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The State of New Hampshire
Department of Environmental Services



Robert R. Scott, Commissioner

September 18, 2020

His Excellency, Governor Christopher T. Sununu
and the Honorable Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

Authorize the Department of Environmental Services (NHDES) to enter into a grant agreement with the Pease Development Authority, (VC # 156846-B001) for \$42,274 for the partial funding of a wheeled loader replacement, effective upon Governor and Council approval through May 1, 2021. 60% Federal Funds, 40% VW Settlement Funds.

Funding is available in the account as follows:

	<u>FY 2021</u>
03-44-44-443010-2278-072-500572	\$42,274
Dept. of Environmental Services, DERA Funds, Grants Federal	

EXPLANATION

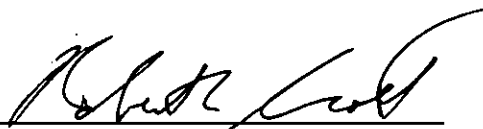
Under the Diesel Emission Reduction Act (DERA) the U.S. Environmental Protection Agency (EPA) provides funding to states for projects that reduce harmful emissions produced by older diesel engines, including replacement of vehicles and rebuild of older diesel engines. The new/rebuilt engines must meet more stringent emissions standards. Utilizing federal EPA funds, matched with funding from New Hampshire's Volkswagen Environmental Mitigation Trust Fund, NHDES has \$790,000 available for grants:

A request for proposal (RFP) was conducted from October 9 through November 12, 2019. Eight entities applied for funding. Six proposals were approved for funding (see Attachment A for the scoring results). The Pease Development Authority requested partial funding to replace a 1984 wheeled loader.

The DERA program has a mandatory minimum cost share requirement for a replacement vehicle project of 75 percent. NHDES will provide a grant up to \$42,274 or 25 percent of the total replacement cost, whichever is less, to the Pease Development Authority for the replacement of a wheeled loader.

This agreement has been approved as to form, substance, and execution by the Office of the Attorney General. In the event that Federal funds become no longer available General funds will not be requested to support this program.

We respectfully request your approval.



Robert R. Scott
Commissioner

**MEMORANDUM OF AGREEMENT
BETWEEN
NH DEPARTMENT OF ENVIRONMENTAL
SERVICES, AIR RESOURCES DIVISION
AND
PEASE DEVELOPMENT AUTHORITY**

Title:

NH Clean Diesel Program Agreement with Pease Development Authority – Wheeled Loader Replacement Project (Grant Number: 00A00175-2019-004).

Purpose:

The purpose of this Memorandum of Agreement (MOA) is to provide funding not to exceed \$42,274 from New Hampshire Department of Environmental Services (hereinafter NHDES) to The Pease Development Authority located at 55 International Drive, Portsmouth, NH (hereinafter PDA, vendor code #15646-B001). The funding will be used to partially fund the replacement of a wheeled loader, in order to reduce diesel emissions in the State. The grant is available via the New Hampshire State Clean Diesel Grant Program, funded by the U.S. Environmental Protection Agency (EPA). This grant was awarded to NHDES on August 9, 2019.

Grant Title:

Subgrant Program for Diesel Emissions Reduction Projects, Federal Award Identification Number (FAIN): 00A00175, CFDA 66.040, State Clean Diesel Grant Program. Grant contact at NHDES: Jessica Wilcox (603) 271-6751

Parties:

The parties to this agreement are NHDES and PDA.

Scope of Work:

For the purposes of this Agreement, NHDES and PDA agree to the following:

1. NHDES shall assign the appropriate staff to coordinate this project with PDA.
2. This Scope of Work consists of the purchase of a wheeled loader as a replacement for a model year (MY) 1984 wheeled loader.
3. The replacement loader will be powered by a MY 2019 or newer EPA certified heavy-duty diesel engine.
4. The replacement loader must be of the same size as the original loader and operate in the same manner over similar routes as the replaced loader.
5. NHDES shall reimburse PDA 25 percent of the eligible expenses, or \$42,274.00 for the wheeled loader, whichever is less.

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Date *8/19/2020*

6. Eligible expenses under this grant include the cost of the loader only.
7. Other expenses including, but not limited to “optional” components or “add-ons” (such as racks, light tool boxes, etc.) to the vehicles, vehicle registration, scrapping of replaced vehicle, engineering, project management, or personnel costs are not eligible expenses.
8. PDA shall provide NHDES with the following information on the loader to be replaced prior to purchasing the new vehicles:
 - a. Annual hours operated;
 - b. Annual fuel use and fuel type;
 - c. Annual idling hours;
 - d. Vehicle Identification Number (VIN);
 - e. Engine Model Year;
 - f. Horsepower;
 - g. Engine Tier;
 - h. Engine Manufacturer;
 - i. Engine Serial Number;
 - j. Engine Family Number; and
 - k. Description of routes or typical use
9. The replaced loader shall be taken out of service no later than 15 days following the placement into service of the replacement loader.
10. The replaced loader will be scrapped within 90 days from the date the replacement is put into service.
11. PDA shall use the replacement loader in normal service for a period of no less than five (5) years. In the event that PDA sells or surpluses the replacement loader within five years of the effective date of this contract PDA shall follow the guidelines set forth in Title 2 Code of Federal Regulations, Subtitle A, Section 200.313, and shall reimburse the NHDES in accordance with the depreciation table below.

Project: PDA Wheeled Loader Replacement Grant

	Percent Value Remaining	Total Grant	Value to be Returned to NHDES
Year 1 value	20	\$42,274.00	\$8,455.00
Year 2 value	16	\$42,274.00	\$6,764.00
Year 3 value	12.8	\$42,274.00	\$5,411.00
Year 4 value	10.2	\$42,274.00	\$4,312.00
Year 5 value	7.6	\$42,274.00	\$3,213.00

Note: Depreciation of grant is calculated based on a grant of \$42,274.00 for the wheeled loader.

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Date 01/14/2020

12. PDA shall:
- a. Register the replacement loader in accordance with New Hampshire law;
 - b. Maintain the replacement loader in accordance with manufacturer recommendations;
 - c. Not make modifications to the emission controls system on the replacement loader or engines; and
 - d. Make the loader and related documents (including maintenance records) available for follow-up inspection for five years from date of grant approval, if requested by EPA or NHDES.
13. PDA shall scrap the loader being replaced or render it permanently disabled. NHDES shall be allowed the opportunity to witness the destruction of the engine and the chassis with a two week (minimum) advance notice of the event. The replaced loader may be permanently disabled by:
- a. Creating a minimum 3" diameter hole completely through the engine block; and
 - b. Cutting the chassis rails in half.
14. PDA shall supply documentation confirming the scrappage requirements have been met for the loader. The letter must be signed by the authorized representative listed on the grant application form or other duly authorized representative. The letter must include:
- a. The date the loader was scrapped;
 - b. The engine model year, engine family name, engine serial number, and VIN;
 - c. The name and contact information for the entity that scrapped the loader, if other than the grantee; and
 - d. Photographic images of the following, for the loader:
 1. Side profile of the loader;
 2. Vehicle Identification Number (VIN);
 3. The engine tag that includes the engine serial number and engine family number (if available);
 4. Chassis rail cut in half;
 5. Engine block prior to hole being drilled; and
 6. Engine block after hole has been drilled.

Scrappage may be completed by PDA or by a salvage yard or similar service, provided all scrappage requirements have been met and all necessary documentation provided.

15. PDA shall submit **Quarterly Project Status Reports** to NHDES within 15 days after the end of each calendar quarter, beginning the Effective Date of the Agreement for a period of one year following vehicle acquisition. Quarterly Project Status Reports shall include sufficient information for NHDES to estimate the emissions reductions attributable to the loader's replacement, including the following:
- a. The amount of fuel used during the preceding quarter;
 - b. The number of hours the vehicle was used in the preceding quarter; and
 - c. The estimated amount of idling experienced in the preceding quarter.

16. PDA shall submit **Annual Project Status Reports** to NHDES by January 15th of each year, beginning one year from the last quarterly report, for a period of three years including, but not limited to, the following for each vehicle:
 - a. The amount of fuel used during the preceding year;
 - b. The number of hours the vehicle was used in the preceding year; and
 - c. The estimated amount of idling the vehicle experienced in the preceding year.
17. PDA shall not use grant funds for any costs not specified in this scope of work. PDA shall complete all activities, reports, and work products specified herein.

Funding:

This project is funded by the EPA under the New Hampshire State Clean Diesel Grant Program.

1. Payments under this MOA are not to exceed \$42,274.00 or 25 percent of eligible project costs per project, whichever is less.
2. NHDES will reimburse PDA for the above portion of eligible expenses provided PDA is in compliance with all recordkeeping and reporting requirements in the Scope of Work.
3. Invoices may be submitted for reimbursement upon payment and shall include the following:
 - a) Payment request on PDA letterhead with the following information for the replacement vehicles and the vehicle being replaced:
 1. Vehicle Identification Number (VIN);
 2. Engine and vehicle model year;
 3. Engine and vehicle manufacturer;
 4. Engine serial number;
 5. Engine family number;
 6. Engine horsepower;
 7. Fuel type; and
 8. Cost.
 - b) A copy of all vendor invoices;
 - c) Documentation verifying payment;
 - d) A copy of the new loader registration (if applicable);
 - e) Proof of scrappage as per the Scope of Work (items 13-14); and
 - f) Contact information for any questions related to reimbursement requests.
4. NHDES will process complete invoices within 30 days of receipt.
5. Invoices must be submitted by May 1, 2021. Requests submitted after this date may be denied.
6. All obligations of NHDES and the State of New Hampshire are contingent upon availability and continued appropriation of funds for the services.

Termination:

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Date 8/19/2020

1. This Agreement may be terminated for good cause by either of the parties or for convenience if both parties agree, with the provision for orderly termination of the project. Termination of the Agreement shall not occur until thirty (30) days after a "notice of termination" has been received by the other party. Said notice shall specify the cause for termination.
2. Should PDA terminate this Agreement for other than good cause prior to completion of all obligations specified in the scope of work, PDA will reimburse the NHDES for any funds received.

Duration:

This agreement will become effective upon approval by Governor and Council. The project completion date is May 1, 2021, with additional reporting requirements through January 2025.

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Date 9/19/2020

Agreement:

In WITNESS THEREOF, the parties hereto have executed this agreement, which shall become effective on the date the Governor and Executive Council of the State of New Hampshire approve the agreement.

Paul Brean, Executive Director
Pease Development Authority



Date August 19, 2020

Robert R. Scott, Commissioner
NH Department of Environmental Services



Date 9/21/20

OFFICE OF THE ATTORNEY GENERAL

By: J.D. Lavallee
Assistant Attorney General

Date: September 22, 2020

I hereby certify that the foregoing agreement was approved by the Governor and Council of the State of New Hampshire at their meeting on _____.

OFFICE OF THE SECRETARY OF STATE

By: _____

Title: _____

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Date 8/19/2020

AUG 24 2020

The Pease Development Authority

AIR RESOURCES DIVISION

Certificate of Authorization

The Pease Development Authority certifies that it is authorized to enter into an agreement between the State of New Hampshire and the Pease Development Authority pertaining to the DES NH Clean Diesel Program.

In witness whereof, I hereby sign the Certificate of Authorization.

Paul E. Brean

Signature

Paul Brean, Executive Director

Notarization

State of New Hampshire, County of Rockingham. On August 19, 2020,
Date

Before me, Raeline A. O'Neil, the undersigned officer,
Name of Notary or Justice of the Peace

Personally appeared Paul E. Brean who acknowledged herself to be the Executive Director of Pease Development Authority, New Hampshire, and that as Executive Director being authorized to do so, executed the foregoing instrument for the purposes therein contained.

In witness hereof, I hereunto set my hand and official seal.

Raeline A. O'Neil

Notary Public or Justice of the Peace

(affix seal) Commission Expires: 10/11/2022

Raeline A. O'Neil

Justice of the Peace/Notary Public

Expiration: October 11, 2022



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
01/02/2020

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).


PRODUCER Cross Insurance-Portsmouth 75 Portsmouth Blvd. Suite 100 Portsmouth NH 03801	CONTACT NAME: Scott Wellington PHONE (A/C, No, Ext): (803) 812-2800 E-MAIL ADDRESS: swellington@crossagency.com	FAX (A/C, No): (803) 570-1073
	INSURER(S) AFFORDING COVERAGE	
INSURED Pease Development Authority 55 International Drive Portsmouth NH 03801	INSURER A: Citizens Ins Co of America NAIC # 31534	
	INSURER B: Allmerica Financial Benefit 41840	
	INSURER C: Hanover Insurance Group, Inc.	
	INSURER D:	
	INSURER E:	
	INSURER F:	

COVERAGES **CERTIFICATE NUMBER:** CL201210585 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSD WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:	Y	ZBVA52332300	12/31/2019	12/31/2020	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 Employee Benefits \$ 1,000,000
B	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY	Y	AWWA485487	12/31/2019	12/31/2020	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ Medical payments \$ 5,000
C	<input checked="" type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$	Y	UHVA52475500	12/31/2019	12/31/2020	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A			PER STATUTE OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
 Airport Operations Excluded

CERTIFICATE HOLDER NH Department of Enviromental Services 29 Hazen Drive Concord NH 03302	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE 
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ATTACHMENT A

2019 New Hampshire Clean Diesel Grant Program

Final Scoring Results and Funding Amounts

Grant Applicant	Location/Town	Funding Amount	Score
NH Division of Ports and Harbors	Portsmouth	\$35,000	95
Town of Whitefield	Whitefield	\$53,500	77
C&J - Jalbert Leasing, Inc.	Portsmouth	\$135,000	74
Pease Development Authority	Portsmouth	\$42,274	72
Town of Lyndeborough FD	Lyndeborough	\$66,066	63
Town of Salem	Salem	\$47,500	62
Not Selected			
D.F. Richard	Dover	\$43,000	54
Town of Farmington	Farmington	\$37,572	52

Detailed Scoring Results

Project	Env. Benefit	Cost Effectiveness	Populated Area	Operation in NH	Government Entity	Potential for Success	Other Benefit	Econ. Disadvantaged Community	Clean Fuel	Total
NH Division of Ports and Harbors	28	19	14	15	10	5	4	0	0	95
Town of Whitefield	15	18	7	15	10	5	2	5	0	77
C&J - Jalbert Leasing, Inc.	22	20	13	6	0	5	4	4	0	74
Pease Development Authority	19	17	2	15	10	5	4	0	0	72
Town of Lyndeborough FD	10	14	3	15	10	4	4	3	0	63
Town of Salem	10	10	11	15	10	5	1	0	0	62
Not Selected										
D.F. Richard	11	16	10	13	0	1	0	1	2	54
Town of Farmington	10	7	3	15	10	4	2	1	0	52

ATTACHMENT A (CON'T)

Reviewers

Name	Agency/Organization	Title	Years of Experience
Elizabeth Strachan	NHDES Air Resources Division Technical Services Bureau Mobile Source Section	Transportation Analyst	3
Joseph Fontaine	NHDES Air Resources Division Technical Services Bureau	Technical Programs Manager	28
Joseph Doiron	NH Office of Strategic Initiatives	Deputy Director/State Energy Program Administrator	2
Timothy White	NHDES Air Resources Division Technical Services Bureau	Mobile Source Section Supervisor	4