

Drive Clean Chicago

Drive Clean Taxi Voucher Program: Greening Chicago's Public Passenger Vehicles

IMPLEMENTATION MANUAL

April 2015

Version 1.2

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1 DEFINITIONS

“Alternative Fuel Vehicle (AFV)” means a new passenger vehicle that runs on a fuel other than traditional petroleum fuel and also includes a vehicle technology with propulsion energy from a rechargeable energy storage system. For the purpose of the Drive Clean Taxi Voucher Program, an alternative fuel vehicle includes: Electric and Compressed Natural Gas (CNG) vehicles along with converting a current diesel or gasoline passenger car to operate on Compressed Natural Gas (see CNG Conversion). Bi-fuel CNG systems are eligible for the program. Hybrid vehicles are not eligible.

“BACP” means the City of Chicago Department of Business Affairs and Consumer Protection. Web page is www.cityofchicago.org/bacp.

“Compressed Natural Gas (CNG) Vehicle” means a new passenger vehicle powered solely by the combustion of compressed natural gas (CNG) as an alternative to other fossil fuels.

“CNG Conversion” means converting a currently in-use diesel or gasoline powered vehicle to operate on CNG. This can include swapping out a diesel or gasoline engine for a new CNG engine, installation of fuel storage tanks, running fuel lines and other necessary fueling system equipment. CNG Conversion Kits must be cold weather packaged.

“Electric Vehicle (EV)” means a new passenger vehicle engineered and designed to be predominantly powered by, and primarily refueled with, electricity. There are four categories of electric vehicles: Battery Electric Vehicles (BEV) that are 100 percent electric, Extended Range Electric Vehicles (EREV) that are powered by electricity but utilize a gasoline-powered generator to recharge the batteries while driving to provide an extended range during longer trips, Plug-in Hybrid Electric Vehicles (PHEV) and Hybrid Electric Vehicles (HEV). Only BEVs and EREVs may receive a rebate in this program, as these meet the above criteria for eligible electric vehicles.

“Eligible Fleet” means a person or entity licensed by BACP and currently in good standing to operate a taxicab, livery vehicle, or other public passenger vehicle operating, registering and domiciling their vehicles in any of the six eligible counties (see Section 9 for eligible counties). A fleet owner who supplies Transportation Network Provider Vehicles to Transportation Network Providers Drivers is also eligible. Individual owner/operators of a Transportation Network Provider Vehicles are not an Eligible Fleet but are encouraged to pursue other incentives programs for AFVs found at <http://www.afdc.energy.gov/laws>.

“Fleet” is defined as one or more vehicles owned by a business, non-profit or government entity excluding the federal government. Fleets under common ownership or control that share a common Tax Identification Number (TIN) or IRIS/License Number are considered part of a single fleet even if they are part of different subsidiaries, divisions, or other organizational structures of a company or government agency.

“Gross Vehicle Weight Rating (GVWR)” means the vehicle weight described on the original manufacturer Line Setting Ticket provided to the vehicle dealer.

“Incremental Cost” means the difference in cost between the new Electric or Compressed Natural Gas (CNG) Vehicle and the comparable new gasoline or diesel-fueled vehicle that would be purchased to perform the same function. Also includes the CNG Conversion cost, including installation, to enable a petroleum fueled vehicle to operate on compressed natural gas.

“Line Setting Ticket” means the factory build or construction sheet created when the vehicle order is sent to the vehicle manufacturer. The Line Setting Ticket typically includes the new vehicle’s identification number (VIN), all the codes for standard equipment, and the options that the salesman used to create this vehicle for the Vehicle Purchaser. After the factory assembles the vehicle and the vehicle is shipped and sold, the Line Setting Ticket identifies such things as the GVWR, engine type, transmission type, driveline, paint codes, gear ratio, and standard and optional equipment, specific to that vehicle.

“Livery Vehicles” are BACP licensed public passenger vehicles as defined by MCC 9-114.

“Original Equipment Manufacturer (OEM)” means the company that builds or assembles, at a minimum, the completed All-Electric or Compressed Natural Gas (CNG) Vehicle drive train and chassis. Also includes a CNG engine manufacturer.

“Program Website”: <http://drivecleanchicago.com>

“Public Passenger Vehicles” are BACP licensed public passenger vehicles as defined by MCC 9-114.

“Taxicab Vehicles” are BACP licensed public passenger vehicles as defined by MCC 9-112.

“Transportation Network Providers (TNP)” provide prearranged transportation services for compensation through an Internet-enabled application or digital platform to connect passengers with drivers of vehicles for hire defined by MCC 9-115. TNP drivers and their vehicles join and become affiliated with TNP companies and are then available to be dispatched through the TNP’s digital platform. Each TNP company must be licensed. A fleet owner who supplies Transportation Network Provider Vehicles to Transportation Network Providers Drivers is an Eligible Fleet. Individual owner/operators of a Transportation Network Provider Vehicles are not an Eligible Fleet but are encouraged to pursue other incentives programs for AFVs found at www.afdc.energy.gov/laws.

“Vehicle Operator” is the Eligible Fleet (as defined in Section 3.3) that will operate the vehicle under a lease agreement with a Vehicle Purchaser or the Vehicle Purchaser.

“Vehicle Purchaser” is the Eligible Fleet (as defined in Section 3.3) that will directly purchase, own and operate (or the leasing company that will lease) a new Electric Vehicle, Compressed Natural Gas (CNG) Vehicle, or CNG conversion.

“Vendors” include vehicle dealerships and original equipment manufacturers (OEMs) that sell new passenger vehicles (Gross Vehicle Weight Rating (GVWR) of 10,000 pounds or less) directly to vehicle purchasers. The Vendor is an entity that is responsible for the delivery of the

completed vehicle to the Vehicle Purchaser or end-user. In most cases the Vendor is a local dealer that sells an Electric or Compressed Natural Gas (CNG) Vehicle built by an OEM. Vendors also include companies that convert existing diesel or gasoline powered passenger vehicles to operate on compressed natural gas.

“**Voucher Processing Center (VPC)**” is the Program Administrator’s (Tetra Tech’s) system to maintain records of vouchers under the Program.

2 BACKGROUND

The **Drive Clean Chicago – Drive Clean Taxi Voucher Program** (or Program) is an incentive program aimed to accelerate the deployment of Electric (EV) and Compressed Natural Gas (CNG) vehicle technologies (Alternative Fuel Vehicles or AFVs) for BACP licensed public passenger vehicles in the Chicago metropolitan area. By increasing the use of AFVs, this program provides a public benefit by reducing harmful emissions and the transportation sector’s dependence on petroleum in Chicago. The Chicago Department of Transportation (CDOT) developed the Program to provide incentives to reduce the costs of AFVs in order to help fleets, leased vehicle operators, and vehicle owner-operators transition into vehicles that are better for the environment and can be more cost effective. Drive Clean Taxi is funded through the Federal Congestion Mitigation and Air Quality (CMAQ) Program and is an important partnership between CDOT, CALSTART, Tetra Tech, Inc., Legacy Environmental Services and the Chicago Area Clean Cities Coalition.

About this Implementation Manual

To provide Program participants with information on how to participate in the Drive Clean Taxi Voucher Program, the following Implementation Manual outlines the requirements, rules and funding parameters and processes for the Program. As the Program evolves, it is likely that periodic updates will be made to the Implementation Manual. Program participants will be bound by the latest version of Implementation Manual at the time they submit a voucher request. In other words, voucher requests, voucher redemption protocols, and all other Program elements associated with those vouchers must follow the directions outlined in the most recent version of the Implementation Manual posted on the Program Website at the time of voucher request. Please visit the Program Website (<http://drivecleanchicago.com>) to find the most recent Implementation Manual as well as all required forms and agreements.

Advancing AFVs through Voucher Incentives

The Program incentive used to help reduce vehicle costs associated with a new AFV comes in the form of a voucher that will be provided to the Vendor selling the vehicle to the Vehicle Purchaser. The value of the voucher is deducted from the total sale price of the new AFV prior to vehicle purchase. Once the AFV has been delivered, registered, and fully paid for (minus the voucher amount) by the Vehicle Purchaser, CALSTART reimburses the Vendor for the full voucher amount.

The total amount of funding for the Drive Clean Taxi Voucher Program is \$1,275,000. The Program will provide 80% of the incremental cost of a new EV or CNG vehicle, or 80% of the cost of a CNG conversion, including installation, with a maximum of up to \$10,000 per voucher. Only BACP licensed public passenger vehicles (see Section 3.1) that are registered, domiciled, and operate at least 75% of the time in the six eligible counties are able to participate in the Program (see Section 9 for a list of eligible counties).

Drive Clean Taxi Voucher Program Operation Overview:

1. **Alternative Fuel Vehicle Eligibility** – Taxicabs and livery vehicles must be approved by the City of Chicago – Department of Business Affairs and Consumer Protection (BACP) to be eligible for the Program. For vehicles not currently approved, the interested party may submit a Public Passenger Vehicle Review Application form available at www.cityofchicago.org/bacp. Once approved, the AFV(s) are listed on the Program Website “Approved Vehicle List.”
2. **Vendor Approval** – A Vendor that sells the listed eligible vehicle(s) applies to the Voucher Processing Center (VPC) to be approved by Tetra Tech to receive voucher funding. The VPC verifies with the Original Equipment Manufacturer (OEM) that the Vendor is certified to sell the eligible vehicles. Once approved by the VPC, the Vendor is allowed to market the Program incentives to a Vehicle Purchaser.
3. **Voucher Request** – When a Vehicle Purchaser is ready to purchase the AFV from an approved Vendor, the Vendor will submit a Voucher Program Application to the VPC to have an incentive amount set aside for that specific purchase. The full incentive amount must be deducted from the total sale price of the AFV and the full benefit must accrue to the Vehicle Purchaser. The Vendor cannot charge fees in association with processing the incentive application or the required redemption documentation.
4. **Voucher Redemption** – Once the vehicle is delivered, registered, and paid for by the Vehicle Purchaser, the Vendor submits a Voucher Redemption Form and other required paperwork to the VPC for payment.
5. **Voucher Payment** – The VPC approves the Voucher Redemption Form and CALSTART issues a voucher payment to the Vendor. CALSTART submits payment for the full voucher amount to the Vendor.
6. **Program First Come – First Served** – Voucher funds will be available on a first-come, first-served basis until December 31st, 2015, or until the funding runs out, whichever comes first. Funds will be monitored closely so the industry can be made aware of when funds are exhausted.

All Program questions can be directed to the Voucher Processing Center (VPC):

Drive Clean Chicago Voucher Processing Center
c/o Tetra Tech
ATTN: Drive Clean Taxi Administrator
3475 E. Foothill Blvd.
Pasadena, CA 91107
(855) 885-4781
Email: greentaxi@tetratech.com

3 PROGRAM ELIGIBILITY AND APPROVAL PROCESS

3.1 Vehicle Eligibility and Approval Process

The following are eligibility requirements for vehicles under the Drive Clean Taxi Voucher Program:

- A vehicle must be approved by the BACP.
- A vehicle must be a BACP licensed taxicab, livery vehicle, or other public vehicle (charter-sightseeing, medicar, ambulance, etc.).
- An AFV must be purchased from an approved Vendor (see Section 3.2).
- A vehicle must be new and cannot have been registered in any state, or paid for by the Vehicle Purchaser (other than a vehicle down payment), nor any purchase order issued for that vehicle prior to the official release date of the Program. Used vehicles (including vehicles used by dealers, OEMs, or other entities or for demonstration purposes) are NOT eligible except in the case of a CNG Conversion.
- Existing fleet vehicles and used vehicles are allowed for a CNG conversion as long as the conversion kit is certified by the U.S. Environmental Protection Agency (USEPA) and/or the California Air Resources Board (CARB), for the vehicle's model year.
- All Eligible Vehicles and CNG Conversion systems must be commercially available, certified and approved by the USEPA and/or CARB, and meet applicable Federal Motor Vehicle Safety Standards (FMVSS) found in Title 49 of the Code of Federal Regulations (CFR) Part 571.
- All Eligible Vehicles must be BACP licensed public passenger vehicles with 10,000 pounds Gross Vehicle Weight Rating (GVWR) or less (Class 1 or 2) and meet all state requirements for operation in Illinois.

- Vehicles shall be subject to all applicable provisions of Chapters 9-104, 9-112, 9-114 and 9-115, as applicable, of the Chicago Municipal Code as well as all rules and regulations properly promulgated pursuant to Chapters 9-104, 9-112, 9-114 and 9-115.
- Vehicles modified beyond manufacturer's original wheelbase must have the modification performed at a certified manufacturer's modification shop and must meet the specifications of the vehicle's manufacturer.
- Manufacturers of CNG conversions must be duly licensed and certified by the USEPA or CARB, comply with 40 CFR Part 85 Subpart F - Exemption of Clean Alternative Fuel Conversions from Tampering Prohibition, and comply with the FMVSS 304 - Compressed Natural Gas Fuel Container Integrity and other state or federal safety standards.
- Hardware or software modifications that can significantly impact the vehicle's emissions characteristics are NOT permitted through December 2017.
- Final assembly of any vehicles purchased with Federal CMAQ funds must occur in the United States.
- All vehicles must visibly display legible identifying decals pursuant to Illinois Vehicle Code 625 ILCS 5/12-704.3.
 - Vehicles powered by Compressed Natural Gas must visibly display identifying decals/signs, as established by the National Fire Protection Association's standards for the Storage and Handling of Liquefied Petroleum Gases and for CNG Vehicular Fuel Systems. Label must be legible and in good condition at all times.
- All vehicles must meet the licensing requirements of the Municipal Code of Chicago and applicable rules and regulations.
- Transportation Network Provider Vehicles must meet the requirements of Chapter 9-115 of the Municipal Code of Chicago. A fleet owner who supplies Transportation Network Provider Vehicles to Transportation Network Providers Drivers is an Eligible Fleet. Individual owner/operators of a Transportation Network Provider Vehicles are not an Eligible Fleet but are encouraged to pursue other incentives programs for AFVs found at <http://www.afdc.energy.gov/laws>.
- The AFV must be purchased before December 31st, 2015.
- Vouchers may not be used for vehicles purchased or leased in order to meet settlement requirements set forth in agreements with the City of Chicago.

Vehicle Approval Process:

The City of Chicago BACP must approve and license all taxicabs, livery vehicles, and other public vehicles eligible for the Program. For vehicles not currently approved, the interested party may submit a Public Passenger Vehicle Review Application form available at www.cityofchicago.org/bacp to the BACP. Once approved, the AFV(s) are eligible for the program and listed on the Program Website “Approved Vehicle List.”

3.2 Vendor Eligibility and Approval Process

Under the Drive Clean Taxi Voucher Program the Vendor is the entity that sells the AFVs to the Vehicle Purchaser. The following rules apply to vendors interested in selling Eligible Vehicles through the Program:

- A Vendor can be a dealership that has a written agreement with a passenger EV, CNG or CNG engine OEM, a valid business license for the past two years, an official dealer number and sells a complete AFV to a fleet or vehicle owner-operator.
- A Vendor can be an EV or CNG vehicle OEM that sells complete EV or CNG vehicles directly to fleets or vehicle owner-operators.
- A Vendor must be the entity that sells the fully assembled and completed vehicle.

Once a Vendor has submitted a complete Vendor Application Packet (Vendor Request Form, Vendor Terms & Conditions, and W9 Form) to the VPC, is confirmed as a certified dealer by the OEM, and executed a formal agreement with Tetra Tech, the Vendor is then approved to market the Program incentives to Eligible Fleets (see Section 3.3). Download the Vendor Application Packet from the Program Website (<http://drivecleanchicago.com>).

Vendor Approval Process:

1. **Download Vendor Application Packet** – Vendor downloads the Vendor Application Packet from the Program Website <http://drivecleanchicago.com>. The Vendor Application Packet includes, 1) Vendor Request Form, 2) Vendor Agreement, and 3) W-9 Form.
2. **Vendor Emails Vendor Application Packet to VPC** – Vendor emails complete Vendor Application Packet to Voucher Processing Center (VPC) for preliminary review.
3. **VPC Reviews Vendor Application Packet** – VPC reviews Vendor Application Packet for completeness and confirms with OEM on certification to sell listed eligible vehicles. If incomplete or not certified, VPC notifies Vendor.

4. **VPC Instructs Vendor to Return Vendor Application Packet to Tetra Tech** – If approved by VPC, the Vendor is instructed to return hard copy of Vendor Application Packet with original signatures directly to Tetra Tech. Instructions for returning the packet will be included in the approval correspondence.
5. **Tetra Tech Reviews Vendor Application Packet** – Tetra Tech reviews the Vendor Application Packet and assigns a Vendor Number. Tetra Tech countersigns Vendor Agreement (Tetra Tech Contract) and returns to Vendor.
6. **VPC Posts Vendor on Program Website** – Once Tetra Tech notifies VPC of Vendor approval, VPC informs the Vendor and posts the Vendor on the Program Website.

3.3 Purchaser Eligibility

A Vehicle Purchaser or Vehicle Operator shall operate and domicile the vehicle in any of the six eligible counties (see Section 9) for a minimum of three years from the date of purchase or conversion, unless otherwise agreed to by CDOT. The Vehicle Purchaser or Vehicle Operator must be licensed by the BACP and currently in good standing to operate a taxicab, livery vehicle, or other public vehicle to be eligible for the Program. IRIS Number and Public Passenger Vehicle License Number will be required to be provided. New vehicles must be purchased and registered under the purchaser's name. Correspondingly, the existing conventional vehicle to be converted to CNG must be owned and registered under the purchaser's name. Purchasers will be required to submit Bi-annual Usage Reports for three years from date of purchase or conversion.

4 INCENTIVE AMOUNTS

Vouchers can be issued for 80% of the incremental cost of the AFV with a maximum voucher amount of \$10,000.

For the purchase of a new EV or CNG, the incremental cost shall be calculated as the difference between the base price of an EV or CNG and the base price of a comparable conventional model verified by a manufacturer. The incremental cost does not include other applicable manufacturer and local/state rebates, tax credits, and/or cash equivalent incentives. Base price shall exclude any vehicle add-ons or options. Only the incremental cost of an EV or CNG will be eligible for a voucher request/redemption, not the full vehicle cost, and shall not exceed \$10,000.

For CNG conversions, the incremental cost shall be based on the cost of a new fuel system plus installation after all other applicable manufacturer and local/state rebates and cash equivalent incentives are applied. Only the cost of a conversion system (including installation) will be

eligible for a voucher request/redemption, not the cost of the base vehicle, and shall not exceed \$10,000.

Vendors are required to pass on the full Program incentive to a Vehicle Purchaser by reducing the purchase cost of eligible vehicles by the full incentive amount. Vendors may not charge fees to the Vehicle Purchaser in association with processing vouchers.

CDOT may, from time to time, analyze the effectiveness of the voucher amounts used in the program, and make adjustments to improve the effectiveness of the program if it chooses to do so. Changes will be posted online and reflected in a revised implementation manual. If voucher amounts are adjusted, the adjustments would not affect any vouchers already issued, but would only affect future voucher requests made after the program change.

If a vehicle funded in part by this voucher program is no longer in operation in the six eligible counties prior to expiration of the three-year period, the Purchaser shall immediately notify CDOT, and may be required to reimburse CDOT all or a portion of the incentive funds provided for that vehicle or conversion in accordance with the provisions of OMB Circular A-102 Common Rule.

5 VOUCHER APPLICATION PROCESS

Vendors, upon execution of a formal agreement, will be given approval to market the Program incentives to Eligible Fleets.

Voucher Request Process:

1. **Download and Submit Voucher Program Application to VPC** – Vendor downloads the Voucher Program Application (or Application) from the Program Website (<http://drivecleanchicago.com>); completes the form with the Vehicle Purchaser; and returns the Application to the VPC along with the purchase order or quote for planned purchase.
2. **VPC Reviews Voucher Request** – Within seven (7) calendar days of receipt, the VPC reviews the application for eligibility, accuracy, and completeness and enters voucher request into the Program database. If the Application is incomplete or inaccurate, the VPC notifies the Vendor via email to revise with Vehicle Purchaser and resubmit. Once complete, VPC assigns Voucher number to application.
3. **VPC Submits Voucher Program Application to BACP for Review** – The VPC submits the completed Application to the BACP to ensure that the Purchaser/Operator is in good standing with City and BACP requirements.

4. **BACP Notifies VPC of Purchaser's Standing** – BACP notifies VPC of Vehicle Purchaser's/Operator's current standing within seven (7) calendar days of submission by VCP.
5. **VPC Notifies Vendor of Preliminary Approval** – If in good standing, VPC notifies Vendor of voucher preliminary approval and sends electronic request to Vendor to submit signed Vendor and Vehicle Purchaser Terms & Conditions within fourteen (14) calendar days. At this time, VPC reserves the voucher funding associated with the voucher request until the voucher is redeemed or cancelled. If Vehicle Purchaser/Operator is in bad standing, VPC will inform Vendor and the Application will be cancelled.
6. **Vendor Returns Signed Documents to VPC** – Within fourteen (14) calendar days of electronic request, the Vendor and Vehicle Purchaser complete, sign, and return the Voucher Request Form and Vendor and Vehicle Purchaser Terms & Conditions to VPC.
7. **VPC Requests Vehicle Information** – Once VPC receives signed documents from the Vendor, the VPC sends electronic request to Vendor to provide Voucher Information by email within fourteen (14) calendar days.
8. **Vendor Submits Vehicle Information to VPC** – The Vendor emails the vehicle information to VPC to complete the Voucher Request. The vehicle information to be provided includes expected vehicle delivery date, Vehicle Identification Number (VIN), and notification of other incentive funds.
9. **VPC Reviews Vehicle Information and Approves Voucher Request** – Within three (3) calendar days of receipt of the vehicle information, VPC notifies Vendor of voucher approval. The voucher is approved for 120 days, after which it may be cancelled. The Vendor may extend the voucher for 120 days (see below) by emailing a request to the VPC that verifies the delivery date of the vehicle.
10. **If Voucher Request is Reject** – The If voucher request is rejected due to documentation that disqualifies the vehicle and/or voucher request, the VPC will notify the Vendor by email or mail within approximately fourteen (14) calendar days of receipt of Voucher Request Forms with the reason for rejection.

Voucher Extension

A Program voucher will be valid for 120 days from the time it is issued by the VPC. A Vendor at any point within the 120 days can renew a voucher by notifying the VPC by email or regular mail requesting an extension. Renewal of the voucher automatically reserves the voucher funding for an additional 120 days. A voucher that is not renewed or redeemed within any 120-day period will be deemed expired and the voucher funds will be allocated to the next eligible Program participant. If a voucher is not renewed, a Vendor may re-apply to the Drive Clean Taxi

Voucher Program. These will be considered new voucher requests. It is up to the Vendor to be aware of the expiration date. A voucher must be redeemed by January 31, 2016, after which time the voucher is expired unless otherwise agreed to by CDOT.

6 VOUCHER REDEMPTION

Once an AFV has been purchased, delivered, and is ready to be placed into service, the Vendor must submit the Voucher Redemption Form and required documentation to the VPC for redemption.

Voucher Redemption Process:

1. **Vendor Initiates Voucher Redemption** - The Vendor emails redemption request which should include the final vehicle price and vehicle delivery date to the VPC to start the electronic redemption.
2. **VPC Generates Voucher Redemption Form** - Within seven (7) calendar days of the electronic redemption request, the VPC reviews the data provided and generates Voucher Redemption Form and emails to Vendor.
3. **Vendor Emails Vehicle Documentation to VPC** - Within sixty (60) calendar days of the electronic redemption request, the Vendor emails copies of the vehicle's signed final vehicle invoice, financial documentation identifying the method and date of final and complete (minus the voucher amount) payment to the Vendor, lease agreement if applicable, Secretary of State Registration or Registration Application, and digital inspection photos (vehicle left side, odometer, VIN tag, and "engine" serial number or conversion system model number) of the vehicle to the VPC.
4. **Vendor Returns Signed Voucher Redemption Form to VPC** – Within (60) calendar days of the electronic redemption request, the Vendor prints and signs the Voucher Redemption Form (including the Program Vehicle Inspection) and returns the form to the VPC.
5. **VPC Reviews and Approves Voucher Redemption Form** – Within seven (7) calendar days of receipt of all completed Voucher Redemption Forms, final vehicle documentation, and information, the VPC verifies that Vehicle Purchaser and delivered vehicle information match those listed on the voucher request and approves the Voucher Redemption Form and all associated documentation. The VPC then informs the Vendor of voucher redemption approval. If the Vendor is informed of incomplete or inaccurate redemption documentation, they will have seven (7) calendar days to correct, complete, and resubmit the documents for approval.

6. **If Voucher Redemption is Denied** - If voucher redemption is denied, the VPC responds in writing or by email with the reason for denial within approximately seven (7) calendar days of receipt of forms or documentation that disqualify the vehicle and/or voucher request.
7. **CALSTART Makes Voucher Payment to Vendor** - Within ten (10) calendar days of VPC redemption approval, CALSTART pays voucher amount to the Vendor.

7 SPECIAL TERMS FOR LEASED VEHICLES

Eligible AFVs that will be purchased by a leasing or rental company and leased to an Eligible Fleet or vehicle operator are allowable under the Program. In these circumstances the leasing or rental company is considered the Vehicle Purchaser. Any vehicle lease or rental entity that purchases a Program-funded vehicle must identify the vehicle end-user in the voucher application and enter into an agreement within one month of voucher request/vehicle purchase to be eligible for Program incentives. Any vehicle lease or rental entity that leases a vehicle purchased with a Program voucher must disclose the voucher amount and voucher terms to the vehicle renter or lessee. The draft lease agreement with the end user fleet must be provided with the rest of the redemption documentation. The vehicle end-user must take possession of the vehicle within 30 days of voucher redemption for that vehicle. The lease or rental agreement must include all commitments needed from the lessee or renter to ensure that 1) the vehicle operates almost exclusively (at least 75 percent of the time) in the six-county metropolitan Chicago region as required by the voucher redemption form, 2) the vehicle will be registered and domiciled within one of the eligible counties, 3) all required bi-annual activity reports will be submitted to Tetra Tech, and 4) all other terms of the Program are met.

Tetra Tech reserves the right to review lease agreements to confirm appropriate disclosures are made regarding the Program voucher amount received, vehicle activity and reporting, and other requirements. Vehicle Purchasers must provide VPC with all the requested information related to any vehicle purchased with a Program voucher (including lease agreements) within ten calendar days of VPC's written request for such information. The vehicle end-user (i.e., the lessee for lease agreements) is responsible for ensuring bi-annual activity reports are accurate and are submitted to Tetra Tech as required. A Program voucher can be provided at time of vehicle purchase only, and is not provided at the time a vehicle is leased or rented. For example: a leasing company cannot request a voucher to purchase a demonstration vehicle or vehicles with the intention of finding a prospective fleet to lease the vehicles. The end use fleet must be identified in the voucher application along with a draft lease agreement with that fleet. Questions regarding common ownership or fiduciary control of an organization should be directed to the VPC.

8 REPORTING REQUIREMENTS

The Vehicle Purchaser must submit Bi-Annual Usage Reports for three years from date of purchase or conversion. Bi-Annual Usage Reports will be provided to the VPC (either by mail or email) for completion by the Vehicle Purchaser. Reports may be completed on the Program Website when that functionality is available. In the situation of leasing agreements, the Vehicle Purchaser (leasing company) is responsible for ensuring the fleet end-user leasing the vehicles submits the required Bi-Annual Usage Reports. Tetra Tech reserves the right to bar a Vehicle Purchaser that does not provide timely and accurate Program Bi-Annual Usage Reports from receiving further funding under the Program. CDOT may also recapture the incentive funds from the Vehicle Purchaser if it does not provide timely and accurate Program Bi-Annual Usage Reports as required. It is the Vehicle Purchaser's responsibility to submit these reports in a timely manner.

9 ELIGIBLE COUNTIES

- Cook
- DuPage
- Kane
- Lake
- McHenry
- Will

