



**CLIMATE  
UNITED**

**REQUEST FOR PROPOSAL FOR CLASS 8 BATTERY ELECTRIC VEHICLES AND ASSOCIATED SERVICES**

**November 22, 2024**

**RESPONSES TO QUESTIONS**

**NOVEMBER 2024**

No.	Reference	Question	Climate United Fund (CUF) Response
1.	I. General Information	Out of the 500 trucks considered for this RFP, how many road-legal Class-8 "Terminal Trucks" does Climate United Fund plan to acquire?	All 500 trucks are expected to be road-legal Class 8 battery electric trucks for drayage operators. Climate United Fund may consider "Terminal Truck" and/or other vehicle class purchases under subsequent RFPs, if any.
2.	II. Scope of Services	When do you anticipate earliest truck deliveries?	Q1 2025.
3.	II. Scope of Services	Can other infrastructure providers (other than Forum Mobility) participate? If so, what would the opportunity look like?	Climate United Fund expects to partner with a variety of organizations to accelerate small fleet heavy duty truck electrification. As noted in the Scope of Services Section of the RFP, CUF will partner with charging and other infrastructure providers to identify and aggregate small fleet operators.
4.	II. Scope of Services	To my understanding, the purpose of this RFP is to reduce truck prices, offering lease agreements to small fleets. Based off the funds available and the trucks slated to be funded, \$500,000 will be allocated to each truck. How will this reduce prices for fleets as they will need to pay back this amount? Will there be reduced rates for fleets as the trucks are subsidized by this program funding, or is this ultimately decided by the OEM financing partner?	CUF aims to reduce vehicle prices through incentive programs and other financing tools, including reduced lease rates, to facilitate electric vehicle adoption.
5.	II. Scope of Services	Will fleets determined as eligible need to apply for the opportunity through Forum Mobility?	Climate United Fund anticipates relying on its charging and other infrastructure partners to identify and aggregate truck demand from small fleet operators.

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6.	II. Scope of Services	End-user location is an important factor for an overall positive experience, from first truck delivery/deployment to servicing that vehicle for its useful life. Should you select an end-user in part of the country where we do not have servicing capabilities, would third-party certified fleet servicing suffice? And if that third party is not available in those regions, how might this impact your decision to award this?	Respondents should indicate the markets where they provide servicing capabilities and the markets where servicing capabilities would be provided by third parties.
7.	II. Scope of Services	How will charging infrastructure considerations and/or partnerships between OEMs and charging infrastructure solution providers be considered in your evaluation of RFP responses?	Respondents are encouraged to share details of any anticipated partnerships that will help to satisfy the terms of the Request for Proposal.
8.	II. Scope of Services	In Section II on page 3 you say "CUF and its partners will utilize available incentive programs and grant funding to subsidize the cost of the vehicles." Does this indicate that CUF will identify relevant additional funding sources, not the truck OEM?	Climate United Fund anticipates working with OEMs, charging partners, federal, state and local agencies and others to identify, and where appropriate finance, relevant incentive programs.
9.	II. Scope of Services	Where do you anticipate additional public funding to be applied - to the price paid by CUF in purchasing the trucks, or to the lease cost for the end customer?	This will depend on the nature and application of future public funding. The currently available programs subsidize the purchase price of the vehicle.
10.	II. Scope of Services	Can CUF provide any assurance that additional grant funds from either federal or state awards can be stacked with the existing funds CUF has secured from the EPA's National Clean Investment Fund? E.g., with written documentation certifying "stackability"?	Stackability depends on the terms applicable to each funding source. CUF is not prohibited from funding projects that are co-funded with other federal and/or state awards.

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11.	II. Scope of Services	How do you define "large fleets" for the purposes of this program (e.g. > 20 trucks) and to what extent do you want large fleets participating in the program (e.g. X% percentage of trucks)?	It is anticipated that non-profit fleets and fleets that qualify as "Small Businesses" as defined by the U.S. Small Business Administration (pursuant to its Small Business Size Standards for NAICS code 484110) will account for at least 75% of the total number of vehicles in the program. In no case will fleets with more than \$200 million in annual revenue be eligible for this program.
12.	II. Scope of Services	Does CUF expect to finance a significant number of small fleets that are start-ups?	Fleets with fewer than 5 trucks and less than one full year of operations are not eligible for this program.
13.	II. Scope of Services	Is CUF open to a structure whereby the OEM retains full ownership of the trucks and provides lease origination, maintenance services and residual value risk via its own Finance company and leases directly to fleet operators identified by CUF?	CUF may consider additional and alternative financing structures under future RFPs, if any.
14.	II. Scope of Services	If CUF's feedback to [the previous question] is positive: will CUF guarantee lease payment to the OEM's Finance Company in case any fleet operator defaults on lease payments?	CUF may consider additional and alternative financing structures under future RFPs, if any.
15.	II. Scope of Services	Is CUF open to the following structure: OEM and its Finance Company retain ownership of the trucks i.e. bear the risk on residual values OEM and its Finance Company provide lease origination and maintenance services to CUF (or its dedicated SPV) and allow CUF to sub-lease trucks to Fleet Operators. At end of lease term, trucks are returned by Fleet Operators and CUF to the OEM and its Finance Company	CUF may consider additional and alternative financing structures under future RFPs, if any.

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16.	II. Scope of Services	What incentives or tax credits are OEMs expected to leverage to reduce the vehicle cost, and how will compliance with these incentives be demonstrated?	CUF anticipates monetizing available tax credits such as the 45W directly. CUF anticipates working with Transaction Partners, including OEMs/dealers, to identify and monetize incentives for small fleet operators. The terms of the incentives shall be demonstrated in accordance with the terms of the incentives.
17.	II. Scope of Services	<p>Expected volumes by year</p> <ul style="list-style-type: none"> <li>- vehicle type (4x2 or 6x4)</li> <li>- volumes by state by year</li> </ul>	CUF anticipates 200 vehicles in 2025 and 300 or more in 2026. Most vehicles are expected to be 6x4s with some limited use case exceptions.
18.	III. Proposal Contents, Section 1: Purchase Terms of Trucks	Are there minimum order quantities that we should take into consideration?	CUF will seek to minimize transaction costs and accordingly will seek, where practical, to aggregate demand and place orders periodically. Per Section 1 of the RFP, respondents should specify potential delivery quantities per quarter.
19.	III. Proposal Contents, Section 1: Purchase Terms of Trucks	Do you want pricing for different order quantities or just one price?	CUF anticipates OEMs will provide pricing that reflects the realities of their specific businesses. CUF assumes, however, that truck costs should decline as production increases and large purchases should be less expensive to service for a seller than small.
20.	III. Proposal Contents, Section 1: Purchase Terms of Trucks	Do you want us to work in plausible grant scenarios into pricing structure?	Respondents are encouraged to provide any information they believe addresses the RFP questions. OEMs are welcome to provide illustrative grant scenarios if it helps address the RFP questions.

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21.	III. Proposal Contents, Section 1: Purchase Terms of Trucks	Is pricing expected to be consistent across all fleets regardless of volume, fleet size, location, etc. and over the 3-year term of the project? Would providing a maximum price be acceptable given potential variation by customer or year?	CUF anticipates pricing to be different across different purchase sizes, customer types and truck models. Providing a maximum price would be acceptable. Please note in your response that the prices are the maximum price.
22.	III. Proposal Contents, Section 1: Purchase Terms of Trucks	At which minimum top speed are BEV Trucks required to operate?	Trucks should be able to operate at 55 miles per hour, which is the maximum speed allowable in California for commercial vehicles.
23.	III. Proposal Contents, Section 1: Purchase Terms of Trucks	What are the requirements for evidence of compliance with the Build America Buy America Act (BABA), and will CUF assist with any necessary waivers?	If BABA waivers are not obtained, then at a minimum, CUF will require certification of BABA compliance from the selected OEM. CUF is open to assisting the OEM with obtaining necessary waivers.
24.	III. Proposal Contents, Section 1: Purchase Terms of Trucks	Range requirements desired (expected)	200-500 miles on a single charge.
25.	III. Proposal Contents, Section 2: Maintenance Package	Should OEM provided maintenance services cover preventative maintenance only or broader services? Should federal and local inspections be included?	CUF seeks comprehensive maintenance services, including preventative maintenance if applicable. CUF will evaluate the scope and cost of maintenance services when considering proposals.

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26.	III. Proposal Contents, Section 2: Maintenance Package	They specify under the maintenance package we must provide a description of services. How does CUF define maintenance? - Does CUF consider maintenance only the items with an interval? Or would wear items be included? What about repairs, like a headlight assembly going bad and needing replacement?	CUF seeks comprehensive maintenance services, including preventative maintenance if applicable. CUF will evaluate the scope and cost of maintenance services when considering proposals.
27.	III. Proposal Contents, Section 3: Customer Facing Arrangements	[Provider] does not have a captive finance company. Does this prevent our ability to win any business?	The RFP requests OEM's to specify a Preferred Financing partner but does not require that it be a related (or captive) party.
28.	III. Proposal Contents, Section 3: Customer Facing Arrangements	What happens in the event of a default by the fleet?	As the anticipated truck owner, CUF will work with the operator and Finance Partners to service or restructure the obligation and/or redeploy the truck asset.
29.	III. Proposal Contents, Section 3: Customer Facing Arrangements	Does the funding source have to guarantee credit approval for every end-user regardless of credit or payment history? What happens if the end-user is denied?	Credit approval guarantees are not expected. CUF expects that the modest loan-to-asset value ratio for the loans made by the OEM Finance Partner will be considered when creditworthiness is evaluated.

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30.	III. Proposal Contents, Section 3: Customer Facing Arrangements	Section 3(a) states "CUF expects to refinance a portion of the purchase price..." Is the intent of this approach to buy down the capital cost on the lease to the end customer, thereby lowering the lease payment? If so, do you know what portion you plan to refinance?	The objective is to achieve Total Cost of Operations parity with diesel alternatives. CUF expects to refinance the greatest amount possible of each truck exposure while maintaining a TCO for operators on par with diesel alternatives. CUF does not anticipate that it would seek to refinance more than \$180,000 per truck under the financing conditions presented in Section 3 of the RFP.
31.	III. Proposal Contents, Section 3: Customer Facing Arrangements	Is there a target lease price CUF is attempting to meet (e.g., diesel-equivalent, below diesel equivalent)?	CUF is targeting Total Cost of Operations parity with diesel alternatives. CUF expects that proposed monthly lease payments will consider the other expected monthly operational expenses for small fleet operators.
32.	III. Proposal Contents, Section 3: Customer Facing Arrangements	Does CUF have a preferred financial structure (e.g., TRAC lease, FMV lease, loan, loan with balloon, etc.)	CUF anticipates that OEM Financing Partners may propose a range of financing products that respond to the needs of their markets. Accordingly, CUF does not have a preferred financing structure. However, it is expected that small fleet operators will service 100% of the refinanced debt during their lease period.
33.	III. Proposal Contents, Section 3: Customer Facing Arrangements	Is CUF's intention that end customers should (a) own the trucks outright at the end of the term (b) have the option to walk away at the end of the term?	At the end of the term, CUF will seek to sell its truck assets in order to help establish market residual value expectations. CUF expects some small fleet operators will purchase the trucks from CUF at the end of the lease period and some will not.
34.	III. Proposal Contents, Section 3: Customer Facing Arrangements	Who will be the lien holder according to the structure proposed in the RFP?	The OEM Financing Partner.



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35.	III. Proposal Contents, Section 3: Customer Facing Arrangements	Can end customers (lessee) be prohibited from hauling hazardous materials? Traveling across international borders?	These prohibitions are not currently contemplated. However, it is expected that operators will need to comply with all state and local regulations, including those governing incentive programs (such as HVIP) that may prohibit crossing state lines.
36.	III. Proposal Contents, Section 3: Customer Facing Arrangements	In the event of default would CUF be willing to make monthly truck payments until the customer gets back on track?	As the anticipated truck owner, CUF will work with the operator and Finance Partners to service or restructure the obligation and/or redeploy the truck asset.
37.	III. Proposal Contents, Section 3: Customer Facing Arrangements	Will there be flexibility to move any given truck to another customer or location?	Trucks that benefit from certain incentives may have geographic (for example, southern California) and/or use (i.e. drayage) restrictions. CUF and its partners will seek to maximize use flexibility within the constraints of the incentive terms.
38.	III. Proposal Contents, Section 3: Customer Financing Arrangements	Will the end user need to operate the trucks for a minimum amount of time or a minimum number of miles during the lease contract?	End users are expected to operate trucks in a manner that is, among other things, sufficient to service their lease payments. Certain incentive programs may have minimum thresholds for truck operations.
39.	III. Proposal Contents, Section 3: Customer Financing Arrangements	Will any type of cancellation clause to the contract be included in CUF agreements with the OEM or in customer agreements?	CUF would expect customary cancellation clauses be included in OEM contracting arrangements.

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40.	III. Proposal Contents, Section 3: Customer Financing Arrangements	Can you provide a breakdown (in %) of average distances run by fleet operators for drayage operations: between 1 and 5 miles: % between 6 and 20 miles: % between 21 and 30 miles: % between 31 and 50 miles: % between 51 and 70 miles: % Above 70 miles: %	CUF anticipates that most operators will have routes between 150 and 300 miles per day.
41.	III. Proposal Contents, Section 3: Customer Financing Arrangements	Load capacity, weight requirements (full load in both directions ?)	Respondents should specify load capacity of their trucks in their responses.
42.	III. Proposal Contents, Section 3: Customer Financing Arrangements	Max charging rate desired?	Respondents should share the proposed vehicle's current charging rates and the anticipated 3-year evolution of charging rates.
43.	III. Proposal Contents, Section 3: Customer Financing Arrangements	Could you please specify the minimum wheelbase and turning radius requirements that CUF considers optimal for maximizing maneuverability and efficiency in Class 8 Battery Electric Vehicles, especially for operations in urban and high-traffic environments?	Vehicles are expected to meet on-road drayage requirements.
44.	III. Proposal Contents, Section 3: Customer Financing Arrangements	How will CUF evaluate proposals that exceed these standards to enhance operational efficiency and reduce total cost of ownership for small drayage fleet operators?	CUF seeks to accelerate truck electrification among small fleet operators. CUF welcomes proposals that help achieve this goal.

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45.	III. Proposal Contents, Section 3: Customer Financing Arrangements	Refinancing Amount Available per Vehicle – Are there additional items that would be included in the refinancing amount beyond the vehicle?	CUF may seek to recoup a portion of associated transaction expenses via the vehicle refinancing.
46.	III. Proposal Contents, Section 3: Customer Financing Arrangements	What does “Payment deadline for payment balance” refer too?	When full payment is expected for each delivered vehicle. For example, 30 days prior to delivery, on delivery, 30 days after delivery.
47.	III. Proposal Contents, Section 3: Customer Financing Arrangements	Clarifying question, is this a loan only or lease only or is it both?	CUF will seek to refinance a portion of its truck purchase price. This will be a loan from the OEM Financing Partner to CUF (or an affiliated entity). This loan will be secured by the truck asset (or portfolio thereof). CUF will enter into lease arrangements with small fleet operators. Those operators will make monthly lease payments to CUF. Those monthly payments will service CUF’s loan obligations.
48.	III. Proposal Contents, Section 4: Residual Value Risk Participation	Expected Battery State of Health EOP – What is your definition of EOP?	Please See Section 4 of the RFP. EOP refers to End of Period: in this case, the end of the specified use period: 3 years (90,000 miles), 3 years (180,000 miles), 4 years (120,000 miles), 4 years (240,000 miles), 5 years (150,000 miles), 5 years (300,000 miles)
49.	III. Proposal Contents, Section 4: Residual Value Risk Participation	How will OEMs participate in the residual value risk and ensure support for the resale value of these BEVs?	CUF welcomes a variety of solutions from OEMs which may include instruments including, but not limited to, direct payments, enhanced warranties, first loss coverage, portfolio performance guarantees, etc.

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50.	III. Proposal Contents, Section 6: Organization and labor	How will CUF evaluate and weigh the diversity metrics and labor practices of OEMs in the selection process?	The labor practices will be evaluated for alignment with CUF’s proposed Labor and Equitable Workforce Development Plan. Per the RFP the diversity metrics are optional and not part of the evaluation criteria. The second tier evaluation metrics include DBE status to encourage such entities to apply.
51.	III. Proposal Contents, Section 7: Cybersecurity Policies	Is there a requirement to collect a certain amount of data as part of the truck operational aspects of this project?	Yes. Under the terms of our grant CUF is required to report on, among other things, greenhouse gas reduction impacts. CUF is currently finalizing the data collection requirements and will share as applicable as soon as possible.
52.	III. Proposal Contents, Section 7: Cybersecurity policies	Could you clarify any specific cybersecurity and data privacy standards required for this contract?	Please refer to “Section III Proposal Contents - Section 7: Cybersecurity policies” – “The Proposer should disclose and describe its cybersecurity policies and procedures to protect client data. If the Proposer has suffered any known cyberattacks or breaches, please describe the event and the organization’s response and remedial actions taken. Please include a copy of your Data Privacy and Cybersecurity Policy.”
53.	IV. Proposal Evaluation	Can you provide more explicit decision factor weights on the evaluation criteria, in particular, on truck purchase price and amount of residual value support?	As noted in the RFP, when considering proposals, CUF will give greater weight to truck purchase price and residual value support than other factors. That said, CUF will evaluate proposals on all the elements indicated in the RFP.

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54.	V. Questions and Contact Information	Is CUF able to provide evidence confirming the EPA federal funds are available for use (i.e., on your balance sheet)?	CUF confirms that its NCIF award funds have been fully obligated by the EPA.
55.	V. Questions and Contact Information	If CUF is purchasing the trucks, does your status as a 501(c)(3) exempt you from FET, sales tax, etc.?	No.