _____

☐

All Pages Numbered

☐

Proposal, One Original

☐

(CHECK ONE ONLY)
Quantifiable Project

- OR -

☐

Reduced Emission Vehicles Project

ATTACHMENT 3

SAMPLE CONTRACT

**This is just a draft, contact District staff for an
updated sample contract if needed**

AGREEMENT

This Agreement is made and entered into this 1st day of January 2025, by and between the Northern Sierra Air Quality Management District, a unified air pollution control district formed pursuant to California Health and Safety Code section 40150, et seq. (the "DISTRICT"), and the XYZ Company (the CONTRACTOR").

RECITALS:

WHEREAS, the California Clean Air Act requires local air pollution control districts to reduce emissions from motor vehicles; and

WHEREAS, AB 2766, codified in California Health and Safety Code section 44223, authorizes districts to impose a fee of up to four dollars upon certain registered motor vehicles within the district, and the Governing Board of the DISTRICT has imposed said fee (\$4 per vehicle in Nevada and Plumas Counties and \$2 per vehicle in Sierra County); and

WHEREAS, said legislation requires the DISTRICT to use said funds for activities to reduce air pollution from motor vehicles and for related planning, monitoring, enforcement, and technical studies necessary for the implementation of the California Clean Air Act of 1988; and

WHEREAS, DISTRICT staff reviews proposals for eligible projects for the purpose of making funding recommendations to the Governing Board of the DISTRICT; and

WHEREAS, on September 27, 2024, after holding a public meeting and considering the recommendations of DISTRICT staff, the DISTRICT Board of Directors approved funding for this project; and

WHEREAS, CONTRACTOR has proposed a project that meets the eligibility criteria for funding approved by the DISTRICT, which is consistent with the goals of Health and Safety Code section 44220 through 44247; and

WHEREAS, CONTRACTOR represents that it will submit a request for proposals to select a subcontractor to perform the activities set forth herein.

NOW, THEREFORE, based on their mutual promises, covenants, and conditions, the parties hereby agree as follows:

1. PROJECT

CONTRACTOR shall secure a subcontractor to perform all work necessary to complete the (PROJECT NAME). “Project” incorporated herein as Exhibit A. CONTRACTOR agrees to select a subcontractor to furnish all labor, materials, equipment, licenses, permits, fees, and other incidentals necessary to perform and complete, in a professional manner, the services described herein. CONTRACTOR represents that the selected subcontractor will have the expertise necessary to adequately perform the project specified in said Exhibit A. In the event of any conflict between or among the terms and conditions of this Agreement, the exhibits incorporated herein, and the documents referred to and incorporated herein, such conflict shall be resolved by giving precedence in the following order of priority:

1. The text of this Agreement;
2. Exhibit A to this Agreement; and
3. The "AB 2766 DMV Surcharge Fund Program RFP" prepared by the DISTRICT and dated April 22, 2024; and
4. The "AB 2766 DMV Surcharge Fund Program Project Guidance.

2. PERIOD OF PERFORMANCE/TIMETABLE

CONTRACTOR shall commence performance of work and produce all work product in accordance with the work schedule and deadlines for performance identified in Exhibit A, which is attached hereto and incorporated herein, unless this Agreement is terminated sooner as provided for elsewhere in this Agreement. In addition, the CONTRACTOR shall make arrangements with the DISTRICT to receive Project Guidance training from the DISTRICT for any CONTRACTOR's Program Manager assigned to the project during the term of the Agreement.

The CONTRACTOR shall submit regular progress reports, at intervals set forth in the Project Guidance or as otherwise requested by the DISTRICT, detailing the work performed during the current reporting period; work planned for the next reporting period; problems identified, solved, and the percentage of each task completed. CONTRACTOR shall provide DISTRICT with a comprehensive final written report prior to final reimbursement payment. Said final report shall be complete and shall document the work performed under this

Agreement, the emissions reduction achieved (if applicable), as calculated using the methodologies and format required by the DISTRICT, and shall report all co-funding and in-kind contributions actually received.

3. COMPENSATION

In no event shall the total obligation of the DISTRICT under this Agreement exceed \$0,000 for Exhibit A compensation shall be for work completed in accordance with this agreement, starting January 1, 2022, and continuing through the term of this agreement, ending December 31, 2022.

CONTRACTOR shall obtain through other sources sufficient additional monies (co-funding) to fund the total cost of the project as outlined in Exhibit A. Satisfactory written evidence of such funding commitments shall be provided to DISTRICT prior to the release by DISTRICT of any funds under this Agreement, with the exception of user fee revenue. In the event funding from other sources for the balance of the cost of the project, as outlined in Exhibit A, is not received by CONTRACTOR, DISTRICT reserves the right to terminate or renegotiate this Agreement. In that event, if requested by the DISTRICT, CONTRACTOR shall return any DISTRICT funds advanced. All co-funding and in-kind contributions must be documented as they are received, in accordance with generally accepted accounting principles. The value assigned to in-kind contributions must be consistent with the market value of the goods or service being donated. Co-funding in the form of fee revenue must

be documented as it is received (e.g. receipts log for cash), in accordance with generally accepted accounting principles. Fee revenue should normally be used to offset operating expenses or otherwise accrued per the proposal.

A. PAYMENTS: Advance payments shall not be permitted. The DISTRICT shall reimburse CONTRACTOR monthly (or quarterly), in arrears, after receipt of a reimbursement request that includes all documentation necessary to verify expenses were incurred, in compliance with the requirements listed in the *Project Guidance*, and the DISTRICT has approved payment. Reimbursement requests shall be mailed to Northern Sierra Air Quality Management District, Portola Office, Attention: Melissa Klundby.

Payment shall be made to CONTRACTOR by the DISTRICT upon submission and evaluation of the CONTRACTOR'S invoice, documentation, and period report. Said invoice shall set forth the work completed pursuant to this Agreement, broken down by work tasks, in compliance with the *Project Guidance*. Allowable expenditures under this Agreement are specifically established and included in Exhibit A attached hereto and incorporated herein.

Upon receipt of proper documentation, and verification that CONTRACTOR has satisfactorily completed the work agreed to and for which compensation is sought, DISTRICT will issue payment to CONTRACTOR within thirty (30) calendar days.

The amount to be paid to CONTRACTOR under this Agreement includes all sales and use taxes incurred pursuant to this Agreement, if any. The CONTRACTOR shall not

receive additional compensation for reimbursement of such taxes and shall not decrease work to compensate therefore.

Concurrently with the submission of any invoice for payment, CONTRACTOR shall certify (by providing copies of invoices issued, checks, receipts, or other documentation) that complete payment has been made to any and all subcontractors conducting any portion of the work of this contract.

No administrative costs are to be reimbursed for the work performed. Administrative costs must be borne by outside source funding or provided as "in-kind" contributions. Administrative costs, as used herein, are defined as overhead costs (e.g. salaries and benefits, and services and supplies of the administrative officer(s), legal personnel, maintenance and finance departments; of the governing body; and some secretarial support) that are NOT chargeable directly to a specific project or program or operating function, but are charged proportionately to the department or functions that do directly charge to a project or program. Indirect costs include administrative costs. Thus, direct costs for labor charged to a project must not include a portion that is administrative as defined above.

It is understood that all expenses incidental to CONTRACTOR'S performance of services under this Agreement shall be borne exclusively by CONTRACTOR.

B. Surplus Funds: Any compensation which is not expended by CONTRACTOR pursuant to the terms and conditions of this Agreement by the project completion date shall automatically revert to the DISTRICT. Only expenditures incurred by the CONTRACTOR in

the direct performance of this Agreement will be reimbursed by the DISTRICT. Allowable expenditures under this Agreement are specifically established and included in Exhibit A, attached hereto and incorporated herein.

4. NON-ALLOCATION OF FUNDS

The terms of this Agreement and the services to be provided thereunder are contingent on the approval of funds by the appropriating government agency. Should sufficient funds not be allocated, the services provided may be modified or this Agreement terminated at any time by giving the CONTRACTOR thirty (30) days' prior written notice.

5. INDEPENDENT CONTRACTOR

In performance of the work, duties, and obligations assumed by CONTRACTOR under this Agreement, it is mutually understood and agreed that CONTRACTOR, including any and all of CONTRACTOR'S officers, agents, and employees, will at all times be acting and performing as an independent contractor and shall act in an independent capacity and not as an officer, agent, servant, employee, joint venturer, partner, or associate of the DISTRICT. Furthermore, DISTRICT shall have no right to control or supervise or direct the manner or method by which CONTRACTOR shall perform its work and function. However, DISTRICT shall retain the right to administer this Agreement so as to verify that CONTRACTOR is performing its obligations in accordance with the terms and conditions thereof.

Because of its status as an independent contractor, CONTRACTOR shall have absolutely no right to employment rights and benefits available to DISTRICT employees. CONTRACTOR shall be solely liable and responsible for providing to, or on behalf of, itself and save DISTRICT harmless from all matters relative to payment of CONTRACTOR'S employees, including compliance with Social Security, withholding, and all other regulations governing such matters. It is acknowledged that during the term of this Agreement, CONTRACTOR may be providing services to others unrelated to the DISTRICT or to this Agreement.

6. COMPLIANCE WITH ALL LAWS CONTRACTOR and DISTRICT shall comply with all applicable provisions of law and the rules and regulations, if any, of governmental authorities having jurisdiction over the matters which are the subject of this agreement, and contractors shall maintain all necessary permits or licenses for the duration of this agreement.

7. TERMINATION

A. Breach of Agreement: The DISTRICT may immediately suspend or terminate this Agreement, in whole or in part, where in the determination of the DISTRICT there is:

1. An illegal or improper use of funds;
2. A failure to comply with any term of this Agreement;
3. A substantially incorrect or incomplete report submitted to the DISTRICT; or

4. Improperly performed services.

In no event shall any payment by the DISTRICT constitute a waiver by the DISTRICT of any breach of this Agreement or any default which may then exist on the part of the CONTRACTOR. Nor shall such payment impair or prejudice any remedy available to the DISTRICT with respect to the breach or default. The DISTRICT shall have the right to demand of the CONTRACTOR the repayment to the DISTRICT of any funds disbursed to the CONTRACTOR under this Agreement which in the judgment of the DISTRICT were not expended in accordance with the terms of this Agreement. The CONTRACTOR shall promptly refund any such funds upon demand.

In addition to immediate suspension or termination, DISTRICT may impose any other remedies available at law, in equity, or otherwise specified in this Agreement.

B. Without Cause: Either party may terminate this Agreement at any time upon giving the other party at least thirty (30) days' advance, written notice of intention to terminate. In such case, the CONTRACTOR shall, subject to paragraph 3, be paid the reasonable value of all services satisfactorily rendered and actual, reasonable costs incurred up to the time of the termination. Upon such termination, all the work product produced by CONTRACTOR shall be promptly delivered to the DISTRICT.

8. MODIFICATION

Any matters of this Agreement may be modified from time to time by the written consent of all the parties.

9. NON-ASSIGNMENT

Except as otherwise provided in this agreement, neither party shall assign, transfer, or subcontract this Agreement, nor their rights or duties under this Agreement, without the prior, express, written consent of the other party. CONTRACTOR shall provide a written request to the DISTRICT for consent on any such changes described above. Contractor shall provide to the DISTRICT as much advance notice on developments related to such changes described above as is reasonably possible.

10. INDEMNIFICATION

CONTRACTOR agrees to indemnify, save, hold harmless, and at DISTRICT'S request, defend the DISTRICT, its boards, committees, representatives, officers, agents, and employees from and against any and all damages, liabilities, claims, and losses (whether in contract, tort, or strict liability, including, but not limited to, personal injury, death, and property damage) occurring or resulting to DISTRICT which arise from any

CONTRACTOR

XYZ Company

Attn: John Doe

555 5th Street

City, CA 55555

DISTRICT negligent or wrongful acts or omissions of CONTRACTOR, its officers, agents, subcontractors, or employees in their performance of this Agreement, and from any and all damages, liabilities, claims, and losses (whether in contract, tort, or strict liability,

including, but not limited to, personal injury, death, and property damage), occurring or resulting to any person, firm, corporation, or entity who may be injured or damaged when such injury or damage arises from any negligent or wrongful acts, or omissions of CONTRACTOR, its officers, agents, subcontractors, or employees in their performance of this Agreement.

11. INSURANCE

A. Without limiting the DISTRICT'S right to indemnification from CONTRACTOR or any third parties, CONTRACTOR, at its sole expense, shall maintain in full force and effect the following insurance policies throughout the term of this Agreement:

1. Commercial general liability insurance with minimum limits of coverage in the amount of One Million Dollars (\$1,000,000) per occurrence;
2. Commercial automobile liability insurance which covers bodily injury and property damage with a combined single limit with minimum limits of coverage in the amount of One Million Dollars (\$1,000,000) per occurrence;
3. Workers compensation insurance in accordance with California law.

B. Such insurance policies shall name the DISTRICT, its officers, agents, and employees, individually and collectively, as additional insured (except worker's compensation

insurance). Such coverage for additional insured shall apply as primary insurance, and any other insurance maintained by the DISTRICT, its officers, agents, and employees, shall be excess only and not contributing with insurance provided under the CONTRACTOR'S policies herein. This insurance shall not be canceled or changed without a minimum of thirty (30) days' advance, written notice given to the DISTRICT.

C. Prior to the commencement of performing its obligations under this Agreement, CONTRACTOR shall provide certificates of insurance on the foregoing policies, as required herein, to the DISTRICT, showing that the coverage meets all of the requirements described above.

D. In the event CONTRACTOR fails to keep in effect at all times insurance coverage as herein provided, the DISTRICT may, in addition to other remedies it may have, suspend or terminate this Agreement upon the occurrence of such event.

E. If the CONTRACTOR is a government entity, then it may self-insure such of those risks identified above under the same terms and conditions set forth above.

12. AUDITS AND INSPECTIONS

CONTRACTOR shall keep full books and records relating to work required by this contract. CONTRACTOR shall at any time during regular business hours, and as often as DISTRICT may deem necessary, make available to DISTRICT for examination all of its records and data with respect to the matters covered by this Agreement. CONTRACTOR shall, and upon request by DISTRICT, permit DISTRICT to audit and inspect all of such

records and data necessary to ensure CONTRACTOR'S compliance with the terms of this Agreement.

CONTRACTOR shall be subject to an audit by DISTRICT or its authorized representative to determine if the revenues received by CONTRACTOR were spent for the reduction of air pollution as provided in AB 2766 and to determine whether said funds were utilized as provided by law and this Agreement. If, after audit, DISTRICT makes a determination that funds provided CONTRACTOR pursuant to this Agreement were not spent in conformance with this Agreement, or AB 2766 or any other applicable provisions of law, CONTRACTOR agrees to immediately reimburse to DISTRICT all funds determined to have been expended not in conformance with said provisions.

Contractor shall be subject to the examination and audit of the Auditor General for a period of three (3) years after final payment under contract (Government Code §10532).

13. NOTICES

The persons and their addresses having authority to give and receive notices under this agreement are as follows:

Northern Sierra AQMD
Attn: Julie Hunter, APCO
PO Box 2227
Portola, CA 96122

Any and all notices between the DISTRICT and the CONTRACTOR provided for or permitted under this Agreement or by law shall be in writing and shall be deemed duly served when personally delivered to one of the parties, or in lieu of such personal services, when deposited in the United States mail, postage prepaid, addressed to such party.

14. POLITICAL ACTIVITY PROHIBITED

None of the funds, materials, property, or services provided under this Agreement shall be used for any political activity, or to further the election or defeat of any candidate for public office contrary to federal or state laws, statutes, regulations, rules, or guidelines.

15. LOBBYING PROHIBITED

None of the funds provided under this Agreement shall be used for publicity, lobbying, or propaganda purposes designed to support or defeat legislation before the Congress of the United States of America or the Legislature of the State of California or any local agency.

16. CONFLICT OF INTEREST

No officer, employee, or agent of the DISTRICT shall have any direct or indirect personal financial interest in this Agreement. CONTRACTOR shall comply with all federal and state conflict of interest laws, statutes, and regulations, which shall be applicable to all parties and beneficiaries under this Agreement and any officer, agent, or employee of the DISTRICT.

17. GOVERNING LAW

This Agreement shall be governed in all respects by the laws of the State of California. Venue for any action arising out of this Agreement shall only be in Nevada County, California.

18. BINDING ON SUCCESSORS

This Agreement, including all covenants and conditions contained herein, shall be binding upon and inure to the benefit of the parties, including their respective successors-in-interest, assigns, and legal representatives.

19. TIME IS OF THE ESSENCE

It is understood that for CONTRACTOR'S performance under this Agreement, time is of the essence. The parties reasonably anticipate that CONTRACTOR will, to the reasonable satisfaction of the DISTRICT, complete all activities provided herein within the time schedule outlined in the attachments to this Agreement, provided that CONTRACTOR is not caused unreasonable delay in such performance.

20. DATA OWNERSHIP

Upon termination or expiration of this Agreement, all data which is received, collected, produced, or developed by CONTRACTOR shall be delivered to the DISTRICT. Contractor shall be allowed to retain a copy of any non-confidential data received, collected, produced, or developed by CONTRACTOR under this Agreement subject to the DISTRICT'S exclusive ownership rights stated herein. Accordingly, CONTRACTOR shall, if requested, surrender

to DISTRICT all such data which is in its possession (including its subcontractors, or agents), without any reservation of right of title, not otherwise enumerated herein.

DISTRICT shall have the right at reasonable times during the term of this Agreement to inspect and reproduce any data received, collected, produced, or developed by CONTRACTOR under this Agreement. No reports, professional papers, information, inventions, improvements, discoveries, or data obtained, prepared, assembled, or developed by the CONTRACTOR, pursuant to this Agreement, shall be released or made available (except to the DISTRICT) without prior, express written approval of the DISTRICT while this Agreement is in force.

21. NO THIRD-PARTY BENEFICIARIES

Notwithstanding anything else stated to the contrary herein, it is understood that CONTRACTOR'S services and activities under this Agreement are being rendered only for the benefit of DISTRICT, and no other person, firm, corporation, or entity shall be deemed an intended third-party beneficiary of this Agreement. All third party involvement shall relate to a bona fide air quality benefit, otherwise, the third party must be a co-funder, contributing at least a proportionate value for the benefit they are receiving.

22. OWNERSHIP OF EMISSIONS REDUCTIONS

All emissions reductions achieved by the project are the property of the DISTRICT. The CONTRACTOR has no legal rights to any emissions reductions credits that may be

generated as a result of the project. Emissions reductions from funded projects are not transferable and may not be used as emissions offsets.

23. CONTRACTOR'S REPRESENTATION

CONTRACTOR shall present proof of license to do business in the state of California or provide other certification proving the contractor is a legal business entity. Proof shall also be provided showing that the person signing the agreement on behalf of the CONTRACTOR is duly authorized to enter into a binding legal agreement.

24. SEVERABILITY

In the event that any one or more of the provisions contained in this Agreement shall for any reason be held to be unenforceable in any respect by a court of competent jurisdiction, such holding shall not affect any other provisions of this Agreement, and the Agreement shall then be construed as if such unenforceable provisions are not a part hereof.

25. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the CONTRACTOR and DISTRICT with respect to the subject matter hereof and supersedes all previous negotiations, proposals, commitments, writings, advertisements, publications, and understandings of any nature whatsoever unless expressly included in this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first herein above written.

CONTRACTOR:

XYZ Company

By: _____

Signing Authority

Print Name and Title (Signing Authority)

Date: _____

Tax I.D. No. _____

DISTRICT:

Northern Sierra AQMD

By: _____

Chair of the Board

By: _____

Julie Hunter, APCO

Date: _____

ATTACHMENT 4

PROJECT GUIDANCE

Northern Sierra Air Quality Management District

AB 2766

DMV SURCHARGE FUND PROGRAM

PROJECT GUIDANCE

Grant Year 2026 Project Cycle

NORTHERN SIERRA
AIR QUALITY MANAGEMENT DISTRICT

NORTHERN FIELD OFFICE:
257 E. SIERRA STREET, SUITE E
P.O. Box 2227
PORTOLA, CA 96122
(530) 832-0102

DMV SURCHARGE PROGRAM
PROJECT GUIDANCE

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DMV SURCHARGE FUND PROGRAM PROJECT GUIDANCE

PROJECT OVERVIEW

PURPOSE: This guidance document explains the required content for the successful completion of an AB 2766 DMV Surcharge Fund Program with the Northern Sierra Air Quality Management District (NSAQMD).

WHO: This guidance is directed toward all AB 2766 DMV Surcharge Fund Program project participants.

WHAT: The AB 2766 DMV Surcharge Fund Program is an innovative program that allocates fees collected from motor vehicle registrations for local projects that reduce emissions from mobile sources, such as automobiles, trucks, and buses. The NSAQMD Governing Board makes a final funding decision based on the Air Pollution Control Officer's (APCO) recommendation, which in turn makes funds available to project participants.

WHEN: Within 120 days after the NSAQMD Governing Board makes a final decision, all prospective project participants must enter into a formal contract with the NSAQMD. The effective starting date of most contracts is January 1st.

CORRESPONDENCES: All correspondences, including all reporting and claim for payments shall be sent to the District Headquarters unless other arrangements have been made between the participant and the District.

Email:
melissak@myairdistrict.com

Mailing Address:
Northern Sierra Air Quality Management District
ATTN: Melissa Klundby
P.O. Box 2227,
Portola, CA 96122

UPS/FedEx Shipping Address:
Northern Sierra Air Quality Management District
257 East Sierra Unit E
Portola, CA 96122

HELP: NSAQMD staff is available to answer questions and to provide assistance to project participants regarding these procedures. You should read the entire document in order to fully understand the requirements, and all questions should be directed to Melissa Klundby, located at the Portola Office, email: melissak@myairdistrict.com, phone: (530) 832-0102.

SECTION 1

A. Letter of Confirmation of Funding

Within thirty (30) days of NSAQMD Governing Board approval, all prospective project participants will receive a *Letter or Email of Confirmation* and will be expected to reply indicating their desire to proceed with their project.

B. Contract Preparation

Upon receiving a reply from the applicant on their intent to proceed with the project, the NSAQMD will send a contract to the project applicant for their review and signature. All contracts must be reviewed in full, all changes made, and signed by both parties by December 31. All unsigned contracts will be terminated after the specified time period.

C. Matching Funds

All project participants must provide sufficient evidence of matching funds prior to receiving any reimbursement from the NSAQMD. This can be supplied in the form of a bank statement, an approved budget, board resolution, or letter of available funds. All co-funding and in-kind contributions must be documented as they are received, in accordance with generally accepted accounting principles. The value assigned to in-kind contributions must be consistent with the market value of the goods or service being donated. Co-funding in the form of fee revenue must be documented as it is received (e.g. receipts log for cash), in accordance with generally accepted accounting principles.

D. Signing Authority

All project participants must provide appropriate documents, such as a resolution or letter establishing who is authorized to sign on behalf of the project participant. The authorized designee will be responsible for signing the contract and claims for payment.

E. Insurance

The contract will specify if any the levels and amounts of insurance the NSAQMD will require. All insurance requirements must be met before any reimbursements will be made by the NSAQMD. Promptly sending an insurance certificate that meets the requirements set forth in the contract agreement to the NSAQMD will help avoid delays in reimbursing funds.

F. Revisions (e.g. Changes to Work Plan, Breakdown of Cost, Co-funding)

Any revisions to the project work plan, budgeted breakdown of costs by task, or co-funding arrangements must be submitted in writing and approved by the NSAQMD prior to initiating changes. If changes are not authorized by the NSAQMD, the applicant may be ineligible for reimbursements.

SECTION 2

A. Claim for Payment

Project participants will be reimbursed for all project costs on a monthly basis or quarterly if requested. The NSAQMD will not provide advances to project participants. Project participants must submit request for payment on the NSAQMD *Claim for Payment* form only. When an agency has been awarded multiple project/program projects, a claim for payment must be submitted for each project, separately. All claims must be typed, signed and dated by the appropriate signing authority or they will be returned to the applicant. All claims for payments must adhere to the work plan and specified line item budgets as identified in your contract (e.g. list expenses by task). Any changes will be considered as work plan revisions (see Section 1). No administrative costs shall be included in claims for payment. Included in this guidance document is a sample *Claim for Payment* showing how to complete the form, a blank *Claim for Payment* form to be duplicated and used by the project participants.

Up to 95% of the contract amount may be claimed before the completion and submittal of the final report. Once the District receives and approves the final report, the remaining 5% may be claimed. The claim for payment of the final 5% may be included with the final report (See Section 4, A. for final report requirements).

B. Invoices and Receipts

All requests for reimbursement must be accompanied by appropriate invoices and receipts showing the actual expenses incurred and proving payments were made (copies of checks are acceptable receipts). If not, all claims will be returned and no reimbursement will be made until the appropriate documentation is submitted.

C. Monthly/Quarterly Financial Report

The *Monthly/Quarterly Financial Report* must accompany all requests for reimbursement for the payment requests. The *Monthly/Quarterly Financial Report* is used to verify that applicants are tracking funds used and funds remaining and that projects are on a timely schedule. The report can also be used by the applicant to identify any potential problems or delays. Included in this guidance document is a *Monthly/Quarterly Financial Report* form to be duplicated and used by the project participants.

SECTION 3

A. Monitoring

All projects will begin on January 1st (beginning of project cycle) with a mid-way *Monitoring Report* due by July 31st. The *Monitoring Report*, a form is attached to this guidance, will be prepared by the project participant and sent to the NSAQMD by the above indicated date. The *Monitoring Report* shall include a more detailed status of the project or program than the monthly/quarterly project status provided with the financial report: describe what work has been successfully completed on schedule, percentage completion for each task, what work is behind schedule and why, what will be done to get back on schedule (if needed), and whether challenges are anticipated in completing the scheduled work by December 31st (end of project cycle). This is the

project participants' opportunity to accent successes and forewarn about anticipated problems. The District should be notified as soon as the project participant discovers a serious problem that jeopardizes the successful completion of a project or program and should not wait until a report due date.

The *Monitoring Report* shall also include a description of the data being gathered to calculate vehicle emissions reductions, trip reductions, and/or vehicle miles traveled reductions. Submit a detailed description of the monitoring systems you have designed and implemented to gather data to calculate motor vehicle emissions reductions, vehicle miles traveled (VMT) reductions and trip reductions. Please provide samples of your data gathering forms or surveys. It is recommended that you use the ARB's computer program *METHODS TO FIND COST-EFFECTIVENESS OF AIR QUALITY PROJECTS* to assure you are collecting complete information necessary for accurate calculations and analysis. This program can be obtained from the District's web page (<http://www.myairedistrict.com>). Select "Grants and Incentives", and then select "AB2766 DMV Funds."

The State, at many levels (e.g. legislature, Cal-EPA, CARB), industrial groups, and watch-dog groups have been questioning the effectiveness of this program. The California Air Pollution Control Officers Association has lobbied hard to maintain local control over these funds, but we will lose them if we cannot show these public funds are being used responsibly, cost effectively, and with accountability. The reality is, there are many other groups looking for reasons to take this funding source away from local agencies and use it at the state level.

Project participants that do not adequately monitor the motor vehicle emissions reductions, vehicle miles traveled reductions and trip reductions may not be considered for future funding.

B. Site Visit

Depending on the type of project and the necessity, some project participants will be scheduled for a site visit by NSAQMD Staff. The purpose of the visit is to ensure that projects are underway and on schedule. The ultimate goal is to share project successes with other agencies throughout the NSAQMD and the State. NSAQMD staff may request taking photographs and videotapes of projects.

SECTION 4

A. Final Report

Within sixty (60) days of the completion date of the contract, project participants are required to provide the NSAQMD with a final report. Included in this guidance document is a *Final Report* form. It is expected that additional sheets will be attached to substantiate the results compiled on this form.

The report shall include a list of completed activities and a breakdown of final, total costs that includes costs paid by all sources of funding, including "in-kind" contributions. Project costs shall also be broken down into capital costs and operating costs. A description of the capital and operational costs must be included. All of the input data required to run ARB's computer program *Methods To Find Cost-Effectiveness Of Air Quality Projects* must be provided in the final report. This information will be used by the District to determine the project's cost-effectiveness. Project participants are encouraged to run this program. The program can be obtained from the District's

web page (<http://www.myairdistrict.com>). Select “Grants and Incentives”, and then select “AB2766 DMV Funds.”

The report shall also include emission reductions achieved, based on actual monitoring data, if applicable, and shall include all information necessary to judge the success of the project in meeting its goals. This analysis shall include a comparison of the proposed benefits to the actual benefits.

The final report shall include the monitoring data used to calculate vehicle emission reductions (e.g. trips reduced, vehicle miles traveled reduced, and other data inputs) and shall clearly list assumptions used. The emissions reductions shall be totaled for each pollutant and entered on the *Final Report* form in tons per year and pounds per year.

Final payment will not be made until the final report is submitted and approved by the NSAQMD.

B. Request for Information

Periodically, the NSAQMD may send project participants a *Request for Information* letter or memo when the NSAQMD needs some information that may be required for its reporting to the California Air Resources Board. Project participants are expected to cooperate since such work is necessary to assure continued funding. The state legislature will take steps to eliminate this funding source if emission reductions are not shown to be cost-effective.

Northern Sierra Air Quality Management District

Claim For Payment – AB 2766 Grant Program
(Incomplete or illegible claims will be returned unpaid)

Payee: _____

Address: _____

Phone #: _____

Contract # (e.g. AB 2021 - # #): _____

Project Description:

Date	Description	Amount
	TOTAL CLAIM:	

Signature of Claimant	Date
-----------------------	------

Print Name of Claimant

Section below for NSAQMD use only:

Reviewed by	Date
-------------	------

Reviewed by	Date
-------------	------

NORTHERN SIERRA AIR QUALITY MANAGEMENT DISTRICT

MONTHLY / QUARTERLY FINANCIAL REPORT

Please provide the following information:

AGENCY: _____

ADDRESS: _____

CITY/STATE/ZIP: _____

PHONE NUMBER/EMAIL: _____ / _____

REIMBURSEMENT MONTH/QUARTER: _____

PROJECT DESCRIPTION: _____

AB2766 Grant Contract #: _____

FISCAL INFORMATION

1. Total project amount (AB2766 Funds Only): \$ _____

2. Amount of funds requested this report, if any: \$ _____

3. Amount of funds expended to date: \$ _____

4. Amount of funds anticipated next 90 days: \$ _____

5. Total amount of funds expended: \$ _____

6. Remaining balance:
(Subtract line 5 from line 1) \$ _____

PROJECT STATUS: _____

Northern Sierra Air Quality Management District

MONITORING REPORT

(Due July 31st)

Please provide the following information on mid-project performance:

AGENCY: _____

PREPARER: _____

ADDRESS:

CITY/STATE/ZIP: _____

PHONE NUMBER/EMAIL: _____ / _____

DATE REPORT PREPARED: _____ Contract #: _____

PROJECT DESCRIPTION: _____

This report should include Information to all of the questions listed below. Use additional sheets and include attachments as necessary.

1. Is the project on schedule and are all of the goals being achieved?
2. Provide the percentage completion of each task listed in the proposal and any pertinent information on the status of the project.
3. Are there any difficulties or challenges occurring that may cause the schedule to slip?
4. On a separate sheet of paper, provide a detailed description of the monitoring systems you have designed and implemented to gather data to calculate motor vehicle emissions reductions, vehicle miles traveled (VMT) and trip reductions. Please provide samples of your data gathering forms or surveys.

Northern Sierra Air Quality Management District

FINAL REPORT

Please provide the following information to close out your contract:

AGENCY: _____

PREPARER: _____

ADDRESS: _____

CITY/STATE/ZIP: _____

PHONE NUMBER/EMAIL: _____ / _____

DATE REPORT PREPARED: _____ Contract #: _____

PROJECT DESCRIPTION: _____

This report should include information to all of the questions and include attachments as necessary.

1. Is the project complete and were all of the goals achieved? Please provide a copy of all final products or works.
2. Final breakdown of expenditures by line item compared to the original proposal. If your project was completed under the budgeted amount, please give a complete explanation by line item. Use additional sheets if necessary:
3. Funding a. _____ vehicle registration fees
b. _____ co-funding
c. _____ total cost of project
4. Capital Costs \$ _____
Operating Costs \$ _____
Total Project Costs \$ _____

5. Description of Capital Costs (Equipment, infrastructure, etc.)

6. Description of Operating Costs (fuel, labor, etc.)

7. Please list data sources, assumptions, and methodologies used to determine costs

8. Total Vehicle Miles Traveled Reductions _____ VMT

9. Total Trip Reductions _____ Trips

10. Emissions reductions in tons per year for NO_x, ROG and PM₁₀:

NO_x: _____ Tons/Year; _____ Lbs/Year

ROG: _____ Tons/Year; _____ Lbs/Year

PM₁₀: _____ Tons/Year; _____ Lbs/Year

11. Cost-effectiveness: \$ _____ per pound (AB 2766 Funds Only)

12. Please list data sources, assumptions, and methodologies used to determine travel/trip and emission reductions (attach additional sheets if necessary, i.e.: ARB Methodology Reports).

ATTACHMENT 5

**EVALUATION CRITERIA, RANKING AND
SUNSETTING**

EVALUATION CRITERIA AND RANKING FACTORS

Proposals will be evaluated in one of two (2) project categories as follows:

- 1. QUANTIFIABLE PROJECTS:** These are projects with currently acceptable emissions calculation methodologies. Such projects are known to have measurable results and demonstrate the most significant emission reduction benefits. Emissions benefits should be calculated using the accepted calculation methodology. Documentation must be included in the proposal.
- 2. REDUCED EMISSION VEHICLE PROJECTS:** These are projects that use reduced emission vehicle technology. Examples of projects may include original equipment manufacturer (OEM) vehicle purchases or vehicle conversion projects and could involve super ultra-low emission vehicles (SULEV), partial zero emission vehicles (PZEV), advanced technology partial zero emission vehicles (AT-PZEV) and zero emissions vehicles (ZEV);

1. QUANTIFIABLE PROJECTS

Maximum Total Points: 100

EMISSION REDUCTIONS

Points: 25 maximum

Points will be awarded based on cost effectiveness and quantifiable emission reductions.

A. First-Year (Short Term) Emission Reduction Benefits

<u>Points</u>	<u>Criteria</u>
10	Significant emission reductions after the first year.
5	Moderate emission reductions after the first year.
0	No emission reductions after the first year.
10	Total Possible Sub-Category Points

B. Long-Term Emission Reductions Benefits

<u>Points</u>	<u>Criteria</u>
15	Significant emission reductions after the first year and continuing.
5	Moderate emission reductions after the first year and continuing.
0	No emission reductions after the first year.
15	Total Possible Sub-Category Points

EXPERIENCE OF APPLICANT

Points: 10 maximum

Points will be awarded based on the applicant's experience, level of expertise, and feasibility of the proposal.

<u>Points</u>	<u>Criteria</u>
10	Applicant has a significant level of experience and expertise, and the project appears to be feasible, assuring a high degree of success.
7	Applicant has limited, but direct experience, a moderate level of expertise applicable to the proposal, assuring an adequate degree of success.
4	Applicant has limited, indirect experience, an acceptable level of expertise applicable to the proposal, assuring a passable degree of success.
0	Applicant has no prior experience applicable to the proposal and success may be questionable.
10	Total Possible Category Points

PROJECT COST EFFECTIVENESS COMPARISON**Points: 30 maximum**

Project costs will be evaluated against comparable efforts.

<u>Points</u>	<u>Criteria</u>
30	More cost effective than comparable projects.
15	Cost effectiveness similar to comparable projects.
0	Significantly less cost effective than comparable projects.
30	Total Possible Category Points

BROAD BASED APPLICATION**Points: 10 maximum****A. Regional Emission Reductions Benefits**

<u>Points</u>	<u>Criteria</u>
5	Emission reductions throughout the District.
3	Emission reductions in the project vicinity.
0	Insignificant or no emission reductions.
5	Total Possible Sub-Category Points

B. Project contributes to the availability and widespread use of new or existing technology

<u>Points</u>	<u>Criteria</u>
5	Project utilizes new technology and has direct immediate applications in current research efforts and can be easily replicated in the District.
3	Project utilizes current technology and has limited applications.
0	One time demonstration of application. No need to, or cannot be easily replicated, or applied to any future project.
5	Total Possible Sub-Category Points

DEDICATED CO-FUNDING**Points: 15 maximum**

Co-funding includes in-kind contributions, equipment, labor or direct funding but does not include past work or research performed on behalf of the proposed project.

<u>Points</u>	<u>Criteria</u>
15	75% or more of total project cost from other funds.
10	51-74% of total project cost from other funds.
5	25-50% of total project cost from other funds.
0	Less than 25% of total project cost from other funds.
15	Total Possible Category Points

NOTE: If there are third party benefits that are not paid for with co-funding, then the project might score negative points in this category or simply be eliminated from consideration.

OTHER DESIRABLE FACTORS**Points: 10 maximum****A. Innovative Projects**

Proposals that result in the development of new technologies or innovative uses of existing technologies.

<u>Points</u>	<u>Criteria</u>
5	Results in the development of new technologies or innovative uses of existing technologies.
0	Applies existing technology.
5	Total Possible Sub-Category Points

B. Quality of Proposal

The quality of the proposals be evaluated against comparable efforts

<u>Points</u>	<u>Criteria</u>
5	Proposal is in proper format and is clear and concise.
0	Proposal has been poorly formatted.
5	Total Possible Sub-Category Points

LOCAL BUSINESS/NONPROFIT OR LOCAL GOVERNMENT ENTITY

Points: 0 or -5 maximum

<u>Points</u>	<u>Criteria</u>
---------------	-----------------

0	Proposing entity is a local business/nonprofit or local government.
---	---

-5	Proposing entity is <u>NOT</u> a local business/nonprofit or local government.
----	--

0 or -5	Total Possible Category Points
---------	--------------------------------

3. **REDUCED EMISSION VEHICLE PROJECTS**

Maximum Points: 100

EMISSION REDUCTIONS

Points: 25 maximum

Points will be awarded based on quantifiable emission reductions.

A. Vehicle Size

<u>Points</u>	<u>Criteria</u>
---------------	-----------------

10	Heavy-Duty Vehicle.
----	---------------------

7	Medium-Duty Vehicle.
---	----------------------

5	Light-Duty Vehicle.
---	---------------------

3	Other (e.g. cycles).
---	----------------------

10	Total Possible Sub-Category Points
----	------------------------------------

B. Vehicle Type

<u>Points</u>	<u>Criteria</u>
---------------	-----------------

5	OEM (Original Equipment Manufacturer).
---	--

3	Dedicated (Single, Alternative Fuel Use Only).
---	--

2	Bi-Fuel (Uses More Than One Fuel).
---	------------------------------------

5	Total Possible Sub-Category Points
---	------------------------------------

C. Fleet Type

<u>Points</u>	<u>Criteria</u>
---------------	-----------------

5	Public Transit Vehicles.
---	--------------------------

4	All Other Transit Vehicles.
---	-----------------------------

3	Public and Private Agency Vehicles.
---	-------------------------------------

2	Single Demonstration Vehicles.
---	--------------------------------

1	Individual Use Vehicles.
---	--------------------------

5	Total Possible Sub-Category Points
---	------------------------------------

D. Fueling Access

<u>Points</u>	<u>Criteria</u>
5	Existing Fueling Infrastructure Available To Applicant.
1	Proposed Infrastructure Available To Applicant.
0	No Fueling Infrastructure Available To Applicant.
5	Total Possible Sub-Category Points

EXPERIENCE OF APPLICANT

Points: 10 maximum

Points will be awarded based on the applicant's experience, level of expertise, and feasibility of the proposal.

<u>Points</u>	<u>Criteria</u>
10	Applicant has a significant level of experience and expertise, and the project appears to be feasible, assuring a high degree of success.
7	Applicant has limited, but direct experience, a moderate level of expertise applicable to the proposal, assuring an adequate degree of success.
4	Applicant has limited, indirect experience, an acceptable level of expertise applicable to the proposal, assuring a passable degree of success.
0	Applicant has no prior experience applicable to the proposal and success may be questionable.
10	Total Possible Category Points

PROJECT COST EFFECTIVENESS

Points: 30 maximum

Total project costs will be evaluated against comparable efforts.

<u>Points</u>	<u>Criteria</u>
30	More cost effective than comparable projects.
15	Cost effectiveness similar to comparable projects.
0	Significantly less cost effective than comparable projects.
30	Total Possible Category Points

BROAD BASED APPLICATION**Points: 10 maximum**

Points will be awarded for projects that contribute to the availability and widespread use of new or existing technology.

<u>Points</u>	<u>Criteria</u>
10	Project utilizes new technology and has direct immediate applications in current research efforts and can be easily replicated in the District.
5	Project utilizes current technology and has limited applications.
0	One time demonstration of application. No need to, or cannot be easily replicated, or applied to any future project.
10	Total Possible Category Points

DEDICATED CO-FUNDING**Points: 15 maximum**

Co-funding includes in-kind contributions, equipment, labor or direct funding but does not include past work or research performed on behalf of the proposed project.

<u>Points</u>	<u>Criteria</u>
15	75% or more of total project cost from other funds.
10	51-74% of total project cost from other funds.
5	25-50% of total project cost from other funds.
0	Less than 25% of total project cost from other funds.
15	Total Possible Category Points

NOTE: If there are third party benefits that are not paid for with co-funding, then the project might score negative points in this category or simply be eliminated from consideration.

OTHER DESIRABLE FACTORS**Points: 10 maximum****A. Innovative Projects Based On Emissions Certification**

Proposals that result in the development of new technologies or innovative uses of existing technologies.

<u>Points</u>	<u>Criteria</u>
5	Meets ZEV (zero emission vehicle) standards.
3	Meets PZEV (partial zero emission vehicle) standards.

0 All other standards standards.

5 Total Possible Category Points

B. Quality of Proposal

The quality of the proposals is evaluated against comparable efforts.

Points Criteria

5 Proposal is in proper format and is clear and concise.

0 Proposal has been poorly formatted.

5 Total Possible Category Points

LOCAL BUSINESS/NONPROFIT OR LOCAL GOVERNMENT ENTITY

Points: 0 or -5 maximum

Points Criteria

1 Proposing entity is a local business/nonprofit or local government.

-5 Proposing entity is NOT a local business/nonprofit or local government.

0 or -5 Total Possible Category Points

SUNSETTING

The sunseting criteria is designed to generate new, innovative proposals and discourage participant from considering AB2766 funds as a perpetual funding source for operating expenses. Projects that have received funding for **three years or more** fall under the sunseting category. These projects are only eligible for funds that remain after the District Governing Board approves non-sunseting projects. Projects that were subjected to the sunseting requirements the previous funding year may participate the following year as a regular project and will be evaluated as if it were a new project. Basically, the clock is reset and these projects have another three years before falling under the sunseting category.

ATTACHMENT 6

**ADMINISTRATIVE
COSTS**

ARB'S CURRENT DEFINITION OF

ADMINISTRATIVE COSTS

Administrative costs are overhead costs (e.g. salaries and benefits, and services and supplies of the administrative officer(s), legal personnel, maintenance and finance departments; of the governing body; and some secretarial support) that are **NOT** chargeable directly to a specific project or program or operating function, but are charged proportionately to the department or functions that do directly charge to a project or program. Indirect costs include administrative costs.

Thus, direct costs for labor charged to a project must not include a "burden" portion that is administrative as defined above.

The law limits total administrative costs for the entire program to 5% of the vehicle registration fees distributed to the districts. Due to the many administrative requirements imposed on the districts by the ARB to run the program, the full 5% is reserved for District use. Therefore, administrative costs incurred by the grantee must be covered by other co-funding sources or provided by "in-kind" contributions from the grantee. Such arrangements with co-funders are left to the grantee.

ATTACHMENT 7

DEFINITIONS/ACRONYMS

AB 2766

DEFINITIONS/ACRONYMS

Assembly Bill authorizing a motor vehicle registration surcharge to be used for air quality related transportation projects.

**Advanced Technology
Partial Zero Emission
Vehicle**

(AT PZEV) - Any vehicle certified to meet ARB advanced technology partial zero emission vehicle emission standards for that weight class of vehicle as defined in Title 13 of the California Code of Regulations.

Air Basin

An area of the state designated by the ARB pursuant to Subdivision (a) of Section 39606 of the California Health and Safety Code.

Air Pollutants

Substances which are foreign to the atmosphere or are present in the natural atmosphere to the extent that they may result in adverse effects on humans, animals, vegetation, and/or materials.

**Air Pollution
Control District**

(APCD) - A county agency with authority to regulate stationary sources of air pollution (such as refineries, manufacturing facilities, and power plants) within a given county, and governed by a District Air Pollution Control Board composed of the elected county supervisors. (compare AQMD and Unified District)

**Air Pollution
Control Officer**

(APCO) - The Air Pollution Control Officer of the Northern Sierra Air Quality Management District (District) or his designee.

**Air Quality
Attainment Plan**

(AQAP) - A plan prepared by an APCD/AQMD designated as a nonattainment area, for incorporation into the State Implementation Plan for purpose of meeting the requirements of the National and/or California Ambient Air Quality Standards.

**Air Quality
Management District**

(AQMD) - A group of counties or portions of counties with authority to regulate stationary sources of air pollution within the region and governed by a regional air pollution control board comprised mostly of elected officials from within the region. An AQMD is established by state legislation. (compare APCD)

Alternative Fuels

Fuels such as electricity, methanol, ethanol, natural gas, and liquid petroleum gas that are cleaner burning and contribute to the attainment of ARB's emission standards.

Alternative Modes

Transportation modes other than one person in a motorized private vehicle, such as transit, walking, bicycling or car-pooling.

Average Vehicle

(AVR) - AVR is determined by the number of employees who arrive at a worksite divided by the number of vehicles those employees use to arrive at the worksite.

Best Available Control Technology	(BACT) - The most stringent emission limit or control technique that has been achieved in practice (anywhere in the world). BACT is a requirement of NSR (New Source Review).
Best Available Retrofit Control Technology	(BARCT) - An emission limitation that is based on the maximum degree of reduction achievable, taking into account environmental, energy, and economic impacts by each class or category of source.
California Air Resources Board	(CARB or ARB) - The state's lead air quality agency consisting of a nine-member Governor appointed board fully responsible for motor vehicle pollution control, and having oversight authority over California's air pollution management program.
California Ambient Air Quality Standards	(CAAQS) - Specified concentrations and durations of air pollutants recommended by the California Department of Health Services and adopted into regulation by the ARB, which relate the intensity and composition of air pollution to undesirable effects. CAAQS are the standards which must be met per the requirements of the California Clean Air Act.
California Clean Air Act	(CCAA) - A California law passed in 1988 which provides the basis for air quality planning and regulation independent of Federal regulations, and which established new authority for attaining and maintaining California's air quality standards by the earliest practicable date.
California Environmental Quality Act	(CEQA) - A state law intended to protect the environment of California.
Carbon Dioxide	(CO₂) - A colorless odorless gas that occurs naturally in the earth's atmosphere. Significant quantities are also emitted into the air by fossil fuel combustion. Emissions of CO ₂ have been implicated with increasing the greenhouse effect.
Carbon Monoxide	(CO) - A colorless, odorless gas resulting from the incomplete combustion of fossil fuels. Over 80% of the CO emitted in urban areas is contributed to motor vehicles. CO interferes with the blood's ability to carry oxygen to the body's tissues and results in numerous adverse health effects. CO is a criteria air pollutant.
Carpool	Two or more people traveling in a private vehicle.
Criteria Air Pollutant	An air pollutant for which acceptable levels of exposure can be determined and for which a Federal or State Ambient Air Quality Standard has been set. Examples include: Ozone, Carbon

Emission Category	Monoxide, Nitrogen Dioxide, Sulfur Dioxide, and PM ₁₀ (see individual pollutant definitions).
Federal Clean Air Act	The category of base or reduced emission vehicle as certified by the ARB.
Heavy Duty Vehicle	A federal law passed in 1970 and amended in 1977 and 1990 which forms the basis for the national air pollution control effort.
Hydrocarbon	Any vehicle with a gross vehicle weight of 14,000 pounds or more. (HC) - Any of a large number of compounds containing various combinations of hydrogen and carbon atoms. They may be emitted into the air as a result of fossil fuel combustion and fuel volatilization, and are a major contributor to smog.
Light Duty Vehicle	
Low Emission Vehicle	Any passenger car or light truck with a gross vehicle weight of 3,500 pounds or less as defined in Title 13 of the California Code of Regulations.
Medium Duty Vehicle	(LEV) - Any vehicle certified to meet ARB low emission vehicle emission standards for that weight class of vehicle as defined in Title 13 of the California Code of Regulations.
Mobile Sources	Any pre-1995 model year heavy duty vehicle having a manufacture's gross vehicle weight rating of 8,500 pounds or less or any subsequent model year heavy duty vehicle having a manufactures gross vehicle weight rating of 14,000 pounds or less as defined in Title 13 of the California Code of Regulations.
National Ambient Air Quality Standards	Sources of air pollution such as automobiles, motorcycles, trucks, off-road vehicles, boats, and airplanes.
Nitrogen Oxides	(NAAQS) Standards set by the U.S. EPA for the maximum levels of air pollutants which can exist in the outdoor air without unacceptable effects on human health or the public welfare. (Oxides of Nitrogen, NOX) - A general term pertaining to compounds of nitric oxide (NO), nitrogen dioxide (NO ₂), and other oxides of nitrogen. Nitrogen oxides are typically created during combustion processes, and are major contributors to smog formation.
Nonattainment Area	
Ozone	An area identified by the EPA and/or ARB as not meeting either NAAQS or CAAQS standards for a given pollutant.

Ozone Precursors	(O3) - A pungent, pale blue, reactive toxic chemical gas consisting of three oxygen atoms. It is a product of the photochemical process involving the sun's energy. Ozone exists in the ozone layer as well as at the earth's surface. Ozone at the earth's surface causes numerous adverse health effects and is a criteria air pollutant. It is a major component of smog.
Partial Zero Emission Vehicle	Chemicals such as hydrocarbons and oxides of nitrogen, occurring either naturally or as a result of human activities, which contribute to the formation of ozone, a major component of smog.
Particulate Matter	(PZEV) - Any vehicle certified to meet ARB partial zero emission vehicle emissions standards for that weight class of vehicle as defined in Title 13 of the California Code of Regulations.
Passenger Car	(PM10) - A major air pollutant consisting of solid or liquid matter such as soot, dust, aerosols, fumes and mists less than 10 microns in size (one micron = 1/1,000,000 meter = 0.00003937 inch). PM ₁₀ causes visibility reduction and adverse health effects, and is a criteria air pollutant.
Photochemical Reaction	Any vehicle designed primarily for transportation of persons and having a design capacity of 12 persons or less as defined in Title 13 of the California Code of Regulations.
Reactive Organic Gas	A term referring to chemical reactions brought about by the light energy of the sun. The reaction of nitrogen oxides with oxygen in the presence of sunlight to form ozone is an example of a photochemical reaction.
Reasonably Available Control Technology	(ROG) - hydrocarbon compounds which are reactive and may contribute to the formation of smog. Also sometimes referred to as Non-Methane Organic Compounds (NMOCs).
Reduced Emission Vehicle	(RACT) - The most effective emission limits in existing regulation that are currently in effect in any nonattainment district.
Single Occupant Vehicle	ARB certified vehicles which meet Transitional Low Emission Vehicle (TLEV), Low Emission Vehicle (LEV), Ultra Low Emission Vehicle (ULEV), or Zero Emission Vehicle (ZEV) emission standards.
Smog	(SOV) - A vehicle occupied by one person. A combination of smoke, ozone, hydrocarbons, nitrogen oxides, and other chemically reactive compounds, which, under various

Stationary Sources	conditions of weather and sunlight, may result in a murky brown haze that causes adverse health effects. A primary source of smog is automobiles.
Sulfur Dioxide	Non-mobile sources such as refineries, power plants, and manufacturing facilities which emit air pollutants.
Super Ultra Low emission Vehicle	(SO2) - A strong smelling, colorless gas that is formed by the combustion of fossil fuels.
Transitional Low Emission Vehicle	(SULEV) - Any vehicle certified to meet ARB super ultra low emission vehicle emissions standards for that weight class of vehicle as defined in Title 13 of the California Code of Regulations.
Transportation Control Measures	(TLEV) - Any vehicle certified to meet ARB transitional low emission vehicle emissions standards for that weight class of vehicle as defined in Title 13 of the California Code of Regulations.
Ultra Low Emission Vehicle	(TCM) - TCMs are measures designed to decrease pollution from mobile sources by reducing the number of vehicle trips, vehicle miles traveled, idling, and traffic congestion.
Unified District	(ULEV) - Any vehicle certified to meet ARB ultra low emission vehicle emissions standards for that weight class of vehicle as defined in Title 13 of the California Code of Regulations.
U.S. Environmental Protection Agency	Two or more contiguous counties may merge their county districts into one unified district. A unified district is formed by action of the member counties. The Northern Sierra Air Quality Management District is a Unified District.
Vehicle Miles Traveled	(US EPA) - The Federal agency charged with setting policy and guidelines, and carrying out legal mandates for the protection of national interests in environmental resources.
Volatile Organic Compounds	(VMT) - A measure of both the volume and extent of motor vehicle operation; the total number of vehicle miles traveled within a specified geographical area over a given period of time.
Zero Emission Vehicle	(VOCs) - Hydrocarbon compounds which exist in the ambient air. VOCs contribute to the formation of smog and/or may themselves be toxic. VOCs often have an odor, and some examples include gasoline, alcohol, and the solvent used in paints. (ZEV) - Any vehicle certified to meet ARB zero emission vehicle emissions standards for that weight class of vehicle as defined in Title 13 of the California Code of Regulations.