

Request for Qualifications: Class 8 Fuel Cell Electric Trucks

July 9, 2025

Section 1: RFQ Overview

The Alliance for Renewable Clean Hydrogen Energy Systems (ARCHES) and its partners aim to deploy 5,000 Class 8 fuel cell electric trucks (FCETs) in California by 2032. A successful deployment of this magnitude requires a coordinated ecosystem approach involving truck original equipment manufacturers (OEMs), fleet operators, vehicle dealerships and service providers, hydrogen refueling station developers, and fuel suppliers.

To accomplish this, ARCHES intends to implement a **5,000 Truck Ecosystem (5TE)** approach, consisting of scaled "cluster" deployments. A single cluster would link OEMs with one or more fleet operators, hydrogen refueling station providers, fuel suppliers, and dealerships and service centers. Clusters will typically range from 50 to several hundred trucks operating along priority freight corridors¹ serving California's marine ports (primarily serving the Ports of Oakland, Los Angeles, and Long Beach) and the Central Valley and supporting goods movement and warehousing operations throughout the state.

Critical to the successful execution of this project is a unified planning effort that results in a total cost of ownership (TCO) that enables fleet operators in each cluster to achieve parity or near-parity with diesel truck operations. As was proposed in ARCHES' winning application for federal hydrogen hub funding, multi-year incentives are needed to bridge the gap in capital and operating costs between fuel cell electric vehicles and diesel technologies. This Request for Qualifications (RFQ) will further refine the multi-year incentive market needs, building on the strategic framework proposed in ARCHES' November 2024 <u>Request for Information (RFI)</u> on Heavy-Duty Fuel Cell Vehicle Market Development Strategy. See Appendix A of this document for an updated version of the proposed strategic framework for achieving ARCHES' 5,000-truck goal. Through this RFQ, ARCHES seeks to move the ARCHES truck strategy forward by

¹ Per the California Transportation Commission's Senate Bill 671 Clean Freight Corridor Efficiency Assessment, the top 6 freight corridors include: Interstate-5 (I-5), I-15, Route 99, I-10/I-710, I-40, I-80/I-580 and I-880. Please see segment details <u>here</u>.

identifying one to three Class 8 truck OEMs that can meet the ARCHES eligibility criteria for FCET incentive funding.

This RFQ supports ARCHES and its partners' collective mission to help create market certainty for manufacturers, hydrogen fueling station developers, and fleets to scale adoption of FCETs. ARCHES intends to assess what FCET incentive levels and incentive phase-out timelines can support the state's efforts to scale up FCET adoption with the goal of achieving commercialization. ARCHES will use information obtained through this RFQ to identify and evaluate the proper incentive levels and production timelines to deploy Class 8 FCETs in California. The results of this initiative will demonstrate increased demand certainty for infrastructure projects.

Responses submitted to this RFQ will be evaluated per the criteria described in Section 2 and scored according to the evaluation scale identified in Section 3. Based on the qualification scores and assuming at least one viable response, ARCHES will shortlist one or more respondents to initiate negotiations, with the intent of awarding one to three companies with incentive funding agreements to support the deployment of 5,000 Class 8 FCETs when funding becomes available.

5,000 Truck Ecosystem Process

Project execution involves seven key steps leading up to the finalization of all contracts and firm commitments to build and deploy FCETs, hydrogen refueling stations (HRS), and vehicle maintenance facilities, on a specified schedule over multiple years. Consistent with California's forthcoming Hydrogen Market Development Strategy, the 5TE process adopts a holistic approach to establish an ecosystem where vehicle rollout is matched and synchronized with an available refueling network and fuel supplies, collectively providing a TCO that is competitive with diesel.

ARCHES has already selected hydrogen refueling station providers to build infrastructure along priority freight corridors. Fuel suppliers are also designated to scale up production from 18 metric tonnes (MT) per day to more than 200 MT per day to support 5,000 FCETs, each consuming an average of 40 kilograms (kg) per day. Responses to this RFQ and subsequent negotiations will help determine fueling station locations and design, including technology options (350 bar pressure, 700 bar pressure, and/or subcooled liquid-to-liquid refueling), capacity, and throughput rates.

A summary of each step in the 5TE Process follows. While timing is highly dependent on OEM responses and availability of funding, ARCHES aims to complete the 5TE process, including fleet commitments, by Q4 2026.

Step 1: ARCHES issues RFQ, evaluates responses, and selects OEMs for negotiations

After issuing the RFQ and evaluating responses, ARCHES expects to select, by mid-November 2025, OEM(s) to enter into negotiations for incentive funding agreements. Depending on the number of OEMs selected, incentive agreements could support between approximately 1,700 and 5,000 FCETs per OEM for one to three OEMs (total of 5,000 FCETs).

Step 2: Advanced Market Commitment Contracts

ARCHES will enter into advanced market commitment contracts with selected OEMs. Contracts will include provisions requiring completion of all seven steps in the 5TE process, including milestones and key performance indicators for each step.

Step 3: Fleet Candidates and Requirements

The OEM(s) selected to enter negotiations will secure Letters of Intent from their identified OEM fleet partner(s). The letter confirms the fleet's intent to partner with the OEM to deploy a targeted number of FCETs based on truck performance characteristics, support services, and financing options that meet the fleet's needs.

Step 4: Deployment Corridors and Station Siting

ARCHES and its HRS development partners will identify convenient HRS sites, with adequate redundancy at ports and along key freight corridors, that will serve fleet operations and service corridors serving California ports and freight operations. The OEM(s) and the OEM fleet partners will help identify which fleets plan to operate in which corridors in the RFQ submission stage. Additionally, the selected OEM(s) and their selected fleets will be able to provide input on the HRS site locations, the timing of station buildout, and station capacities.

Step 5: Fuel Sourcing and Pricing

ARCHES will facilitate supply agreements with clean hydrogen fuel producers and an integrated supply network to closely match (temporally and geographically) hydrogen fuel availability as demand grows from the existing 18 MT per day to 200 MT per day to support all 5,000 FCETs.

Step 6: TCO Analysis and OEM Fleet Partner Commitments

The selected OEM(s) must work with their fleet partner(s) to develop a comprehensive TCO analysis and submit the analysis to ARCHES for review. ARCHES will look for TCO factors including, but not limited to, assessment of vehicle life, residual value after first-life, capital and financing costs, warranty costs, service support during the vehicle's life, sales and federal excise taxes, registration fees, basic inspection of terminals, insurance, fuel costs and incentives to enable the long-term affordability of FCETs. Once fleet operators are assured that the total cost of capitalization and operation can be competitive with incumbent diesel technologies, fleets will move from letters of intent to executing firm commitments to purchase or lease, and operate FCETs with their OEM partner.

Step 7: Execute Incentive Funding Agreements and Service and Supply Contracts

This final step, leading to project initiation, will require guarantees in the form of funding agreements from ARCHES, leveraging state, local, and federal funds. Funding agreements with ARCHES will require negotiated performance-based milestones and data requirements to ensure that committed deployments are executed according to plan. The OEM(s) will sign incentive funding agreement contracts and performance bonds to ensure the manufacturing and deployment of the negotiated amount of FCETs, and establish a dealer support, service, and maintenance network with upgrades to facilities to work on FCETs. In separate agreements, OEM fleet partners will execute purchase orders with OEMs to buy or lease FCETs, and will provide these to ARCHES. Hydrogen producers will enter into contracts to supply hydrogen fuel to HRS through the ARCHES Marketplace. HRS developers will enter into an agreement with ARCHES to provide a guaranteed network of stations accessible to fleets based on the previously identified HRS locations, secure preliminary permit approvals for each HRS from the authority having jurisdiction, and commit to executing fuel purchase agreements with fleet operators.

Eligible Respondents

Companies eligible to respond to this RFQ must demonstrate at least 10 years of manufacturing Class 8 day cabs or sleeper trucks, preferably including designing and building battery-electric and/or fuel cell electric trucks. Component manufacturers demonstrating at least five years of designing or building heavy-duty fuel cell systems are also eligible to respond. While manufacturing based in the United States is desirable and preferred, it is not a requirement.

RFQ Timeline

RFQ Released:	July 9, 2025
RFQ Info Session:	July 23, 2025, at 12:30 pm PDT
Responses Due:	September 29, 2025 at 11:59 pm PDT
Notification of Selected OEMs:	November 17, 2025

Information Session

ARCHES will host an online informational session to provide more details on the RFQ and answer RFQ questions on July 23, 2025, at 12:30 pm PDT. Questions may also be submitted to strategy@arches.org until July 18, 2025, by 5:00 pm PDT. Questions received during the informational session or via email will be summarized without attribution and responses posted at https://archesh2.org by July 30, 2025.

Date: Wednesday, July 23, 2025, at 12:30 pm PDT Meeting Link: <u>https://zoom.us/j/97980347071?pwd=9kusAfrBdPdJMZaMHjMV2Guf8d4n6b.1</u> Meeting ID: 979 8034 7071 Passcode: 839424

Section 2: Information Requested

ARCHES is seeking eligibility information from eligible Class 8 truck OEMs and/or component manufacturers across eight required evaluation criteria which support prospective FCET fleet operators' needs: technology readiness level (TRL) and performance validation, manufacturing readiness level (MRL) and scale-up capabilities, service and support network, parts supply, operational track record, OEM fleet partners, incentives and production volumes, and financial strength. Component manufacturers are exempt from responding to Section F on OEM Fleet Partners if they submit a response on their own, without partnering with a truck OEM.

The information submitted in response to this RFQ should clearly describe how the OEM will meet the requirements of prospective fleet operators. Responses should include supporting evidence demonstrating the respondent's ability to satisfy each of the criteria and use specific examples of real-world deployed data, where possible. Any claimed ability to satisfy the criteria must be verifiable in the data submitted to substantiate the response. Submissions that do not respond to all the questions will be considered non-responsive and will not be evaluated. These criteria will be assessed in accordance with a weighted scale identified in Section 3 of this RFQ.

Respondents are requested to execute an NDA with ARCHES if they have not previously done so, and to mark each page of their submittal **"Confidential"** enabling ARCHES to maintain strict confidentiality of responses. To execute an NDA with ARCHES, please complete <u>this form</u>.

A. Technology Readiness Level and Performance Validation

- 1. What is your current TRL for Class 8 FCETs (scale 1-9)? Please explain.
- 2. What is the demonstrated or expected reliability of your FCETs, including uptime, average time between failures, and frequency of unscheduled and scheduled maintenance events? Please explain your methodology.
- 3. What is the projected useful life and durability of key fuel cell system components (e.g., including, but not limited to, fuel cell stack, high-voltage battery, hydrogen storage system, etc.) under typical operational conditions? Please explain how you derived your response.
- 4. Have you conducted accelerated aging tests or other validation studies to demonstrate the long-term durability and performance of your FCETs? If so, summarize the methods and key findings.
- 5. How do your FCET specifications and performance meet fleet operators' duty cycles (e.g., drayage, regional haul) in terms of range, onboard storage capacity and pressure, powertrain, and cargo weight penalties?
- 6. What certifications, independent validations, or third-party evaluations has your FCET technology undergone or is expected to undergo? Please include dates of when validation and/or evaluations have occurred or are anticipated, and attach available documentation.

- 7. Does your company have a roadmap for FCET design, performance improvements, and technology advancements? Please explain and describe how these improvements will be validated and integrated into future generations of FCETs.
- 8. How will you leverage real-world operational data to optimize FCET design and performance over time?
- 9. What fuel storage system does your FCET utilize?
- 10. Are there any special considerations that must be taken into account to ensure fuel or fueling station compatibility?

B. Manufacturing Readiness Level and Scale-Up Capabilities

- 1. What is your current <u>MRL</u> maturity for Class 8 FCETs?² Describe any remaining maturity gaps and associated risks or costs.
- 2. What challenges currently exist in your Class 8 FCET supply chain and manufacturing process that could affect production volumes and timelines, and how are you mitigating them? Is your supply chain critically dependent on a single supplier? Please explain.
- 3. If awarded incentives, what additional investments (e.g., facilities, equipment, workforce) would be needed to meet production targets, and on what timeline?
- 4. What examples and data demonstrate your ability to successfully ramp up production? Describe your capability to expand production beyond the quantities you've proposed for the ARCHES 5TE Initiative. How quickly can your production line and service network expand to manufacture and support many thousands of FCETs if demand warrants this expansion?
- 5. What proven processes or certifications do you use to ensure consistent quality and scalability? How do you ensure the effectiveness of your quality control and quality assurance programs?
- 6. Do you currently assemble and/or manufacture any parts of your product in the United States? If yes, please specify the components and their locations (e.g., city and state).
- 7. If no assembly or manufacturing currently exists in the United States, what conditions or factors would motivate your company to build domestic manufacturing, and in what quantities and timeframe?

C. Service and Support Network

- 1. What is the current geographical coverage and capabilities of your dealer and service network in California? Please include familiarity with selling and servicing zero-emission Class 7-8 trucks.
- 2. Are there plans for facility upgrades at service centers or for establishing new service facilities to support FCET maintenance and repairs? Please explain and include location details. How adaptable is your service network to accommodate and manage support in anticipation of significant growth in deployment if the ARCHES 5TE Initiative is successful?

² Department of Defense MRL Deskbook. <u>https://www.dodmrl.com/MRL_Deskbook_V2.pdf</u>

- 3. What support, maintenance, and repair services do you provide to fleet operators to minimize fleet vehicle downtime due to maintenance and repair events and maximize vehicle availability and utilization for the fleet operator? Responses should define the maintenance program for both warranty and non-warranty services (e.g., roadcall service, preventive maintenance, towing, tires, etc.)
- 4. What is your technician training strategy for FCETs, including diagnostics, warranty service, maintenance, and repairs? Please explain.
- 5. How would you ensure a sufficient number of trained technicians in California, including minimizing staff turnover, to support expected fleet operations, diagnostics, maintenance, and repairs on your FCETs?
- 6. Summarize your current and/or expected FCET warranty coverage and duration (in years/miles), including for key components. Please note any warranty limitations.

D. Parts Supply

- Are you able to commit to servicing, repairing, and supplying parts for FCETs for at least 10 years from the date of sale or lease? Please explain how this commitment would be implemented and guaranteed.
- 2. What known or anticipated issues, supply chain or service part challenges could affect FCET uptime? Please provide a risk analysis of these potential issues, including potential impacts and mitigations.
- 3. What actions is the company taking to ensure supply chain resilience for critical components of your FCETs, especially for important FCET components (e.g., fuel cell stacks, balance-of-plant components, power electronics, energy storage systems, hydrogen tanks, etc.)?

E. Operational Track Record

- In summary, what is your Class 8 zero-emission truck and FCET deployment history, including the number of trucks deployed, known regions of operation (domestic and/or international), known use cases, and known accumulated operational hours/ton-miles? Please attach letters of reference, e.g., from fleet operators.
- 2. How does your available telematics or performance data demonstrate the operational reliability, uptime, range, and refueling performance of your FCETs? Please provide examples.
- 3. What are the typical known utilization rates (e.g., miles/day, days/week in operation) achieved in current FCET deployments?

F. OEM Fleet Partners

1. Are there any confirmed or potential fleet partners you are working with who may participate in the ARCHES FCET deployment? Please provide information on fleet name, estimated number of FCET purchases in the next 5-8 years, status of OEM engagement,

and expected corridor in the <u>ARCHES RFQ FCET Workbook</u> to the best of your abilities, and attach letters of intent or commitment, as available.

- 2. What key performance, cost, or other metrics have these fleets identified as essential to achieve prior to committing to deploy FCETs?
- 3. What financing options do you offer to fleet customers, and how do you coordinate those on their behalf (e.g., asset leases, purchase assistance, third-party financing)? How do these reduce the upfront capital barriers and improve fleet access to FCETs?

G. Incentives and Production Volumes

NOTE: Some data provided in the Incentive Schedule Excel workbook may be aggregated by ARCHES to inform State funding requests. These data categories include the total number of FCETs, the total incentive amount, and the average incentive per truck, and are clearly identified in the workbook. These data will be aggregated in a manner that protects the confidentiality of respondents. For example, if ARCHES receives data from only one respondent, ARCHES will not share the information without permission from the respondent.

- 1. Please download and complete the <u>ARCHES RFQ FCET Workbook</u> to inform ARCHES of your preferred incentive step-down structure.
 - a. Purpose: The workbook is designed to capture your projected annual production volumes of Class 8 FCETs, per-truck pricing from year to year (factoring in economies of scale), and what ARCHES incentive levels are required to bridge the gap between your production costs and an attractive FCET purchase or lease price for fleets.
 - b. This is an opportunity to propose the level of ARCHES vehicle incentives required per year to meet proposed price targets. Proposals requiring lower total ARCHES vehicle incentives will score higher. The negotiated prices should quickly come close to achieving TCO parity with incumbent diesel technologies, taking into account proposed incentives. As the ARCHES vehicle incentive declines over time, prices should remain at levels that ensure ongoing TCO parity with diesel. This could be compared to independent price and cost data. OEMs are required to provide incentive schedules for \$5/kg and \$10/kg costs of hydrogen dispensed to the end user (assumes fuel incentives are included), and may provide additional schedules or scenarios for other \$/kg costs of H2.
 - c. For additional context, please see the "Truck Incentive Structure" section of the proposed framework for incentives in Appendix A.
- 2. How would your current and planned future manufacturing capabilities support the ARCHES 5TE goal? Please share what volumes your production capacity can meet annually.
- 3. What is your company's preferred incentive structure needed to support FCET manufacturing and deployment? Please indicate whether a lump sum startup grant, per-vehicle incentives, a hybrid structure, or another structure is preferred and why.
- 4. How does your manufacturing plan enable per-unit cost reductions over time (e.g., economies of scale, supply chain maturation, or design standardization)?

5. How do you anticipate your per-vehicle price evolving over the next five or more years under the proposed production volumes? Include anticipated milestones for reaching TCO parity with diesel.

Note: ARCHES is <u>not</u> requesting proprietary design and production cost data. OEMs should demonstrate how incentive-supported pricing enables affordability of FCETs at a price comparable to diesel counterparts for fleet operators.

H. Financial Health and Corporate Commitment

- 1. Provide and/or link the company's most recent annual report and any recent public, audited financial statements indicating the company's financial health. If your company is a subsidiary or affiliated with a larger parent entity, please clarify the relationship and indicate which financial statements apply.
- 2. Explain the company's financial capacity to support the program for five or more years. This could include the capability to provide financing for lease and lease purchase agreements with fleets. This also assumes the company can provide ARCHES with a performance bond to guarantee that any upfront payments made by ARCHES will result in the deployment of trucks in accordance with the company's schedule of production and sales.
- 3. Attach a letter of commitment signed by the highest level of management that supports the proposal.

How to Submit a Response

Responses for this RFQ must be submitted via the **Box link** by **September 29, 2025, at 11:59 pm** (**PDT**). To be considered, responses must be received prior to the closing date and time.

Questions about this RFQ should be directed to strategy@arches.org.

RFQ Response Format

Responses must follow the outline of questions in Section 2A-H, and must include each question prompt before the associated response. Responses must be provided as a PDF (.pdf) document, no more than 25 pages in length, 12-point font, 1-inch margins. Include requested attachments in the PDF (these will not count toward the 25-page maximum length). The organization's name, full address, and the point of contact's email, phone number, and affiliation are required on the first page of the response document. Excel workbook responses must be uploaded as an Excel (.xlsx) file.

Respondents are requested to execute an NDA with ARCHES if they have not previously done so, and to mark each page of their submittal "Confidential" enabling ARCHES to maintain strict confidentiality of responses. To execute an NDA with ARCHES, please complete <u>this form</u>.

Section 3: Evaluation Scoring

Responses to the eight criteria will be evaluated by an ARCHES committee in accordance with the following weighted scale, with a maximum score of 135 and a minimum passing score of 80. ARCHES will select one to three of the respondents based on competitive scoring to enter into advanced market commitment contracts negotiations for incentives.

Criterion	Maximum Points
Technology Readiness Level and Performance Validation	25
Manufacturing Readiness Level and Scale-Up Capabilities	25
Service and Support Network	10
Parts Supply	10
Operational Track Record	10
Fleet Partners	10
Incentives and Production Volumes (Excel Worksheet)	25
Financial Health	20
Total Score	135

Appendix A: Updated Fuel Cell Electric Truck Market Development Strategy

ARCHES aims to supply clean, renewable hydrogen for 5,000+ Class 8 FCETs in California by 2032. For fleet operators to adopt this technology at scale, the TCO and operational capability must be comparable to diesel trucks, including vehicle and fueling costs, maintenance and repairs, drivability, reliability, as well as resale prices, which ultimately impact the economics of shifting to any new technology. ARCHES will facilitate FCET market growth by coordinating truck OEMs, fleet operators, fueling station developers, and hydrogen supply and distribution in regional clusters to ensure the reliability and robustness of the hydrogen fueling ecosystem.

Proposed Framework:

- Regions: ARCHES establishes three regions to focus ARCHES initial support of FCET deployment in California: areas surrounding the Ports of Los Angeles and Long Beach in Southern California, areas surrounding the Ports of Oakland and Stockton (including Sacramento) in Northern California, and the Central Valley goods movement ecosystem that provides critical connections to the Northern and Southern California markets. Within these regions, ARCHES will help connect the needs of logistics, warehousing, manufacturing, agriculture, fleets, independent vehicle operators, and fleet users operating along the state's interconnected freight corridors.
- 2. OEM + Fleet Proposals: ARCHES would issue an RFQ for OEMs to propose production of 1700 to 5,000 FCETs each, to be deployed by fleet partners within the identified regions from 2025 through 2032. OEMs would develop joint proposals with their fleet partners for these projects (one OEM could have multiple fleet partners, and one fleet could partner with multiple OEMs). In this scenario, up to 5,000 total truck orders would be selected from the proposals (more FCETs can be added if the incentives can be stretched further, or if funding is added).
- 3. **Truck Incentive Structure**: The RFQ would signal ARCHES' intention to create a declining incentive structure to help bridge the gap between the cost of production and workable purchase price while rewarding early action. The incentive schedule and per-truck funding levels would be determined based on RFQ responses.
 - a. Once under contract, OEMs would secure access to incentives on a predetermined schedule.
 - b. An example scenario might be a declining or step-down approach of a \$200,000 incentive per vehicle for the first 1,000 FCETs, \$150,000 per vehicle for the next 500 FCETs, \$50,000 per vehicle for the next 500 FCETs, with support for up to 5,000 FCETs per OEM. (Note: These numbers are for illustrative purposes the objective is to stretch public funding as far as possible while ensuring the system works. Bids with lower required funding levels would have an advantage in this regard.)

- c. Under contract with ARCHES, OEMs would need to meet performance criteria, delivery schedules, and sales price targets to unlock subsequent funding tranches. Failure to meet these milestones would return the incentives to the main ARCHES funding pot, for other OEMs to access if they meet their targets.
 - i. ARCHES would work closely with the OEMs to help avoid the return of funds. If funds are returned, the same OEM could reclaim the funding if they return to meeting their targets.
- d. Incentives could be provided to either OEMs or the customer (to be determined). The program would aim to increase competition, create downward pricing trends, and support fleet operators as they transition to hydrogen.
 - i. Note: Applying the incentive to the OEM could reduce sales tax and the Federal Excise Tax³. If this is done, and in any case, ARCHES will need to ensure price transparency and work with OEMs to ensure that the price (including incentives) is manageable for the fleet operators.
- 4. **Infrastructure Inputs**: The RFQ would reflect the ARCHES draft station rollout plan, which will be based on a variety of existing efforts, including the California Transportation Commission's recent <u>Clean Freight Corridor Efficiency Assessment</u> and work within ARCHES' research team in an ongoing fashion during the rollout plan development.
 - a. OEM and Fleet proposals would include preferred station locations (zip code or census tract level) to enable early market operations, including projected hydrogen consumption at each location.
 - b. ARCHES will build an initial set of stations (perhaps 10) along designated corridors that support fleet operators' refueling needs to ensure major areas are covered in a timely fashion; ARCHES will then leverage the information in agreements to further refine the station rollout plan (up to 50 by 2032) with station partners. This plan will also be linked to ARCHES' renewable hydrogen supply development, ensuring a reliable hydrogen supply throughout the ramp-up period, and with a system-level goal of matching (and ultimately beating) diesel on a TCO basis.
- 5. Combining Funds, Flexible & Transparent Implementation: In addition to DOE funding largely aimed at creating a resilient renewable hydrogen supply chain, the State of California and regional/local funding agencies would contribute funding through ARCHES to support trucks, stations, and workforce development with the flexibility needed to deliver projects that enable market growth.
 - a. Federal, state, local, and investor funding would be managed to deliver projects at the system level, including necessary infrastructure and workforce development.
 - b. ARCHES would work with and engage local communities on education and outreach to raise understanding of the opportunities of FCETs, FCEBs, and hydrogen.
 - c. For state and local funding, ARCHES would establish transparent and auditable procedures for determining incentive levels while protecting business

³ Only applies to trucks, not fuel cell transit buses.

confidentiality, including adjusting incentives based on technical capability (e.g., range or other operations-specific metrics). ARCHES would report to and collaborate with relevant state and local funding agencies, including transparent reporting and integrating appropriate staff.

- 6. **Proposal Evaluation**: RFQ responses would be evaluated using criteria such as:
 - a. Truck specifications and performance to meet the fleet operator's duty cycle
 - b. Manufacturability to meet demand and quality requirements, and a strong dealer network to support truck purchases and service
 - c. Financial capability and a robust plan to support the program over five to eight years. This could include the capability to provide financing for lease and lease purchase agreements with fleets.
 - d. A commitment to service, repair, and supply parts for vehicles for at least 10 years
 - e. Provision of, or coordination with, service centers with trained technicians capable of minimizing downtime for the fleet operator
 - f. A robust inventory and an identified, reliable, and potentially redundant supply chain for parts needed for service and repairs
 - g. Track record of performance through current deployments or demonstrations (e.g., leveraging telemetrics)
 - h. Proposed FCET volumes over time
 - i. Potential to leverage economies of scale over multiple types of trucks, including different truck classes and functions.
 - j. Pricing strategy is competitive with incumbent technologies, and transparency of final prices paid by fleets after all taxes and incentives are taken into account.
 - k. The level of ARCHES incentives the OEM expects to require each year, based on proposed annual volumes, in order to meet proposed price targets. The negotiated prices should quickly come close to achieving TCO parity with incumbent technologies, taking into account all incentives. As the ARCHES incentive declines over time, prices should remain at levels that ensure ongoing TCO parity with incumbent technologies. This could be compared to independent price and cost data.
 - I. OEMs would be able to provide different per-truck costs based on the total number of trucks produced over five years, factoring in economies of scale.
 - m. Strategy for resale of trucks into secondary markets.