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MEMO

May 24, 2001

TO: ALL INTERESTED PARTIES

FROM: MARTIN TUTTLE, EXECUTIVE DIRECTOR

SUBJECT: PHASE II REQUEST FOR APPLICATIONS (RFA) FOR FUNDING FROM: SACRAMENTO EMERGENCY CLEAN AIR AND TRANSPORTATION (SECAT) PROGRAM

The Sacramento Emergency Clean Air and Transportation (SECAT) program has \$70 million in funds that are available to fleet owners in the Sacramento region to reduce nitrogen oxide (NOx) emissions from heavy-duty diesel trucks, \$50 million from the state and \$20 million from cities and counties via the Sacramento Area Council of Governments, or SACOG. These combined funds are now available to help offset the costs of: purchasing new low-emission, heavy-duty vehicles; re-powering, replacing, or retrofitting (with an exhaust catalyst) existing heavy-duty diesel engines; to offset potential costs of using clean-burning aqueous diesel fuel, propane or natural gas.

On October 12, 2000, SACOG released Phase I Request for Applications under this program. To date, SACOG has funded over \$23 million worth of projects under Phase I leaving a balance of \$47 million in the program. It is anticipated that SACOG will fund programs in four phases, or until the money runs out. Funding for this program is on a first-come, first-serve basis. Once all the money is obligated no additional applications will be funded. **Phase II applications are due Thursday, June 28, 2001.**

Attached please find the **Phase II** application package, including SECAT "By the Numbers", SECAT Frequently Asked Questions (FAQs), Request for Applications (RFA), General Application form, Vehicle Information form, Performance Requirements, Insurance Requirements and a Draft Agreement stating contractual terms and conditions. The Emissions Calculator referred to in the information provided here is available either on a CD or through the SACOG and SECAT web sites. The entire package and other material explaining the SECAT program are also available at the following web sites: www.sacog.org and click on the SECAT icon, www.4secat.com or www.sacog.org/secat/home. The Sacramento Metropolitan Air Quality Management District (SMAQMD) staff will assist you, either at the workshop (described below) or at an individual appointment, in using the Emissions Calculator to determine the emission reductions likely to result from your proposed project. Emission reductions for a given cost is the major factor in determining the amount of funding for which you may be eligible.

You are invited to attend a free workshop designed to assist you through the application process. The workshop will be held:

Date: Wednesday, June 13
Time: 10:00 a.m. - Noon
Location: Sacramento Metropolitan Air Quality Management District (SMAQMD)
777 - 12th Street, Third Floor

We want to ensure that we have the space to accommodate you comfortably at the workshop. Please RSVP to Ed Jones at (916) 874-4881, or ejones@airquality.org.

Staff from the SMAQMD and SACOG will be available to answer questions on both the funding and technical aspects of the application, as well as any other questions you may have.

We look forward to seeing you at the workshop, and to working with you to complete a successful application package. If you have any questions about the workshop or SECAT, please call the SECAT toll free hotline at 1-866-256-7697 or Tom Swenson at SMAQMD, 916-874-4889 or David Young at SACOG, 916-733-3232.

Attachment

**PHASE II
REQUESTS FOR APPLICATIONS (RFA)
FOR FUNDING FROM:
SACRAMENTO EMERGENCY CLEAN AIR AND
TRANSPORTATION PROGRAM
(SECAT)**

The SECAT Program
is a partnership between the
Sacramento Area Council of Governments
and the
Sacramento Metropolitan Air Quality Management District

May 24, 2001

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INTRODUCTION

The Sacramento Area Council of Governments (SACOG) and the Sacramento Metropolitan Air Quality Management District (SMAQMD) requests applications for grants under the Sacramento Emergency Clean Air and Transportation Program (the SECAT Program). This program was created by California Assembly Bill (AB) 2511 to help assure that the Sacramento region remains in conformity with its State Implementation Plan (SIP) for air quality attainment. A total of \$70 million in funding (\$50 million from the Governor's Transportation Initiative Program and \$20 million in Congestion Mitigation and Air Quality funding) has been allocated for grants under the SECAT program. It is anticipated that these funds will be awarded in several cycles between November 15, 2000 and December, 2001. Approximately \$15 million is anticipated to be awarded in response to applications submitted beginning on June 28, 2001 on a first-come, first-serve basis, until funds are exhausted. Future funding cycles will follow until all funds are exhausted or until the emission reduction targets are met.

Funding under the SECAT Program is available to offset the costs of projects that reduce oxides of nitrogen (NOx) emissions from on-road vehicles operating in the Sacramento Federal Ozone Nonattainment Area (Nonattainment Area). Eligible types of projects include the following:

- i. purchase of new, low or zero-emitting vehicles;
- ii. repowering of existing high-emitting diesel vehicles with new, lower-emitting engines;
- iii. retrofit of existing heavy-duty vehicles with aftertreatment systems to reduce NOx;
- iv. use of "cleaner" diesel fuel formulations and/or diesel emulsion fuels in place of California diesel fuel; and
- v. any other verifiable, enforceable, and cost-effective technology for reducing NOx emissions from heavy-duty on-road vehicles.

Eligible applicants include any individual, company, or public agency that owns or controls one or more vehicles that operate primarily within the nonattainment area, or that otherwise contribute significantly to the NOx emissions inventory in the nonattainment area. Other organizations may also submit applications, but these must be accompanied by a satisfactory, binding contract with the person(s) or organization(s) that own or control the vehicles whose emissions are to be reduced.

This program is distinct from the Carl Moyer Memorial Air Quality Standards Attainment Program (the Moyer Program). Among the key differences are that the SECAT Program is not limited to financing the incremental *capital* costs of emission control measures, but can also pay for operating costs, facility modifications, out-of-cycle replacement, and financial incentives for participation. This may make the SECAT Program more attractive than the Moyer program for some types of projects. Another difference is that the SECAT Program can only fund projects for *on-road* vehicles. Projects involving non-road vehicles or engines cannot be funded under the SECAT Program, but could be eligible for funding under the Moyer Program.

BACKGROUND INFORMATION

State Implementation Plan for Air Quality

The Federal Clean Air Act requires that all regions of the country achieve National Ambient Air Quality Standards (NAAQS) by specific dates. Regions that are not now in attainment are classified based on their geographic and meteorological characteristics and the severity of the air quality problem. Each classification has a specific date by which it must attain the clean air standards.

The Sacramento Federal Ozone Nonattainment Area has been classified as “Severe” for ozone, and as such must achieve the NAAQS for ozone by November 15, 2005 or face serious sanctions by the federal government. In 1994 the Sacramento Metropolitan Air Quality Management District Board of Directors adopted an Ozone Attainment Plan which specified the strategies to be implemented to meet the clean air goal. The Ozone Attainment Plan was submitted to the California Air Resources Board (CARB) and incorporated into the overall air quality plan for the state. This overall plan is the State Implementation Plan or SIP. Emission reductions that can be counted toward meeting this plan are “SIP Claimable.” A project must produce SIP claimable emission reductions to be eligible for funding under the SECAT program.

The development of the Ozone Attainment Plan specific strategy was based on the best model of motor vehicle emissions available at the time. This model was the CARB’s EMISSION FACTORS 7F (EMFAC7F). Dramatic improvements have been made to the emissions model since that time and many of the emission assumptions in EMFAC7F have been updated. However, in order for the strategies implemented under the current SIP to be evaluated in the context of the current SIP, all emission calculations must be calculated in the “currency” of the SIP which is EMFAC7F currency. Emission reductions will also be calculated using the current emission model (EMFAC2000) for purposes of advising the public of the best estimate of the real emission benefits associated with each project implemented. All projects funded must provide both SIP claimable credit and real air quality benefit.

Transportation Conformity

Conformity to a SIP means that transportation activities will not produce air quality violations, worsen existing violations, or delay timely attainment of the national ambient air quality standards (NAAQS). Areas that are in conformity (consistent with adopted air quality goals for an area) will be better able to ensure Federal approval and funding of transportation projects. Current law stipulates that projects cannot be approved, funded, advanced through the planning process, or implemented unless the project is from a fiscally constrained and conforming transportation plan and transportation improvement program (TIP).

Metropolitan Planning Organizations (MPOs) are responsible for producing transportation plans and programs that conform to the adopted SIP. In the Sacramento region, the Sacramento Area Council of Governments (SACOG) is the responsible MPO. This agency must make a formal conformity determination for its plans and programs before submitting them to the U.S. Department of Transportation (U.S. DOT) for its review and approval.

Sacramento Area Council of Governments

The Sacramento Area Council of Governments (SACOG) is a joint powers agency composed of twenty-four local governments (six counties and eighteen cities). The member governments are the counties of El Dorado, Placer, Sacramento, Sutter, Yolo and Yuba and the cities of Auburn, Citrus Heights, Davis, Elk Grove, Folsom, Galt, Isleton, Lincoln, Live Oak, Marysville, Rocklin, Roseville, Sacramento, West Sacramento, Wheatland, Winters, Woodland, and Yuba City. SACOG provides planning services for the portion of El Dorado and Placer County west of the Sierra Crest, which excludes the Lake Tahoe Basin planning area.

SACOG is governed by a Board of Directors composed of County Supervisors or City Councilpersons, appointed by member jurisdictions. The Board is advised by several policy and technical committees. A full time staff is employed to implement Council policies and work programs as well as coordinate the efforts of consultants who are retained to augment the staff's effort.

SACOG is the Metropolitan Planning Organization (MPO) for its six member counties (which encompasses the western portions of El Dorado and Placer Counties only), and is the Regional Transportation Planning Agency (RTPA) for the Counties of Sacramento, Sutter, Yolo, and Yuba.

Sacramento Federal Ozone Nonattainment Area (SFNA) Air Quality Management Districts

The Sacramento Federal Ozone Nonattainment Area is comprised of five Air Districts covering parts or all of six counties.

Sacramento Metropolitan Air Quality Management District	All of Sacramento County
Yolo/Solano Air Quality Management District	All of Yolo County and the eastern part of Solano County
Placer County Air Pollution Control District	Placer County to the crest of the Sierras
El Dorado County Air Pollution Control District	El Dorado County to the crest of the Sierras
Feather River Air Pollution Control District	The southern part of Sutter County

Air Quality Policy Group

In order to structure the SECAT program, SACOG has created the Air Quality Policy Group. This group is charged with assisting SACOG, the air quality districts of the Sacramento Federal Nonattainment Area (SFNA), the California Air Resources Board and the Federal Highway Administration in developing strategies that focus available resources on achieving attainment of the National Ambient Air Quality Standard set by the Federal Clean Air Act for ozone by 2005 and conformity goals which will arise in 2000 – 2005.

The Air Quality Policy Group will establish criteria for evaluating proposals submitted under the SECAT Program, establish administrative procedures that ensure timely disbursement of funds, review marketing and outreach programs that may be funded.

Membership on the Air Quality Policy Group consists of:

1. One representative from each of the five air districts in the SFNA;
2. Two representatives from the CARB (one from their technical division and their conformity liaison person to the SACOG);
3. One representative from the USEPA;
4. One representative from the FHWA; and
5. One representative from the SACOG.

Technical Advisory Committee

A Technical Advisory Committee (TAC) has been established to develop the proposed guidelines and criteria for review and approval by the Policy Advisory Group. Upon implementation of the SECAT program, the TAC will be responsible for reviewing project proposals, interacting with project proponents and developing recommendations for project funding.

GENERAL ELIGIBILITY

1. Projects must reduce emissions from on-road motor vehicles in the nonattainment area. On-road motor vehicles are defined as “self-propelled motor vehicles that are manufactured for or designed primarily for use on public roads.”
2. Any individual, company, or public agency may apply to receive an incentive. If the applicant does not itself own or control the vehicles in question, the application must include a satisfactory, binding contract with the person(s) or organization(s) that do own or control those vehicles. This contract must commit the owner/controller of the vehicles to carry out the actions described in the proposal.
3. This program is designed to produce SIP claimable emission benefits. Therefore, any engines or vehicles purchased under the program must be emission certified or verified by the California Air Resources Board (CARB); and any emission control technologies must be certified or verified by CARB or otherwise approved by CARB for the generation of SIP and conformity credits. *Research and development will not be funded under the SECAT program.* Subject to ARB approval, however, the SECAT program *may* fund in-use durability demonstration programs for technologies provisionally certified/verified by ARB pending the outcome of such demonstrations.
4. Purchases or retrofits that are required by any local, state, and/or federal rule or regulation – including, but not limited to, Energy Policy Act (EPACT) requirements, existing regulations, memoranda of agreement/understanding, or other legally binding documents – are not eligible for funding under the SECAT Program
5. Low-emission engines, vehicles, or technologies funded under the SECAT program cannot be used to generate credit in any emissions averaging, banking, and trading program, and may not be used to generate emission reduction credits in the Sacramento Federal Ozone Nonattainment Area.

APPLICATION AND EVALUATION PROCEDURE

Before submitting a final application, applicants are *strongly* advised to discuss their proposed projects with the staff of the Technical Advisory Committee (TAC). They will be available to provide information and assistance in developing the details of each application, and particularly in estimating the emission reductions to be expected as a result of each project. They can be contacted at the Sacramento Metropolitan Air Quality Management District by contacting:

Staff Contact	Title	Phone	E-mail
Sam Gregor	Asst. Air Quality Engineer	(916) 874-4890	Sgregor@airquality.org
Mike Neuenburg	Asst. Air Quality Engineer	(916) 874-1676	Mneuenburg@airquality.org
Marc Olsen	Asst. Air Quality Engineer	(916) 874-4892	Molsen@airquality.org
Gary Bailey	Assoc. Air Quality Engineer	(916) 874-4893	Gbailey@airquality.org
Freya Arick	Assoc. Air Quality Engineer	(916) 874-4891	Farick@airquality.org
Tom Swenson	Program Coordinator	(916) 874-4889	Tswenson@airquality.org

General information is also available from the SECAT website at www.4secat.com or by calling toll free 1-866-CLN-POWR (256-7697).

Application forms are included in Appendix A, included as part of this document. Specific application forms have been developed for the following four types of projects:

- (1) purchase of new heavy-duty vehicles equipped with engines certified to ARB's optional low-NOx emission standards (presently, all engines so certified use alternative fuels);
- (2) repowering of existing heavy-duty diesel vehicles with ARB-certified diesel or alternative-fuel engines; NOTE (1): Only cost of unique parts, in the SECAT Program's opinion, directly related to the installation of the lower emission engine that, on a per part basis, cost more than \$100 are eligible for reimbursement by the SECAT Program. If there is an installation upgrade kit available, the kit cost will be included in the incentive amount. NOTE (2): Any engines that are replaced as a part of an approved project funded through the SECAT program must be either destroyed or remanufactured through a factory-certified remanufacturing program. Proof of the disposition of the replaced engine may be required before reimbursement takes place.
- (3) retrofit of existing heavy-duty diesel vehicles with aftertreatment such as NOx catalysts and selective catalytic reduction systems, for which ARB has verified the emissions reduction performance; and
- (4) use of "cleaner" diesel fuel formulations and/or diesel emulsion fuels for which ARB has verified the emissions reduction performance, in place of California diesel fuel.

Projects of these types may qualify for accelerated "fast track" processing and approval under either of the following two circumstances:

- A. the total grant requested is less than \$6,000 per ton of NOx reduced in the Sacramento nonattainment area over the project's lifetime *and* less than \$25,000 per ton of NOx reduced annually; or

- B. the total grant requested is less than \$12,000 per ton of NO_x reduced in the Sacramento nonattainment area over the project's lifetime *and* less than \$50,000 per ton of NO_x reduced annually, *and* does not exceed the incremental costs of the project to the applicant.

Projects of a type other than those listed under (1) through (4) above, as well as projects that do not meet the financial criteria listed in (A) and (B) above, may still qualify for funding, but are ineligible for "fast track" approval. Projects that do not qualify for "fast track" approval under the criteria adopted by the SACOG board may be considered individually by the SACOG Board or by other entities with authority as designated by the SACOG Board. The SACOG Board may review and from time to time revise the "fast track" criteria.

The SECAT Program will operate on a first-come, first-served basis in proposal review scheduling. Applications providing all the required information will be evaluated using the methodology in Appendix B to determine NO_x emission reductions and cost-effectiveness on a per vehicle and overall project cost basis. In the event that proposals are submitted on the same day and meet program requirements, but there are insufficient funds available for all proposals, the Technical Advisory Committee will review each proposal and forward a recommended project list to the Policy Advisory Group for consideration. The Technical Advisory Committee reserves the right to reject any proposals.

The application procedure is as follows (using the forms provided in Appendix A):

1. Complete the "SECAT Program General Application Form". If your project has multiple vehicles, only one "SECAT Program General Application Form" is required.
2. Complete and attach the Vehicle Information Form (one for **each** lower emission vehicle). This form can be used for the project types listed in (1) through (4) above. For projects that do not meet these criteria, please contact the Technical Advisory Committee for assistance.
3. Attach the forms to the "SECAT Program General Application Form" and submit the package to the SMAQMD at the following address (please do not fax original application):

**Attention: Tom Swenson
Sacramento Metropolitan Air Quality Management District
Mobile Source Division
SECAT Program Application
777 12th Street, Third Floor
Sacramento, CA 95814-1908**

4. The application will be reviewed to determine that all the required information has been provided and that all the program requirements are met. If the application does not meet the program requirements, the applicant will be requested to provide additional information or to modify the application. The SECAT Program reserves the right to request additional information of the applicant and can deny the application if such requested information is not provided.
5. Applications providing all the required information will be evaluated using the

methodology in Appendix B to determine NO_x emission reductions and cost-effectiveness on a per vehicle and overall project cost basis. Based on the results of that evaluation, each application will be placed into one of the following categories. Fast Track applications may be approved immediately at the staff level. SACOG Board Items will require SACOG Board approval.

- i. **Fast Track 6/25** – When the total request is less than \$6,000 per ton of NO_x reduced in the Nonattainment Area over the project’s lifetime **AND** less than \$25,000 per ton of NO_x reduced annually.
 - ii. **Fast Track 12/50** – When the total funding request is less than \$12,000 per ton of NO_x reduced in the Nonattainment Area over the project’s lifetime **AND** less than \$50,000 per ton of NO_x reduced annually and does not exceed the incremental cost of the project.
 - iii. **SACOG Board Consideration** – When the application meets the requirements of the SECAT Program, but does not meet the cost-effectiveness requirements for approval under Fast Track or the application is for a technology other than those for which specific approval criteria has been approved by the SACOG Board, then the application may be forwarded to the SACOG Board or its authorized designee.
 - iv. **Rejected** because it does not meet the requirements of the SECAT Program.
6. Projects will be evaluated according to the Evaluation Criteria found in Appendix C.

CONTRACTING AND REIMBURSEMENT PROCESS

1. Following application approval, each applicant will be required to enter into an agreement for the incentive funds with SACOG and SMAQMD. General Terms and Conditions are contained in Appendix E included herewith.
2. The agreement will include a timetable for project implementation incorporating specific milestones and the dates by which these are to be accomplished. Payments under the SECAT Program will be tied to achievement of specific milestones. Failure to meet any of the agreed milestones by the agreed time may result in cancellation of the agreement, and may require the applicant to refund any monies already paid. The Executive Director of SACOG may, with the concurrence of the SMAQMD APCO, extend the time for accomplishment of any milestone upon written request by the applicant.
3. The agreement will provide that any emission reductions in the Sacramento Federal Ozone Nonattainment Area resulting from the project will be retired in the interest of air quality improvement. The applicant will be required to waive, for all time, its right to claim emission reduction credits which may accrue at anytime as a result of the project, and to agree not to apply to the SMAQMD or any other Air Quality Management District or Air Pollution Control District for any such credits based on reductions generated in the Sacramento Federal Ozone Nonattainment Area.

4. Applicants will be required to furnish certificates of insurance coverage. Detailed insurance requirements are contained in Appendix D of the draft incentive agreement. Self-insurance can satisfy these requirements and will be evaluated on a case-by-case basis.
5. Each agreement will include a minimum annual amount of emission reductions that must be achieved, based on projected usage (e.g. miles, hours, fuel consumption) in the Nonattainment Area. Participants will be required to document actual usage in the Nonattainment Area during each year to verify that this minimum emission reduction is achieved. Participants may be required to document usage during the ozone season (May 1 through October 30) by actual usage or percentage, at the option of the SECAT Program. Projects that fail to achieve at least the minimum emission reduction specified may be required to refund some or all of the funds received under the SECAT Program.
6. Invoices for payment may be submitted upon achieving the associated milestones, as verified by the Technical Advisory Committee. Participant shall provide the SACOG one (1) original signed invoice containing:
 - a. Participant's name
 - b. Address
 - c. Participant's federal tax identification number
 - d. Incentive agreement number
 - e. Incentive amount per vehicle
 - f. Vehicle identification number (VIN)
 - g. Vehicle fleet Identification number
 - h. Odometer reading at implementation of lower emission technology
 - i. Engine serial number
 - j. Copy of Department of Motor Vehicles registration
 - k. Evidence of required insurance – if self-insurance has been approved, provide a letter stating entity is self-insured

The SACOG shall notify the participant within 10 working days after receipt of the invoice whether additional information is required. Once all information has been provided, the SACOG shall pay the corresponding amount to the participant within a reasonable period of time.

APPENDIX A
Requests For Applications (RFA)
For Funding From:
Sacramento Emergency Clean Air And Transportation Program
GENERAL APPLICATION FORM

Please provide the following information to the Sacramento Emergency Clean Air and Transportation Program (SECAT Program). This information will be used to evaluate the eligibility of the proposed heavy-duty low-emission vehicle application. SECAT Program staff reserves the right to request additional information of the applicant and can deny the application if such requested information is not provided.

Application Date: _____

Company _____ Contact _____ Title _____ E-Mail _____ Tax ID No _____	Address _____ City _____ State _____ ZIP _____ County _____ Phone _____ FAX _____
Name of person who will sign the Incentive Agreement (If different from above)	Title

This application is for the following (check all that apply):

- New lower emission vehicle purchase
- Replacement of an older engine with a newer lower emission engine
- Retrofit of an existing engine
- Incremental lower emission fuel cost
- Fueling infrastructure: Amount requested \$ _____

Please initial each section (See General Policy and Procedure Statement for detailed requirements):

- The low-emission technology in this application has been (check one):

 - certified by the California Air Resources Board; or
 - verified by the California Air Resources Board; or
 - approved by the California Air Resources Board for State Implementation Plan claimable oxides of nitrogen reductions.

- The purchase of this low-emission technology is **NOT** required by any local, state, and/or federal rule or regulation.

- The definitions of qualifying projects are listed in the General Policy and Procedure Statement. These definitions have been reviewed and this application is consistent with those definitions.

- The vehicle/engine will be used in the Sacramento Federal Ozone Non-Attainment Area (with the emission reduction system operating, if applicable) for at least the projected usage shown in this application.

- The Incentive Agreement can not be modified. It has been reviewed and is acceptable to our organization/agency.

I certify to the best of my knowledge this application meets the minimum requirements as shown above.

I agree to accept the evaluation performed on my application as described in the **SACRAMENTO EMERGENCY CLEAN AIR AND TRANSPORTATION (SECAT) PROGRAM**. I understand that there may be conditions placed upon receiving an incentive and agree to refund the incentive if it is found that at any time I do not meet those conditions and if directed by the Sacramento Emergency Clean Air and Transportation Program.

I understand as a program participant that this program has limited funds and shall terminate upon depletion of program funding. The SECAT Program shall be under no obligation to honor requests received following depletion of program funding. Participant acknowledges that receipt of this incentive prohibits application for any form of emission reduction credits including: Emission Reduction Credit (ERC), Mobile Emission Reduction Credit (MERC) and/or Certificate of Advanced Placement (CAP), for all time, from the Sacramento Metropolitan Air Quality Management District or any other Air Quality Management or Air Pollution Control District.

In the event that the vehicle(s) do not complete the minimum five (5) year term of this application I agree to return to the Sacramento Emergency Clean Air and Transportation Program a pro-rated amount of the original incentive amount. I understand that the Sacramento Clean Air and Transportation Program may relieve this obligation to return the funds depending on the circumstances. **Persons applying on behalf of an entity must have legal authority to bind that entity.**

Authorized Signature _____ Date _____

Please Type or Print Clearly

Application Received: _____	Time: _____	By: _____
Application: <input type="checkbox"/> Approved <input type="checkbox"/> Denied	Date: _____	By: _____
Funded Amount: \$ _____	Agreement No. _____	
Notes:		

Participant Name _____ Title _____

**Submit application to the
Sacramento Metropolitan Air Quality Management District
SECAT Program
777 12th Street, Third Floor
Sacramento, CA 95814-1908**

APPENDIX A (continued)
SACRAMENTO EMERGENCY CLEAN AIR AND TRANSPORTATION PROGRAM
VEHICLE INFORMATION FORM

Please Type or Print Neatly

Instructions: See back of form for complete instructions.

Vehicle Use (e.g. line haul, refuse, urban bus): _____
 Counties Equipment will be Operated: Sacramento El Dorado Placer Solano Sutter Yolo

Vehicle Information

Vehicle Make:	Vehicle Model:	Vehicle Model Year:	GVWR:
Vehicle Identification Number:	Fleet Identification Number:	License Plate Number:	

Existing Engine Information (Not applicable for new vehicle projects)

Make:	Model:	Year:	Serial Number:	HP:	NOx Level: 7F:
Fuel Type: <input type="checkbox"/> CNG <input type="checkbox"/> Diesel <input type="checkbox"/> Gasoline <input type="checkbox"/> LNG <input type="checkbox"/> LPG <input type="checkbox"/> Other:					2000:

New Engine or Retrofit System Information

Make:	Model:	Year:	Serial Number:*	HP:	NOx Level: 7F:
Fuel Type: <input type="checkbox"/> CNG <input type="checkbox"/> Diesel <input type="checkbox"/> Gasoline <input type="checkbox"/> LNG <input type="checkbox"/> LPG <input type="checkbox"/> Other:					2000:

* Will fill in after engine or retrofit system installation

Annual Vehicle Usage Information

	In Sacramento Ozone Non-Attainment Area		Outside of Sacramento Ozone Non-Attainment Area		Total Operation
	May-October	November-April	May-October	November-April	
Miles					
Gallons or MPG					

Cost Information

New Vehicle Application	
① LEV* cost	\$
② Non-LEV* cost	\$
③ Difference (① - ②)	\$

* Low-emission vehicle

Incremental Fuel Application	
① LEV fuel cost/gallon	\$
② Ave. Diesel cost/gallon*	\$
③ Difference (① - ②)	\$

*Over last 12 months

Engine Replacement Application	
① Rebuild parts cost	\$
② Rebuild labor cost	\$
③ Sub-total rebuild cost (① + ②)	\$
④ Factory rebuilt engine cost	\$
⑤ Unique parts cost*	\$
⑥ New engine installation labor	\$
⑦ Sub-total new engine cost (④ + ⑤ + ⑥)	\$
⑧ Difference (⑦ - ③)	\$

* Over \$100 on a per part basis

Engine Retrofit Application	
① Retrofit system cost	\$
② Unique parts cost*	\$
③ Installation labor	\$
④ Total (① + ② + ③)	\$

* Over \$100 on a per part basis

APPENDIX B

Methodology for Calculating Emission Benefits from SECAT Projects

Emission Benefit Calculation – General

The annual NO_x reduction is calculated using the formulas shown below. These formulas are applied using the emission factors from EMFAC7F¹ to generate an emission reduction value consistent with the approved inventory in the 1994 State Implementation Plan (SIP). Emission reductions must be calculated for 2002, 2005, 2008, and 2010.

All emissions reductions calculations will be carried out through the use of an Emissions Calculator, which is available through the SMAQMD contacts identified earlier in the RFA. This calculator is based on the assumptions stated in this appendix, and is designed to run on ACCESS-97 software, or as a stand-alone application for those applicants that do not have ACCESS-97. As stated elsewhere, SMAQMD staff will assist all applicants with emissions calculations.

Credit Life

The life of the emission benefit from each SECAT project must be established consistent with the life of the engines as shown in EMFAC7F. The emission reduction benefits will be zero after the life of the credit expires.

Confirming Actual Emission Benefits

The actual emission benefit will be calculated every calendar year using actual annual mileage reported by the user. Actual mileage is subject to verification by SMAQMD staff.

Emission Benefit Calculation – Formula For Repower/New Engines

(Base NO_x emission factor – Reduced NO_x emission factor)_{g/mi}*annual miles
Note: divide the result of this formula by 908,000 to convert grams to tons.

Base NO_x emission factor - rate² in grams per mile (g/mi) after applying correction factors, deterioration rates, etc.. The emission rate is selected for the model year of the engine being removed. If the model year of the engine being removed is older than the earliest date shown in the table, use the emission factor for the earliest date shown.

Reduced NO_x emission factor – rate² in g/mi. after applying the correction factors (deterioration rates, etc.). The emission rate is selected for the model year of the engine replacement. In the case of reconditioned engines, apply the emission rate without the effects of deterioration, the so-called “zero mile” emission factor is determined using the following formula:

(zero mile)_{g/mi} + (accumulated miles*deterioration factor/10,000)

¹ Emission reductions will also be calculated using emission factors from EMFAC7G and EMFAC2000 should that data ever be necessary for SIP or conformity determinations.

² Emission factors are provided in Attachment A.

Accumulated miles – the sum of the annual miles.

Annual miles – Refer to the following table.

	Annual miles
<u>Projected</u> emissions benefit calculations, except refuse trucks	Projected annual miles. For engine replacements, the mileage from the old engine and the new engine must be the same. (Verify previous engine mileage from maintenance logs or CHP mileage records).
<u>Actual</u> emission benefits calculations, except refuse trucks	The lesser of actual annual miles or projected annual miles.
<u>Projected</u> emission benefits from refuse trucks ³	Accumulated miles from EMFAC7F.
<u>Actual</u> emission benefits from refuse trucks	Accumulated miles from EMFAC7F.

Emission Benefit Calculations – Formula For Retrofits Or Fuel Switching

(Base NOx emission factor)_{g/mi}*(% control efficiency/100)*annual miles

Control efficiency – as certified or verified by ARB. This control efficiency is assumed to include deterioration effects.

Total Lifetime Tons

For the purposes of cost effectiveness calculations, the emission benefits calculation for 2002 using projected annual mileage times the credit life (years) of emission benefit. In other words:

(Emission benefit)_{2002 tons}*(credit life)

³ Refuse trucks are treated differently because they operate under higher than average loads and generally, lower than average mileage. Refuse trucks are not separated from the emission factor calculations from other heavy heavy-duty trucks. Using the standard annual mileage would likely underestimate the actual emission benefits from refuse trucks.

**Examples of Emission Reduction and
Cost-effective Calculations for the SECAT Program**

Example No. 1: Repowering a MY 1983 California Heavy Heavy-Duty Truck with a MY 1987 Remanufactured Engine, Starting in Jan. 2002.

	Existing MY 1983	Recond. New MY 1987
2002 E.F. (g/mi)	20.74	10.41
NOx Reduction (g/mile)		10.32
Estimated Annual Mileage (mile)		80000
Annual Nox Reduction, Jan 2003 (tons)		0.91
Total Funding Amount (\$)		15,000
Annual Cost Effectiveness (\$/ton)		16,496
Useful Life (year)		9
Total Lifetime NOx Reduction, Jan 2011 (tons)		8.18
Lifetime Cost Effectiveness (\$/ton)		1,833

Example No. 2: Purchasing MY 2002 LNG Tractor instead of MY 2002 Diesel Tractor

	MY 2002 Diesel	MY 2002 LNG
2002 E.F. (g/mi)	9.82	5.12
NOx Reduction (g/mile)		4.70
Estimated Annual Mileage (mile)		80000
Annual NOx Reduction, Jan 2003 (tons)		0.41
Total Funding Amount, Incremental (\$)		33,000
Annual Cost Effectiveness (\$/ton)		79,709
Useful Life (year)		9
Total NOx Reduction, Jan 2011 (tons)		3.73
Lifetime Cost Effectiveness (\$/ton)		8,857

APPENDIX C

Evaluation Criteria

NOx Project Selection Criteria

The main criteria that will be used to select projects submitted for the \$20 million in CMAQ funds set aside by the SACOG Board of Directors to match the Governor's \$50 million under AB 2511-Sacramento Emergency Clean Air and Transportation Program will be:

- * The amount of NOx emission reductions in the Sacramento region
- * The cost-effectiveness of those emissions reductions
- * The timeliness of the emissions reductions (i.e., before 2002 and 2005)

In general, the following criteria will be used as guidelines to evaluate projects. These guidelines support the above three overriding criteria.

Emissions

- * NOx emissions reductions are the primary objective.
- * Emissions reductions outside of the Sacramento nonattainment area will not be considered.
- * Reduction in diesel particulate is desirable.
- * Increases in any pollutant is undesirable (but--except for NOx--does not de-facto result in rejection). Any increases in any pollutant must be shown to not endanger the attainment or maintenance of any NAAQS, nor increase the population risk to hazardous, toxic or cancer causing chemicals. Furthermore, any increase in any pollutant must be offset by reductions in NOx.
- * Emissions reductions must be fully documented in a manner acceptable to the appropriate regulatory agencies.
- * Projects selected must provide emissions reductions compared to baseline emissions (e.g., purchase of cleaner vehicle, vehicle repower or retrofit).
- * Emission reductions obtained through this program must not be required by any existing regulations, memoranda of agreement/understanding, or other legally binding documents.
- * Reduced-emission engines or retrofit kits or reformulated/altered diesel, must be determined by the ARB's Executive Officer to be an eligible NOx control technology for use in this program; eligible technology will be effective and durable. Eligible engines could include new engines; aftermarket engine/control devices; or engines with ARB-approved experimental permits. Acceptable fuel alternatives include reformulations that have been determined to be eligible for the program by the ARB, which requires a demonstration of emission reductions. Alterations to diesel fuel, as well as engine retrofits or the use of alternative fuels, must include documentation of engine fuel economy effects and engine durability and maintenance effects.

- * Projects selected must operate for a minimum of 5 years within the Sacramento federal ozone nonattainment area.
- * A limited amount of funds may be set aside to fund research projects subject to approval by the Policy Advisory Group.

Cost

- * Cost-effectiveness will be based primarily upon NO_x emissions reductions in the form of \$/ton NO_x reduced in the Sacramento ozone nonattainment area.
- * Cost-effectiveness will have a secondary consideration of other pollutants reduced, especially diesel particulate. This will also be calculated in \$/ton of emissions reduced.
- * Cost estimates must be fully documented in a manner acceptable to the appropriate regulatory agencies.

Timing

- * Emissions reductions realized prior to November 15, 2002 will be given first priority.
- * Emissions reductions realized after 2002 but before November 15, 2005 will be given next priority.
- * Everything else being equal.

APPENDIX D
INSURANCE REQUIREMENTS

Verification of Coverage

Participant shall furnish the SACOG with certificates evidencing the coverage required below. Certified copies of required endorsements must be attached to provided certificates. **All certificates are to be received and approved by the SACOG before work commences.** The SACOG reserves the right to require Participant to provide complete, certified copies of any policy of insurance offered in compliance with these specifications. As an alternative to insurance certificates, Participant's insurer may voluntarily provide complete, certified copies of all required insurance policies, including endorsements, effecting the coverage required by these specifications.

Minimum Scope of Insurance

During the term of this Agreement, Participant shall, at its sole expense, obtain and maintain in full force and effect the type and limits of liability requirements as follows:

Coverage shall be at least as broad as:

1. Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001, most recent edition).
2. Insurance Services Office form CA 0001 (most recent edition) covering Automobile Liability, code 1 (any auto).
3. Worker's Compensation insurance as required by the State of California.
4. Comprehensive and collision coverage sufficient to replace the vehicle(s) and emission control system(s) included in the project.

Minimum Limits of Insurance

Participant shall maintain limits no less than:

1. **General Liability:** \$1,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
2. **Automobile Liability:** \$1,000,000 per accident for bodily injury and property damage.
3. **Worker's Compensation:** Statutory.
4. **Comprehensive/Collision:** Equal to the full replacement cost.

Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII. The SACOG Liability and Property Insurance Manager may waive or alter this requirement, or accept self-insurance in lieu of any required policy of insurance if, in the opinion of the Risk Manager, the interests of the SACOG and the general public are adequately protected.

APPENDIX E
Draft Agreement

Agreement Number _____

SACRAMENTO AREA COUNCIL OF GOVERNMENTS
and
SACRAMENTO METROPOLITAN AIR QUALITY MANAGEMENT DISTRICT
SACRAMENTO EMERGENCY AIR QUALITY AND TRANSPORTATION PROGRAM
(SECAT)

This Agreement (Agreement) is between the Sacramento Area Council of Governments (SACOG), the Sacramento Metropolitan Air Quality Management District (District), and _____ (Participant).

1.0 Recitals

- 1.1 The District is part of the six-county federal Sacramento Ozone Nonattainment Area (Nonattainment Area). (A map of the Nonattainment Area is included in Exhibit A.) Ozone is formed by the interaction of precursor pollutants, including Nitrogen Oxide (NO_x). The majority of NO_x in the Sacramento Nonattainment Area is generated by vehicles, including heavy-duty vehicles and engines.
- 1.2 The state legislature established the Sacramento Emergency Air Quality and Transportation Program (SECAT Program) to help the air districts within the Nonattainment Area comply with the federal standards. The SECAT Program is administered by SACOG, but recognizes the importance of coordinating among the air districts to implement the Program. (Health Saf. Code §§ 44299.50, 44299.75.)
- 1.3 One of the air-quality-improvement methods identified in the SECAT Program is the development of an incentive program to promote the advance purchase and use of low-NO_x on-road-heavy-duty vehicle and engine technology. The idea behind the method is to encourage vehicle and engine owners to purchase low-NO_x technology even before use of the technology is required by law or regulation.
- 1.4 The District previously developed and implemented a vehicle and engine incentive program, and SACOG and the District have coordinated efforts to develop a similar approach to implement the SECAT Program.
- 1.5 SACOG finally approved this approach to implementing the SECAT Program on October __, 2000 in Resolution _____. SACOG also simultaneously approved the use of this Agreement form and authorized its Executive Director to execute agreements implementing the approach.
- 1.6 The District approved the use of this Agreement form on October 26, 2000 in Resolution No. _____, and authorized its Air Pollution Control Officer (APCO) to execute agreements implementing the plan.

- 1.7 The Participant wishes to participate in this process by using SECAT Program funds to aid in the purchase of the low-NOx equipment identified in Exhibit B.

2.0 Terms and Conditions

The parties agree to the terms and conditions listed below.

2.1 Purchase and Payment:

- 2.1.1 Participant will purchase and operate the equipment described in Exhibit B and identified below (check all that apply):

- A new low-emission vehicle replacing the vehicle or engine specified in Exhibit B
- A low emission engine repower vehicle replacing the vehicle or engine specified in Exhibit B
- A low emission engine retrofit

- 2.1.2 The District will pay the Participant up to \$_____ to assist the Participant in the purchase of the equipment described in Exhibit B.

- 2.1.3 _____ (**Initial only to authorize two-party payments**) By initialing this paragraph, the Participant:

- (i) Notifies SACOG and the District that it has entered into a purchase agreement with _____, the manufacturer or distributor of the equipment identified in Exhibit B, and
- (ii) Authorizes SACOG or the District to issue checks payable to both the Participant and _____.
- (iii) This section merely streamlines the payment process for the benefit of the Participant, and does not create a third-party contractual benefit for the manufacturer/distributor.
- (iv) Notwithstanding any two-party payment authorized under this section, the Participant alone, and not the manufacturer/distributor, is responsible for performance under this Agreement.

- 2.1.4 This Agreement and any payments to Participant are subject to the provisions and limitations imposed by Health and Safety Code sections 44299.5 and 44299.75. Neither the District nor SACOG are permitted to make payments that contravene these sections of the Health & Safety Code or any other law or regulation. If a payment under this Agreement violates any applicable law or regulation, the Participant shall reimburse the entire payment to SACOG (or, if the payment was made by the District, to the District).

2.2 Vehicle or Engine Equipment

- 2.2.1 The Participant must submit information showing that the equipment described in Exhibit B is approved for sale by the California Air Resources Board (CARB).
- 2.2.2 The Participant must demonstrate that the equipment described in Exhibit B achieves the NOx reduction identified in Exhibit A. The Participant must establish the reduction using one or more of the three following methods (check all that apply):
- CARB certification testing
 - CARB approval through the “Procedure for Technical Review and for Verification of Emission Reduction Claims for PM and NOx Retrofit Devices of Existing On-Road and Off-Road Heavy-Duty Diesel Vehicle and Equipment”
 - U.S. Environmental Protection Agency certification testing
- 2.2.3 The Participant warrants that the equipment described in Exhibit B meets all the eligibility requirements described in the *Requests for Applications for Funding from: Sacramento Emergency Clean Air and Transportation Program* adopted by SACOG on September 21, 2000.
- 2.2.4 Because the goal of the SECAT Program is to encourage the use of low-NOx technology that is not already required by law, the Participant warrants that its purchase is not required by any law or regulation. (If the Participant is a public agency, Participant further warrants that its board policies do not require the purchase.)

2.3 Vehicle or Engine Replacement: If the Participant is replacing or repowering a vehicle or engine, the Participant must either:

- 2.3.1 Transfer ownership of the replaced vehicle or engine to a factory-authorized remanufacturing program approved by both SACOG and the District, and provide SACOG and the District copies of receipts or other documents confirming the transfer.
- 2.3.2 Destroy the replaced vehicle or engine in a manner acceptable to both SACOG and the District. If the engine is destroyed, the Participant must permit both SACOG and the District to inspect the destroyed engine.

2.4 Operational Requirements _____ (Participant to Initial): Each vehicle or engine described in Exhibit B must operate within the Sacramento Nonattainment Area for at least the minimum hours specified in Exhibit C.

- 2.4.1. At anytime during this Agreement, SACOG and the District may demand full repayment if the Participant fails to fulfill the minimum performance requirements established in Exhibit C.
- (i) SACOG and the District may jointly consent to waive all or a portion of this repayment obligation after considering the circumstances leading to

the failure. Neither SACOG nor the District may unreasonably withhold their consent to a waiver.

- (ii) Either SACOG or the District may file, or require that Participant file, a UCC-1 Form securing all or a part of the funds paid to Participant under this Agreement. Participant must file the UCC-1 Form within 1 month of receiving a request from SACOG or the District.

2.4.2 Participant's operation of the equipment described in Exhibit B must conform to the eligibility requirements stated in the September 21 SECAT Program Request for Applications and the goals and objectives of the SECAT Program.

2.4.3 Participant shall display a decal approved by SACOG and the District on each vehicle or engine described in Exhibit B. The location of the decal must be approved by SACOG and District.

2.5 Recordkeeping

2.5.1 The Participant shall provide written biannual reports for five years commencing with the first date the Participant operates the vehicle or engine. Reports must be filed with SACOG and the District on January 31 and July 31 of each year. Participant must maintain records adequate to document the required information. The reports must include:

* Copies of all driver log book entries for the preceding 6 months
* Miles traveled * Vehicle downtime
* Fuel consumed * Fuel cost
* Type and cost of maintenance performed

2.5.2 Either SACOG or the District (or both) may conduct an audit of Participant's operations to verify that Participant is complying with the Agreement terms. Any audits will be conducted at a reasonable time and with reasonable notice to Participant.

2.6 **Indemnity:** The Participant shall indemnify and defend SACOG and the District, their officers, agents, employees and volunteers, from any and all liabilities of any kind that:

2.6.1 Arise from, or are alleged to arise from, any breach of the responsibilities required of the Participant by this Agreement, or

2.6.2 Are related in any way to the vehicles or engines described in Exhibit B, or the performance requirements described in Exhibit C.

2.7 **Prohibition on Emission Reduction Credits:** The receipt of funds under this Agreement prohibits application for any form of emission reduction credits for the purchase of the equipment described in Exhibit B. This prohibition includes: Emission Reduction Credit (ERC), Mobile Emission Reduction Credit (MERC) and/or Certificate of Advanced Placement (CAP). This prohibition extends to credits from all Air Quality Management or Air Pollution Control Districts.

- 2.8 **Voluntary Act:** The Participant's purchase of the equipment described in Exhibit B is a completely voluntary act and neither SACOG nor the District have made representations or guarantees to the Participant regarding the equipment.
- 2.9 **Insurance:** The Participant shall maintain the insurance coverage described in Exhibit D, and either SACOG or the District may require the Participant to name SACOG and the District as additional insureds. In the event the Participant does not maintain the required insurance, SACOG or the District may terminate this Agreement.
- 2.10 **Additional Terms and Conditions:**
- 2.10.1 The Participant shall not sell or encumber the equipment described in Exhibit B without the written consent of both SACOG and the District.
- 2.10.2 The Participant must notify SACOG and the District in the event Participant files for bankruptcy. The Participant must mail the notice within 30 days of filing for bankruptcy.
- 2.10.3 The Participant must notify SACOG and the District if: (i) the Participant suffers a catastrophic loss, or (ii) any other event has occurred or is likely to occur that could impair the Participant's ability to perform the conditions of this Agreement. Such notice shall be provided to the District within 30 days of the date Participant knows, or should have known, that the event has occurred or is likely to occur.
- 2.10.4 No alteration or variation of the terms of this Agreement shall be valid unless made in writing and signed by all parties.
- 2.10.5 No performance rendered or payment under this Agreement may be delegated or assigned without the written consent of all the parties hereto. If Participant assigns any of its rights or obligations under this contract, all of the terms and conditions of this contract shall apply to the Participant's assignee.
- 2.10.6 This Agreement shall begin upon execution by both parties and terminate on _____.
- 2.10.7 The Participant must observe and comply with all laws and regulations. This Agreement is executed in Sacramento County, California and shall be governed by the laws of the State of California. Any action arising out of this Agreement must be filed in a state court or federal court located in Sacramento, California.
- 2.10.8 This Agreement consists of:

This Agreement
Exhibit A, Sacramento Ozone Nonattainment Area Map
Exhibit B, Engine and Vehicle Information
Exhibit C, Performance Requirements
Exhibit D, Insurance Requirements
The Requests for Applications for Funding from: Sacramento Emergency Clean Air and Transportation Program approved by SACOG on September 21, 2000

2.10.9 Correspondence between the District, SACOG and Participant should be addressed to the following:

To District	To SACOG
Tom Swenson Sacramento Metropolitan AQMD 777 12 th Street, Third Floor Sacramento, CA 95814-1908 Phone: (916) 874-4889 FAX: (916) 874-4899	Mr. David Young Sacramento Area Council of Governments 3000 "S" Street, Suite 300 Sacramento, CA 95816 Phone: 916-457-2264 FAX: (916) 457-3299

To Participant
Staff Contact Business Name Business Address Business Address Phone: Telephone number FAX: FAX number

The address and/or contacts may be changed by written notice to the other party. Such written notice may be given by mail, using the U.S. Postal Service, or personal service.

The undersigned representative of Participant affirmatively states that he or she has legal authority to bind Participant to the terms of this Agreement.

Approved by Participant (printed company)

 Participant printed Name
 Participant printed Title

Date: _____

Approved by the Sacramento Area Council of Governments

_____ Date: _____
Martin Tuttle
Executive Director

Approved as to form:

_____ Date: _____
Joan M. Medeiros
SACOG Counsel

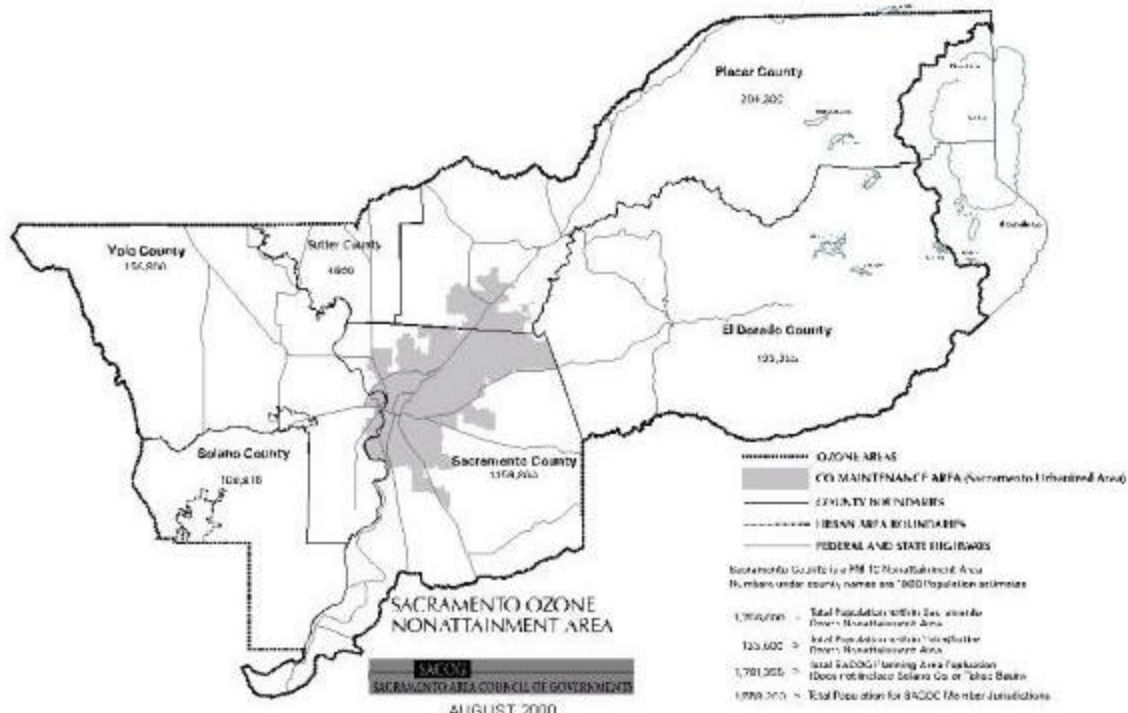
Approved by the Sacramento Metropolitan Air Quality Management District

_____ Date: _____
Norm Covell
Air Pollution Control Officer

Approved as to form:

_____ Date: _____
Kathrine Pittard
District Counsel

FEDERAL AIR QUALITY PLANNING BOUNDARIES



Agreement Number: _____

ENGINE AND VEHICLE INFORMATION
EXHIBIT B

Agreement Number: _____

PERFORMANCE REQUIREMENTS
EXHIBIT C

The below listed vehicle(s)/engine(s) must meet the minimum performance requirements shown to avoid reimbursement according to Paragraph ___ of this Agreement.

Vehicle or Engine Make and Model	Serial Number*	Minimum Usage	Maximum Incentive Amount
Make and Model		Usage	\$ Amount

*Serial number will be filled in by the District upon verification of project completion

Agreement Number: _____

INSURANCE REQUIREMENTS
EXHIBIT D

Verification of Coverage

Participant shall furnish the District with certificates evidencing the coverage required below. Certified copies of required endorsements must be attached to provided certificates. **All certificates are to be received and approved by the District before work commences.** The District reserves the right to require Participant to provide complete, certified copies of any policy of insurance offered in compliance with these specifications. As an alternative to insurance certificates, Participant's insurer may voluntarily provide complete, certified copies of all required insurance policies, including endorsements, effecting the coverage required by these specifications.

Minimum Scope of Insurance

During the term of this Agreement, Participant shall, at its sole expense, obtain and maintain in full force and effect the type and limits of liability requirements as follows:

Coverage shall be at least as broad as:

1. Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001, most recent addition).
2. Insurance Services Office form CA 0001 (most recent addition) covering Automobile Liability, code 1 (any auto).
3. Worker's Compensation insurance as required by the State of California.
4. Comprehensive and collision coverage sufficient to replace the vehicle(s) and emission control system(s) included in the project.

Minimum Limits of Insurance

Participant shall maintain limits no less than:

1. **General Liability:** \$1,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
2. **Automobile Liability:** \$1,000,000 per accident for bodily injury and property damage.
3. **Worker's Compensation:** Statutory.
4. **Comprehensive/Collision:** Equal to the full replacement cost.

Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII. The District Liability and Property Insurance Manager may waive or alter this requirement, or accept self-insurance in lieu of any required policy of insurance if, in the opinion of the Risk Manager, the interests of the District and the general public are adequately protected.