

LOWER EMISSION SCHOOL BUS GRANT PROGRAM GRANT ACCEPTANCE AGREEMENT

Between the
Monterey Bay Unified Air Pollution Control District (MBUAPCD)
And the
{ }

The following items comprise this Agreement:

Item	Action Required
Grant Agreement:	6 pages <input type="checkbox"/> <i>Initial each page in upper right corner;</i> <input type="checkbox"/> <i>Complete Section H: Instructions for Payment, and</i> <input type="checkbox"/> <i>Sign the last page.</i>
Attachment 1:	Project Summary. 2 pages <input type="checkbox"/> <i>Initial each page in the upper right corner.</i>
Attachment 2:	Special Conditions. 5 pages <input type="checkbox"/> <i>Initial each page in the upper right corner.</i>
Attachment 3:	Reimbursement and Reporting Instructions. 3 pages <input type="checkbox"/> <i>Initial each page in the upper right corner.</i>
Attachment 4:	Record-keeping Requirements. 2 pages <input type="checkbox"/> <i>Initial each page in the upper right corner.</i>

An offer to accept a Lower Emission School Bus Grant expires SIXTY (60) days from the date that offer was mailed to the Grantee. Signed Grant Agreements only take effect after signature by BOTH parties. Copies of fully executed grant agreements will be mailed to the Grantee contact identified herein upon signature by the MBUAPCD. Expenditures incurred *prior* to the date of signature by *both* parties are ineligible for reimbursement from grant funds.

LOWER EMISSION SCHOOL BUS PROGRAM Grant Acceptance Agreement

Between the
Monterey Bay Unified Air Pollution Control District
And the
{_____}

The Monterey Bay Unified Air Pollution Control District (hereinafter "MBUAPCD") hereby agrees to reimburse {_____}, (hereinafter "Grantee") for eligible costs to replace {_____} school buses and/or retrofit {_____} school buses currently owned and operated by Grantee, in an amount not to exceed \$ {_____} in Lower Emission School Bus Program (hereinafter "LESBP") funds, and also in an amount not to exceed {_____} in local MBUAPCD AB923 funds.

A. Definitions

1. *Agreement Execution Date.* Same as the project start date. The date this Agreement is signed by both parties.
2. *Project.* Activity or action(s) performed by Grantee in accordance with this Agreement.
3. *Grant-Funded Equipment.* Equipment, vehicle, parts, motor or engine(s) purchased by Grantee, whose purchase was funded in part or whole by grant funds under this Agreement.
4. *Project Completion Term.* From date this Agreement is signed by both parties to date when all invoiced costs are fully paid by the MBUAPCD, or May 1, 2011, whichever is earlier.
5. *Project Implementation Term.* Begins at the end of the project completion term and ends five years later, unless terminated earlier by the MBUAPCD in writing.
6. *Agreement Term.* The sum period of both project completion and project implementation terms.
7. *Ownership of funded equipment.* The Grantee agrees to own and operate grant funded equipment for the five year project implementation term, unless otherwise permitted in writing by the MBUAPCD.
8. *Dismantle.* All buses, including their engines, which were replaced by new buses purchased with grant funds under this Agreement, shall be dismantled, by punching, crushing, stamping, hammering, shredding, or otherwise rendering the bus permanently and irreversibly incapable of functioning as originally intended.

B. General Agreements

1. No expenditures incurred prior to this Agreement being fully executed are reimbursable with funds from this grant.
2. An offer of grant funds in this Agreement is valid for SIXTY (60) days from the date of grant offer letter, or December 1, 2009 for replacement projects and July 1, 2010 for retrofit projects, whichever is sooner.

3. Grantee will implement, obtain CHP inspection and invoice the costs of this project within one year of Agreement execution date, or December 31, 2009 for pre-77 replacement projects; June 1, 2011 for 77-86 replacement projects and 3/1/2011 for retrofit projects, whichever is sooner.
4. To be reimbursed, expenses shall meet all requirements of this Agreement.
5. Grantee shall meet all applicable requirements of the California Air Resources Board (ARB) LESBP Guidelines and the MBUAPCD LESBP Policy and Procedures Manual, copies of which may be obtained from the MBUAPCD website.
6. Should project completion be delayed due to causes beyond Grantee control, Grantee may submit, within the implementation term, a request to MBUAPCD for extension of time which the MBUAPCD, in its sole discretion, may extend.
7. In addition to enforcement by the MBUAPCD, the ARB, as an intended third party beneficiary, reserves the right to audit and enforce the terms of the Agreement at any time during the Agreement term plus two years.
8. All grant-funded equipment shall fully conform to the description specified in Attachment 1 Table 1 of this Agreement.
9. Grant-funded equipment shall not also be funded by another source except as specifically identified in this Agreement.
10. Rights to any emissions reductions shall not be claimed by Grantee as emissions reduction credits or in an averaging, banking, or trading program.
11. In the event of a breach of this Agreement, the MBUAPCD shall have the right to seek any remedies available under the law.

C. Grantee Responsibilities

1. The offer of grant expires unless this Agreement has been signed by Grantee within sixty (60) days of offer date.
2. A signature for the Grantee hereby affirms the legal authority of that signatory to bind Grantee to the terms of this Agreement.
3. Having read the terms and conditions of this Agreement, Grantee hereby acknowledges that purchase of grant-funded equipment is an informed and voluntary act.
4. Grantee shall install, maintain and operate grant funded equipment in accordance with its manufacturer(s) instructions and intended use.
5. Grantee shall defend, indemnify, and hold MBUAPCD, its officers, agents, employees and volunteers harmless from any and all losses, costs, damages, fines or expenses (including attorney fees, court costs and expert witness fees) or liability of any kind or character to any person or property arising from, or alleged to arise from, any breach of responsibilities required of Grantee by this Agreement, or which are related in any way to grant-funded equipment purchased under this Agreement.
6. Grantee shall invoice reimbursable expenses under this Agreement as described in Attachment 4, and provide supporting documentation for those expenditures in a manner and form satisfactory to MBUAPCD staff.
7. Grantee shall not transfer ownership of grant-funded equipment for 5 years without written permission of MBUAPCD.
8. Permission to transfer will be granted to another public school within the tri-county Monterey Bay region or should none be willing, within the San Francisco Bay Area, if

the recipient agrees to accept applicable Grantee responsibilities as stated in this Grant Agreement in writing.

9. Grantee shall retain usage, repair and maintenance records on all grant-funded equipment for at least five (2) years after the end of the project implementation term make those records available for inspection on request by MBUAPCD.
10. For grant-funded purchase of new replacement school buses, the clauses shown in Attachment 2 regarding liquidated damages must be included in the terms and conditions of the purchase order Agreement between the Grantee and the vendor/ distributor of the school bus (es).
11. For every day after one year of Agreement execution date, or June 1, 2010 whichever is sooner, on which a bus or retrofit has not been delivered by the expected date in Attachment 1 of this Agreement, the Grant amount for shall be reduced in the amount of \$100 per day per bus for liquidated damages.
12. MBUAPCD, the ARB, the California Department of Finance, or their designated representative(s) shall have the right to review and to copy any records and supporting documentation pertaining to the performance of the Agreement as described in Attachment 2.
13. MBUAPCD, ARB, or their designated representative(s) may inspect the project equipment during the entire Agreement term plus two years and as long as it is still in use after the Agreement term.
14. Grantee shall submit annual reports to MBUAPCD for five years from date of final payment approval for the funded project, using a form to be mailed Grantee annually by MBUAPCD. Failure to submit the annual report within 30 days of receipt of the report form mailed to Grantee by MBUAPCD will cause grantee to be subject to audit by MBUAPCD.
15. Grantees shall maintain and retain the project records that listed herein. Records must be retained for the Agreement term plus two years.

D. MBUAPCD Responsibilities

1. MBUAPCD shall respond promptly to Grantee questions regarding this Agreement.
2. In consideration of Grantee's performance under this Agreement, MBUAPCD shall reimburse eligible project expenses invoiced by Grantee in accordance with the terms of this Agreement, up to the grant amount shown on the first page of this Agreement.
3. MBUAPCD shall make payment in accordance with the terms of this Agreement within ten (10) working days of MBUAPCD's approval of invoice submitted by Grantee.
4. MBUAPCD shall withhold payment until Grantee meets obligation(s) under this Agreement.
5. MBUAPCD makes no representation or guarantee regarding quality, condition, safety or reliability of any grant-funded equipment purchased or installed under this Agreement.

E. Project Schedule

1. Grant funds shall be expended and invoiced in accordance with this Agreement, and by the dates specified in this Agreement.
2. No invoices received after the project completion date shall be honored without prior Agreement in writing.

F. On-Site Inspections, Audits, and Records Retention

1. The MBUAPCD, ARB, or their designated representatives may inspect or audit the project equipment during the entire Agreement term plus two years and longer, should the equipment be in use after the Agreement term.
2. Grantee must maintain and retain the project records listed in these Guidelines in Appendix E: Records Retention for the Agreement term plus two years.

G. Reporting

Grantee shall complete and submit to MBUAPCD annual reports for the first five years of ownership and use of all grant-funded equipment. The reports shall be received by MBUAPCD within 30 days of MBUAPCD mailing of blank report forms and request for reports for this project. All reports shall be prepared in accordance with instructions in Attachment 3 to this Agreement.

H. Correspondence

All notices, invoices, or correspondence between the parties to this Agreement shall be sent via First Class Mail to the addresses shown below, which may be changed only by written notice to the other party.

**MBUAPCD: For All Invoices:
Correspondence:**

MBUAPCD Accounting Section
24580 Silver Cloud Court
Monterey, CA 93940
Tel (831) 647-9418 x 244

MBUAPCD: For All Other

Dave Fairchild
24580 Silver Cloud Court
Monterey, CA 93940
Tel (831) 647-9418 x234;
Fax (831) 647-8501;
dfair@mbuapcd.org

Grantee:

{ }
{ }
{ }
{ }

Tel: { } FAX: { } email: { }

I. Grantee Instructions for Payment (Grantee to check only ONE):

- . Payment by check payable to Grantee identified above;
- . Payment by two-party check, payable to Grantee AND to the Vendor designated below;
- . Payment by check payable to the Vendor designated below.

VENDOR DESIGNATION

(Grantee must complete following blanks if #2 or #3 checked above. If more than one vendor, attach a copy of this page, with the additional vendor(s) information filled in):

Name: _____ Title: _____
Company: _____
Address: _____
City, State, ZIP: _____ Telephone: _____
Vendor Federal EIN or SS number: _____

J. Non-Assignment or Delegation

1. This Agreement and any benefits associated therewith may not be assigned without the prior written Agreement of MBUAPCD.
2. Grantee may not delegate any duty or obligation to render performance under this Agreement, or assign payment of funds due under this Agreement except as provided herein, without prior written permission of MBUAPCD.

K. Severability

If any clause or term of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the Agreement shall remain in full force and effect.

L. Entire Agreement

1. This Agreement and Attachments 1, 2, and 3 contain the entire Agreement and all rights and obligations of the parties.
2. Any amendment to this Agreement may be proposed in writing by either party and shall be signed and dated by both parties before it shall become effective. Oral representations by either party or their representatives shall have no binding force or effect.

M. Termination

1. Unless otherwise agreed in writing by the parties to this Agreement, this Agreement shall expire at the end of the Project Life or upon approval of Grantee's final report, whichever is later.
2. MBUAPCD may issue a Stop Work Notice which would require Grantee to stop work within three (3) working days of that notice, should any of the following occur:
 - a) Breach, or failure to abide by any term or condition of this Agreement;
 - b) Assignment of any benefits of this Agreement, or delegation of any duties due under this Agreement to a third party without MBUAPCD's prior written permission;
 - c) Bankruptcy, or dissolution of Grantee's business organization;
 - d) If Grantee is a sole proprietor, death of Grantee;

- e) Failure by Grantee to perform duties and responsibilities due in a timely, professional or competent manner;
 - f) Failure by Grantee to make commercially reasonable progress toward implementing this Agreement.
3. Stop Work Notice
- a) Upon receipt of a Stop Work Notice from MBUAPCD, Grantee shall stop work within 3 days of that notice's stop-work date, on all activities for which grant funding was reimbursable under this Agreement.
 - b) If so specified in the Stop Work Notice, Grantee shall be permitted to incur eligible expenditures through the Stop Work Notice date to safeguard air quality emissions reductions.

N. Non-Conflict Certification

- 1. I certify that I shall not submit another application to, or sign another Agreement or contract with, any other Air District or agency of the State of California, for any bus designated for replacement by this Agreement.
- 2. If I am found to have submitted another application or signed another contract to replace these same bus(es) after signing this Agreement without disclosing this fact to MBUAPCD, I shall forfeit this MBUAPCD grant funding for said bus(es) and may be banned from submitting any application for any MBUAPCD funding in the future.

O. Acceptance

The undersigned authorized representatives of the parties to this Agreement do hereby agree to abide by all the terms and conditions of this Agreement:

For Grantee:

For MBUAPCD:

{ }

Ed Kendig
Interim MBUAPCD Air Pollution Control Officer

Grantee: { }

Date: _____

Date: _____

Approved as to form:

David Schott
MBUAPCD Counsel
Date: _____

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LOWER EMISSION SCHOOL BUS PROGRAM ATTACHMENT 1 - PROJECT SUMMARY

Project No: { }

Grantee: { }

The Tables below summarize the project hereby funded. The information in this Attachment supersedes any conflicting information in the original grant application or elsewhere in this Agreement with its Attachments.

TABLE 1A. Old Bus(es) to be Replaced

Bus Fleet I.D.	Bus VIN	Chassis Model Year	License	Engine Model Yr if repowered w/ new engine	Disposal Site

TABLE 1B. New Replacement Bus(es)

Bus Fleet I.D.	Make (Bus or Infrastructure)	Seats	Bus Model Year	Expected Delivery Date	Grant Amount

Total Replacement Bus cost includes delivery, taxes { }.
 Alternative Fuel Infrastructure, if any: { }.

TABLE 1C. Bus(es) to be Retrofitted

Bus Fleet I.D.	Bus VIN	Bus Model Year	Bus License Plate	Make/ Model	Grant Amount for Retrofit	Expected Delivery Date

Total grant funding for retrofit(s), including regeneration or cleanout infrastructure and equipment, and all reimbursable installation and maintenance contract costs, including delivery and taxes: { } .

This concludes Attachment 1

LOWER EMISSION SCHOOL BUS PROGRAM ATTACHMENT 2 - SPECIAL CONDITIONS

Project No: { }

Grantee: { }

The following special conditions supersede conflicting terms and conditions found elsewhere in this Agreement, except for Attachment 1.

1. Schedule of Performance

Item	Due Date
Pre-77 Bus Repl. Apps. due	12/31/2008
77-86 Bus Repl. Apps. due	12/31/2008
Last date for pre-77 Offers	1/30/2009
Due date to sign all pre-77 Contracts	2/1/2009
Due date to order all pre-77 buses	2/1/2009
Retrofit applications due	4/30/2009
Last date for 77-86 Offers	6/1/2009
Due date to sign 77-86 Bus Replacement Contracts	12/1/2009
Due date to order 77-86 bus replacements	1/1/2010
Due date to request pre-77 Replacement reimbursement	1/1/2010
Retrofits become ineligible if On-Road Vehicle Regulation adopted	6/30/2010
Due date to sign Retrofit Contracts	7/1/2010
Due date for retrofit requests for reimbursement	3/1/2011
Due date for 77-86 replacement requests for reimbursement	6/1/2011

2. Enforcement

In addition to enforcement by the MBUAPCD, the California Air Resources Board (ARB), as an intended third party beneficiary, reserves the right to audit and enforce any term of this Agreement at any time during the Agreement term, plus two years.

3. On-Site Inspections and Audits

The MBUAPCD, the ARB, the California Department of Finance (DoF), or their designated representatives, retain the right to review and to copy any records and supporting documentation pertaining to the performance of the Agreement – this includes programmatic and fiscal records and documentation. The Grantee shall maintain such records for possible audit for a minimum of the Agreement term plus two years. The Grantee shall agree to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, the Grantee agrees to include a similar right of the State to audit records and interview staff in any subcontract related to performance of the Agreement. The MBUAPCD, ARB, or their designated representative may inspect the project equipment during the entire Agreement term plus two years and as long as it is still in use after the Agreement term. Grantees shall maintain and retain the project records as listed herein. Records must be retained for the Agreement term plus two years.

4. Notices

All Agreements shall include contact information for both parties to the Agreement, and how to send and receive notices.

5. Project Specifications

The retrofit or replacement project(s) funded by this grant Agreement shall comply with the ARB Lower-Emission School Bus Program Guidelines and criteria and shall meet all program requirements for the Agreement term plus two years.

6. Funding Caps

- a) Replacements. All model year bus replacement purchases shall be reimbursed up to \$140,000, with State of California funds, plus \$25,000 with MBUAPCD AB923 funds for all replacements. Thus the maximum reimbursable amount for any bus replacement shall be \$165,000.
- b) The \$25,000 in MBUAPCD funds constitutes the required match for replacements.
- c) Retrofits. Eligible cost of retrofits shall be reimbursed, up to \$20,000.
- d) Alternative fuel infrastructures shall be reimbursed, up to \$14,000 per alternative fuel replacement bus funded under this Agreement.

7. Dismantling of Replaced Buses

Prior to reimbursement by the MBUAPCD, replaced bus(es) shall be dismantled as defined in Section A of this Agreement, within 60 days of the Grantee getting a CHP 292 safety inspection certificate. The Grantee shall obtain and submit copies of the following documentation to the MBUAPCD and retain said documentation for the Agreement term plus two years:

- a) A copy of the Department of Motor Vehicles Dismantlers Notice of Acquisition/Report of Vehicle to be Dismantled (REG 42); and
- b) A letter signed and dated by a representative of the entity that dismantled the bus. The letter must state that the vehicle and engine were dismantled in accordance with the definition herein. In addition, the letter must include the following information for each dismantled bus:
 - The Vehicle Identification Number, the method used to dismantle the non-engine portion of the bus, and the date the non-engine portion of the bus was dismantled; and
 - The engine serial number, the method used to dismantle the engine, and the date the engine was dismantled.

8. Expected Date(s) of Delivery

The expected date(s) of delivery for any replacement bus(es) funded under this Agreement shall be as stated in the Application Vendor Quote, or Attachment 1 of this Agreement, whichever is later.

9. New Bus Purchase Delivery Deadlines

For the purchase of new school buses to replace buses of any eligible model year, the following clauses 9(a) and 9(b) must be included in the terms and conditions of all purchase order agreements between Grantees and vendors for which grant reimbursement is requested:

- a) "Time is of the essence in these Agreements for the purchase of new school buses to replace older, higher-polluting buses. Failure to timely deliver the new school buses will result in harm to the MBUAPCD, Grantees, schoolchildren, and air quality in the affected North Central Coast Air Basin. Further, every day in which delivery of a new school bus has been delayed may result in additional costs to the MBUAPCD and Grantee to rent or lease an equivalent bus or otherwise mitigate the damages from the delay; such costs are definite but unquantifiable at the time of execution of the Agreement. Therefore, the parties acknowledge and agree to pay liquidated damages for failure to timely deliver the new school buses, as specified below:
- b) "For every day after one year of Agreement execution date, or May 1, 2011, whichever is sooner, on which a bus or retrofit has not been delivered as specified in the Agreement on the expected date in Attachment 1 of this Agreement, the Grant amount for shall be reduced in the amount of \$100 per day per bus purchased or retrofitted under the Lower-Emission School Bus Program, for liquidated damages."

“For every day after the delivery date state in Attachment 1 of this Agreement in which a bus or retrofit has not been delivered as specified in the Agreement, the payment amount to the school bus distributor/vendor shall be reduced in the amount of \$100 per day per bus purchased or retrofitted under the Lower-Emission School Bus Program, for liquidated damages.”

10. Fueling Infrastructure Deadlines

Lower-Emission School Bus Program State program funds that are designated for the purchase of alternative fueling infrastructure must be fully expended by the same deadline by which the funds to purchase the accompanying new bus(es) must be fully expended.

11. Requirement for CHP Safety Inspection After Retrofit

Each replaced or retrofitted bus will undergo a CHP safety certification inspection [per Title 13, CCR section 1272(c)] after delivery and/or installation of an emission control device and prior to returning the bus to service. After said CHP safety certification inspection is done, the Grantee must deliver a copy of a Safety Compliance Report/Terminal Record Update (CHP 343), or a Vehicle/Equipment Inspection Report Motor Carrier Safety Operations form (CHP 343A) or 407F/342A stating that the bus has a CHP form 292 certification.

12. Ownership and Operation

The Grantee will own and operate the new bus or retrofit for five years or more unless otherwise permitted in writing by the MBUAPCD.

13. Maintenance and Maintenance Costs of Retrofits

The Grantee will operate and maintain the installed grant funded retrofit devices according to the manufacturer’s warranty specifications. The Grantee will clean all such funded diesel particulate filters and perform baking and de-ashing as required by the device executive order for their estimated 11-year life, or if the retrofitted bus is kept for less than 11 years, as long as an Grantee owns and operates the retrofitted bus. Costs for either the Grantee to perform or a contractor to perform some or all of the maintenance are eligible for reimbursement from the grant amount. If a maintenance contract is used, the proposed contract must be approved by MBUAPCD prior to a one-time reimbursement of the pre-paid cost of that contract.

14. Maintenance of Replacements

The Grantee will operate and maintain all new replacement school bus(es) funded by this grant according to the manufacturer’s specifications.

15. Fuel Additives and Biodiesel

Fuel additives are not allowed in funded replacement buses, or in retrofitted buses unless specifically identified as allowable by the retrofit device verification Executive Order. Biodiesel is not a fuel additive, and is allowed at the B20 blend in replaced buses, and if allowed by the device Executive order, is also allowed in retrofitted buses.

16. Non-Compliance Terms

MBUAPCD may terminate and cancel this Agreement and/ or withhold payment for non-compliance with any obligations incurred by Grantee under this Agreement, or if the funded replacement and/or retrofit project(s) are not executed by Grantee in a timely manner.

17. Designated Dismantlers for Replaced Buses

The following dismantlers or scrap yards have offered to dismantle replaced school buses:

A&S Metals
Michael Jennings or Jim Petite
(831) 970-0242, (831)633-3379
11340 Commercial Parkway, Castroville, CA 95012

Sims Metals
David Larson
(408)690-9003, (408)494-4200
1800 Monterey Hwy, San Jose 95112

Schnitzer Steel
Steven Blackman
(5410) 452-6377, (510) 444-3919
1101 Embarcadero Way, Oakland, CA 94607

This concludes Attachment 2

LOWER EMISSION SCHOOL BUS PROGRAM ATTACHMENT 3 - INSTRUCTIONS FOR INVOICES and REPORTS

Project No: { }
Grantee: { }

1. Grant Invoices

Prior to any disbursement of grant funds, a request for reimbursement (“Grant Invoice”) must be approved by MBUAPCD staff. Grantee will invoice MBUAPCD in writing, in accordance with these instructions, and with supporting documentation provided in a manner and form satisfactory to MBUAPCD staff. Grant Invoices shall be original letters signed in ink, directed to:

MBUAPCD
Accounting Section
24580 Silver Cloud Court, Monterey, CA 9394

2. Eligible expenditures

Grant reimbursement for replacements is limited to the cost of the delivered bus with approved options, plus up to ten percent of the first \$165,000 of that cost toward the cost of alternative fuel infrastructure, if approved by MBUAPCD. For retrofits, the eligible cost is of the retrofit device or kit, data logging, labor and parts for installation, and the cost of any infrastructure facilities, parts or services required for maintenance of the retrofit for its expected life of 150,000 miles, up to the grant amount for this Agreement.

3. Contents of Grant Invoice

The invoice shall contain:

1. Project Identification. The Grant Agreement number, grant amount and Grantee name.
2. Expenditure incurred to date to implement the project, and requested amount of reimbursement from the grant.
3. Purchase cost for each new replacement bus, with the bus identified with make/model, model year, horsepower rating, VIN and engine serial number.
4. Amount of reimbursement request. The invoice must state the exact amount requested for reimbursement. This amount may be less than the grant amount, and if so, state whether this is the final invoice.
5. State whether the request includes infrastructure funding, and list the costs to be reimbursed by that bonus.
6. Unless a final invoice, the request must be at least 25% of the grant amount. Invoices are paid up to the invoice amount, or up to the amount of the grant, whichever is smaller.

7. Instructions for payment by MBUAPCD. Grantee shall state whether payment shall be to the Grantee alone, or by two-party check to the Grantee and the Vendor(s), or the Vendor by a one-party check.
8. Payee Identification. If the Agreement specifies payment directly to a vendor or by two-party check with the vendor, provide the vendor's name, address and Federal or State EIN or SS number in the Grant Invoice.
9. Signature by Grantee's authorized representative. Include this statement immediately above Grantee signature: "I certify that all expenditures for which reimbursement is hereby requested were for the purposes stated in this invoice."
10. Attachments as described herein.

4. Attachments to the Grant Invoice

Grantee shall attach the following documentation to the grant invoice:

1. List of buses purchased, showing make, model, chassis VIN and engine make, model, engine serial number and engine EPA family number;
2. Copies of unpaid or paid vendor/supplier invoices, Grantee purchase orders and any other documentation for obligations or expenses incurred in implementing the funded project;
3. Copy of manufacturer's written certificate of warranty for all grant-funded bus(es) or retrofit device(s), kit(s) or equipment;
4. Copy of proposed maintenance agreement, if any
5. A letter signed and dated by a representative of the entity that dismantled the replaced bus, stating that the bus and its engine were dismantled in accordance with the definition of "dismantle" set forth in Section A of this Agreement. The letter must include the following for each replaced bus:
 - a) Vehicle Identification (VIN) Number;
 - b) Method used to dismantle non-engine portion of bus;
 - c) Date non-engine portion of bus was dismantled;
 - d) Engine serial number;
 - e) Method used to dismantle engine and
 - f) Date engine was dismantled.

5. Invoice Processing

MBUAPCD will approve and pay the invoiced amount within 10 working days of invoice approval, once the following conditions are met:

1. At the discretion of MBUAPCD, a completed MBUAPCD inspection of the old dismantled bus or grant-funded equipment by MBUAPCD;
2. Satisfactory evidence (see above) that destruction of the replaced bus(es) was performed in accordance with this Agreement;
3. Satisfactory evidence that Grantee fulfilled all other applicable Agreement terms and conditions by the date of grant invoice approval.

6. Annual Reports

MBUAPCD will mail blank report forms to Grantee annually, for five years after approval of grant invoice(s) for this project. Grantee will complete and mail back those reports to MBUAPCD within 30 days of receipt. The annual report form will request:

1. odometer mileage added for the prior year on replacement buses and/or retrofitted buses purchased with the grant;
2. whether the replaced bus(es) and/or retrofit equipment were registered,
3. whether CHP 292 certified and operational during the year; and
4. whether said bus(es) and/or equipment were still owned by the grantee during the year.

This concludes Attachment 3

LOWER EMISSION SCHOOL BUS PROGRAM

ATTACHMENT 4 - RECORD KEEPING REQUIREMENTS

1. Grants for School Bus Replacements

Grantees shall retain files for each funded bus replacement project for the Agreement term plus two years, containing:

1. Application for grant;
2. Resolution from the Grantee governing board (or a duly authorized official with authority to make financial decisions) authorizing the submittal of the application and identifying the individual authorized to implement the bus replacement project;
3. Vendor quotes;
4. Executed contracts;
5. Copy of the purchase order for the new replacement bus;
6. Copy of the ARB certification executive order for the engine of the new replacement bus in the purchase order;
7. Invoices;
8. Proof of payment;
9. Copy of the Inspection Approval Certificate (CHP form 292) for the replaced bus;
10. Copy of the registration for the replaced bus;
11. To document the GVWR for any bus that is to be replaced, a legible photograph of the bus's data tag must be taken and retained in the files;
12. Copy of the registration for the new replacement bus;
13. Documentation of disposal of the replaced bus. This documentation must include:
 - A copy of the Department of Motor Vehicles Dismantlers Notice of Acquisition/Report of Vehicle to be Dismantled (REG 42);
 - A letter signed and dated by a representative of the entity that dismantled the bus, stating that the vehicle and engine were dismantled by punching, crushing, stamping, hammering, shredding, or otherwise being rendered permanently and irreversibly incapable of functioning as originally intended. In addition, the letter must include the following information for each dismantled bus:
 - The Vehicle Identification Number, the method used to dismantle the non-engine portion of the bus, and the date the non-engine portion of the bus was dismantled; and
 - The engine serial number, the method used to dismantle the engine, and the date the engine was dismantled.

2. Grants for School Bus Retrofits

Grantees shall retain files for each funded bus retrofit project for the Agreement term plus two years, containing:

1. Application;

2. Resolution from the Grantee governing board (or other documentation signed by a duly authorized official) authorizing the submittal of the application and identifying the individual authorized to implement the retrofit project;
3. Vendor quotes;
4. Executed contracts;
5. Invoice(s);
6. Proof of payment;
7. A copy of the Safety Compliance Report/Terminal Record Update (CHP 343) or a copy of the Vehicle/Equipment Inspection Report Motor Carrier Safety Operations form (CHP 343A);
8. Copy of the ARB retrofit device verification executive order for the device that was funded;
9. Maintenance records for the retrofit device;
10. Documentation of maintenance in the form of an invoice or purchase order with date of maintenance, description of service performed, and cost of service.

This concludes Attachment 4

LESBP AGREEMENT.doc