

US EPA ARCHIVE DOCUMENT

AGENCY: Environmental Protection Agency (EPA).

TITLE: “VOLUNTARY DIESEL RETROFIT PROGRAM TECHNOLOGY DEMONSTRATION ASSISTANCE AGREEMENTS FOR STATIONARY SOURCE DIESEL ENGINES”

ACTION: Request for Applications (RFA) - Initial Announcement.

RFA NO: OAR-OAQPS-AQSSD-04-15

CATALOGUE OF FEDERAL DOMESTIC ASSISTANCE (CFDA) NO: 66.034

DATES: The closing date for receipt of applications is December 20, 2004, 4:00 p.m. EDT. Applications submitted via U.S. mail must be received in the Program Office by the closing date and time. No late proposals will be accepted.

To allow for efficient management of the competitive process, EPA requests submittal of an informal notice of “Intent to Apply” by November 20, 2004. Submission of an Intent to Apply is optional; it is a process management tool that will allow EPA to better anticipate the total staff time required for efficient review, evaluation, and selection of submitted proposals.

SUMMARY: This notice announces the availability of funds and solicits proposals from state, local, multi-state, tribal agencies and non-profit public or private organizations or institutions, for partnership projects that investigate and demonstrate how to overcome structural, organizational, or technical challenges in applying EPA verified pollution control technologies (or in finding innovative ways to apply such technologies) in reducing emissions from stationary source diesel-powered internal combustion engines.

FUNDING/AWARDS: The total estimate funding for this competitive opportunity is approximately \$150,000 to \$200,000. EPA anticipates award of two to four cooperative agreements resulting from this announcement, subject to the availability of funds and the quality of applications received.

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I. Funding Opportunity Description

A. Background

The purpose of this award is to investigate the application of specific emissions controls and/or emissions reduction measures for existing stationary source diesel engines.

As part of the existing Voluntary Diesel Retrofit Program, EPA established a technology review process to review, test and approve the emissions reduction potential of various pollution control strategies that can be installed on existing diesel vehicles. (A list of verified or certified technologies is available at <http://www.epa.gov/otaq/retrofit/retroverifiedlist.htm>). However, EPA recognizes that there are a variety of obstacles to overcome in implementing successful retrofit projects given that the applications and operating conditions of retrofit strategies can vary widely. To foster increased use of retrofit approaches, EPA provides financial and technical assistance to investigate and demonstrate the use of retrofit technologies in new applications and under a variety of operating conditions.

Stationary source diesel engines are very similar to mobile source diesel engines in their emitting characteristics and in the technologies and measures for reducing emissions. Accordingly, verified technologies for mobile source diesel engines should generally be effective for stationary source diesel engines as well. There are, however, likely to be unique challenges and issues in applying these technologies to stationary source engines.

Stationary source engines may be broadly classified as in “emergency service” or “prime service.” Emergency service engines serve as emergency back-up electrical generators, and are used very infrequently. Engines in “prime service” are operated on a routine basis for the application they serve. Examples of engines in prime service include a variety of industrial plant applications, construction projects, and routine electrical power generation in certain geographic areas. The purpose of this award is to fund demonstration projects that apply technologies to “prime service” stationary source diesel engines. (Because emergency service engines operate very infrequently, EPA believes that the emissions reduction potential from these engines is very low). These demonstration projects are intended to investigate and provide public information on ways to overcome any structural, organizational, or technical challenges that may arise in implementing a project to reduce pollution from prime service stationary source heavy-duty diesel engines. These projects can serve as case studies for public and private entities considering retrofit strategies for their diesel engines. In this way,

demonstration projects can expand the scope and breadth of efforts to reduce pollution from a greater number of the existing diesel stationary source population.

B. Scope of Work.

EPA is soliciting proposals from state, local, multi-state, and tribal agencies and non-profit public or private organizations or institutions, for partnership projects in reducing air pollution from stationary source heavy-duty diesel engines. EPA is seeking innovative proposals that can investigate and demonstrate how to overcome structural, organizational, or technical challenges in using EPA verified or certified retrofit technologies (or the innovative use of those technologies in non-verified applications), to reduce air pollution from heavy-duty diesel engines. These demonstration projects can involve retrofit technologies and/or cleaner fuels in stationary source heavy-duty diesel engines in prime service.

1. **Sensitive Populations.** EPA will fund projects that have the potential to provide the most public health benefits. Thus, projects should address the degree of population exposure to current emissions, and should identify whether there are potential benefits for “sensitive populations.”

For the purposes of this solicitation, “sensitive populations” are defined as children, the elderly, and the chronically ill who are more susceptible to the effects of diesel exhaust.

Projects that are part of existing or new community-based toxics reduction programs will receive special consideration for funding. Information documenting the toxics reduction program should be included in the proposal. Applicants should quantify the amount of emissions their project will reduce and estimate the cost-effectiveness of their approach. Applicants should also discuss the method and basis for these calculations.

2. **Potential for wider use.** Projects should demonstrate applications of retrofit technologies that have not yet been widely implemented but have the potential for wider use (i.e., on larger engine populations). Applicants should identify the specific engines, or groups of such engines, in the proposal.
3. **Emission Reductions.** Although EPA will give preference to projects that have the potential to achieve the greatest emission reduction (based on engine usage, technology capability, and estimated remaining life), EPA will also consider cost-effectiveness. Applicants should provide the baseline emissions data and explain the method for calculating these reductions. For proposals that involve the use of diesel particulate filters (DPF), applicants should identify whether

ultra-low sulfur fuel is available because this will affect the feasibility of this technology, and, consequently, the available emissions reductions.

4. **Retrofit Technologies.** Retrofit technologies and/or clean fuels must be either verified or recognized under EPA's Retrofit Program, certified by another EPA program, verified by the California Air Resources Board (CARB), or an innovative use of verified technology (such as on alternative applications not yet verified) with a high likelihood of success. Technologies may include, but are not limited to, installation of pollution control hardware and engine upgrades. EPA funds may only be applied to the cost differential between current or existing technologies and upgraded technologies.

Although EPA will give preference to products that already are verified for a particular engine application, EPA may consider funding projects that use EPA verified technologies in applications that have not yet been verified. EPA may consider these projects if it seems reasonable that the technology will provide similar benefits in this new application. In such cases, applicants should provide information regarding the expected emission reductions and performance of the technology. Applicants must discuss or explain the reasoning used to determine that the technology will function properly if the technology is not being used on a verified application.

Technologies the EPA has verified must be listed on EPA's Verified Technologies List (www.epa.gov/otaq/retrofit/retroverifiedlist.htm). Questions regarding the acceptance of a retrofit technology should be directed to the contact listed in *Section VII, Agency Contact*.

C. Supplementary Information.

The statutory authority for this action is Clean Air Act, Section 103(b)(3) which authorizes the award of grants for research, investigations, experiments, demonstrations, surveys, and studies related to the causes, effect, extent, prevention and control of air pollution.

II. Award Information

A. What is the amount of funding available?

The total estimated funding for this competitive opportunity is approximately \$150,000 to \$200,000.

B. How many agreements will EPA award in this competition?

EPA anticipates award of two to four cooperative agreements resulting from this announcement of approximately \$40,000 - 80,000, subject to availability of funds and the nature and quality of applications submitted. Cooperative agreements resulting from this announcement will be funded incrementally. Additional funds may be added in each subsequent year of the agreement.

Applications evaluated but not selected for this funding may be retained for a period of one year for possible future award under this announcement, subject to the availability of additional funds. EPA reserves the right to make no awards.

Cooperative agreements permit substantial involvement between the EPA Project Officer and the selected applicants in the performance of the work supported. Although EPA will negotiate precise terms and conditions relating to substantial involvement as part of the award process, the anticipated substantial Federal involvement for this project may be:

1. close monitoring of the successful applicant's performance to verify the results proposed by the applicant;
2. collaboration during performance of the scope of work;
3. approving substantive terms of proposed contracts;
4. approving qualifications of key personnel (EPA will not select employees or contractors employed by the award recipient);
5. review and comment on reports prepared under the cooperative agreement (the final decision on the content of reports rests with the recipient);

C. What is the project period for awards resulting from this solicitation?

The estimated project period for awards resulting from this solicitation is April 1, 2005 through March 31, 2007. All projects must be completed within the negotiated project performance period of 12 to 24 months.

D. Can funding be used to acquire services or fund other partnerships?

Funding may be used to acquire services or fund partnerships, provided the recipient follows procurement and subaward or subgrant procedures contained in 40 [CFR](#) Parts 30 or 31, as applicable. Successful applicants must compete contracts for services and products and conduct cost and price analyses to the extent required by these regulations. The regulations also contain limitations on consultant compensation. Applicants are not required to identify contractors or consultants in their proposal. Moreover, the fact that a successful applicant has named a specific contractor or consultant in the proposal EPA

approves does not relieve it of its obligations to comply with competitive procurement requirements.

Subgrants or subawards may be used to fund partnerships with non profit organizations and governmental entities. Successful applicants cannot use subgrants or subawards to avoid requirements in EPA grant regulations for competitive procurement by using these instruments to acquire commercial services or products to carry out its cooperative agreement. The nature of the transaction between the recipient and the subgrantee must be consistent with the standards for distinguishing between vendor transactions and subrecipient assistance under Subpart B Section .210 of [OMB Circular A-133](#), and the definitions of “subaward” at 40 CFR 30.2(ff) or “subgrant” at 40 CFR 31.3, as applicable. EPA will not be a party to these transactions.

III. Eligibility Information

A. Eligible Entities.

Proposals will be accepted from state, local, multi-state, and tribal governmental agencies, universities, and non-profit organizations, as defined by [OMB Circular A-122](#).

Non-profit organization, as defined by OMB Circular A-122, means any corporation, trust, association, cooperative, or other organization which: (1) is operated primarily for scientific, educational, service, charitable, or similar purposes in the public interest; (2) is not organized primarily for profit; and (3) uses its net proceeds to maintain, improve, and/or expand its operations. For this purpose, the term "non-profit organization" excludes (i) colleges and universities; (ii) hospitals; (iii) state, local, and federally-recognized Indian tribal governments; and (iv) those non-profit organizations which are excluded from coverage of this Circular in accordance with paragraph 5 of the Circular.

B. Cost Effectiveness.

While not required, applicants proposing cost-effective programs which leverage federal resources through a voluntary financial or in-kind commitment of resources will improve their scoring under the “Financial Participation” evaluation criterion of this solicitation. (*Refer to Section V(A), Evaluation Criteria.*)

IV. Application and Submission Information

A. How to Obtain Application Package.

The complete grants application package can be downloaded from EPA's Office of Grants and Debarment website at: http://www.epa.gov/ogd/grants/how_to_apply.htm
Potential applicants may request a paper copy of the application package by contacting one of the agency contacts listed in Section VII of this announcement.

B. Content and Form of Application Submission.

Applications must contain a narrative workplan, and one original completed and signed federal grant application package.

- A. A complete application must contain the following, in the sequential order shown:
 - A. SF-424 Application for Federal Assistance, with original signature
 - B. Key Contact List
 - C. Narrative Work Plan (including Detailed Itemized Budget), in the format detailed below
 - D. SF-424 A, Budget by categories and indirect cost rate
 - E. SF-424 B, Assurances for non-construction programs
 - F. Certification Regarding Lobbying
 - G. SF LLL, if applicable
 - H. EPA Form 4700-4 Preaward Compliance review report
 - I. Copy of Negotiated Indirect Cost Rate Agreement, if applicable
 - J. Quality Assurance Narrative Statement, if applicable
 - K. Other supporting documentation
- B. The narrative workplan, a maximum of 15 pages in length, must conform to the following outline:
 - A. Project Title.
 - B. Applicant Information. Include applicant (organization) name, address, contact person, phone number, fax and e-mail address.
 - C. Funding Requested. Specify the amount you are requesting from EPA.
 - D. Total Project Cost. Specify total cost of the project (EPA funding and cost-share). Identify funding from other sources including any in-kind resources.
 - E. Project period. Provide beginning and ending dates (for planning purposes, applicants should assume funds will be available in November 2004).
 - F. Narrative Work Plan. The narrative workplan must explicitly describe how the proposed project meets the guidelines established in *Section I(B)*, *Scope of Work* and, specifically, address each of the evaluation criteria

disclosed in *Section V(A), Evaluation Criteria*. The narrative should include:

- A. Description of benefits to sensitive populations (including reductions and cost effectiveness calculations and methods)
 - B. Diesel equipment details, including the function served by the engine, the degree to which engines serve this same function elsewhere.
 - C. Retrofit technology description
 - D. How the project will investigate and demonstrate how to overcome structural, organizational or technical challenges that may arise at this site and elsewhere in implementing a similar project.
 - E. Whether the proposed project is part of a community-based toxics reduction program
 - F. Describe the plan for acquiring the technology by a competitive process
 - G. Describe how the results will be documented and distributed.
- G. Detailed Itemized Budget. Provide a budget for the following categories, specifying unit costs:
- Personnel
 - Fringe Benefits
 - Contractual Costs
 - Travel
 - Equipment
 - Supplies
 - Other
 - Total Direct Costs
 - Total Indirect Costs: must include documentation of accepted indirect rate
 - Total Cost
- H. Reporting Requirements. Discuss quarterly updates (schedule to be established by EPA) and a detailed follow-up final report. The final report should include: summary of the project, reductions achieved if applicable, and costs of the project. In addition, the final report shall discuss the problems, successes, lessons learned from the demonstration project that could help overcome structural, organizational or technical obstacles to implementing a similar project elsewhere.

Applicants are strongly advised to avoid submission of extemporaneous materials. Pages exceeding the maximum length will not be considered. The maximum page length shall

include any pieces that may be submitted by a third party (e.g., references or letters confirming commitments). All application materials must be completed in English. The minimum acceptable font size for application materials, excluding the SF-424a, shall be 12 pitch.

C. Submission Dates and Times.

1. To allow for efficient management of the competitive process, EPA requests eligible entities submit an informal notice of “Intent to Apply” by November 9, 2004, to the agency contact identified under *Section VII, Agency Contact*. Submission of an Intent to Apply is optional; it is a process management tool that will allow EPA to better anticipate the total staff time required for efficient review, evaluation, and selection of submitted proposals. Eligible entities not submitting an “Intent to Apply” are still eligible to apply by the deadline.

The written notice of “Intent to Apply” may be submitted via electronic mail. Please provide the name of your organization, a point of contact, phone number, email address, and the title of your project.

2. The deadline for submission of completed application packages is December 20, 2004, 4 p.m. EST. All application packages must be received in the program office listed below by the deadline. Applications received after the deadline will not be considered for funding.
3. Electronic Proposals (the narrative workplan and SF 424) must be submitted in Microsoft Word, Word Perfect, or pdf format to: Langdon.robin@epa.gov. Proposals will be considered timely upon receipt, not transmission. An e-mail response confirming receipt of electronic proposals will be provided.
4. Proposals will be considered timely upon receipt, not transmission. An e-mail response confirming receipt of electronic proposals will be provided.
5. Because of the unique situation involving U.S. mail screening. EPA highly recommends that applicants use an express mail option to submit their applications. The application should be addressed to:

Express Delivery Address (FedEx, UPS, DHL, etc.)

U.S.EPA
Attn: Robin Langdon (D 243-02)
109 TW Alexander Drive

Research Triangle Park, NC 27709

Phone: 919 541 4048

Regular Mail Delivery Address (U.S. Postal Service)

US EPA
Attn: Robin Langdon
OAR/Office of Air Quality Planning and Standards (D 243-02)
109 TW Alexander Drive
Research Triangle Park, NC 27709

V. Application Review Information

A. Evaluation Criteria.

Each eligible application will be evaluated according to the criteria set forth below. Applications which are best able to directly and explicitly address these criteria will have a greater likelihood of being selected for award. Each application will be rated under a points system, with a total of 100 points possible.

Criterion	Maximum Points per Criterion
Implementation Plan: Describe, in detail, the plan for implementing the project including a timeline for each phase of the project. Indicate how you will acquire and install the equipment and include a list of potential partners. Describe the type of retrofit technology or technologies and/or the type of fuel (provide a plan for acquiring fuel if is non-traditional fuel). (For projects involving diesel particulate filters, identify whether ultra-low sulfur diesel fuel is available in the geographic area in which the engine or engines are located). Letters of support from partners should be included. Describe how the project will evaluate the structural, organizational, or technical challenges that would need to be overcome in applying retrofit technologies at this site and similar equipment at other locations.	20

<p>Air Quality Benefit. Estimate emissions reductions of particulate matter, oxides of nitrogen, hydrocarbons and carbon monoxide (based on usage, technology capability, and remaining life). Projects should propose to achieve quantifiable reductions in air emissions, and should identify the projected tons of pollutants reduced. Projects will be considered to have greater significance if emissions reductions are proposed to be achieved from engines operating within areas designated as having poor air quality. Poor air quality areas can consist of areas designated by EPA to be in non-attainment or approaching non-attainment of National Ambient Air Quality Standards for a criteria pollutant and/or areas with air toxics concerns.</p>	15
<p>Experience, Sustainability and Likelihood of Success: Provide information about your organization’s relevant experience. Explain how you will effectively implement a strategy that can be replicated and share your results. Provide information about any existing retrofit projects including the number and type of vehicles, type of technologies, funding levels, partners involved, and challenges overcome. Describe in detail any experience you have working with projects involving reducing emissions from stationary heavy-duty diesel engines.</p>	15
<p>Retrofit Technology. Projects should demonstrate applications of retrofit technologies that have not yet been widely implemented but have the potential for wider implementation. Projects should use technologies that demonstrate the applicability of EPA verified or the innovative usage of verified pollution control technologies in reducing emissions. If a particular application (engine type and model year) of an EPA-verified technology is not currently verified, provide a justification for this new application. You will need to demonstrate the ability of the technology to reduce emissions (based on reduction and usage of the engine or engines) as well as the cost-effectiveness of your approach.</p>	15
<p>Impact on Sensitive Populations. Projects should benefit sensitive populations. Sensitive populations include children, the elderly and the chronically ill. Also include information about the existence of community-based toxics reduction programs in the affected area.</p>	15
<p>Engine use: describe proposed engines for retrofit with sufficient detail, including the engine purpose, whether engine is in “prime service,” dates of engine manufacture (model year), annual fuel consumption or annual hours of operation, and any retrofit fuel cost differential. Also, describe your relationship to the engine (own, lease, contract).</p>	10
<p>Financial Participation. Indicate the ability to contribute financially to the project, dedicate personnel (in-kind), or leverage other resources.</p> <p>Although not required, applicants proposing cost-effective projects which leverage additional resources will improve their scoring under this criterion.</p>	10

B. Other Factors.

In addition to addressing the evaluation factors detailed in *Section V(A), Evaluation Criteria*, EPA may make final decisions based on the following criteria:

1. The proposed project must demonstrate the prevention and/or control of air pollution.
2. The proposed project must consist of such activities as investigations, demonstrations, and similar activities that are within the scope of Section 103(b)(3) of the Clean Air Act.
3. The applicant must commit to an intent to collect information, demonstrate results, and share that information about their project with other interested parties and the public. This includes the willingness to allow testing and/or evaluation of the technologies by the manufacturer, EPA, or the Agency's designee.
4. **Geographic Equity.** EPA will attempt to distribute assistance agreement funds throughout the United States.
5. **Environmental Justice.** EPA seeks to improve the health of communities that are considered economically disadvantaged and receive a disproportionate amount of pollution from stationary source diesel engines.

C. Review and Selection Process.

Each application will be evaluated by a team chosen to address a full range of air quality matters. The Evaluation Team will base its evaluation solely on the selection criteria disclosed in this notice. (*Refer to Section V(A), Evaluation Criteria*).

Completed evaluations will be referred to a Selection Committee that is responsible for further consideration and final selection. The highest numerically-ranked proposal(s) (subject to the quality of proposals, availability of funds, and consideration of *Section V(B), Other Factors*) will be selected for award.

VI. Award Administration Information

A. Award Notices.

Following final selections, all applicants will be notified regarding their application's status.

1. EPA anticipates notification to *successful* applicant(s) will be made via telephone, electronic or postal mail by March 7, 2005. This notification, which advises that the applicant's proposal has been selected and is being recommended for award, is not an authorization to begin performance. The award notice signed by the EPA grants officer is the authorizing document and will be provided through postal mail. At a minimum, this process can take up to 90 days from the date of selection.
2. EPA anticipates notification to *unsuccessful* applicant(s) will be made via electronic or postal mail by March 7, 2005. In either event, the notification will be sent to the original signer of the application.

B. Administrative and National Policy Requirements.

1. A listing and description of general EPA Regulations applicable to the award of assistance agreements may be viewed at:
http://www.epa.gov/ogd/AppKit/applicable_epa_regulations_and_description.htm.
- b. Executive Order 12372, Intergovernmental Review of Federal Programs may be applicable to awards, resulting from this announcement. Applicants *selected* for funding may be required to provide a copy of their proposal to their [State Point of Contact](#) (SPOC) for review, pursuant to Executive Order 12372, Intergovernmental Review of Federal Programs. This review is not required with the Initial Proposal and not all states require such a review.
- c. All applicants are required to provide a Dun and Bradstreet (D&B) Data Universal Numbering System (DUNS) number when applying for a Federal grant or cooperative agreement. Applicants can receive a DUNS number, at no cost, by calling the dedicated toll-free DUNS Number request line at 1-866-705-5711, or visiting the D&B website at:
<http://www.dnb.com>.

C. Reporting Requirement.

Quarterly performance reports and a detailed final report will be required. The final report should include: a summary of the project, specifications of technologies and fuel used, detailed description of the demonstration engines, summary of emissions reductions achieved, and costs. The final report will summarize how the project demonstrated how to overcome structural, organizational, or technical problems in applying retrofit

technologies to similar facilities at other locations. The schedule for submission of quarterly reports will be established, by EPA, after award.

VII. Agency Contact

FOR FURTHER INFORMATION CONTACT: Robin Langdon, US EPA, Office of Air Quality Planning and Standards (D243-02), 109 TW Alexander Drive, Research Triangle Park, NC 27709 Phone: 919 541 4048 Fax: 919 541 1039
email: langdon.rob@epa.gov

All questions or comments must be communicated in writing via postal mail, facsimile, or electronic mail to the contact person listed above. Answers will be posted, bi-weekly, until the closing date of this announcement at the OAR Grants/Funding webpage (http://www.epa.gov/air/grants_funding.html).

VIII. Other Information.

Applicants should clearly mark information in their proposal which they consider confidential. EPA will make final confidentiality decisions in accordance with Agency regulations at 40 CFR Part 2, Subpart B.

EPA reserves the right to reject all proposals or applications and make no award as a result of this announcement. The EPA Grant Award Officer is the only official that can bind the Agency to the expenditure of funds for selected projects resulting from this announcement.

Formal disputes challenging the Agency award decision, will be resolved using the Dispute Procedures at 40 [CFR](#) 30.63 and 40 CFR 31.70.