



**Replacement of Expired Onboard CNG Tanks  
in CNG Public School Buses**

**GRANT AWARD & AUTHORIZATION AGREEMENT  
Pursuant to Program Announcement PA #2012-16**

1. **PARTIES** - The parties to this Grant Award & Authorization Agreement (“Agreement” or “Grant”) for the replacement of expired Compressed Natural Gas (CNG) tanks in school buses are the South Coast Air Quality Management District (“SCAQMD”) whose address is 21865 Copley Drive, Diamond Bar, California 91765-4178, and Hemet Unified School District (“GRANTEE”) whose address is 1791 W. Acacia Avenue, Hemet, California 92584.

A summary of the Grant provisions is listed in Table 1 below:

**Table 1**

<b>Grant Recipient (“Grantee”)</b>	Hemet Unified School District
<b>Grant Number</b>	G20328
<b>Total Number of CNG School Buses Needing Replacement of On-Board CNG Tanks)</b>	Up to Ten (10)
<b>(a) Grant for Replacing CNG Tanks</b>	Up to \$200,000(max \$20,000 per bus)
<b>Source of Funding</b>	AB 923/Fund 80
<b>Date by Which CNG Tanks Need to be Installed</b>	<b>December 30, 2020</b>
<b>Date by Which All Invoices Need to be Submitted</b>	<b>February 28, 2021</b>
<b>Agreement Term</b>	<b>Execution date until June 30, 2027</b>
<b>Date to Which All Records (relating to this Grant) Need to be Retained</b>	<b>Agreement Term plus Two Years</b>

2. **AGREEMENT TERM**– The term of this Agreement is listed in Table 1, unless further extended by amendment of this Agreement in writing. No work shall commence until this Agreement is fully executed by all parties.

The project must comply with the 2008 California Air Resources Board’s (“CARB”) Lower-Emission School Bus Program Guidelines, dated April 15, 2008, including associated Advisories and Mailouts (subsequent revisions to the Guidelines), and must meet all program requirements for the full term of this Agreement. Inclusive of the Agreement term, there are two timeframes: A) **Project Completion**, which is from the date of grant execution to the date the last new school bus tank has been installed and the bus placed back into operation; and B) **Project Implementation**, which is from the date the final invoice has been paid until the end date of this Agreement.

3. ADDITIONAL REQUIREMENTS –To receive funds pursuant to this Agreement, GRANTEE must comply with the requirements of this Agreement, including those set forth in the following documents, which are attached and incorporated as part of this Agreement.
  1. List of CNG Buses to be Retrofitted with new CNG Tanks (**Attachment A**);
  2. Safety Compliance Report/Terminal Record Update (CHP 343) or completed Vehicle/Equipment Inspection Report Motor Carrier Safety Operations form (CHP 343A) (sample attached as **Attachment B**);
  3. Data on CNG School Buses Needing CNG Tank Replacement (Excel format) (**Attachment C**);
  4. Program Announcement and Application #PA 2012-16 dated April 6, 2012, for Funding for Replacement of Onboard Fuel Tanks of CNG School Buses that are Older than Fourteen Years (**Attachment D**); and
  5. 2008 CARB Lower-Emission School Bus Guidelines, dated April 15, 2008, and associated Advisories and Mailouts, which are available at the following CARB web link:  
<http://arb.ca.gov/bonds/schoolbus/schoolbus.htm>.

In addition to the requirements above, if a document was required as part of the application as specified by the Program Announcement, and has not yet been provided by GRANTEE to the SCAQMD, GRANTEE must provide such prior to Agreement execution.

4. PROVIDE VENDOR COPY OF AGREEMENT - Only certified vendors shall install these tanks in CNG buses. Copies of this Agreement must be provided to the vendor(s) selected to provide new CNG tanks. This will, among other elements, enable the vendor to assist the GRANTEE in complying with the terms and conditions of this Agreement.
5. PAYMENT TERMS - Up to the amount specified in Table 1, SCAQMD will pay for new CNG tanks up to \$20,000 per bus.
6. CHP SAFETY INSPECTION – Each retrofitted bus must undergo a California Highway Patrol (CHP) safety certification inspection (per Title 13, Cal. C. Regs. § 1272(c)) after the installation of the CNG tanks and prior to the bus's return to service, and it must reflect language that the CHP officer has specifically approved the newly installed tank(s) including conformance to tank manufacturer's instructions. GRANTEE must obtain a copy of written documentation from CHP personnel certifying the bus with the replaced CNG tanks can safely transport students. GRANTEE must provide this documentation to SCAQMD with the invoice. This documentation shall consist of a copy of a Safety Compliance Report/Terminal Record Update (CHP 343), or a copy of a completed Vehicle/Equipment Inspection Report Motor Carrier Safety Operations form (CHP 343A) (see Attachment B).
7. PROJECT MILESTONES – In addition to meeting the deadlines specified in Table 1, GRANTEE must achieve the following milestones under this Agreement:
  - a. The new CNG tanks must comply with all the applicable industry codes and standards for CNG tanks.
  - b. The new CNG tanks must have a minimum service life of 15 years.
  - c. The expired CNG tanks must be removed from the buses listed in Attachment A;
  - d. The new CNG tanks must be inspected by the CHP after installation (see Clause 6 above for details);
  - e. GRANTEE must own, operate and maintain the CNG buses retrofitted with the new CNG tanks purchased under this Agreement pursuant to Clause 10 below.

8. VENDOR TO DIRECTLY BILL SCAQMD - SCAQMD prefers that each vendor bill SCAQMD directly for new CNG tanks installed pursuant to this Agreement. GRANTEE is discouraged from paying the vendor directly, but if it does, the GRANTEE must submit copies of the front and back of all cancelled check(s) paid to vendor along with all the required documentation listed in Clause 9 below.
9. INVOICE AND PAYMENT – In order to receive funding under this Agreement, GRANTEE shall submit to SCAQMD the invoice(s) and related documents as described below by the date specified in Table 1:
- A. An original invoice with breakdown of costs between parts and labor verifying the installation of new CNG tanks on each school bus listed in Attachment A.
  - B. A cover letter, signed and dated by the GRANTEE'S Director of Transportation, or his/her equivalent, confirming, under penalty of perjury, the following:
    - i. That the new CNG tanks were installed in the buses;
    - ii. Details of the bus(es) that were retrofitted with new CNG tanks. [To prevent delay in processing the invoices, GRANTEE must provide and verify that the Vehicle Identification Numbers (VINs) and other details of the bus(es) listed on the invoice, the CHP 343A, and the Agreement identically match the details on the DMV title/registration of the bus];
    - iii. That SCAQMD should pay the vendor(s) directly for the CNG tanks.
  - C. A copy of front page of this Agreement that lists the Summary Table and Grant Number.
  - D. A copy of Attachment A to this Agreement, highlighting the buses that were retrofitted with the CNG tanks. VIN(s) and details of the buses listed on the submitted invoice(s) must match those in Attachment A, CHP 343A, and DMV title/registration.
  - E. Copy of vendor quotes for removing and replacing CNG tanks (minimum of two is required including quote from winning vendor).
  - F. Copy of the Purchase Order(s) issued by the GRANTEE to the vendor.
  - G. Clear photos of the data labels of every expired CNG tank removed from the school bus.
  - H. Clear photos of the data labels of each new CNG tank installed.
  - I. Copies of warranties provided for the new CNG tanks.
  - J. A copy of the DMV registration and Title of Ownership for each school bus retrofitted with the new CNG tanks.
  - K. For each retrofitted school bus, a copy of a completed CHP Form 343–Safety Compliance Report/Terminal Record Update, or a copy of a completed CHP Form 343A–Vehicle/Equipment Inspection Report Motor Carrier Safety Operations (see Clause 6).
  - L. A copy of the latest CHP Form 292-Inspection Approval Certificate for each bus.
  - M. Three electronic must be sent to SCAQMD that includes: (a) PDF scan of the whole invoice package; (b) an Excel Worksheet that lists the bus information required in Attachment B; and (c) GRANTEE's current school bus inventory.
10. OWNERSHIP, OPERATION AND MAINTENANCE – GRANTEE shall operate, inspect and maintain the installed CNG tanks funded under this Agreement in accordance with the tank manufacturer's specifications for a minimum of seven (7) years from tank installation, or until **June 30, 2027** whichever is later. Maintenance includes, but is not limited to, inspecting the installed CNG tanks every 3 years or at intervals of 36,000 miles, in accordance to manufacturer specifications, industry codes and standards. Further, GRANTEE acknowledges that these CNG tanks cannot be tampered with nor removed from the buses for the period GRANTEE is required to own, operate and maintain the tanks.

11. AUDIT RIGHTS & RIGHT OF INSPECTION – Before payment of invoice and thereafter, SCAQMD, CARB, and the California Department of Finance, or their designee(s), shall have the right to inspect the tanks and review and copy any records and supporting documentation pertaining to the performance of this Agreement for a minimum of the Agreement term plus two years. This right shall survive the expiration of this Agreement for as long as the school buses with the installed tanks are still in use. GRANTEE agrees to allow the auditor(s) access to the buses, tanks and records during normal business hours and to allow interviews of any employees who might reasonably have information related to these buses, tanks and records. GRANTEE must include a similar right for the SCAQMD, CARB, and the California Department of Finance, or their designee(s), to audit records and interview staff in any subcontract related to the performance of this Agreement.
12. REPORTING REQUIREMENTS - During the term of this Agreement, GRANTEE agrees to provide annual reports once every year for five years commencing one year after installation of new CNG tanks. Reporting should include copy of the CHP inspection required every three years or 36,000 miles, accumulated mileage for that year, and expiration of the new tank for each new tank purchased under this Agreement. GRANTEE shall submit annual reports electronically to SCAQMD.
13. RECORDS AND RECORDS RETENTION – GRANTEE shall maintain and retain all records related to this Agreement for the Agreement term plus two years, or until the date specified in Table 1, whichever is later. These records include, but are not limited to, the following:
  - A. Application and all documents provided with and subsequent to the application submittal to SCAQMD;
  - B. Vendor quotes for removing and replacing CNG tanks;
  - C. Copies of the DMV registration and Title of Ownership of each CNG bus retrofitted with new CNG tanks
  - D. Purchase orders issued by GRANTEE to vendor;
  - E. Executed contracts;
  - F. Documentation of tank expiration dates, serial numbers and inspection dates of tanks replaced;
  - G. Photos of the data labels of each expired tank removed;
  - H. Photos of the data labels of each new CNG tank installed;
  - I. 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) for each school bus retrofitted with new CNG tanks;
  - J. Copies of the latest CHP 292 Inspection records for each retrofitted bus
  - K. Invoice(s) from vendor that include dates of installation and maintenance, description of services performed and cost of services
  - L. Proof of payments, if any, to the vendor by GRANTEE
  - M. All other invoice(s) related to the project including documents required for payment (refer to Clause 9);
  - N. Tank Maintenance/Inspection records of the new CNG tanks
14. TERMINATION – GRANTEE's failure to comply with any term or condition of this Agreement shall constitute a material breach of this Agreement. SCAQMD will either notify the GRANTEE that it must timely cure this breach, or provide ten (10) days written notification of SCAQMD's intention to terminate this Contract. In addition, SCAQMD reserves the right to terminate this Agreement, in whole or in part, without cause, upon thirty (30) days written notice. Once such notice has been given, GRANTEE shall, except as otherwise directed by SCAQMD, discontinue any work being performed

under this Agreement and cancel all of GRANTEE's orders in connection with such work, and shall use its best efforts to terminate existing subcontracts upon terms satisfactory to SCAQMD. Thereafter, GRANTEE shall perform only such services as may be necessary to preserve and protect any work already in progress and to dispose of any property as requested by SCAQMD. GRANTEE shall also promptly deliver to SCAQMD all copies of documentation and other information and data prepared or developed by GRANTEE under this Agreement. GRANTEE will be paid in accordance with this Agreement for work performed before the effective date of termination.

15. **ENFORCEMENT** – The parties agree that in addition to SCAQMD, CARB also has authority, jointly and severally, to enforce the terms of this Agreement, and that CARB is a third-party beneficiary of this Contract. SCAQMD and/or CARB will seek whatever legal, equitable and other remedies are available for the GRANTEE'S failure to comply with the terms of this Agreement or with the Lower-Emission School Bus Program requirements incorporated herein.
16. **NOTICES** – All notices that are required under this Agreement shall be provided in the manner set forth herein, unless specified otherwise. Notice to a party shall be delivered to the attention of the person listed below, or to such other person or persons as may hereafter be designated by that party in writing. Notice shall be in writing sent by email, U.S. Mail, express, certified, return receipt requested, or a nationally recognized overnight courier service. In the case of email communications, valid notice shall be deemed to have been delivered upon sending, provided the sender obtained an electronic confirmation of delivery. Email communications shall be deemed to have been received on the date of such transmission, provided such date was a business day (Tuesday-Friday) and delivered prior to 5:30pm Pacific Standard Time. Otherwise, receipt of email communications shall be deemed to have occurred on the following business day. In the case of U.S. Mail notice, notice shall be deemed to be received when delivered or five (5) business days after deposit in the U. S. Mail. In the case of a nationally recognized overnight courier service, notice shall be deemed received when delivered (written receipt of delivery)..

SCAQMD: South Coast Air Quality Management District  
21865 Copley Drive  
Diamond Bar, CA 91765-4178  
Attn: Vicki White, Manger, [vwhite@aqmd.gov](mailto:vwhite@aqmd.gov)

GRANTEE: Hemet Unified School District  
1791 W. Acacia Avenue  
Hemet, CA 92584  
Attn: Darrin Watters, Deputy Superintendent, [dwatters@hemetusd.org](mailto:dwatters@hemetusd.org)

17. **SUBMISSION OF DOCUMENTS** – All documents required to be submitted to SCAQMD under this Agreement shall be submitted to the SCAQMD Manager, Vicki White, [vwhite@aqmd.gov](mailto:vwhite@aqmd.gov)
18. **INDEMNIFICATION** - GRANTEE agrees to hold harmless, defend and indemnify SCAQMD, its officers, employees, agents, representatives, and successors-in-interest against any and all loss, damage, costs, lawsuits, claims, demands, causes of action, judgments, attorney's fees, or any other expenses arising from or related to any third party clam against SCAQMD, its officers, employees, agents, representatives, or successors-in-interest that arise or result in whole or in part, from any actual or alleged act or omission of GRANTEE, its employees, subcontractors, agents or representatives in the performance of this Agreement. This Indemnification Clause shall survive the expiration or termination (for any reason) of the Agreement and shall remain in full force and effect.

19. ASSIGNMENT - The rights granted hereby may not be assigned, sold, licensed, or otherwise transferred by either party without the prior written consent of the other, and any attempt by either party to do so shall be void upon inception.
20. NON-EFFECT OF WAIVER - The failure of GRANTEE or SCAQMD to insist upon the performance of any or all of the terms, covenants, or conditions of this Agreement, or failure to exercise any rights or remedies hereunder, shall not be construed as a waiver or relinquishment of the future performance of any such terms, covenants, or conditions, or of the future exercise of such rights or remedies, unless otherwise provided for herein.
21. ATTORNEYS' FEES - In the event any action is filed in connection with the enforcement or interpretation of this Agreement, each party shall bear its own attorneys' fees and costs.
22. FORCE MAJEURE - Neither SCAQMD nor GRANTEE shall be liable or deemed to be in default for any delay or failure in performance under this Agreement or interruption of services resulting, directly or indirectly, from acts of God, civil or military authority, acts of public enemy, war, strikes, labor disputes, shortages of suitable parts, materials, labor or transportation, or any similar cause beyond the reasonable control of SCAQMD or GRANTEE.
23. GOVERNING LAW - This Agreement shall be construed and interpreted and the legal relations created thereby shall be determined in accordance with the laws of the State of California. Venue for resolution of any disputes under this Agreement shall be Los Angeles County, California.
24. ENTIRE AGREEMENT - This Agreement represents the entire agreement between the parties hereto related to GRANTEE providing services to SCAQMD and there are no understandings, representations, or warranties of any kind except as expressly set forth herein. No waiver, alteration, or modification of any of the provisions herein shall be binding on any party unless in writing and signed by the party against whom enforcement of such waiver, alteration, or modification is sought.
25. DE-OBLIGATION OF UNSPENT BALANCES - Upon thirty (30) days' written notice to GRANTEE, SCAQMD may de-obligate from the Agreement funds that remain unexpended by the installation deadlines listed unless extended in writing. GRANTEE to initial here acknowledging consent to de-obligation of non-expended funding. \_\_\_\_\_
26. SUPERINTENDENT CERTIFICATION – By initialing here, Superintendent certifies that he/she had the authority from the school board to submit the application applying for the funds under this grant award and that the individual identified in Clause 16 (Notices) is the individual authorized to implement the project. \_\_\_\_\_

The undersigned parties agree to the terms and conditions as set forth in this Agreement. The undersigned parties certify under penalty of perjury that they are duly authorized to bind the parties to this Agreement.

**South Coast Air Quality  
Management District**

**Hemet Unified School District**

\_\_\_\_\_  
*Signature of Authorized Official*

\_\_\_\_\_  
*Signature of School Superintendent*

Name: Dr. William A. Burke

Name: \_\_\_\_\_

Title: Chairman, Governing Board

Title: \_\_\_\_\_

Date \_\_\_\_\_

Date \_\_\_\_\_

ATTEST:

Faye Thomas, Clerk of the Board

By: \_\_\_\_\_

APPROVED AS TO FORM:

Bayron Gilchrist, General Counsel

By:  \_\_\_\_\_

**ATTACHMENT A**

**LIST OF CNG SCHOOL BUSES TO BE RETROFITTED WITH NEW CNG TANKS  
HEMET UNIFIED SCHOOL DISTRICT**

Grant requirements for the CNG tanks to be installed on the Ten (10) buses in the table below:

- New CNG tanks can only be installed on the buses listed below; changes/substitutions will not be permitted.
- With the invoice per clause 9, the following should be included:
  - a copy of this Attachment needs to be submitted highlighting each bus invoiced;
  - before the bus is placed in service, proof of CHP (either 343 or 343A) approval is needed for each bus retrofitted with the new tanks (see clause 6 attachment B);
  - photos of labels of each expired tank and new tank installed need to be included; details on each label should be clear; and
  - copies of the DMV registration, invoice, payment and DMV Title for each bus invoiced.
  - please see clause 9 of the grant for additional documents to accompany the invoice.
- Grantee must operate the buses retrofitted with the new tanks within the Basin for at least seven (7) years following the date of tank installation. Grantee must report to the SCAQMD if a bus with a retrofitted tank is removed prior to seven years.

<b>Bus ID #</b>	<b>Bus Make &amp; Model</b>	<b>Bus Model Year</b>	<b>License Plate#</b>	<b>VIN#</b>	<b>Cumulative Mileage</b>	<b>Tank Expiration Date</b>
10503	Thomas Saf-T-Liner	2005	1089700	1T7YU4F2351146906	101,906	11/2018
10504	Thomas Saf-T-Liner	2005	1090059	1T7YU4F2851146920	241,710	01/2019
10505	Bluebird All American	2006	1230504	1BABNBMA16F232874	221,821	04/2020
10506	Bluebird All American	2006	1230504	1BABNBMA36F232875	219,513	03/2020
10601	Bluebird All American	2007	1230503	1BABNBMA97F243395	188,035	10/2020
10602	Bluebird All American	2007	1230505	1BABNBMA07F243396	163,337	11/2020
10603	Bluebird All American	2007	1230502	1BABNBMA27F243397	209,524	11/2020
10754	Thomas Saf-T-Liner	2007	1282243	1T7YL4F2071279712	206,272	09/2020
10755	Thomas Saf-T-Liner	2007	1282245	1T7YL4F2471279719	216,976	09/2020
10756	Thomas Saf-T-Liner	2007	1282244	1T7YL4F2271279713	197,287	09/2020