

GRANT ANNOUNCEMENT  
VW Mitigation Program  
**Transit Capital Assistance Grant Program**

**Round 3**

Issued: Tuesday, January 16, 2024  
Applications Due: **Friday, March 8, 2024**  
**at 2:00 PM CST**



**VW Mitigation Program  
Transit Capital Assistance Grant Program**

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## 1.0 GENERAL INFORMATION

### 1.1 Introduction

The purpose of this document is to provide eligible parties with information to prepare and submit an application for the replacement of eligible public transit vehicles under the Volkswagen Transit Capital Assistance Grant Program (Program). The State of Wisconsin (State) as represented by the Department of Administration (DOA), Division of Enterprise Operations (DEO) intends to use the results of this Grant Announcement to establish one or more grant agreements. DOA intends to award approximately \$16 million for Transit Capital Assistance Grants through this Grant Announcement.

### 1.2 Scope of the Project

#### 1.2.1 History and Background

Volkswagen Group of America and certain related entities (collectively Volkswagen or VW) admitted to violating the federal Clean Air Act (CAA) from 2009 through 2016 by selling nearly 590,000 2.0-liter and 3.0-liter diesel engine vehicles equipped with software designed to cheat on federal emission tests. This software activated the vehicle emission control devices only during laboratory testing. As a result, the vehicles met CAA emissions standards for nitrogen oxides (NOx) in the lab, but not on the road. Volkswagen entered judicial consent decrees to partially settle its civil liability for the CAA violations. Under these decrees, Volkswagen must pay more than \$2.9 billion into an Environmental Mitigation Trust Fund (Trust) administered by Wilmington Trust, N.A (Trustee). The State of Wisconsin received beneficiary designation status from the Trustee on January 29, 2018 and was awarded \$67.1 million to offset excess NOx pollution emitted by affected VW vehicles in Wisconsin.

The Department of Administration (DOA) was designated as the lead agency to develop and implement a Beneficiary Mitigation Plan (BMP) that explains how Wisconsin plans to use its allocated Trust funds. The 2017-19 Enacted Budget, 2017 Wisconsin Act 59, authorizes Wisconsin's allocation to be utilized beginning in the 2017-19 biennium to replace eligible State of Wisconsin fleet vehicles and establish a DOA-led competitive statewide Transit Capital Assistance Grant Program to fund the replacement of eligible public transit vehicles. In March of 2019, DOA awarded \$32 million in settlement funds for the replacement of eligible public transit buses. In September of 2020, DOA awarded approximately \$18 million in settlement funds for an additional round of bus replacement projects.

#### 1.2.2 Statement of Purpose

2017 Wisconsin Act 59 established the Transit Capital Assistance Grant Program to competitively award VW Settlement Funds to eligible applicants to replace eligible public transit vehicles, giving preference to communities or routes that DOA determines are critical for connecting employees with employers. The Program carries out the purposes of the Trust by replacing and scrapping old diesel buses to maximize air quality benefits in Wisconsin, including reduction of NOx and PM2.5.

The Program will fund the replacement of 1992-2009 engine model year class 4-8 transit buses with any new diesel or alternate fueled or all-electric vehicle, with the engine model year in which the eligible bus mitigation action occurs or one engine model year prior. Eligible buses must be scrapped within 90 days of accepting delivery of the replacement bus(es). The Program may provide a funding allowance for costs associated with the scrapping of any replaced bus(es).

#### 1.2.3 Objectives

The State is seeking to achieve four (4) primary objectives with this Program:

- Replace and scrap eligible public transit vehicles in accordance with the settlement guidelines and applicable state law (Wis. Stats. § 16.047);
- Replace eligible public transit vehicles in communities or on routes that are critical for

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- connecting employees with employers;
- Improve air quality in areas that bear a disproportionate share of the air pollution burden within its jurisdiction; and
- Fund projects that can be implemented efficiently and effectively (cost and time).

1.3 Granting Agency

This Grant Announcement is issued by DOA through DEO which is the sole point of contact for the State of Wisconsin during the selection process. The person responsible for managing the grant process (Grant Administrator) is:

Erin Smith, Grants Specialist-Advanced  
Department of Administration  
Division of Enterprise Operations  
101 East Wilson Street, 6th Floor  
P.O. Box 7867  
Madison, WI 53707-7867

Email: [erin.smith@wisconsin.gov](mailto:erin.smith@wisconsin.gov)

The agreement(s) resulting from this Grant Announcement will be administered by DOA.

1.4 Definitions

Active Vehicle	As of the date of the application deadline for this Grant Announcement, the vehicle is used in regular revenue service, school tripper service or another regular public transit service, including spares. Vehicles temporarily out of service due to maintenance or repairs are considered active.
Applicant	The legal entity that will enter into a Grant Agreement with the Department in the event of an award.
Department	The Department of Administration.
Battery Electric Bus (BEB)	A bus that utilizes onboard rechargeable batteries to power one or more electric motors used for propulsion.
Eligible Applicant	Local public body in an urban area which is served by an urban mass transit system incurring an operating deficit. §85.20(1)(b), Wis. Stats.
Eligible Vehicle	As defined in the Environmental Mitigation Trust Agreement for State Beneficiaries, Appendix D-2, page 12, "Eligible Vehicle" shall mean a Class 4-8 Transit Bus with a Gross Vehicle Weight Rating (GVWR) greater than 14,001 lbs. used for transporting people. An Eligible Vehicle must be powered with a 1992-2009 diesel engine.
Gross Vehicle Weight Rating (GVWR)	As defined in the Environmental Mitigation Trust Agreement for State Beneficiaries, Appendix D-2, page 12, "Gross Vehicle Weight Rating" (GVWR) shall mean the maximum weight of the vehicle, as specified by the manufacturer. GVWR includes total vehicle weight plus fluids, passengers and cargo.
Inactive Vehicle	As of the date of the application deadline for this Grant Announcement, the vehicle does not meet the definition of an "Active Vehicle" as defined in this Grant Announcement. For example, vehicles in storage, in inactive emergency contingent status, awaiting sale, or those having been out of service for an extended period of time for major repairs are considered "Inactive Vehicles."
Infrastructure	As defined in the Environmental Mitigation Trust Agreement for State Beneficiaries, Appendix D-2, page 12, "Infrastructure" shall mean the equipment used to enable the use of electric powered vehicles (e.g., electric vehicle charging station).

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Local Public Body	Counties, municipalities, or towns, or agencies thereof; transit or transportation commissions or authorities or public corporations established by law or by interstate compact to provide mass transportation services and facilities or 2 or more of any such bodies acting jointly under §66.0301 to 66.0303, Wis. Stats. §85.20(1)(d), Wis. Stats.
Mass Transit System	Transportation by bus, shared-ride taxicab, rail, or other conveyance, either publicly or privately owned, that provides the public with general or special service on a regular and continuing basis. §85.20(1)(e), Wis. Stats.
Operating Deficit	The amount by which the total operating expenses incurred in the operation of an urban mass transit system exceeds the amount of operating revenue derived therefrom. §85.20(1)(f), Wis. Stats.
Operating Expenses	Costs accruing to an urban mass transit system by virtue of its operations, including costs to subsidize fares paid by disabled persons for transportation within the urban area of the eligible applicant, and maintenance. "Operating expenses" do not include costs accruing to an urban mass transit system from services provided by a publicly owned urban mass transit system under a contract awarded on the basis of competitive bids unless the urban mass transit system's bid used the fully allocated cost methodology described in sub. (8). For a publicly owned system, operating expenses do not include profit, return on investment or depreciation as costs. If a local public body contracts for the services of a privately-owned system on the basis of competitive bids, operating expenses may include as costs depreciation on the facilities and equipment that the privately-owned system acquired without benefit of public financial assistance, profit and return on investment. If a local public body contracts for the services of a privately-owned system on the basis of negotiated procurement, operating expenses may include as costs depreciation on the facilities and equipment that the privately-owned system acquired without benefit of public financial assistance. In an urban area which is served exclusively by shared-ride taxicab systems, operating expenses may include costs to subsidize reasonable fares paid by all users for transportation within the urban area of the eligible applicant. §85.20(1)(g), Wis. Stats.
Operating Revenues	Income accruing to an urban mass transit system by virtue of its operations, but do not include income accruing from operations under a contract awarded on the basis of competitive bids to a publicly owned urban mass transit system that did not use the fully allocated cost methodology described in sub. (8). §85.20(1)(h), Wis. Stats.
Scrapping	As defined in the Environmental Mitigation Trust Agreement for State Beneficiaries, Appendix D-2, page 13, "Scrapping" shall mean to render inoperable and available for recycle by, at a minimum, cutting a 3-inch hole in the engine block for all engines and disabling of the chassis by cutting the vehicle's frame rails completely in half. Scrapping of any vehicle(s) shall occur within 90 days of the Applicant accepting delivery of the replacement bus(es).
State	The State of Wisconsin.
Urban Area	Any area that includes a city or village having a population of 2,500 or more that is appropriate, in the judgment of the Department, for an urban mass transit system or an area that includes two American Indian reservations and that is served by a mass transit system operated by a transit commission. §85.20(1)(k), Wis. Stats.
Urban Mass Transit System	A mass transit system operating within an urban area. §85.20(1)(L), Wis. Stats.
VIN	Vehicle Identification Number

1.5 Clarifications and/or Revisions to the Grant Announcement

DOA will accept one (1) round of **written** questions. Questions are accepted on or before the date shown in Section 1.7 Calendar of Events by email at the email address below.

Email: [vwsettlement@wisconsin.gov](mailto:vwsettlement@wisconsin.gov)

**No phone questions or inquiries will be acknowledged to ensure fairness to all Applicants in receiving information related to this Grant Announcement.**

Applicants are expected to raise any questions, exceptions, or additions they have concerning the Grant Announcement at this point in the application process. If an Applicant discovers any significant ambiguity, error, conflict, discrepancy, omission, or other deficiency in this Grant Announcement, the Applicant should immediately notify the Grant Administrator of such error and request modification or clarification of the Grant Announcement.

All questions posed to the Grant Administrator will be published on the VW Mitigation Program website only after DOA has had the opportunity to formulate the correct response(s). All Applicants are encouraged to check the VW Mitigation Program website on a regular basis for posted questions and answers. A link to this website is as follows:

<https://doa.wi.gov/Pages/vwsettlementwisconsin.aspx>

Questions limited to the application process may be posed to the Grant Administrator in writing following the written questions deadline. If it becomes necessary to provide additional clarifying data or information, or to revise any part of this Grant Announcement or the Grant Application Form, revisions/amendments and/or supplements will be posted to the VW Mitigation Program website.

Each application shall stipulate that it is predicated upon the requirements, terms and conditions of this Grant Announcement, and any supplements or revisions thereof.

***All contact with State employees related to this Grant Announcement (except with or authorized by the Grant Administrator) is strictly prohibited between the time that the Grant Announcement is released and the release of the Notice of Intent to Award. Any applicant who fails to adhere to this provision will be disqualified and their application will be rejected.***

1.6 Reasonable Accommodations

The Department will provide reasonable accommodations, including the provision of informational material in an alternate format, for qualified individuals with disabilities upon request. Any Applicant in need of reasonable accommodations should contact the Grant Administrator, Erin Smith, at (608) 267-3293 or via email at [vwsettlement@wisconsin.gov](mailto:vwsettlement@wisconsin.gov).

1.7 Calendar of Events

Listed below are specific and estimated dates/times of actions related to this Grant Announcement. The actions with specific dates must be completed as indicated unless otherwise changed by the Department. If the Department finds it necessary to change any of these dates and/or times, it will do so by issuing an amendment(s) to this Grant Announcement. It is the Applicant's responsibility to check the VW Mitigation Program website regularly for any Grant Announcement amendments. There may or may not be formal notification issued for changes to specific dates and times.

EVENT	DUE DATE
Grant Announcement Issue Date	January 16, 2024
<b>Written Questions Due</b>	<b>January 31, 2024</b>
Q & A Posted to DOA VW website	TBD
<b>Applications Due</b>	<b>March 8, 2024 at 2:00 PM CST</b>

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EVENT	DUE DATE
Notification of Intent to Award Issue Date	June 2024 (estimate)
Grant Agreement Execution	Fall 2024 (estimate)

1.8 Grant Agreement Term

The Grant Agreement shall be effective on the execution date and shall run until no later than December 31, 2026, with an option by mutual agreement of the State and grantee to extend until no later than March 1, 2027.

**2.0 PREPARING AND SUBMITTING AN APPLICATION**

2.1 General Instructions

The evaluation and selection of a grantee(s) and the decision by the Department to issue a Grant Agreement to a given Applicant will be based on the information submitted in the grantee's application. Failure to respond to each of the requirements in this Grant Announcement may be the basis for rejecting an application. **Applicants must use Round 3 application materials; do not re-use or modify application materials used in Round 1 or Round 2 of this Program.**

Elaborate applications (e.g. expensive artwork), beyond that sufficient to present a complete and effective application, are not necessary or desired.

Round 3 Changes

All application materials must be submitted electronically as directed below. DOA **will not** accept hardcopy or facsimile machine (fax) submitted applications.

2.2 Incurring Costs

The State of Wisconsin is not liable for any cost incurred by Applicants in replying to this Grant Announcement nor any expenses incurred before any Grant Agreement is fully executed.

2.3 Submitting the Application

2.3.1 Electronic (email) Submission

Applicants must submit one (1) original of all materials, including signatures of authorized representatives, required for acceptance of its application no later than **March 8, 2024 at 2:00 PM CST to:**

EMAIL
Erin Smith, Grants Specialist-Advanced Department of Administration Division of Enterprise Operations  <a href="mailto:vwsettlement@wisconsin.gov">vwsettlement@wisconsin.gov</a>

Applications must be received by [vwsettlement@wisconsin.gov](mailto:vwsettlement@wisconsin.gov) email inbox by the specified time stated directly above. The time received shall be considered the timestamp of the Department's email system.

Applicants must submit the following three (3) electronic files **via email** to the Grant Administrator by the application deadline:

1. The original, non-scanned application in Adobe Acrobat pdf format.
2. The original, non-scanned Appendix A Section 4, Project Budget, in Microsoft Excel format.

### 3. Appendix B, Form DOA-3027 Designation of Confidential and Proprietary Information

#### 2.4 Application Organization and Format

The application sections which should be submitted or responded to are:

Section 1	Applicant Information
Section 2	Eligibility Requirements
Section 3	Project Plan
Section 4	Appendix A (Project Budget)
Section 5	Required Signatures: Applicant Authorized Representative
Section 5	Required Signatures: Governmental Unit Authorized Representative
Attachments	Shared Revenue Acceptance Resolution (or equivalent); only applicable to county, city, village and town applicants

Any alteration of the forms or attachments that comprise the application is prohibited and may result in disqualification of the application.

#### 2.5 Multiple Applications

Multiple applications from the same Applicant are not allowed.

#### 2.6 Oral Presentations and Site Visits

Top scoring Applicants based on an evaluation of submitted applications may be required to participate in interviews and/or site visits to support and clarify their applications, if requested by the Department. The Department will make every reasonable attempt to schedule each presentation at a time and location that is agreeable to the Applicant. Failure of an Applicant to interview or permit a site visit on the date scheduled may result in rejection of the Applicant's application.

#### 2.7 Withdrawal of Applications

Applicants may withdraw an application, in writing, at any time by submitting a written request that is signed by an authorized representative of the Applicant to the Grant Administrator via email to [vwsettlement@wisconsin.gov](mailto:vwsettlement@wisconsin.gov). If a previously submitted application is withdrawn prior to the application submission due date and time, the Applicant may submit another application on or before the grant application submission due date and time.

### 3.0 APPLICATION SELECTION AND AWARD PROCESS

#### 3.1 Preliminary Evaluation

Applications will be reviewed initially to determine if Eligibility Requirements (Section 4.0) are met. Failure to meet Eligibility Requirements will result in rejection of the application. If all Applicants do not meet one or more of the Eligibility Requirements, the Department reserves the right to continue the evaluation of the applications and to select the application(s) which most closely meets the requirements specified in this Grant Announcement as allowed by law and the Trust.

#### 3.2 Application Scoring

Accepted applications will be reviewed by an evaluation committee (Committee), consisting of members who have been selected because of their professional expertise and knowledge of the equipment and service(s) that are the subject of this Grant Announcement.



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Applicants may **not** contact members of the Committee except at the Department’s specific direction.

The Committee will score all accepted applications against the criteria stated in Section 3.3.

The Committee’s scoring will be tabulated and applications will be ranked based on the numerical scores received.

### 3.3 Evaluation Criteria

The applications will be scored against the following criteria:

<u>Description</u>	<u>Percent (%)</u>	<u>Possible Points</u>
1. Current Use of Transit Buses	20%	20
2. Future Use of Transit Buses	25%	25
3. Transportation to Employment	30%	30
4. Disproportionate Impact & NOx Reduction	15%	15
5. Project Timeline	<u>10%</u>	<u>10</u>
TOTAL	100%	100

### 3.4 Right to Reject Applications and Negotiate Grant Agreement Terms

The State reserves the right to reject any and all applications. The State reserves the right to negotiate the terms of the Grant Agreement(s) that result from this Grant Announcement, including the award amount, with the selected Applicant prior to entering into a Grant Agreement. If Grant Agreement negotiations cannot be concluded successfully with the awarded Applicant(s), the State may negotiate a Grant Agreement with the next highest scoring Applicant(s).

### 3.5 Method of Award

The Department will compile the final scores for each application (see Section 3.3). The Department intends to award to one or more Applicants for the resulting Grant Agreement(s). Awards will be based upon the highest scoring responsive and responsible Applicant(s). The State reserves the right to negotiate, limit or amend awards in accordance with objectives listed in Section 1.2.3.

### 3.6 Notification of Intent to Award

All Applicants who respond to this Grant Announcement will be notified in writing of the Department’s intent to award one or more Grant Agreements that result from this Grant Announcement.

After a Notice of Intent to Award is made, copies of the accepted applications, excluding materials deemed to be confidential and proprietary information on Appendix B: Designation of Confidential and Proprietary Information (DOA-3027), will be made available for public inspection on the VW Mitigation Program website.

## 4.0 ELIGIBILITY REQUIREMENTS

This section is NOT scored. (0 points)

Complete Section 2: Eligibility Requirements of the Grant Application Form.

Conditions of this Grant Announcement that include the word “must” or “shall” describe a **mandatory** Eligibility Requirement. Failure to meet a mandatory Eligibility Requirement shall disqualify an application. The Department reserves the right to delete any specification or condition in the Grant Application Form as allowed by law if no Applicant is able to comply with a given specification or condition of this Grant Announcement or the Grant

## Application Form.

The requirements in this section are mandatory and the Applicant must satisfy them. If the Applicant cannot meet ALL the Eligibility Requirements, the Applicant will be removed from further consideration. In the event there is an individual Eligibility Requirement that no Applicant is able to meet, the Department reserves the right to eliminate that individual Eligibility Requirement as allowed by law. The Department shall then continue the evaluation of all submitted applications.

Using Section 2: Eligibility Requirements of the Grant Application Form, answer each item as to whether the Applicant either can or cannot (check the appropriate box) meet these Eligibility Requirements. It is the Applicant's responsibility to submit any required supporting documentation for an Eligibility Requirement.

### 4.1 Eligible Applicant

Pursuant to §85.20 (1)(d), Wis. Stats., the Applicant must certify that it is a county, municipality or town, or agency thereof; transit or transportation commission or authority or public corporation established by law or by interstate compact to provide mass transportation services and facilities or two or more of any such bodies acting jointly under §66.0301 to 66.0303, Wis. Stats.

### 4.2 Operating Deficit

Pursuant to §85.20, Wis. Stats., the Applicant must certify that it operates an Urban Mass Transit System incurring an Operating Deficit.

### 4.3 Shared Revenue Reduction

If the Applicant is a county, city, village or town, the Applicant must agree that the receipt of a grant under this Program will result in a reduction of future county and municipal revenue payments pursuant to §79.035(7), Wis. Stats. Further, each Applicant that is a county, city, village or town must provide a resolution (or equivalent) action taken agreeing to this reduction in revenue payments and authorizing its application.

### 4.4 Vehicle Eligibility

The Applicant must certify that the vehicle(s) submitted for replacement is/are a Class 4-8 Transit Bus with a Gross Vehicle Weight Rating (GVWR) greater than 14,001 lbs. used for transporting people. In addition, the eligible vehicle must be powered with a 1992-2009 diesel engine.

### 4.5 Scrapping

The Applicant must certify that it will render the eligible replaced vehicle(s) inoperable and available for recycle. The Applicant, at a minimum, will cause a 3-inch hole to be cut in the engine block for all engines. In addition, the chassis of the vehicle shall be disabled by cutting the vehicle's frame rails completely in half. Scrapping of any vehicle(s) shall occur within 90 days of the Applicant accepting delivery of the replacement bus(es).

## 5.0 PROJECT PLAN

This section is scored. (100 total points)

Complete Section 3: Project Plan of the Grant Application Form.

The purpose of this section is to provide the Department with a basis for determining an Applicant's plan to undertake its project. Applicants must be specific when answering the following questions. Applicants shall concisely answer each question thoroughly.

#### 5.1 Current Use of Transit Buses

Explain how the Applicant's current buses are used and why they require replacement. Where possible, provide data on ridership, bus condition and other factors that support replacement. Applicant may attach supporting documentation to its application for each bus requested for replacement including:

- Copies of estimates for planned or anticipated major repairs.
- List of recent major repairs.
- Photos of visible condition of the vehicle showing rust, dents and/or other issues.

#### 5.2 Future Use of Transit Buses

Explain how the new bus(es) will be used in the future. Please include information on whether the Applicant expects ridership will increase, decrease, or maintain current levels. For BEB projects also requesting battery electric bus supply equipment (e.g. infrastructure), include details on project costs, location, management, and implementation.

#### 5.3 Transportation to Employment

Explain how the new bus(es) will connect employees with employers. Applicants are encouraged to attach supporting documentation to its application.

#### 5.4 Disproportionate Burden Impact and NOx Reduction

Provide accurate and complete fleet data on Appendix A – Project Budget. The Department will calculate the projected NOx reduction as a result of replacing the identified bus(es) using the U.S. Environmental Protection Agency Diesel Emissions Quantifier (DEQ) tool. Include a description of how bus replacement will mitigate the impacts of NOx emissions on communities that have historically borne a disproportionate share of the adverse impacts of these emissions. Applicants are encouraged to attach supporting documentation to its application.

#### 5.5 Project Timeline

Complete Appendix A Section 4: Project Budget of the application using the Excel spreadsheet. The Excel spreadsheet must be submitted in accordance with instructions in Section 2.3. Include anticipated dates for ordering, delivery, placement in service and Scrapping. All work must be completed by December 31, 2026.

### 6.0 PROJECT BUDGET

This section is NOT scored. (0 total points)

Complete Section 4: Project Budget of the Grant Application Form using the Excel spreadsheet. The Excel spreadsheet must be submitted in accordance with instructions in Section 2.3.

The purpose of this section is to provide the Department with identification of each bus proposed to be replaced, each proposed replacement vehicle, the information required to calculate NOx benefits of the replacement project, project timeline and eligible costs for purchase and Scrapping. The budget will include a listing of each eligible bus for which funding is requested for replacement. If more than one replacement request is made, buses must be listed in the spreadsheet with the highest priority bus listed first, the second highest priority bus listed second, etc.

Applicants must specify whether a vehicle is Active or Inactive in accordance with Section 1.4 Definitions. The Department may make award decisions based on the Active/Inactive status of the vehicle proposed for

replacement. The State Trust Agreement and the Wisconsin Beneficiary Mitigation Plan prioritize projects that result in the greatest emissions benefits. Replacing vehicles that are Active and used regularly are more likely to result in greater NOx reduction benefits.

## 6.1 Eligible Expenses

For each eligible bus listed for replacement, grant funds may be requested for two purposes:

- 6.1.1. The purchase of a class 4-8 transit bus with any new diesel or alternate fueled or all-electric vehicle, with the engine model year in which the eligible bus mitigation action occurs or one engine model year prior. Grant funds may be requested for 100% of the cost of a new diesel or Alternate Fueled (e.g., CNG, propane, Hybrid) vehicle, or 100% of the cost of a new All-Electric vehicle, including charging infrastructure associated with the new All-Electric vehicle.
- 6.1.2 Services required to scrap replaced eligible buses per the definition of “Scrapping” in Section 1.4. Scrapping must be completed within 90 days of accepting delivery of a replacement bus.

## 6.2 Ineligible Expenses

Grant funds may not be requested for the following purposes:

- Fleet expansion (i.e., the purchase of a bus that does not replace an existing bus).
- Administrative costs including Applicant expenses, vendor mark-ups or other.
- Any expenses incurred before a Grant Agreement is fully executed, including Applicant’s expense to prepare its grant application.
- Any expenses to disable or remove equipment from an existing bus.
- Repowering.
- Bad debts, late payment fees, finance charges or contingency funds, interest, and investment management fees.
- Liens or other interests in any replaced bus.
- Attorney fees.
- Engineering/consultant fees.
- Taxes, except sales tax on eligible equipment and expenses.
- Purchase and/or installation of accessories, either new or transferred from replaced buses.
- Invoices submitted to the Department directly from any vendor, supplier or contractor.

## 7.0 SPECIAL GRANT AGREEMENT TERMS AND CONDITIONS

### 7.1 Reimbursement Requirements

This is a reimbursement program. Grant recipients must submit complete reimbursement request materials to the satisfaction of the Department. Grant recipients must submit invoices and proofs of payment for approved expenses associated with the project. Grant recipients must submit photographic documentation of the VINs and engine serial numbers for the replaced bus(es), and photos and a certificate of destruction documenting that the replaced bus(es) have been rendered inoperable. Grant recipients must submit delivery or registration documents identifying VINs and engine serial numbers for the new bus(es) purchased with grant funds and confirm that the project is complete and that the bus(es) is/are operating satisfactorily for the intended use. No costs for projects may be incurred before a Grant Agreement is executed or after the Grant Agreement end date. All invoices must be submitted by the date specified in the Grant Agreement to be paid. Grant recipients shall adhere to any additional reimbursement requirements found in subsequent Grant Agreement or reimbursement materials.

### 7.2 Order of Precedence

In the event of Grant Agreement award(s), the contents of this Grant Announcement, the Grant Application Form (including all attachments), grant application addenda and revisions, and the application of the successful Applicant(s), and additional terms agreed to in writing by the Department and the Applicant(s) shall become part of the Grant Agreement. Failure of the successful Applicant(s) to accept these as a contractual agreement may result in a cancellation of award. The following priority for Grant Agreement documents will be used if there are conflicts or disputes:

1. Applicable State of Wisconsin statutes and regulations.
2. The terms of the resulting Grant Agreement.
3. The terms of the Applicant's application as accepted by the Department.
4. The terms of this Grant Announcement, as may be amended.

### 7.3 Grant Agreement

A Grant Agreement between a grantee and the Department will cover the scope of work, timetable, semi-annual reporting requirements, and budget. Grant Agreements cover a pre-determined period after the date the Department signs the Grant Agreement. The Department may approve, at its sole discretion, a request from a grantee to substitute a bus identified for replacement with another eligible bus for good cause (e.g., mechanical issues, damage). Applicants must agree to abide by applicable State of Wisconsin and federal rules and regulations.

The Department must provide the Trustee with a report describing its progress implementing each eligible mitigation action during the six-month period leading up to the reporting dates every year on January 30 and July 30. In order to provide all required information, the Department may collect the following from grantees to comply with the Trustee's reporting requirements:

- Tons/percentage of NOx and PM2.5 reduced over the lifetime of the vehicle replacement.
- Number of employees connected with employers.
- Project implementation timeline.
- All records and documentation supporting all grant funded expenditures, purchases and other fiscal activities to show that all funds were spent in compliance with the Trust Agreement, Consent Decrees and Wisconsin laws.
- Evidence that all vendors were or will be selected in accordance with State of Wisconsin and local public procurement and contracting laws.
- Semi-annual reports describing the progress in implementing each project during the six-month period leading up to the reporting date. Such reports shall include a complete description of the status (including actual or projected termination date), development, implementation, and any modification of each approved project, and a summary of all costs expended on the Eligible Mitigation Action through the reporting date.

The Department reserves the right to restrict disposal of assets purchased with Transit Capital Assistance Grant Program grant funds. Such restrictions may apply to sale, insurance and other proceeds resulting from a determination by the Applicant that the asset will no longer serve its intended purpose during its useful life. The Department anticipates that details on such restrictions will be determined prior to execution of Grant Agreements.

### 7.4 Public Disclosure

All information submitted by an Applicant will be made available on DOA's VW Mitigation Website after an Intent to Award is issued.

### 7.5 Miscellaneous

The State of Wisconsin reserves the right to audit any grantee. Applicants must follow applicable State of Wisconsin and local public procurement rules.