



## **SAN JOAQUIN VALLEY AIR POLLUTION CONTROL DISTRICT**

# **AGRICULTURAL TRACTOR TRADE-UP PROGRAM REQUEST FOR PROPOSALS (RFP) ELIGIBILITY CRITERIA AND PROGRAM GUIDELINES**

The San Joaquin Valley Air Pollution Control District (District) is currently accepting applications requesting monetary incentives to be used towards the purchase of a new Tier 4 final self-propelled off-road equipment to trade-up an existing in-use Tier 3 self-propelled piece of off-road equipment to a Beneficiary for use within the District, according to the terms and conditions described in this RFP. For additional information, assistance or to receive application materials, please contact:

**San Joaquin Valley Air Pollution Control District  
Strategies and Incentives Department  
1990 East Gettysburg Avenue  
Fresno, CA 93726-0244**

You may also contact us by phone, email, or visit our website:

**Ryan Delmanowski  
Roshelle Lee  
Megan Cox**

**(559) 230-5800  
grants@valleyair.org  
[www.valleyair.org](http://www.valleyair.org)**

**Solicitation Period- 09/05/2019-10/21/2019**

**Available Funding - \$4.5 million**

## PROGRAM OVERVIEW

The District will accept complete application packets from Original Equipment Manufacturers (OEMs)/Dealers located within District boundaries for the solicitation period listed on page one (1) of this document. The District will log the applications and at the end of the solicitation period generate an initial rank list for funding. All equipment initially selected for funding will be inspected by District staff. After the inspections are complete, the District will complete the evaluation of the application packets to determine final program rank based on verified equipment information and notify all parties of their final standing. The District will select projects for funding based on their rank and the funds available. Cost-effectiveness will be calculated by dividing the total tons reduced from the project divided by the total dollars the District contributes to the project, which will include: pick-up and delivery, repair costs & incentive for the Tier 4 final tractor. After the final projects are selected for funding the District will contract all dealers associated with the selected projects.

- The District will only accept emailed, completed and matched applications from Original Equipment Manufacturers (OEMs) located within District boundaries.
  - Completed and matched means that both the Awardee and Beneficiary applications along with the supporting documentation are submitted together in the same packet.
- Un-matched applications, applications missing critical information, applications provided by individual applicants, hand-delivered or mailed-in applications will not be accepted.
- Matched Awardee and Beneficiary applications may not be within the same entity or part of the same fleet (as defined by organization name, tax-id, and equipment address).
- Beneficiaries are not subject to a maximum number of matched applications they may have submitted on their behalf.
  - However, a Beneficiary entity is limited to a maximum of their two (2) highest ranking matched applications if more than two (2) are ranked for funding.

All potential Awardees and Beneficiaries must be using their current (existing) equipment for “agricultural operations” as defined below:

“Agricultural operations” is defined from the California Air Resources Board’s (ARB) Regulation for In-Use Off-Road Diesel Vehicles (Title 13 CCR § 2449): and means (1) the growing or harvesting of crops from soil (including forest operations), and the raising of plants at wholesale nurseries, but not retail nurseries, or the raising of fowl or animals for the primary purpose of making a profit, providing a livelihood, or conducting agricultural research or instruction by an educational institution, or (2) agricultural crop preparation services such as packinghouses, cotton gins, nut hullers and processors, dehydrators, and feed and grain mills. Agricultural crop preparation services include only the first processing after harvest, not subsequent processing, canning, or other similar activities. For forest operations, agricultural crop preparation services include milling, peeling, producing particleboard and medium density fiberboard, and producing woody landscape materials.

## SECTION "A" (AWARDEE)

The Awardee is the owner of a used T3 (approx. 2006-2011 model year) tractor who will replace it with a new T4f tractor. The District, in coordination with the contracted Dealer, will help the Awardee facilitate the transfer of ownership of the T3 to a third-party beneficiary, while providing the Awardee incentive funds towards the purchase of a new T4f tractor based on a dollar per advertised horsepower of the new T4f equipment, not to exceed 72% of eligible costs or 125% of the current equipment horsepower\*. Please review the following table for eligible funding amounts.

Equipment Category	HP Category	Funding Level	Maximum Funding % of Eligible Costs
Tractor	25-74	\$625/HP	72%
Tractor	75-149	\$650/HP	72%
Tractor	150+	\$825/HP	72%
Specialty	25-109	\$825/HP	72%
Specialty	110+	\$1100/HP	72%
Cotton Picker/Loader	All Horsepower Ratings	\$925/HP	72%
Shaker/Sweeper	All Horsepower Ratings	\$1,350/HP	72%

\* If the new equipment is not available in the old equipment horsepower range or the higher horsepower equipment will result in equal or less annual emissions, the Awardee may purchase a T4f tractor that has an engine that is greater than 125% of the engine in the T3 tractor. In such cases, the funding amount will be on a horsepower rating not to exceed 125% of the baseline horsepower for the old equipment engine.

### Awardee Equipment Eligibility

#### T3 Old Equipment:

- Equipment and engine must be:
  - Mobile, self-propelled off-road agricultural tractor with a Diesel powered engine greater than or equal to 25 horsepower.
  - T3 emission certified engine (verified by District Inspection).
- Must have a working hour meter with less than 10,000 hours recorded on the meter at the time of District inspection.
- Must be in good operating condition, meet OSHA safety requirements, and pass an eligibility evaluation conducted by a District contracted Dealership,
- Owned and operated in California for the previous two (2) years, ownership and usage documentation must be provided at the time of application. See checklist on page 6 of the Awardee section in the application packet.
- Equipment cannot currently be receiving funding to be replaced under any other local, state or federal programs including the NRCS EQIP Program.

#### T4f New Equipment:

- Equipment and engine must be:
  - Mobile, self-propelled off-road agricultural tractor with a Diesel powered engine greater than or equal to 25 horsepower.
  - Certified T4f emission certified engine.

- Have a minimum of one-year or 1,600 hours power and drive train warranty.
- Must not have been previously owned and be indicated as new with less than 250 hours on the engine meter by the dealer at the time of purchase.
  - Equipment that served as rentals, was previously leased, or was floor/demonstration model may be eligible on a case-by-case basis determined by District staff prior to funding.
- Must be within 125% of the current Tier 3 equipment's horsepower.
  - If the new equipment is not available in the old equipment horsepower range or the higher horsepower equipment will result in equal or less annual emissions, the Awardee may purchase a T4f tractor that has an engine that is greater than 125% of the engine in the T3 tractor. In such cases, the funding amount will be on a horsepower rating not to exceed 125% of the baseline horsepower for the old equipment engine.

## Obligations of Awardee

The Awardee must complete the contracting process with the District and receive a fully executed agreement prior to making any purchases, payments, or taking possession of the new T4f equipment. The contract will have a ten (10) year project implementation phase in which the Awardee is required to own, operate and maintain the tractor while also keeping appropriate maintenance records.

The Awardee must also:

- Maintain the new T4f tractor and hour meter in accordance with manufacturer specifications for the entire project life.
- Maintain replacement value insurance for the new T4f tractor for the full term of the agreement.
- Operate 100% of the new T4f tractor's annual hours within the District boundaries and submit annual reports to the District on the T4f tractor for the full term of the agreement.
- Be willing to surrender the T3 tractor to the District's contracted dealership, upon a match.

## SECTION "B" (BENEFICIARY)

The Beneficiary is the owner of an older T0/T1 (approx. 2003-older model year) tractor who will replace it with a newer T3 (approx. 2006-2011 model year) tractor. The District, in coordination with the contracted Dealer, will help the Beneficiary facilitate the scrapping/retirement of the T0/T1 to a District certified dismantler, while coordinating the transfer of ownership of the T3 from a third-party to the Beneficiary.

### Beneficiary Equipment Eligibility

#### T0/T1 Old Equipment:

- Equipment and engine must be:
  - Mobile, self-propelled off-road agricultural tractor
  - Diesel powered engine greater than or equal to 25 horsepower
  - Tier 0 or Tier 1 (T0/T1)
  - Owned and operated in California for the previous two (2) years, ownership and usage documentation must be provided at the time of application. See checklist on page 4 of the Beneficiary section in the application packet.
- Equipment cannot currently be receiving funding to be replaced under any other local, state or federal programs including the NRCS EQIP Program.
- Must currently be in operable condition, verified through an inspection process conducted by District staff.

#### T3 New Equipment:

Once the RFP closes and the selection(s) are made the Beneficiary will meet with the contracted dealership who turned in the project to go over all recommended repairs and/or warranty proposed by the dealership. Beneficiary will agree to pay for all selected repair/warranty costs above the District's maximum cost-share (\$6,000) as well as a \$2,500.00 cost-share (to be paid prior to delivery).

- The contracted dealership will ensure the following prior to delivery of T3 equipment to the Beneficiary:
  - Will have a working hour meter.
  - Will be in good operating condition,
  - OSHA requirements
    - ROPS (Rollover Protective Structure)
    - Seat Belt

#### Obligations of Beneficiary:

The Beneficiary must complete the contracting process with the District and receive a fully executed agreement prior to making any payments or taking possession of the T3 equipment. The contract will have a ten (10) year project implementation phase in which the Beneficiary is required to own, operate and maintain the tractor while also keeping appropriate maintenance records.

- Operate 100% of the T3 tractor's annual hours within the District boundaries and submit annual reports to the District on the T3 tractor for the full term of the agreement.
- Be willing to surrender the T0/T1 tractor along with any scrap value to the District's contracted dealership, upon delivery of the repaired T3.
- Make a payment to the contracted Dealer of at least \$2,500.00 as well as any additional costs above the District's \$6,000.00 portion of the Beneficiary selected repairs/warranty.

## SECTION "C" (STEP-BY-STEP GUIDE)

### Step-by-Step Guide

1. The District will open the solicitation period for this RFP for a period of forty-five (45) days.
2. Interested participants will work with local OEMs/Dealerships of their choosing to begin the process of finding matches.
  - The District will only accept emailed matched applications from Original Equipment Manufacturers (OEMs). Un-matched applications, applications provided by individual applicants, hand-delivered or mailed-in applications will not be accepted.
  - As Dealer finds a potential Awardee and Beneficiary match, Dealer will work with both parties to submit a complete application to the District via email ([grants@valleyair.org](mailto:grants@valleyair.org)).
    - Emails to the District must contain the Applicant names and "Tractor Trade-Up Application" in the subject line.
    - All emails will receive a reply from the District verifying the email was received.
    - Paired Awardee and Beneficiary applications may not be within the same entity or part of the same fleet (as defined by organization name, tax-id, and equipment address).
    - All applications submitted must contain enough information for District staff to make an initial ranking determination.
      - Any applications District staff are unable to fully evaluate and rank due to missing documentation will be cancelled and removed from the ranking process. See application packet for complete application checklist.
  - A complete Awardee application consists of the following:
    - All pages completed to the best of applicant's ability
    - Certification and transfer form signed by applicant signing authority
    - Completed W9
    - Ownership & usage documentation per page X of the application.
    - Quote for the new T4 equipment they wish to purchase
      - Awardees will receive incentive based on a dollar per advertised horsepower of the new T4f equipment, not to exceed 72% of eligible costs, see page 3 in this document for funding table.
      - Eligible costs exclude the following items:
        - Extended warranties
        - Pre-paid GPS services
      - The horsepower of the new T4 cannot exceed 125% of the current T 3 tractor.
        - If the new equipment is not available in the old equipment horsepower range or the higher horsepower equipment will result in equal or less annual emissions, the SJVAPCD may approve a greater than 125% increase in horsepower on a case-by-case basis. In such cases, the funding amount will be on

a horsepower rating not to exceed 125% of the baseline horsepower for the old equipment engine.

3. The District will log the applications and at the end of the solicitation period generate an initial rank list for funding.
  - If at this time District staff are unable to fully evaluate and rank a project due to missing documentation, the applications will be cancelled and removed from the ranking process.
  - At this time, no changes to equipment (T0/T1, T3, or T4f) will be allowed.
4. All equipment initially selected for funding will be inspected by District staff.
5. At this time, District staff will also contract any dealerships that have projects initially ranked to receive funding.
6. After the inspections are complete, the District will complete the evaluation of the application packets to determine final program rank based on verified equipment information and notify all parties of their final standing.
7. Once Dealers have an executed agreement with the District they may start bringing in approved T3 equipment for an assessment.
8. Dealers will notify District staff via email of the equipment they are bringing into their shop.
9. Dealers will contact the Awardee to schedule pick up of their T3 equipment for assessment in the Dealer shop.
10. District staff will generate draft contracts for both the Awardee and Beneficiary and submit to Dealer, via email, as Dealers bring equipment in.
11. Once Dealer receives the electronic draft contracts,
  - The District will reimburse Dealer \$1,500 for each tractor that is transported and assessed regardless if the T3 is selected by the Beneficiary.
12. After the assessment, Dealer will contact the Beneficiary to meet at the Dealer shop to review recommended repairs and inspect the equipment.
  - At this time Dealer must also offer a warranty for the engine and transmission if available. If a warranty isn't available they must disclose this to Beneficiary in writing.
  - The Beneficiary may choose any combination of repair work and/or warranty costs at their own discretion.
    - The District will reimburse Dealer for up to \$6,000 of the repair/warranty cost.
    - The Beneficiary has a cost-share of \$2,500.00 as well as anything above the District's \$6,000 portion.
      - If a Beneficiary elects less than \$2,500.00 in repairs and/or warranty costs, they are only required to pay the actual amount to the Dealer.
  - Any Dealer recommended repairs that are not selected must be initialed as declined by Beneficiary at this time.
  - Any dealer deemed OSHA required repairs as well as a working hour meter are required.
13. If the Beneficiary accepts the T3 equipment, Dealer will have the Beneficiary sign the draft agreement as well as the itemized and signed repair/warranty quote and submit to District staff via email (contracts@valleyair.org).

- Emails to the District must contain the project number(s) and “Tractor Trade-Up” in the subject line.
  - Dealer will also work with the Awardee to sign their draft contract and return it to the District at this time ([contracts@valleyair.org](mailto:contracts@valleyair.org))
    - All emails will receive a reply from the District verifying the email was received.
  - Contracts will only be routed for final approval once both the Awardee and Beneficiary have been received by the District.
14. If the Beneficiary declines the T3 equipment, Dealer will return equipment to the Awardee within ten business (10) days.
- At this time, the project will be removed from the rank list and the applications will be cancelled.
15. District staff will notify Dealer via email once the draft contracts have been fully executed.
- Dealer may not deliver the repaired/warrantied T3 equipment until both the Awardee and Beneficiary contract have been executed.
16. After the approved repairs are completed, Dealer will contact the Beneficiary to pay their cost-share for the repairs/warranty.
- The Beneficiary will sign off on the completed repairs.
17. After the Beneficiary payment has been received by Dealer, they will deliver the T3 tractor to the Beneficiary.
- Dealer will also take possession of the T0/T1 tractor at this time and deliver it to a District contracted dismantler within ten (10) business days of the T3’s delivery.
18. Dealer will bill the remainder of the repair/warranty costs to the District (not to exceed \$6,000) as well as the transportation and assessment costs (\$1,500) if these have not already been billed.
19. The District will reimburse Dealer within forty-five (45) working days of receiving a complete claim for payment packet.
20. A complete claim for payment packet contains the following:
- A District claim for payment form, with associated project #'s, VINs, Costs, signed by Dealer’s signing authority.
  - Complete and signed repair invoices, signed/initialed by Beneficiary with acceptance/decline of all recommended repairs.
  - District staff will also conduct a post-old inspection of the T0/T1 at the Dismantler as well as a post-new of the repaired/warrantied T3 with the Beneficiary (if applicable) prior to reimbursement of the repair/warranty costs.
21. After the contracts have been executed the Awardee may purchase their new T4 tractor.
22. Dealer will assist the Awardee in submitting a complete claim for payment packet to the District.
23. A complete Awardee claim packet consists of:
24. A District claim for payment form signed by applicant’s signing authority.
- Invoice for the cost of new T4f equipment
  - Insurance Documentation (ACORD Form 25) with new VIN listed
  - Proof of payment such as finance documentation or copy of check.



25. Upon receipt of a complete claim packet, the District will conduct a post inspection of the new T4f tractor.
26. The Awardee will be reimbursed by the District within sixty (60) working days of the post-new inspection.

**Once again, the District thanks you for your interest in our program and encourages you to contact the District with any questions.**

### MAP OF THE SAN JOAQUIN VALLEY AIR POLLUTION CONTROL DISTRICT BOUNDARIES

