

CONTRACT PROCEDURES



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Contract Provisions Overview

- New Requirements
- Invoicing
- Monitoring
- Contract Close-out

...so now your application has been approved. What next??

1. A contract will be mailed to you in triplicate.
2. Read and sign all three copies and send all three back to H-GAC.
3. The contract will be routed for H-GAC signatures and a final copy will be returned to you.

CAUTION

**DO NOT ORDER, PURCHASE, TAKE
DELIVERY OR DESTROY ANY TRUCKS OR
ENGINES LISTED ON THIS CONTRACT**

UNTIL...

**YOU HAVE A COMPLETED CONTRACT AND
YOUR NOTICE TO PROCEED IN YOUR
HAND!!!**

New Requirements

TxDOT Oversight Direct Cost Fee

1. This fee is levied to cover costs incurred by TxDOT to ensure H-GAC complies with Federal mandates in regards to CMAQ funds.
2. The amount of Direct Cost will be listed on your contract.
3. This oversight fee must be submitted to H-GAC before any grant funds are reimbursed to the contractor.

New Requirements

Less Salvage Cost

1. If any revenue has been earned from the salvage of the destroyed engine block, that amount will be subtracted from the grant award for that vehicle.

Invoicing

To ensure invoices are paid in a timely manner, it is important to submit your documents complete and on time.

- **SUBMIT INVOICES ON THE FIRST DAY OF THE MONTH**
- **INCLUDE ALL REQUIRED DOCUMENTATION**
- **CHECK AND RECHECK YOUR DOLLAR AMOUNTS AND SERIAL NUMBERS**
- **SUBMIT AN ASSIGNMENT OF PROCEEDS IN THE CASE OF VEHICLE FINANCING**

Dollar and Serial Verification

Project Specifications/Cost Estimate

_____ will replace 0 existing diesel engines with 0 engines that meet or exceed 2007 diesel engine emission standards. The existing engines identified for this project will be destroyed. Congestion Mitigation/Air Quality (CMAQ) funds will be provided by the Houston-Galveston Area Council (H-GAC).

The engines identified for replacement for this project are listed below:

Unit no.	Engine serial number	Engine make	Engine model	Year	GVW	Miles per Year	Gallons per Year	NOx Reduction (ton/year)	Cost per engine	CMAQ fund %	CMAQ Funds (per unit)
101	XXXXXX	Cummins	M11-330E	1994	48,000	50,000	---	0.8203	\$78,000	73.62%	\$57,421
102	XXXXXX	Mack	EM7-300	1994	54,900	---	10,000	0.9868	\$78,000	75.00%	\$58,500
TOTALS								1.807	\$156,000		\$115,921

_____ will submit documentation to H-GAC on the program implementation and tracking of the engine replacement program. Any engines designated for retirement must be destroyed and documented in the same manner as those identified for replacement. The program implementation and tracking documents are required for reimbursement and project tracking and should address the following items:

- Engine destruction documentation
 - Method of engine destruction must make certain that the engine is permanently disabled. A hole in the engine block is required.
 - Engine destruction method must be approved by H-GAC prior to engine destruction.
 - Documentation of destroyed engines (including photos & destroyed engines affidavit) must be sent to H-GAC.
 - Documentation must include reference to _____ vehicle identification number and engine serial number.
- Engine purchase information
 - Copy of paid purchase invoice from engine manufacturer and/or supplier supplemental documentation to accompany copy of paid invoice if engine price is not indicated on paid invoice. Invoice should indicate supplemental attachments. Grant funds are intended for the purchase of new equipment – any financing (including lease-purchase) of project equipment must be approved by H-GAC in advance of implementation.
 - H-GAC must approve (in advance) any financing contracts related to the project (proof of financial responsibility for the life of the project must be provided). H-GAC will only make reimbursement for payments already

APPENDIX B: VEHICLE (ENGINE) PURCHASE FORM

(2007) Houston-Galveston Area Clean Cities/Clean Vehicles Program

(submit only if applying for the purchase of a new vehicle)
Applications MUST be type written

Section 1: Baseline Vehicle (OLD ENGINE) Information

Make	Model	Year	GVWR:	Fuel Use (mi/gal):
Fuel Type: <input type="checkbox"/> CNG <input type="checkbox"/> Diesel <input type="checkbox"/> LNG <input type="checkbox"/> LPG <input type="checkbox"/> Gasoline <input type="checkbox"/> Other				
Emissions per vehicle (please indicate units-g/bhp-hr, or g/gallon)				
NOx	VOC	PM2.5		

Section 2: New Vehicle (ENGINE) Information

Make	Model	Year	GVWR:	Fuel Use (mi/gal):
Fuel Type: <input type="checkbox"/> CNG <input type="checkbox"/> Diesel <input type="checkbox"/> LNG <input type="checkbox"/> LPG <input type="checkbox"/> Gasoline <input type="checkbox"/> Other				
(if utilizing more than one fuel type, indicate which fuels and percentage operating time for each)				
Emissions per vehicle (please indicate units-g/bhp-hr, or g/gallon)				
NOx	VOC	PM2.5		
Emissions certified by: <input type="checkbox"/> EPA <input type="checkbox"/> CARB <input type="checkbox"/> Alternate certification (specify and attach documentation)				
Vehicle use: <input checked="" type="checkbox"/> On Road <input type="checkbox"/> Non-road Type of Equipment:				

Section 3: Projected activity (per vehicle)

	Within the Houston-Galveston Ozone non-attainment area 3	Outside of the Houston-Galveston Ozone non-attainment area	Total Operation
miles/year			
hours/year			

Section 4: Incremental cost for vehicle purchase (per vehicle)

Baseline vehicle cost:	New vehicle cost:	Incremental cost: (baseline - new)	CMAQ Share: (75% of Incremental Cost)
\$	\$	\$	\$

Section 5: Vehicle Vendor Information

Contact	Address		
Title	City	State	

SUBMIT ON THE FIRST DAY OF THE MONTH

- H-GAC submits billings to TxDOT on the 15th of every month.
- TxDOT usually takes 45 to 60 days to grant approval to H-GAC to release funds and issue checks.

INVOICES MUST INCLUDE:

- 1. Billing Statement**
- 2. Engine Destruction Documents**
- 3. Manufacturer's Invoice**
- 4. Proof of Payment**
(ie. Cancelled Checks or Finance Agreements)

Invoice Billing Statement

A	B	C	D	E	F	G
H-GAC TRANSPORTATION PROGRAM FINANCIAL REPORT						
CONTRACTOR:			CONTRACT NO:	STATUS:	ORIGINAL	
				HGAC VENDOR ID:		
Short Name:	Report No:	#	PROJECT/ Account	Cumulative Expenditures	BALANCE	
Clean Cities/Clean Vehicles	Period					
Cost Category	Budget	Expenditures				
<i>Total Project Cost</i>				\$ -		
<i>Reimbursement _____ %</i>				\$ -		
<i>Less Salvage</i>		(\$)		\$ -		
TOTAL CASH REQUEST	\$0	\$ -		\$ -	\$ -	
Match						
<i>Local Match _____ %</i>		\$				
I hereby certify that to the best of my knowledge and belief this expenditure report is complete and correct and that all expenditures are in accordance with the contract.						
Authorized Official:			Date:			
signature						
Report Prepared by:			Telephone:			
HGAC use only						
Approved by:			Finance:			
Date			Date			

Audits and Monitoring

Although this is a voluntary program, grant awardees are subject to periodic inspections of:

1. Vehicle maintenance records
2. Fuel and mileage logs
3. Financial agreements
4. Physical inspection of the vehicle

MONITORING REPORTS

1. Must be submitted quarterly.
2. Due by the 10th of the month following the end of the quarter..

January 10th

April 10th

July 10th

October 10th

3. All vehicles must be reported on for five years from the time of delivery.



Notify H-GAC of any Changes

1. Point of contact
2. Change of address
3. Change of company name or ownership
4. Any changes to vehicle emissions or driving habits
5. Other relevant information

Contract Close-out

1. Once the contractor has billed H-GAC for the entire grant amount, a close out letter will be sent to notify the contractor that H-GAC has completed funding duties.
- 2. THE CONTRACTOR IS STILL RESPONSIBLE FOR REPORTING AND COMPLIANCE FOR THE FIVE YEAR PERIOD FOLLOWING.**
3. Once compliance is met for the full five year reporting period, H-GAC will close the contract and release the contractor from any further responsibilities to H-GAC.

QUESTIONS???

MY CONTACT DETAILS:

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