San Joaquin Valley
AIR POLLUTION CONTROL DISTRICT

DRIVE CLEAN
in the San Joaquin
www.valleyair.org/driveclean

CALIFORNIA CLIMATE INVESTMENTS

REPLACE PROGRAM: DEALERSHIP APPLICATION PACKET

DEALERSHIP INFO

Dealership Name *(Official Business Name)*

Address	City	State	Zip Code

Mailing Address	City	State	Zip Code

Phone Number	Email

Website

CONTACT INFO

Primary Contact First and Last Name	Title

Phone Number	Alternate Phone Number	Email

Secondary Contact First and Last Name	Title

Phone Number	Alternate Phone Number	Email

CERTIFY

Signing Authority First and Last Name	Title

Phone Number	Email

By signing this application, I agree to comply with the terms and conditions in both the Dealership Requirements and Exhibit A: Dealership CARB Requirements as a participating dealership in the San Joaquin Valley Air Pollution Control District's Drive Clean in the San Joaquin Replace Program. I understand that failure to adhere to these terms and conditions may result in removal from the program.

Signature of Signing Authority ***Date***

SUBMIT

Please be sure to submit the following:

- ☐ Dealership Application Packet
- ☐ Form W-9
- ☐ Business/Dealer License

For questions or assistance, call program staff at (559) 230-5800.

MAIL
San Joaquin Valley Air Pollution Control District
Attention: DCSJ Replace Program Staff
1990 East Gettysburg Ave., Fresno, CA 93726-0244

E-MAIL: grants@valleyair.org

FAX (559) 230-6112

DISTRICT USE ONLY		
	District Approval	***Date***

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Dealership Requirements

DEALERSHIP REQUIREMENTS

The Dealer agrees to comply with the terms and conditions set forth in this document, as well as the ***Additional Required Terms and Conditions for Enhanced Fleet Modernization Program (EFMP) and Clean Cars 4 All (CC4A) Grant Recipient Agreements Funded by the California Air Resources Board (CARB)***, incorporated as **Exhibit A**, for all vehicle sales transactions receiving funding through the San Joaquin Valley Air Pollution Control District's (District) Drive Clean in the San Joaquin Replace Program (Program). Failure to adhere to these terms and conditions may result in removal from the program.

1. *Dealer shall offer a range of program-eligible replacement vehicles and program-eligible vehicles must have predetermined "no-haggle" advertised prices.*
2. *Dealer shall offer program participants a vehicle return or exchange period on used vehicle purchases of no less than 3 days from the original purchase date. A vehicle return period is not required for new vehicle purchases.*
3. *Dealer shall not accept a vehicle return outside of the applicable exchange period, unless such return is required by law or to remedy any breach of such vehicle's purchase agreement. If Dealer accepts a return outside of the applicable exchange period because such return is required by law or to remedy a breach of such vehicle's purchase agreement, then Dealer shall notify the District of such return and Dealer shall work with District to recapture any incentive or portion thereof, provided to the participant.*
4. *Dealer shall not purchase a vehicle from a Program participant that was originally purchased from Dealer within thirty months of the original purchase date, without first notifying the District and obtaining written authorization from the District. If a vehicle is approved by District for repurchase, Dealer shall work with District to recapture any incentive, or portion thereof, provided to participant, as determined by the District.*
5. *Dealer shall only complete purchase transactions for vehicles specifically approved by the District and shall not substitute vehicles during the purchase transaction process without first notifying the District and obtaining written authorization from the District.*
6. *Dealer shall check program-eligible vehicles, by VIN, for pending recalls against the NHTSA recall database as well as the associated manufacturer website prior to initiating a sales transaction. If a vehicle is found to have an open, unresolved recall, the recall must be cleared prior to initiating a sales transaction.*
7. *Dealer shall not contract vehicle financing rates exceeding 15.99%, or utilize in-house financing.*
8. *Salespeople employed by Dealer shall be knowledgeable about the Program and able to assist applicants in the procedures of participating in the Program. Dealer shall also have a multilingual salesperson employed to assist applicants in languages other than English.*
9. *Dealer shall provide copies of all paperwork related to the vehicle sales transaction to District or contractor selected by the District to assist in Program implementation upon completion of the vehicle sales transaction.*
10. *Dealer shall take receipt of, or allow for the temporary storage of vehicles replaced during the sales transaction until such time that those vehicles can be collected and transported to a dismantling facility by a Program contractor.*
11. *Dealer shall ensure sales or use tax is collected at the appropriate reduced rate for a qualified vehicle sold to a qualified buyer during the applicable period (January 1, 2023 – January 1, 2028).*
12. *Dealer shall provide CARFAX vehicle history reports to customers upon request as they select their replacement vehicle.*
13. *Dealer shall provide substantial test drives to ensure participants understand the vehicle's powertrain technology and performance characteristics, including demonstrations of charging and fueling requirements that may differ from traditional gasoline fueled vehicles.*
14. *Dealer shall attempt to maintain at least twenty qualified replacement vehicles at each participating dealership location throughout the San Joaquin Valley.*

REPLACE PROGRAM: DEALERSHIP APPLICATION PACKET

Dealership Requirements

DEALERSHIP REQUIREMENTS

15. *Dealer shall ensure all the replacement vehicle characteristics, including price, model year, and fuel efficiency, are available online.*
16. *Dealer shall ensure that qualified program participants can shop for eligible vehicles online, with assistance via phone and live video chats. Photos or videos of the interior and exterior of each vehicle shall be posted along with relevant vehicle information.*
17. *Dealer shall share all available data subject to privacy and legal concerns. Alternately, Dealer may also facilitate a process to allow each participant to share an additional copy of the final sales paperwork with the sales counselor from Valley CAN.*
18. *Dealer acknowledges that the District maintains the right to place a Uniform Commercial Code lien on all replacement vehicles purchased through the program to ensure that these vehicles are not resold without District notification and that the operational terms of the Participant Agreement are fulfilled.*
19. *District has the right to terminate this Agreement and remove Dealer from participation in the Program for any reason by providing written notice to the contacts listed on the participation application.*

Dealer must have a physical location within boundaries of the District. If the Dealer does not physically reside within the District boundaries, the following additional services must be provided to participants:

1. *Dealer shall offer a 5 day return or exchange period for used vehicles and shall contract with licensed repair shops within the boundaries of the San Joaquin Valley Air Pollution Control District to address any issues associated with the purchased vehicle.*
2. *As requested to support program implementation, Dealer shall participate in program sponsored outreach events and bring multiple eligible vehicles available for participants to test drive and shall make these vehicles available for purchase to qualified participants.*
3. *Dealer shall provide District contractor and the customer sales and finance paperwork either online or via overnight delivery once the District has issued a check for the qualified participant. The participant should be allowed to complete any necessary paperwork in advance as appropriate.*
4. *Dealer shall deliver the selected vehicle to the participant's home or workplace to complete the purchase transaction at no additional cost.*
5. *Dealer shall hold onto the retired vehicle and any necessary paperwork for 5 days and deliver the retired vehicle to the participating dismantling facility at no additional cost.*

REPLACE PROGRAM: DEALERSHIP APPLICATION PACKET

Exhibit A: Dealership CARB Requirements

Additional Required Terms and Conditions for Enhanced Fleet Modernization Program (EFMP) and Clean Cars 4 All (CC4A) Grant Recipient Agreements Funded by the California Air Resources Board (CARB).

1. **USE OF TERMS**
   a. *"Grantor" means the State of California acting by and through the California Air Resources Board" (hereinafter referred to as "CARB", the "State" or the "Board")*
   b. *"Grantee" or "Grantees" means the San Joaquin Valley Air Pollution Control District (District) and includes, individually and collectively, Grantee's assigns, employees, officers, and directors.*
   c. *"Grant Recipient" or "Grant Recipients" means and includes, individually and collectively, subgrantees, sub-awardees, contractors, subcontractors, technical grantees, voucher recipients, awardees, sub-awardees or any other individual or entity that receives any Grant Funds, but excluding Grantee*
   d. *"Day" or "days" means calendar days, unless expressly noted otherwise.*
   e. *"Grant Funds" means any money or funding provided by the State to Grantee or any Grant Recipient pursuant to this Grant.*

2. **CONFLICT OF INTEREST**
   By entering into this agreement, said party is or may be a direct or indirect recipient ("Grant Recipient") of funds received from or provided by the California Air Resources Board ("CARB"), and as such certifies, represents, and warrants that it is in compliance with all applicable state and federal conflict of interest laws on the date said agreement is signed and shall remain in compliance with all such laws during the term of the agreement and for any other period required by said applicable federal or state law as they pertain to Grant Recipient's agreement. Grant Recipient further certifies, represents, and warrants that it has no interest, and shall not acquire any interest, direct or indirect, which will conflict with Grant Recipient's ability to impartially perform under, or complete the tasks described in, the agreement or any related grant programs. Grant Recipient acknowledges, understands, and accepts that Grant Recipient must disclose any direct or indirect financial interest or situation which may pose an actual, apparent, or potential conflict of interest. Grant Recipient acknowledges, understands, and accepts that the nature and extent of any actual, apparent, or potential conflict of interest may be a basis for disqualification from receiving any funds. Grant Recipient certifies, represents, and warrants that Grant Recipient will immediately advise the Grantee in writing of any potential new conflicts of interest as they arise.

3. **COOPERATION WITH AUDITS**
   Grant Recipient shall cooperate fully, without delay, in all audits, inquiries, and investigations initiated by or on behalf of Grantee and/or the State of California concerning or relating to compliance with local, state, or federal air quality laws, and with Grant Recipient's agreement, including but not limited to timely submission of any and all records requested and full cooperation with any on-site inspections.

4. **PAYMENT (RECAPTURE) ON DEMAND**
   Grant Recipient shall, upon notification by Grantee and/or CARB or their authorized representative(s) of an overpayment, a wrongful payment, or a violation of or failure to comply with any term or condition of the Grant Recipient agreement or program requirements or obligations, remit to Grantee or its authorized representative the requested amount within sixty (60) days from the date of issuance of said notice.

5. **THIRD-PARTY BENEFICIARY**
   Grant Recipient acknowledges, accepts, and agrees that the state of California, acting by and through the California Air Resources Board (CARB), is an intended third-party beneficiary to Grant Recipient's agreement. Grant Recipient shall name CARB and the State of California as third-party beneficiaries in all contracts, subcontracts, grants, subgrants, and other agreements entered into using Grant Funds, or for the purposes of carrying out any of the terms of Grant Recipient's agreement, and, upon request by CARB, to send to CARB a copy of said agreement.

6. **AUTHORIZED SIGNATURE**
   Grant Recipient agrees and acknowledges that it has signed or has authorized the signing of the agreement with the Grantee, and by doing so hereby declares under penalty of perjury, under the laws of the State of California, that all statements, responses, and information made or provided by Grant Recipient in or pursuant to the agreement are true and correct, with full knowledge that all statements, responses, and information are subject to investigation and that any incomplete, unclear, false, or dishonest statement, response, or information may be grounds for disqualification from receiving any existing or further funding or participating in any programs or projects using the CARB-provided or Grantee-provided funds, or from doing business with the State of California or the Grantee. Grant Recipient acknowledges, understands and accepts that by providing or making any false statements or providing false information,

REPLACE PROGRAM: DEALERSHIP APPLICATION PACKET

Exhibit A: Dealership CARB Requirements

Grant Recipient may be in violation of the California False Claims Act (Government Code Section 12650 et seq.). Grant Recipient certifies, represents, and warrants that the individual signing on the Grant Recipient's behalf herein is an authorized representative of Grant Recipient with full power and legal authority to sign and by said signature Grant Recipient is bound to and will comply with all terms, conditions, and obligations set forth in this agreement.

7. **COMPLIANCE WITH AIR QUALITY LAWS**
   Grant Recipient warrants and represents that it is in compliance with all applicable federal, state, and local air quality rules, regulations, and statutes ("air quality laws"), and that it shall remain in compliance with said air quality laws for the term of the agreement with Grantee. Grant Recipient understands, acknowledges, and agrees that compliance with applicable air quality laws is a precondition to the receipt or use of the Grant Funds and is a continuing obligation during the term of the agreement and for any other period required by federal, state, or local law. If payments of Grant Funds have not yet been made, Grant Recipient understands, acknowledges, and agrees that Grantee may, at its discretion, terminate Grant Recipient's agreement without any obligation to pay any Grant Funds to Grant Recipient for Grant Recipient's continuing violation of applicable air quality laws. If payments have been made, Grant Recipient understands, acknowledges, and agrees that Grantee may, at its discretion, require Grant Recipient to return some or all of the Grant Funds to the Grantee, in an amount determined by Grantee, for Grant Recipient's continuing violation of applicable air quality laws. Grant Recipient shall promptly return the Grant Funds to Grantee within the time specified by Grantee.

8. **NON-EXCLUSIVE REMEDIES**
   The remedies set out in this paragraph are contractual in nature. Nothing stated herein above in any way limits, prevents, or precludes the State of California or the Grantee from taking any enforcement action, exercising any police power, or prosecuting any violation of law against Grant Recipient, its employees, officers, agents, assigns, representatives, contractors, subcontractors, affiliates, grantees, sub-awardees, subgrantees, or any third parties.

9. **ASSIGNMENT**
   Assignment of Grant Recipient's agreement will not be made without the advance written consent of Grantee, and may be subject to CARB approval upon request by CARB.

10. **SURVIVAL**
    All provisions in this Grant Agreement shall survive its termination, cancellation, or expiration, except the following sections (unless otherwise required by law): Additional Required Terms for Grant Recipient Agreements Funded by This Grant; Assignment; Compliance with Law; Conflict of Interest; Executive Order N-6-22 - Russia Sanctions; Force Majeure; Nondiscrimination; and Office Of Foreign Asset Control.

11. **ADDITIONAL REMEDIES FOR NON-COMPLIANCE**
    a. *Without limiting any of the parties' other remedies, and subject to the sections regarding Disputes and Termination below, CARB or its designee may require Grant Recipient to return Grant Funds it received due to termination for cause of this Grant Agreement, or for Grant Recipient's misinformation, misrepresentation, misuse of Grant funds, or fraud. CARB also reserves the right to prohibit Grant Recipient from participating in existing or future CARB programs, projects, or grants due to its substantial noncompliance with any material term or condition of this Grant Agreement.*
    b. *Grant Recipient shall fully cooperate with CARB to investigate, resolve, and take appropriate action to enforce the terms and conditions of any Grant Recipient agreement, and this Grant Agreement, including referring any criminal claims to a prosecuting agency or litigating any civil claims (including for recapture of Grant Funds from Grant Recipients) as determined reasonably necessary and feasible by Grantee, in consultation with CARB.*

12. **AUDIT**
    Grant Recipient agrees that CARB, the California Department of General Services, the California Department of Finance, the California State Auditor, and/or their designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Grant and all Grant funds received. Grant Recipient agrees to maintain such records for possible audit for a minimum of three (3) years from the date of termination, cancellation, or expiration of this Grant Agreement or for three years after a State-funded incentive activity has concluded, whichever is later. Grant Recipient agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, Grant Recipient agrees to include a similar right of the State to audit records and interview staff in any agreement with any Grant Recipient related to performance of this Agreement.

REPLACE PROGRAM: DEALERSHIP APPLICATION PACKET

Exhibit A: Dealership CARB Requirements

13. **AVAILABILITY OF FUNDS**
It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Grant does not appropriate sufficient funds for the program, this Grant shall be of no further force and effect. In this event, the State shall have no liability to pay any funds whatsoever to Grantee or any Grant Recipient or to furnish any other considerations under this Grant and Grantee shall not be obligated to perform any provisions of this grant.

14. **CALIFORNIA CLIMATE INVESTMENTS (CCI)**
Where applicable, the Grant Recipient agrees to acknowledge the CCI program and CARB as a funding source, and adhere to the CCI Funding Guidelines as outlined in the California Climate Investments Messaging and Communications Guide. Below are specific requirements for acknowledgement. The Grant Recipient Grantee agrees to include the CCI funding boilerplate and logo (see Figure 1) on all outreach and public facing materials whenever it publicizes (in any news media, websites, brochures, publications, audiovisuals, or other types of promotional material) projects funded in whole or in part by this Agreement. Grantee shall include this requirement in all Grant Recipient agreements, as appropriate. The acknowledgement must read as follows: "The Drive Clean in the San Joaquin Replace Program is part of California Climate Investments, which uses billions of Cap-and-Invest dollars to fund projects that reduce harmful emissions, protect public health, strengthen local economies, and support natural environments. With a strong focus on communities most impacted by pollution and limited access to resources, California Climate Investments helps build a more equitable and sustainable future." And whenever applicable, the Spanish translation acknowledgement: "El programa Drive Clean en San Joaquín Replace forma parte de las Inversiones Climáticas de California, que utilizan miles de millones de dólares de Cap-and-Invest para financiar proyectos que reducen las emisiones nocivas, protegen la salud pública, fortalecen las economías locales y apoyan los ambientes naturales. Con un fuerte enfoque en las comunidades más afectadas por la contaminación y con acceso limitado a los recursos, las Inversiones Climáticas de California contribuyen a construir un futuro más equitativo y sostenible." The CCI logo and name serves to bring under a single brand the many investments whose funding comes from the GGRF. The logo represents a consolidated and coordinated initiative by the State to address climate change by reducing greenhouse gases, while also investing in disadvantaged communities and achieving many other co-benefits.

Figure 1: CCI logo

15. **COMPLIANCE WITH THE LAW**
Grant Recipient agrees that during the term of this Grant Agreement, it will, at all times, comply with, all applicable federal, State, and local laws in performing under this Grant Agreement or any agreement funded by this Grant.

16. **RUSSIA SANCTIONS**
On March 4, 2022, Governor Gavin Newsom issued Executive Order N-6-22(the EO) regarding Economic Sanctions against Russia and Russian entities and individuals. "Economic Sanctions" refers to sanctions imposed by the U.S. government in response to Russia's actions in Ukraine, as well as any sanctions imposed under state law. The EO directs state agencies to terminate contracts and grants with, and to refrain from entering any new contracts and grants with, individuals or entities that are determined to be a target of Economic Sanctions. Accordingly, should the State determine that Grantee is a target of Economic Sanctions or is knowingly conducting prohibited transactions with sanctioned individuals or entities, that shall be grounds for termination of this Grant Agreement pursuant to the terms of this Grant Agreement.

17. **FORCE MAJEURE**
No party shall be responsible to the other parties by reason of failure to perform obligations hereunder (except for their obligation to remit payment) to the extent that the failure to perform is caused by an act of God, flood, fire, storm, earthquake, act of public enemy, or acts or omissions of any sovereign government, branch or agency thereof, and other similar events or contingencies beyond the reasonable control of the party whose performance is prevented or interfered with. The affected party shall promptly notify the other parties and shall not be responsible for its failure to perform an obligation required under this Agreement as a result of any of the foregoing.

18. **GRANTEE'S RESPONSIBILITY FOR WORK**
CARB shall not be responsible for disputes arising out of Grantee's contracts or agreements for work on a project funded by this Grant Award, including but not limited to payment disputes with Grant Recipients. The State will not mediate disputes between the Grantee and any other entity concerning responsibility for performance or payment of work under this Grant Agreement.

REPLACE PROGRAM: DEALERSHIP APPLICATION PACKET

Exhibit A: Dealership CARB Requirements

19. **INCORPORATED DOCUMENTS**
    Grantee will administer this Grant according to the requirements described in the following provisions, which are incorporated by reference into and made a part of this Grant Agreement:
    a. *California Health and Safety Code (H&SC), § 44124 through § 44127*;
    b. *The EFMP Program Regulations in California Code of Regulations (CCR), title 13, § 2620 et seq.*;
    c. *The CC4A Program Regulations in CCR, title 13, § 2630 et seq.*;
    d. *Cap-and-Trade Auction Proceeds Funding Guidelines for Agencies that Administer California Climate Investments*

20. **INDEMNIFICATION**
    Grantee agrees to indemnify, defend, and hold harmless the State of California, CARB, and its/their officers, employees, agents, representatives, and successors-in-interest against and for any liability, loss, and expense, including reasonable attorneys' fees, from and for any and all claims for injury or damages (collectively, "Losses") arising out of Grantee's or any Grant Recipient's performance of this Grant Agreement, except for Losses arising out of the gross negligence or willful misconduct of CARB.

21. **INDEPENDENT CONTRACTOR**
    Grantee, and its Grant Recipients, in their performance of this Grant Agreement, shall act in an independent capacity and not as officers, employees, or agents of the State of California.

22. **NON-DISCRIMINATION**
    During the performance of this Grant Agreement, the Contractor shall not unlawfully discriminate against, harass, or allow harassment against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age (over 40), sexual orientation, or veteran or military status, or allow denial of family-care leave, medical-care leave, or pregnancy-disability leave. The Contractor shall ensure that the evaluation and treatment of employees and applicants for employment are free from such discrimination and harassment. The Contractor shall comply with the provisions of the Fair Employment and Housing Act (Government Code §12900 et seq.) and the applicable regulations promulgated thereunder (2 CCR §11000 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code §12990 (a)-(f), set forth in Chapter 5 of Division 4.1 of title 2 of the CCR, are incorporated into this Agreement by reference, and made a part hereof as if set forth in full. The Contractor shall give written notice of their obligations under this clause to all labor organizations with which there exists collective bargaining or other agreement.

23. **OFFICE OF FOREIGN ASSET CONTROL**
    Transactions may be or are prohibited if they involve the property or interests in property of an entity or individual listed on the Office of Foreign Asset Control (OFAC) targeted lists. OFAC publishes lists of targeted individuals, groups, and entities, which can be found at https://ofac.treasury.gov/. Refer also to the U.S. Department of the Treasury website: https://ofac.treasury.gov/sanctions-programs-and-country-information/ukraine-russia-related-sanctions. The property and interests in property of an entity that is 50 percent or more owned by one or more persons whose property and interests in property are blocked pursuant to any part of 31 C.F.R. chapter V are also blocked, regardless of whether the entity itself is listed.

    Grantee shall include in all recipient agreements an acknowledgment that the Grant Recipient and its agents and property are not in violation of any federal law pertaining to any entity or individual listed on any of the OFAC lists. Grantee shall notify CARB within 15 calendar days if it has knowledge that Grantee or any Grant Recipient is in violation of any federal law pertaining to any entity or individual listed on any of the OFAC lists.

24. **PERSONALLY IDENTIFIABLE INFORMATION**
    Information or data that personally identifies an individual or individuals is confidential in accordance with relevant State or federal statutes and regulations. Grantee shall comply with all applicable State or federal statutes or regulations regarding the receipt, use, storage, and release of PII, including by safeguarding all such information or data which comes into their possession under this Grant Agreement and not releasing or publishing any such information or data, except as required by law, court order, or legal process (such as a subpoena).

25. **SEVERABILITY**
    If a court of competent jurisdiction holds any provision of this Grant Agreement to be illegal, unenforceable, or invalid in whole or in part for any reason, the validity and enforceability of the remaining provisions, or portions of those provisions, shall not be affected.