

US EPA ARCHIVE DOCUMENT

**AGENCY:** ENVIRONMENTAL PROTECTION AGENCY (EPA)

**TITLE:** Clean Diesel Emerging Technologies Funding Assistance Program,  
FY2009/2010 Request for Proposals (RFP)

**RFP No:** EPA-OAR-OTAQ-09-12

**CATALOG OF FINANCIAL DOMESTIC ASSISTANCE No: 66.039**

### **IMPORTANT DATES**

October 6, 2009	RFP OPENS
December 8, 2009	RFP CLOSSES – PROPOSALS DUE
FEBRUARY 2010	ANTICIPATED NOTIFICATION OF SELECTION
MARCH 2010	ANTICIPATED AWARD

The closing date for receipt of proposals is **Tuesday, December 8, 2009**. All hard copies of proposal packages must be received by **Tuesday, December 8, 2009, 4:00 p.m. EST** in order to be considered for funding. Electronic submissions submitted through e-mail must be received by **Tuesday, December 8, 2009, 4:00 p.m. EST**. Proposals received after the closing date and time will not be considered for funding.

### **SUMMARY**

EPA's Clean Diesel Emerging Technologies Funding Assistance Program is soliciting proposals nationwide for projects that achieve significant reductions in diesel emissions in terms of tons of pollution produced and diesel emissions exposure, particularly from fleets operating in areas designated by the Administrator as poor air quality areas.

Under this solicitation, the only eligible diesel emission reduction solutions that may be proposed are the use of emerging emission control technologies as listed on the National Clean Diesel Campaign's Emerging Technologies List (<http://www.epa.gov/otaq/diesel/prgemerglist.htm>).

Eligible diesel vehicles, engines and equipment may include buses, medium-duty or heavy-duty trucks, marine engines, locomotives and non-road engines, equipment or vehicles used in construction, handling of cargo (including at a port or airport), agriculture, mining or energy production (including stationary generators and pumps).

Eligible entities include regional, State, local or tribal agencies or port authorities with jurisdiction over transportation or air quality, and nonprofit organizations or institutions that a) represent or provide pollution reduction or educational services to persons or organizations that own or operate diesel fleets; or b) have, as their principal purpose, the promotion of transportation or air quality.

## FUNDING/AWARDS

The total estimated funding for this competitive opportunity is approximately \$8 million. EPA anticipates awarding a total of approximately 6-10 cooperative agreements ranging from \$500,000 to \$1,500,000, subject to the availability of funds and the quality of proposals received.

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## I. FUNDING OPPORTUNITY DESCRIPTION

### A. Background

Reducing emissions from diesel engines is one of the most important air quality challenges facing the country. Nationwide, in 2009 diesel emission from mobile sources alone will account for approximately 300,000 tons of directly emitted PM<sub>2.5</sub> and 6.4 million tons of NO<sub>x</sub>, which contribute to the formation of ozone and additional fine particles. These emissions will come from approximately 20 million engines operation in 2009, including approximately 13 million on-highway vehicle, 7 million nonroad engines, and 47,000 locomotive and marine engines. Even with more stringent heavy-duty highway and non-road engine standards taking effect over the next decade, millions of diesel engines already in use will continue to emit large amounts of nitrogen oxides, particulate matter and air toxics which contribute to serious public health problems, including asthma, lung cancer and various other cardiac and respiratory diseases. These problems result in thousands of premature deaths, millions of lost work days, and numerous other negative health impacts every year.

To meet the challenge of reducing exhaust from diesel engines, the U.S. Environmental Protection Agency (EPA) established the National Clean Diesel Campaign (NCDC). The NCDC comprises regulatory programs to address new engines and innovative programs to address the millions of diesel engines already in use. The NCDC mobilizes diverse partners with historic differences to work together, to create awareness of the urgency of the public health problem associated with diesel emissions and to accelerate the use of

technologies. These partners include State and local governments, transportation officials, engine manufacturers, emission technology vendors, fuel suppliers, private fleet owners and environmental groups.

## **B. Program History**

Since 2003, EPA's Clean School Bus USA program has been working to help reduce children's exposure to diesel exhaust. School buses provide 24 million of our nation's children with safe and convenient transportation between their homes and classrooms. Through outreach and education, Clean School Bus USA promotes better idling practices, retrofitting buses with modern emission control technology, using cleaner fuels, and replacing older school buses to help put tomorrow's cleaner buses on the road today.

In addition to the Clean School Bus USA program, EPA has developed a number of innovative programs covering the following sectors: ports, construction, freight and agriculture. Each program provides technical assistance to stakeholders interested in reducing their fleet's emissions effectively and efficiently.

The Diesel Emissions Reduction National Program (DERA) authorized by Title VII, Subtitle G (Sections 791 to 797) of the Energy Policy Act of 2005 (EPAct 2005) enables EPA to offer funding assistance to eligible entities on a competitive basis. Fiscal Year 2008 was the inaugural year of funding for DERA. Assistance agreements totaling over \$3 million were awarded nationwide through EPA's FY08 Clean Diesel Emerging Technologies Funding Assistance Program competition. In addition, on February 17, 2009, President Obama signed the American Recovery and Reinvestment Act of 2009 (Public Law No. 111-05) (Recovery Act) which provided funding for the program. Under the Recovery Act Emerging Technology competition EPA awarded 14 assistance agreements totaling approximately \$20 million for DERA projects that demonstrated the ability to be commenced expeditiously, reduce diesel emissions, and maximize job creation and/or preservation and economic recovery through the use of emerging technologies.

Specific information on these funded projects can be found at

<http://www.epa.gov/otaq/diesel/projects.htm>.

While DERA offers funding assistance for eligible projects that significantly reduce diesels emissions, EPA's Climate Protection Partnerships Division/Local Climate and Energy Program funds grants for communities to develop plans and demonstrate and implement projects which reduce greenhouse gas emissions. Projects that significantly reduce diesel emissions are also likely to reduce greenhouse gas emissions. Applications submitted under this RFP must be for eligible projects under DERA. More detailed information for local governments, Federally recognized tribes and inter-tribal consortia interested in proposing demonstration, development, and implementation projects which reduce greenhouse gas emissions but are otherwise ineligible for DERA grants, can be

found on EPA's Climate Showcase Communities Grant program website at <http://www.epa.gov/RDEE/energy-programs/state-and-local/showcase.html>.

### C. Scope of Work

1. **National Programmatic Priorities:** A principal objective of the assistance under this program is to achieve significant reductions in diesel emissions in terms of tons of pollution produced and reductions in diesel emissions exposure, particularly from vehicles, engines and equipment operating in areas designated by the Administrator as poor air quality areas (identified in part c.ii, below).

Under Section V of this RFP, applicants will be evaluated based on the extent and quality to which the proposed project addresses the National Programmatic Priorities. Under EPCRA 2005, priority for funding under this RFP will go to projects that:

- a. Maximize public health benefits;
- b. Are the most cost-effective;
- c. Serve areas:
  - i. with the highest population density;
  - ii. that are poor air quality areas (including nonattainment<sup>1</sup> or maintenance of national ambient air quality standards for a criteria pollutant; Federal Class I areas<sup>2</sup>; or areas with toxic air pollutant concerns);
  - iii. that receive a disproportionate quantity of air pollution from diesel fleets; including truck stops, ports, rail yards, terminals, and distribution centers; or
  - iv. that use a community-based multi-stakeholder collaborative process to reduce toxic emissions;
- d. Include an emerging technology that has a long expected useful life;
- e. Maximize the useful life of the emerging technology used or funded by the eligible entity;
- f. Conserve diesel fuel; and
- g. Utilize ultra low sulfur diesel fuel (15 parts per million of sulfur content) ahead of EPA's mandate (as applicable for non-road projects).

### D. Use of Funds

1. **Eligible Diesel Vehicles, Engines and Equipment:** Projects may include, but are not limited to, reduction of diesel emissions from the following heavy duty diesel emission source types:
  - a. Buses;
  - b. Medium-duty or Heavy-duty trucks;

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<sup>1</sup> EPA's areas of nonattainment for criteria air pollutants can be found at: [www.epa.gov/air/oaqps/greenbk/](http://www.epa.gov/air/oaqps/greenbk/).

<sup>2</sup> Federal Class I areas are National Parks, Wilderness Areas and National Monuments that are accorded special protection from visibility impairment under section 162(a) of the Clean Air Act. A list of Class I areas can be found at: [www.epa.gov/air/visibility/program.html](http://www.epa.gov/air/visibility/program.html).

- c. Marine Engines;
- d. Locomotives; and
- e. Non-road engines, equipment or vehicles used in:
  - i. Construction;
  - ii. Handling of cargo (including at a port or airport);
  - iii. Agriculture;
  - iv. Mining; or
  - v. Energy production (including stationary generators and pumps)<sup>3</sup>.

NOTE: New emission standards in the highway sector took affect in 2007 and will affect future model year highway heavy-duty vehicles and engines. For non-road engines, new EPA standards are being phased in which started in 2008. Emission reductions from retrofits of post-2007 vehicles, engines and equipment will be considered, if the technologies, devices or systems proposed will achieve significant emissions reductions beyond those required by EPA regulations at the time of engine certification.

## 2. Eligible Diesel Emissions Reduction Solution: Emerging Technologies

An emerging technology is defined as a technology that has not been previously certified or verified by EPA or the California Air Resources Board (CARB) but for which an approvable application and test plan have been submitted for verification. An emerging technology is a device or system that, when applied to an existing diesel engine, achieves emission reductions beyond what is currently required by EPA regulations at the time of the engine's certification. EPA will list all eligible emerging technologies on the following website at <http://www.epa.gov/cleandiesel/prgemerglist.htm>.

Section 792 (b)(3)(B) of EPAAct 2005 requires that in order to receive funds, a manufacturer, in consultation with an eligible entity, shall submit for verification to the Administrator of EPA or the Administrator of CARB a test plan for verification for the emerging technology. EPA will review and evaluate the test plan and, if approvable, will place the emerging technology on the Emerging Technologies List. If a manufacturer is working with CARB, they should submit the required information, as defined on EPA's website at <http://www.epa.gov/otaq/diesel/prgemerg.htm>, to EPA for placement on the Emerging Technologies List. Please note that CARB does not maintain an Emerging Technologies List.

Eligible entities, as defined in section III, shall submit an application for funding assistance that discusses how the eligible entity, in consultation with the manufacturer of an emerging technology, will assist in the development and commercialization of that technology by providing the means to gain real-world experience. Eligible entities must include with their application for funding assistance, a copy of the

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<sup>3</sup> Eligible non-road engines used for energy production include, but are not limited to, stationary generators and pumps.

approved emerging technology test plan that is on file for verification. The manufacturer can supply a copy of that test plan to the eligible entity or the manufacturer can submit the test plan directly to EPA.

Eligible entities, in consultation with the technology manufacturer, can propose to conduct testing that will further support the development and document the in-use operation of emerging technologies. Such test programs may include, but are not limited to, additional data logging and monitoring of device operation, measuring emissions with a portable emission measurement system (PEMS) to document emission reduction durability. All costs associated with testing (including voluntary cost-share and/or leveraged resources) must be fully described in the application, and the level of funding awarded for testing will be considered in the project eligibility and ranking. The costs of testing will be included in determining the overall cost effectiveness of the project.

Only technologies on the Emerging Technology List by the close of this RFP will qualify for use under this RFP. Eligible entities wishing to propose the use of an emerging technology not on the Emerging Technology List must have the manufacturer contact EPA to seek placement on the list. Manufacturers wishing to be placed on the Emerging Technologies List should start the process as soon as possible as there are a number of steps to complete.

#### **E. Linkage to EPA Strategic Plan and Anticipated Outputs/Outcomes**

EPA Order 5700.7, “Environmental Results under EPA Assistance Agreements,” requires that all assistance agreements be aligned with the Agency’s Strategic Plan. EPA requires that grant applicants and recipients adequately address environmental outputs and outcomes to be achieved under assistance agreements. Grantees will be expected to report progress toward the attainment of project outputs and outcomes during the performance period. Applicants will be evaluated on the effectiveness of their plan for tracking and measuring progress toward achieving anticipated outputs and outcomes.

EPA Order 5700.7, Environmental Results under Assistance Agreements, may be found at: [www.epa.gov/ogd/grants/award/5700.7.pdf](http://www.epa.gov/ogd/grants/award/5700.7.pdf).

- 1. Linkage to EPA Strategic Plan:** EPA’s Strategic Plan defines goals, objectives, and sub-objectives for protecting human health and the environment. Projects funded under this RFP will support Goal 1 of EPA’s 2006-2011 Strategic Plan, Clean Air and Global Climate Change; Objective 1.1: Healthier Outdoor Air, which states, “Through 2011...[EPA will]...protect human health and the environment by attaining and maintaining health-based air-quality standards and reducing the risk from toxic air pollutants.” Specifically, these projects will reduce emissions from diesel fleets, thereby reducing local and regional air pollution.

EPA’s Strategic 2006-2011 Strategic Plan may be found at: [www.epa.gov/ocfo/plan/2006/entire\\_report.pdf](http://www.epa.gov/ocfo/plan/2006/entire_report.pdf).

2. **Outputs:** The term “output” means an environmental activity, effort and/or associated work product related to an environmental goal or objective that will be produced by a grantee during the funding period. Outputs may be quantitative or qualitative but must be measurable during an assistance agreement funding period.

Expected outputs from the projects to be funded under this announcement include, but are not limited to:

- Number of retrofitted engines/vehicles/equipment

Other potential outputs may include, but are not limited to:

- Dissemination of project/technology information via list serves, websites; journals and outreach events; and/or
- Collection of real-word data.

Progress reports and a final report will also be required outputs, as specified in Section VI.E of this RFP.

3. **Outcomes:** The term “outcome” means the result, effect or consequence that will occur from carrying out an environmental program or activity that is related to an environmental or programmatic goal or objective. Outcomes may be environmental, behavioral, health-related or programmatic in nature, but must be quantitative, and may not necessarily be achievable within an assistance agreement funding period.

Expected outcomes from the projects to be funded under this announcement include, but are not limited to:

Intermediate Outcomes:

- Annual pounds or tons of fine particulate matter (PM2.5), nitrogen oxides (NOx), greenhouse gases (GHG) such as CO<sub>2</sub>, and/or volatile organic compound (VOCs) reduced; and/or
- Annual gallons of diesel fuel saved

End Outcomes:

- Documented improved ambient air quality
- Health benefits achieved (health benefits may be measured by numbers of illnesses, health care costs, or missed work/school days avoided, reduced mortality from air pollution)

Other potential outcomes may include, but are not limited to:

- An increased understanding of the environmental or economic effectiveness; of the implemented technology;
- Increased public awareness of project and results;
- Widespread adoption of the implemented technology.

**F. Supplementary Information**

The Diesel Emissions Reduction National Program (DERA) is authorized by Title VII, Subtitle G (Sections 791 to 797) of the Energy Policy Act of 2005, Public Law 109-58, signed August 8, 2005 (EPAct 2005), and appropriated under the Department of the Interior, Environment, and Related Agencies Appropriation Act, 2009, Public Law 111-8.

## **II. AWARD INFORMATION**

### **A. Available Funding**

The total estimated funding available under this RFP is approximately \$8 million. EPA anticipates awarding a total of approximately 6-10 cooperative agreements ranging from \$500,000 to \$1,500,000, subject to the availability of funds and the quality of proposals received.

EPA reserves the right to make additional awards under this announcement, consistent with Agency policy and other applicable considerations, if additional funding becomes available after the original selections. Any additional selections for awards will be made no later than 6 months from the date of the original selection.

In addition, EPA reserves the right to reject all proposals and make no awards under this announcement or to make fewer awards than anticipated.

### **B. Partial Funding**

In appropriate circumstances, EPA reserves the right to partially fund proposals by funding discrete portions or phases of proposed projects. If EPA decides to partially fund a project, it will do so in a manner that does not prejudice any applicants or affect the basis upon which the proposal or portion thereof, was evaluated and selected for award, thereby maintaining the integrity of the competition and selection process.

### **C. Project Period**

The estimated project period for awards resulting from this solicitation will begin on April 1, 2010, with an expected project completion date no later than March 31, 2012.

### **D. Funding Type**

The funding for selected projects will be in the form of a cooperative agreement. Cooperative agreements permit substantial involvement between EPA 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 will be in the form of technical assistance, development of outputs, and oversight. Specifically, substantial federal involvement will take the form of monitoring the project by EPA within approved timeline; participation and collaboration between EPA and the recipient

in program content; review of project progress, and quantification and reporting of results.

### **III. ELIGIBILITY INFORMATION**

#### **A. Eligible Entities**

Under this solicitation, only the following entities are eligible to apply for assistance, in accordance with Section 791(3) of EPAct 2005 and CFDA 66.039:

1. A regional, State, local or tribal agency or port authority with jurisdiction over transportation or air quality; and
2. A nonprofit organization or institution that:
  - a. represents or provides pollution reduction or educational services to persons or organizations that own or operate diesel fleets; or
  - b. has, as its principal purpose, the promotion of transportation or air quality.

School districts, municipalities, metropolitan planning organizations (MPOs), cities and counties are all eligible entities under this assistance agreement program to the extent that they fall within the definition above.

Non-profit organization, as defined by OMB Circular A-133, means any corporation, trust, association, cooperative, or other organization which is operated primarily for scientific, educational, service, charitable, or similar purposes in the public interest, is not organized primarily for profit, and uses its net proceeds to maintain, improve, and/or expand its operations. For this purpose, the term "non-profit organization" includes non-profit institutions of higher education and hospitals.

Non-profit organizations described in Section 501(c)(4) of the Internal Revenue Code that engage in lobbying activities as defined in Section 3 of the Lobbying Disclosure Act of 1995 are not eligible to apply.

#### **B. Cost Share/Leveraged Resources**

There is no requirement for a mandatory cost-share contribution from applicants.

1. Leveraged Resources/Voluntary Cost-Share. While it is not required that applicants leverage resources, EPA encourages the use of leveraged funds/resources to enhance and expand the project. Although leveraging is not required as a condition of eligibility under this competition, under Section V of this announcement EPA will evaluate proposals based on a leveraging criterion.

Applicants may propose various forms of leveraging including but not limited to a voluntary financial or in-kind commitment of resources which may improve the cost-effectiveness of the project (applicants should follow the instructions in **Appendix C** of this announcement for calculating the cost-effectiveness of their project). Specifically,

the voluntary cost-share funds must be indicated in at least one of the following blocks in Section 18, Estimated Funding, on the SF-424: b. Applicant; c. State; d. Local; or e. Other. The voluntary cost-shared funds must also be indicated in Sections A-C of the SF-424A. **If EPA accepts an offer for a voluntary cost-share, applicants must meet their sharing commitment as a legal condition of receiving EPA funding.**

In order to be considered for evaluation, any leveraged funds/resources, and their source, must be identified in the proposal. Leveraged funding or other resources need not be for eligible and allowable project costs under the EPA assistance agreement unless the Applicant proposes to provide a voluntary cost share. If EPA accepts an offer for a voluntary cost share, applicants must meet their sharing commitment as a condition of receiving EPA funding. The recipient is legally obligated to meet any proposed voluntary cost share that is included in the approved project budget because the grant agreement includes the voluntary cost share. Applicants may use their own funds or other resources for a voluntary cost share if the standards at 40 CFR 30.23 or 40 CFR 31.24, as applicable, are met. Only eligible and allowable costs may be used for voluntary cost shares. Other Federal grants may not be used as voluntary cost shares without specific statutory authority (e.g. HUD's Community Development Block Grants).

### **C. Threshold Eligibility Criteria**

Only proposals from eligible applicants (see Section III.A of this RFP) that meet all threshold eligibility criteria will be evaluated against the ranking criteria in Section V of this RFP. Applicants deemed ineligible for funding considerations as a result of the threshold eligibility review will be notified within 15 calendar days of the ineligibility determination.

1. Proposals that do not include an emerging technology as set forth in Section I.D.2 of this RFP are not eligible and will not be reviewed.
2. Proposal Content and Submission
  - a. Proposals must substantially comply with the proposal submission instructions and proposal content requirements set forth in Section IV and Appendix A of this RFP or else they will not be reviewed.
  - b. Where a page limit is expressed in Section IV of this RFP with respect to the Project Narrative, pages in excess of the page limitation will not be reviewed.
  - c. Proposals must be received by EPA through one of the specified methods in Section IV of this RFP on or before the deadline published in Section IV of this RFP. Proposals received after the deadline will be considered late will not be reviewed unless the applicant can clearly demonstrate that it was late due to EPA mishandling. For hard copy or email submissions, where Section IV of this RFP requires proposal receipt by a specific person/office by the deadline, receipt by an agency mailroom is not sufficient. Applicants should confirm receipt of their proposal with the EPA contact identified in Section IV of this RFP as soon as

**d. Proposals will NOT be accepted via fax or standard 1st class mail delivery by U.S. Postal Service.**

3. Proposals which request EPA assistance funds in excess of \$1,500,000 will not be reviewed.
4. Proposals for fueling infrastructure, such as that used for the production and/or distribution of biodiesel, and/or other cleaner fuels, or compressed natural gas fueling stations, are not eligible and will not be reviewed.
5. Proposals MUST clearly identify the emerging technology and the name of the manufacturer that will be utilized. Only technologies on the Emerging Technologies List are eligible.

**D. Funding Restrictions**

If a submitted proposal includes the following ineligible activities, that portion of the proposal will be ineligible for funding and may render the entire proposal ineligible for funding.

1. **Restriction for Mandated Measures:** Pursuant to Section 792(d)(2) of the EPA Act of 2005, no funds awarded under this RFP shall be used to fund the costs of emissions reductions that are mandated under Federal, State or local law. The restriction applies when the mandate takes effect (the effective date) for any affected vehicles, engines or equipment.

If the project takes place in an affected area, or includes affected vehicles, engines or equipment, the Applicant must clearly demonstrate that emission reductions funded with EPA funds:

- a. will be implemented prior to the effective date of the mandate; and/or
- b. are in excess of (above and beyond) those required by the applicable mandate.

If applicable, emission reduction benefits shall only be calculated for the period preceding the effective date or compliance deadline. Please see Appendix B for instructions on calculating emission reductions. Voluntary or elective emission reduction measures shall not be considered “mandated,” regardless of whether the reductions are included in a State Implementation Plan or a non-regulatory contract specification.

2. No funds awarded under this RFP shall be used for matching funds for other federal grants, lobbying, or intervention in Federal regulatory or adjudicatory proceedings, and cannot be used to sue the Federal government or any other government entity.

3. No funds awarded under this RFP shall be used for fueling infrastructure, such as that used for the production and/or distribution of fuel such as biodiesel, compressed natural gas fueling stations, or liquefied natural gas. If proposals are submitted that have these ineligible activities, the entire proposal will be ineligible for funding.
4. No funds awarded under this RFP shall be used for retrofit technologies on EPA's or CARB's, "Formerly Verified Technologies" lists: <http://www.epa.gov/otaq/retrofit/deleted-list.htm>, <http://www.arb.ca.gov/diesel/verdev/verdev.htm> . If proposals are submitted that have these ineligible activities, that portion of the proposal will be ineligible for funding and may render the entire proposal ineligible for funding.
5. Funds awarded under this RFP shall be used ONLY for those technologies on the Emerging Technologies List at the close of the RFP.

#### IV. PROPOSAL AND SUBMISSION INFORMATION

##### A. How to Obtain a Proposal Package

Applicants can download the individual grant application forms (Application for Federal Assistance SF-424, and Budget Information for Non-Construction Programs SF-424A) from EPA's Office of Grants and Debarment website at:

[www.epa.gov/ogd/grants/how\\_to\\_apply.htm](http://www.epa.gov/ogd/grants/how_to_apply.htm) .

Please refer to the Proposal Package Checklist in Appendix D to ensure that all required materials have been included in your proposal package.

To obtain a hard copy of materials, please call 1-877-NCDC-FACTS (1-877-623-2322) or email [cleandiesel@epa.gov](mailto:cleandiesel@epa.gov).

##### B. Proposal Submission

Applicants have the following options to submit their proposals: a) Hard copy by hand delivery or express delivery service to the specified EPA contact listed below or b) electronically through email to the specified EPA contact below.

**Proposals will NOT be accepted via fax or standard 1st class mail delivery by U.S. Postal Service.**

All proposals must be prepared, and include the information, as described in Section IV.C of this RFP, regardless of mode of submission.

1. **Hard Copy Submission:** Hard copy submissions must be hand delivered or sent using an express delivery service, such as FedEx, UPS, DHL, etc., to the contact mailing address listed below. Please provide one original of the proposal package (including signed and completed SF-424 and SF-424A forms), as well as two

photocopies of the complete proposal package. Binders or spiral binding will not be accepted. All hard copies of proposal packages must be received by **Tuesday, December 8, 2009, 4:00 p.m. EST.**

2. **Email Submission:** Please send an email containing all required documents listed in Section IV.C and Appendix A of the announcement as one Adobe PDF file, including signed and completed forms. Emails must be addressed to [went.jennifer@epa.gov](mailto:went.jennifer@epa.gov) and include "Clean Diesel Emerging Technologies Application – [*name of applicant*]" in the subject line. Email submissions must be received by **Tuesday, December 8, 2009 at 4:00 p.m. EST.**

Please note that if you choose to submit your materials via e-mail, you are accepting all risks attendant to e-mail submission including server delays and transmission difficulties. E-mail submissions exceeding 15MB will experience transmission delays which will affect when they are received by the Agency. For these size submissions, applicants should submit their application materials via hardcopy because if they are sent via e-mail they may be received late and not considered for funding.

Jennifer Went  
U.S. Environmental Protection Agency  
1310 L Street, NW (Room 347F)  
Washington, DC 20005  
Email: [went.jennifer@epa.gov](mailto:went.jennifer@epa.gov)

### C. Content of Proposal Package

1. **Grant Application Forms:**
  - a. **Standard Form (SF) 424, Application for Federal Assistance.** Complete the form (available at [www.epa.gov/ogd/forms/forms.htm](http://www.epa.gov/ogd/forms/forms.htm)). Please be sure to include the Applicant organization fax number and email address in Block 5 of the Standard Form 424
  - b. **Standard Form (SF) 424A, Budget Information.** Complete the form (available at [www.epa.gov/ogd/forms/forms.htm](http://www.epa.gov/ogd/forms/forms.htm)).
2. **Project Narrative:** The Project Narrative must substantially comply with the specific instructions, format and content as described in **Appendix A**. The Project Narrative includes the following components:
  - Cover Page
  - Workplan

The project narrative (including the cover page) shall not exceed ten (10) single-spaced pages in length. Pages refer to one-side of a single spaced typed page. Font size should be no smaller than 10 and the proposal must be submitted on 8 ½" x 11" paper. Pages in excess of the 10-page limit will not be considered. Supporting

materials, such as resumes, letters of support and/or commitment, and fleet descriptions can be submitted as attachments and are not included in the 10-page limit.

3. **Applicant Fleet Description:** This information does not count towards the 10-page limit. The purpose of the Applicant Fleet Description (AFD) is to describe in detail the specific vehicles and engines targeted for emissions reductions under the proposed project. Applicants must describe the fleet(s) targeted for the proposed project, including: target fleet type, number of vehicles, vehicle class, model year, retrofit year, chosen technology, current fuel type, amount of fuel used, etc. This information may be presented in a table format.
4. **Cost-Share Commitment Letters:** If applicable, project partners that are providing in-kind or monetary assistance must demonstrate their specific commitment to meet the proposed cost-share. These are not included in the 10-page limit.
5. **Optional Attachments:** These are not included in the 10-page limit.
  - Resumes: Provide resumes or curriculum vitae for all principal investigators and any other key personnel.
  - Letters of Support: Specifically indicate how supporting organizations will assist in the project. Please limit your letters of support to 3.

#### **D. Submission Dates and Time**

The closing date and time for receipt of proposal submissions, regardless of mode of submission, is **Tuesday, December 8, 2009, 4:00 p.m. EST** in order to be considered for funding. All hard copies of proposal packages must be received by **Tuesday, December 8, 2009, 4:00 p.m. EST** in order to be considered for funding. All electronic submissions of proposal packages must be received by **Tuesday, December 8, 2009 4:00 p.m. EST** in order to be considered for funding.

#### **E. Confidential Business Information**

In accordance with 40 CFR 2.203, applicants may claim all or a portion of their proposal package as confidential business information. EPA will evaluate confidentiality claims in accordance with 40 CFR Part 2. Applicants must clearly mark proposals or portions thereof that they claim as confidential. If no claim of confidentiality is made, EPA is not required to make the inquiry to the applicant otherwise required by 40 CFR 2.204(c) (2) prior to disclosure. However, competitive proposals are considered confidential and protected from disclosure prior to the completion of the competitive selection process.

#### **F. Pre-Proposal Assistance and Communications**

All applicants are encouraged to review the Frequently Asked Questions (FAQ) document posted at [www.epa.gov/otaq/diesel/prgnational.htm](http://www.epa.gov/otaq/diesel/prgnational.htm) for further clarification of this Request for Proposals.

In accordance with EPA's Assistance Agreement Competition Policy (EPA Order 5700.5A1), EPA staff will not meet with individual applicants to discuss draft proposals, provide informal comments on draft proposals, or provide advice to applicants on how to respond to ranking criteria. Applicants are responsible for the content of their proposals.

EPA will respond to questions in writing from individual applicants regarding threshold eligibility criteria, administrative issues related to the submission of the proposal, and requests for clarification about the announcement.

Please email written questions to [cleandiesel@epa.gov](mailto:cleandiesel@epa.gov). Please type "Emerging Technologies RFP Question" in the subject line of your email. All questions and answers will be posted in the FAQ document at [www.epa.gov/otaq/diesel/prgnational.htm](http://www.epa.gov/otaq/diesel/prgnational.htm).

All questions submitted via email by 5:00 pm EST each Friday during the RFP open period will be answered and posted in the FAQ document by 5:00 pm EST on the following Wednesday. The deadline for submitting questions via email is Friday, November 27, 2009, at 5:00 pm EST. The final posting of the FAQ document will be Wednesday, December 2, 2009, at 5:00 pm EST.

In addition, EPA will host a teleconference regarding this Request for Proposal in which EPA will attempt to answer any appropriate questions in this public forum. The teleconference will be held on October 15, 2009, at 2:00 pm EST. The call in number is 1-866-299-3188 and the conference code number is 2023439302#.

Questions and answers from this teleconference, as well as any questions received in writing, will also be posted in the Frequently Asked Questions document on the website listed above.

## **G. Contracts, Subawards and Partnerships**

### **1. Can funding be used for the applicant to make subawards, acquire contract services, or fund partnerships?**

EPA awards funds to one eligible applicant as the recipient even if other eligible applicants are named as partners or co-applicants or members of a coalition or consortium. The recipient is accountable to EPA for the proper expenditure of funds.

Funding may be used to provide subgrants or subawards of financial assistance, which includes using subawards or subgrants to fund partnerships, provided the recipient complies with applicable requirements for subawards or subgrants including those contained in 40 CFR Parts 30 or 31, as appropriate. Applicants must compete contracts for services and products, including consultant contracts, and conduct cost

and price analyses, to the extent required by the procurement provisions of the regulations at 40 CFR Parts 30 or 31, as appropriate. The regulations also contain limitations on consultant compensation. Applicants are not required to identify subawardees/subgrantees and/or contractors (including consultants) in their proposal. However, if they do, the fact that an applicant selected for award has named a specific subawardee/subgrantee, contractor, or consultant in the proposal EPA selects for funding does not relieve the applicant of its obligations to comply with subaward/subgrant and/or competitive procurement requirements as appropriate.

Please note that applicants may not award sole source contracts to consulting, engineering or other firms assisting applicants with the proposal solely based on the firm's role in preparing the proposal.

Please note that applicants are not required to compete the contract with the emerging technology manufacturer selected from the pre-approved emerging technology list. The Energy Policy Act section 792 (b)(3)(B)(ii) requires the manufacturer of an eligible emerging technology and eligible entity create a partnership prior to submitting the application for this RFP. This only applies to the selection of the emerging technology and the manufacturer of that technology. All other contracts must be competed as stated above.

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 from for-profit organizations to carry out its assistance agreement. The nature of the transaction between the recipient and the subawardee or 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. Applicants acquiring commercial goods or services must comply with the competitive procurement standards in 40 CFR Part 30 or 40 CFR Part 31.36 and cannot use a subaward/subgrant as the funding mechanism.

**2. How will an applicant's proposed subawardees/subgrantees and contractors be considered during the evaluation process described in Section V of this RFP?**

Section V of this RFP describes the evaluation criteria and evaluation process that will be used by EPA to make selections under this announcement. During this evaluation, except for those criteria that relate to the applicant's own qualifications, past performance, and reporting history, the review panel will consider, as appropriate and relevant, the qualifications, expertise, and experience of:

- a. an applicant's named subawardees/subgrantees identified in the proposal if the applicant demonstrates in the proposal that if it receives an award that the subaward/subgrant will be properly awarded consistent with the applicable regulations in 40 CFR Parts 30 or 31. For example, applicants must not use

- b. an applicant's named contractor(s), including consultants, identified in the proposal if the applicant demonstrates in its proposal that the contractor(s) was selected in compliance with the competitive Procurement Standards in 40 CFR Part 30 or 40 CFR 31.36 as appropriate or if the applicant demonstrates that the contractor was an eligible manufacturer selected from the Emerging Technology List. For example, an applicant must demonstrate that it selected the contractor(s) competitively or that a proper non-competitive sole-source award consistent with the regulations will be made to the contractor(s), that efforts were made to provide small and disadvantaged businesses with opportunities to compete, and that some form of cost or price analysis was conducted. EPA will accept named contractors that are Emerging Technology Manufacturers without a non-competitive sole-source justification, provided the contract is for the acquisition or use of the emerging technology. EPA may not accept sole source justifications for contracts for services or products that are otherwise readily available in the commercial marketplace.

EPA will not consider the qualifications, experience, and expertise of named subawardees/subgrantees and/or named contractor(s) during the proposal evaluation process unless the applicant complies with these requirements.

**V. PROPOSAL REVIEW INFORMATION**

Only those proposals that meet the threshold criteria in Section III of this RFP will be evaluated according to the criteria set forth below. Applicants should directly and explicitly address these criteria as part of their proposal submittal. Each proposal will be rated under a points system, with a total of 100 points possible.

**A. Evaluation Criteria**

Criteria	Points
<b>Project Narrative</b>	
<p><b>1. <u>Project Summary and Overall Approach:</u></b> Under this criterion, applicants will be evaluated based on:</p> <ul style="list-style-type: none"> <li>a. (13 points) the extent and quality to which the applicant addresses the requirements in Appendix A for Section 1 “Project Summary” of the Work Plan;</li> <li>b. (12 points) the extent and quality to which the proposal includes a well-conceived, logical strategy for achieving – by the project end date – the anticipated results associated with the project.</li> </ul>	<b>25</b>

<p><b>2. <u>Results – Outcomes and Outputs:</u></b> Under this criterion, applicants will be evaluated based on::</p> <ul style="list-style-type: none"> <li>a. (13 points) the extent and quality to which the applicant identifies and quantifies the expected project outputs and outcomes, including those identified in Section I.E of the RFP.</li> <li>b. (12 points) The effectiveness of the applicant’s plan for tracking and measuring its progress toward achieving expected project outputs and outcomes, including those identified in Section I.E of the RFP.</li> </ul>	<p><b>25</b></p>
<p><b>3. <u>National Programmatic Priorities:</u></b> Under this criterion, applicants will be evaluated on the extent and quality to which the proposal addresses the National Programmatic Priorities identified in Section I.C.1 of the RFP.</p> <ul style="list-style-type: none"> <li>a. (4 points) Maximize public health benefits;</li> <li>b. (4 points) Are the most cost-effective;</li> <li>c. (4 points) Are in areas with high population density, that are poor air quality areas and that receive a disproportionate quantity of air pollution from diesel fleets, including truck stops, ports, rail yards, terminals, and distribution centers or that use a community-based multi-stakeholder collaborative process to reduce toxic emissions;</li> <li>d. (3 points) Include an emerging technology that has a long expected useful life and maximize the useful life of the emerging technology used or funded by the eligible entity, conserve diesel fuel, and/or utilize ultra low sulfur diesel fuel (15 parts per million of sulfur content) ahead of EPA’s mandate (as applicable for non-road projects).</li> </ul>	<p><b>15</b></p>
<p><b>4. <u>Past Performance--Programmatic Capability and Reporting on Results:</u></b> Under this criterion, applicants will be evaluated based on their technical ability to successfully complete and manage the proposed project taking into account the applicant’s:</p> <ul style="list-style-type: none"> <li>a. (2 points) past performance in successfully completing and managing federally funded assistance agreements (assistance agreements include Federal grants and cooperative agreements but not Federal contracts) similar in size, scope, and relevance to the proposed project performed within the last 3 years;</li> <li>b. (2 points) history of meeting reporting requirements on federally funded assistance agreements (assistance agreements include Federal grants and cooperative agreements but not Federal contracts) similar in size, scope, and relevance to the proposed project performed within the last 3 years and submitting acceptable final technical reports under those agreements; and</li> <li>c. (2 point) past performance in documenting and/or reporting on progress towards achieving the expected outcomes and outputs (e.g., results) under federally funded assistance agreements (assistance agreements include Federal grants and cooperative agreements but not Federal contracts) similar in size, scope and relevance to the proposed project within the last 3 years; and, if such progress was not made whether the documentation and/or reports satisfactorily explained why not.</li> </ul> <p>If you do not have any relevant or available past performance or reporting information, please indicate this in the appropriate section of the Work Plan and</p>	<p><b>6</b></p>

you will receive a neutral score for these factors under Section V of this RFP. A neutral score is half of the total points available. If you do not provide any response for this item, you may receive a score of zero (0) for these factors.	
<b>5. <u>Staff Expertise/Qualifications:</u></b> Under this criterion, applicants will be evaluated on their organizational experience, staff expertise/qualifications, staff knowledge, and resources or the ability to obtain them, to successfully achieve the goals of the project.	<b>5</b>
<b>6. <u>Budget/Resources:</u></b> Under this criterion, applicants will be evaluated based on: <b>a.</b> (5 points) the extent and quality to which the applicant addresses the requirements in Appendix A for Section 7 “Budget Detail” of the Work Plan; <b>b.</b> (5 points) whether the project budget is appropriate to accomplish the proposed goals, objectives, and measurable environmental outcomes.	<b>10</b>
<b>7. <u>Clear Description of the Target Fleet:</u></b> Under this criterion, applicants will be evaluated on the degree to which detailed information on the target fleet (vessel(s), vehicle(s), engine(s) and/or equipment) is provided.	<b>9</b>
<b>8. <u>Leveraging Resources:</u></b> Under this criterion, applicants will be evaluated based on the extent they demonstrate how they will coordinate the use of EPA funding with other Federal and/or non Federal sources of funds to leverage additional resources to carry out the proposed project(s) and/or that EPA funding will complement activities relevant to the proposed project(s) carried out by the applicant with other sources of funds or resources. Applicants will also be evaluated based on the type of leveraging proposed, how the applicant will obtain the leveraged resources, the likelihood the leveraging will materialize during grant performance, and what role it will play in the overall project.	<b>5</b>

**B. Review and Selection Process**

Assistance agreements funded under this announcement will be awarded and managed by EPA’s Headquarters Office of Air and Radiation. Proposals will first be evaluated against the threshold factors listed in Section III of this RFP. Only those proposals which meet all of the threshold factors will be evaluated by a review panel using the evaluation criteria listed above. Each proposal will be given a numerical score and will be rank-ordered according to the numerical score. Preliminary funding recommendations will be provided to the EPA Approving Official based on this ranking.

**C. Other Factors**

Funding decisions will be made by the EPA Approving Official based on the rankings and recommendation of the EPA evaluation team. In making the final funding decisions, the EPA Approving Official may also consider sector (fleet type), technology, geographic diversity, and programmatic priorities. Once final decisions have been made, a funding recommendation will be developed and forwarded to the EPA Award Official for approval.

**VI. AWARD ADMINISTRATION INFORMATION**

## A. Award Notices

Following evaluation of proposals, all applicants will be notified regarding their status.

- 1. Successful Applicants:** EPA anticipates notification to the successful applicant will be made via telephone, electronic or postal mail by February 28, 2010. The notification will advise the applicant that its proposal has been successfully evaluated and recommended for award. The notification will be sent to the original signer of the Standard Form 424, Application for Federal Assistance.

This notification, which advises that the applicant's proposal has been recommended for award, is not an authorization to begin performance. The award offer signed by the EPA Award Official is the authorizing document and will be provided through postal mail.

Final applications and forms will be requested, as necessary, from those eligible entities whose proposal has been successfully evaluated and preliminarily recommended for award. Those entities will be provided with instructions and a due date for submittal of the final application package.

- 2. Unsuccessful Applicants:** EPA anticipates notification to unsuccessful applicant(s) will be made via electronic or postal mail February 28, 2010. The notification will be sent to the original signer of the Standard Form 424, Application for Federal Assistance.

## B. General Administrative and National Policy Requirements

A listing and description of general EPA Regulations applicable to the award of assistance agreements may be viewed at:

[www.epa.gov/ogd/AppKit/applicable\\_epa\\_regulations\\_and\\_description.htm](http://www.epa.gov/ogd/AppKit/applicable_epa_regulations_and_description.htm).

## C. Intergovernmental Review

Executive Order 12372, Intergovernmental Review of Federal Programs is applicable to awards resulting from this announcement. Applicants selected for funding will be required to provide a copy of their application to their State Point of Contact (SPOC) for review, pursuant to Executive Order 12372, Intergovernmental Review of Federal Programs. Federally-recognized Tribal governments are not required to comply with this procedure.

For the purpose of responding to this RFP, applicants may choose to not respond to question #19 on the SF 424 form; EPA will provide additional guidance on the intergovernmental review process to those applicants selected for funding.

## D. DUNS Number

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/us/>.

#### **E. Reporting Requirement**

Quarterly progress reports and a detailed final report will be required. Quarterly reports summarizing technical progress, planned activities for the next quarter and a summary of expenditures are required. The final report shall be submitted to EPA within 90 calendar days of the completion of the period of performance. The final report should include: summary of the project or activity, advances achieved and costs of the project or activity. In addition, the final report shall discuss the problems, successes, and lessons learned from the project or activity that could help overcome structural, organizational or technical obstacles to implementing a similar project elsewhere. The schedule for submission of quarterly reports will be established by EPA, after the award. Award recipients may be provided with additional information and guidance on reporting performance measures and project progress after award.

#### **F. Disputes**

Assistance agreement competition-related disputes will be resolved in accordance with the dispute resolution procedures published in 70 FR (Federal Register) 3629, 3630 (January 26, 2005) located on the web at: [http://frwebgate.access.gpo.gov/cgi-bin/getpage.cgi?position=all&page=3629&dbname=2005\\_register](http://frwebgate.access.gpo.gov/cgi-bin/getpage.cgi?position=all&page=3629&dbname=2005_register)

#### **G. Non-profit Administrative Capability**

Non-profit applicants that are recommended for funding under this announcement are subject to administrative capability reviews consistent with Sections 8b, 8c and 9d of EPA Order 5700.8 - Policy on Assessing Capabilities of Non-Profit Applicants for Managing Assistance Awards ([www.epa.gov/ogd/grants/award/5700\\_8.pdf](http://www.epa.gov/ogd/grants/award/5700_8.pdf)) and any additional terms on administrative capability in the grant agreement.

#### **H. Program Income**

In accordance with 40 C.F.R.30.24 (b) (1) or 40 CFR 31.25(g) (2), as applicable, the applicant shall use program income to carry out activities described in the scope of work for the assistance agreement and under the same terms and conditions of the agreement.

### **VII. AGENCY CONTACT**

Jennifer Went

Phone: (202) 343-9302  
Email: went.jennifer@epa.gov

## APPENDIX A

### Project Narrative Instructions, Format, and Content

**Instructions:** The Project Narrative must substantially comply with the specific instructions, format and content defined below. Proposals that are not prepared in substantial compliance with these requirements may not be considered for funding.

The Project Narrative must not exceed a maximum of 10 single-spaced typewritten pages, including the Cover Page. Pages in excess of the 10-page limit will not be considered. Supporting materials, such as resumes, letters of support and/or commitment, and the Applicant Fleet Description information may be submitted as attachments and are not included in the 10-page limit.

**A. Cover Page:** The cover page must include the following information:

- Project Title
- Applicant Information
  - Applicant (Organization) Name
  - Address
  - Contact Person
  - Phone Number
  - Fax
  - Email Address
  - DUNS Number
- Eligible Entity: Using the criteria outlined under section III.A of this RFP, explain how you are an eligible entity.
- Funding Requested: Specify the amount you are requesting from EPA.
- Total Project Cost: Specify total cost of the project. Identify funding from other sources, including cost share or in-kind resources and demonstrate your ability to obtain these funds.
- Target Fleet: Specify target fleet type(s) (e.g., school bus, port, construction, delivery truck, transit bus, locomotive, refuse hauler, utility vehicle, long haul truck, agriculture, mining, marine, other) and total number of engines, vehicles, and/or pieces of equipment affected by the project.

**B. Work Plan:** Applicants must ensure that the Work Plan addresses all of the evaluation criteria in Section V of this announcement by using the section headings 1-8 below which correspond with the evaluation criteria headings in Section V of this RFP. Each evaluation criterion will be evaluated based on the information provided by the applicant under each corresponding section heading in the applicant's Work Plan.

#### Section 1. Project Summary

This section of the work plan must contain a detailed project description, including the following information:

- The means by which the project will achieve a significant reduction in diesel emissions.
- All emerging technologies to be used or funded by the applicant.
- The number, types and typical use (see Section I.C.4 of this RFP), and ownership of vehicles, engines and/or equipment targeted for emissions reductions.
- A detailed timeline for the project including milestones for specific tasks.
- The roles and responsibilities of the Applicant organization and any other project partners, contractors, or subgrantees, including the technology manufacturer.
- Information on the sustainability of the project beyond the assistance agreement period, including a discussion of whom or what organization(s) will retain ownership of any vehicles, engines and/or equipment purchased with funding from this project.
- A description of any testing to be performed and how the data collected will benefit the emerging technologies program.
- A demonstration that the project meets the Restriction for Mandated Measures as defined in Section III.D.1 of this RFP. If the project takes place in an affected area, or includes affected vehicles, engines or equipment, the Applicant must clearly demonstrate that emission reductions funded with EPA funds will be implemented prior to the effective date of the mandate and/or are in excess of (above and beyond) those required by the applicable mandate.

**Section 2. Environmental Results – Outputs and Outcomes**

This section of the work plan must include a discussion of the expected outputs and outcomes of the project as defined in Section I.E of this RFP. Specific outputs and outcomes should be included. In addition, applicants must describe what measurements will be used to track and measure progress towards achieving the expected outputs and outcomes and how the results of the project will be evaluated.

Applicants should follow the instructions in **Appendix B** of this announcement for calculating emissions reductions.

It is suggested that the applicant include the following table, or one similar, in this section of the work plan.

Anticipated Outputs and Outcomes		
Activities	Outputs	Outcomes

**Example Outputs and Outcome Table**

<i>Anticipated Outputs and Outcomes</i>		
<i>Retrofit 100 school buses</i>	<i># of technology installed = 100 DPFs</i>	<i>Lifetime Emissions Reductions = 4 tons PM</i>

### Section 3. National Programmatic Priorities

This section of the work plan must address how the project will achieve each of the following programmatic priorities.

- Maximize public health benefits;
- Are the most cost-effective - applicants should follow the instructions in **Appendix C** of this announcement for calculating the cost-effectiveness of their project;
- Are in areas with high population density, in areas with poor air quality areas (including nonattainment or maintenance of national ambient air quality standards for a criteria pollutant; Federal Class I areas; or areas with toxic air pollutant concerns) - applicants should include a description of the air quality of the area affected by the project;
- Are in areas that receive a disproportionate quantity of air pollution from diesel fleets, including truck stops, ports, rail yards, terminals, and distribution centers or that use a community-based multi-stakeholder collaborative process to reduce toxic emissions – applicants should include information on the quantity of air pollution produced by the diesel fleets in the area affected by the project;
- Include an emerging technology that has a long expected useful life - applicants should include a description of any emerging technologies to be used or funded by the project, including expected lifetime;
- Maximize the useful life of the emerging technology used or funded by the eligible entity – applicants should include information on the age and expected lifetime of the vehicles, engines and/or equipment targeted for emissions reductions;
- Conserve diesel fuel; and
- If applicable, utilize ultra low sulfur diesel fuel (15 parts per million of sulfur content) ahead of EPA’s mandate for non-road engines – applicants should include a description of the diesel fuel available in the areas to be served by the project, including the sulfur content of the fuel.

### Section 4. Past Performance-Programmatic Capability and Reporting on Results

This section of the work plan must include a list of federally funded assistance agreements (assistance agreements include Federal grants and cooperative agreements but not Federal contracts) similar in size, scope and relevance to the proposed project that your organization performed within the last three years (no more than 3, and preferably EPA agreements). For each agreement listed include the Project Title, Assistance Agreement Number, Funding Agency and CFDA Number, and fully address the following evaluation criteria:

- Whether, and how, the applicant was able to successfully complete and manage those agreements;

- The applicant's history of meeting the reporting requirements under those agreements including submitting acceptable final technical reports; and
- How the applicant documented and/or reported on whether it was making progress towards achieving the expected results (e.g., outputs and outcomes) under those agreements. If the applicant was not making progress, please indicate whether, and how, the applicant documented why.

Please Note - In evaluating applicants under these factors as described in Section V of this RFP, EPA will consider the information provided by the applicant and may also consider relevant information from other sources, including information from EPA files and from current and prior Federal agency grantors (e.g., to verify and/or supplement the information provided by the applicant).

If you do not have any relevant or available past performance or reporting information, please indicate this and you will receive a neutral score for these factors under Section V of this RFP. A neutral score is half of the total points available. If you do not provide any response for this item, you may receive a score of zero (0) for these factors.

#### **Section 5. Staff Expertise and Qualifications**

This section of the work plan must include information on your organizational experience for timely and successfully achieving the objectives of the proposed project, staff expertise/qualification, staff knowledge, and resources or the ability to obtain them, to successfully achieve the goals of the proposed project.

#### **Section 6. Budget Detail**

This section of the work plan is a detailed description of the budget found in the SF-424A, and must include a detailed discussion of how EPA funds will be used. Applicants must **itemize** costs related to personnel, fringe benefits, travel, equipment, supplies, contractual costs, other direct costs, indirect costs, and total costs.

If the project budget includes any voluntary cost-share, the Budget Detail portion of the Work Plan must include a detailed description of how the applicant will obtain the cost-share and how the cost-share funding will be used. If EPA accepts an offer for a voluntary cost-share, applicants must meet their sharing commitment as a legal condition of receiving EPA funding. If the proposed cost-share is to be provided by a third-party, a letter of commitment is required. Any form of cost-share included in the Budget Detail must also be include on the SF 424 and SF 424A. Please see Section III.B if this RFP for more detailed information on cost-share.

Applicants should use the following instructions, budget object class descriptions, and example table to complete the Budget Detail section of the work plan.

- **Personnel - List all staff positions by title. Give annual salary, percentage of time assigned to the project, and total cost for the budget period.** This category includes only direct costs for the salaries of those individuals who are employees of the applicant and will perform work directly for the project. If the applicant

- **Fringe Benefits - Identify the percentage used, the basis for its computation, and the types of benefits included.** Fringe benefits are allowances and services provided by employers to their employees as compensation in addition to regular salaries and wages. Fringe benefits include, but are not limited to the cost of leave, employee insurance, pensions and unemployment benefit plans.
- **Travel - Specify the mileage, per diem, estimated number of trips in-State and out-of-State, number of travelers, and other costs for each type of travel.** Travel may be integral to the purpose of the proposed project (e.g. inspections) or related to proposed project activities (e.g. attendance at meetings). Travel costs identified in this section is for employees of the applicant only. Travel costs do not include: (1) costs for travel of consultants, contractors, consortia members, or other partner organizations, which are included in the “Contractual” category; (2) travel costs for employees of subrecipients under subawards, which are included in the “Other” category.
- **Equipment - Identify each item to be purchased which has an estimated acquisition cost of \$5,000 or more per unit and a useful life of more than one year.** Equipment also includes accessories necessary to make the equipment operational. Equipment does not include: (1) equipment planned to be leased/rented, including lease/purchase agreement; or (2) equipment service or maintenance contracts. These types of proposed costs should be included in the “Other” category. Items with a unit cost of less than \$5,000 should be categorized as supplies, pursuant to 40 CFR 31.3 and 30.2. The budget detail must include an itemized listing of all equipment proposed under the project.
- **Supplies - “Supplies” means all tangible personal property other than “equipment”.** The budget detail should identify categories of supplies to be procured (e.g., laboratory supplies or office supplies). Non-tangible goods and services associated with supplies, such as printing service, photocopy services, and rental costs should be included in the “Other” category.
- **Contractual - Identify each proposed contract and specify its purpose and estimated cost.** Contractual/consultant services are those services to be carried out by an individual or organization, other than the applicant, in the form of a procurement relationship. Leased or rented goods (equipment or supplies) should be included in the “Other” category. The applicant should list the proposed contract activities along with a brief description of the scope of work or services to be provided, proposed duration, and proposed procurement method (competitive or non-competitive), if known.

- **Other - List each item in sufficient detail for EPA to determine the reasonableness and allowability of its cost.** This category should include only those types of direct costs that do not fit in any of the other budget categories. Examples of costs that may be in this category are: insurance and indemnification, rental/lease of equipment or supplies, equipment service or maintenance contracts, printing or photocopying, and subaward costs. Subawards (e.g., subgrants) are a distinct type of cost under this category. The term “subaward” means an award of financial assistance (money or property) by any legal agreement made by the recipient to an eligible subrecipient. This term does not include procurement purchases, technical assistance in the form of services instead of money, or other assistance in the form of revenue sharing, loans, loan guarantees, interest subsidies, insurance, or direct appropriations. Subcontracts are not subawards and belong in the contractual category. Applicants must provide the aggregate amount they propose to issue as subaward work and a description of the types of activities to be supported.
- **Indirect Charges - If indirect charges are budgeted, indicate the approved rate and base.** Indirect costs are those incurred by the grantee for a common or joint purpose that benefit more than one cost objective or project, and are not readily assignable to specific cost objectives or projects as a direct cost. In order for indirect costs to be allowable, the applicant must have a federal or state negotiated indirect cost rate (e.g., fixed, predetermined, final or provisional), or must have submitted a proposal to the cognizant Federal or State agency. Examples of Indirect Cost Rate calculations are shown below:

  - Personnel (Indirect Rate x Personnel = Indirect Costs)
  - Personnel and Fringe (Indirect Rate x Personnel & Fringe = Indirect Costs)
  - Total Direct Costs (Indirect Rate x Total direct costs = Indirect Costs)
  - Direct Costs minus distorting or other factors such as contracts and equipment  
(Indirect Rate x (total direct cost – distorting factors) = Indirect Costs)

**Example Budget Table**

	EPA Funding	**Cost-Share
Personal		
(1) Exec. Dir. @ \$50/hr x 4 hrs/week x 52 wks		\$10,400
(1) Proj. Dir. @ \$40/hr x 10 hrs/week x 52 wks	\$20,800	
(1) Staff Engineer @ \$30/hr x 40 hrs/week x 40 wks	\$48,000	
(1) Jr. Engineer @ \$20/hr x 20hrs/week x 52 wks		\$20,800
<b>TOTAL PERSONAL</b>	<b>\$68,800</b>	<b>\$31,200</b>
Fringe Benefits		
20% of Salary and Wages	20%(68,800)	20%(31,200)
- Retirement, Health Benefits, FICA, SUI	\$13,760	\$6,240
<b>TOTAL FRINGE BENEFITS</b>	<b>\$13,760</b>	<b>\$6,240</b>
Travel		
Local mileage for Project Director: 100 mi/mo @	\$204	

\$0.17/mi x 12 mos.		
Local mileage for (2) Engineers: 200 mi/mo @ \$0.17/mi x 12 mos.	\$816	
Travel expenses for Project Director to attend Diesel Retrofit Conference in Los Angeles, July 11-15, \$325 registration feestuition plus \$218 round-trip air plus 6 days per diem @ \$33/day	\$741	
<b>TOTAL TRAVEL</b>	<b>\$ 1,761</b>	
Equipment		
10 New emerging technologies @ \$100,000 per unit	\$750,000	\$ 250,000
<b>TOTAL EQUIPMENT</b>	<b>\$ 750,000</b>	<b>\$ 250,000</b>
Supplies		
100 Replacement filters @ \$100 per unit	\$1,000	
<b>TOTAL SUPPLIES</b>	<b>\$1,000</b>	
Contractual		
Retrofit Installation Services Contract	\$10,000	
Laboratory Testing Services Contract		\$10,000
<b>TOTAL CONTRACTUAL</b>	<b>\$10,000</b>	<b>\$10,000</b>
Other		
5 Subgrants to School Districts for School Bus Retrofits with DPFs. Each Subgrant @ \$50,000	\$250,000	
<b>TOTAL OTHER</b>	<b>\$250,000</b>	
Indirect Charges		
Federal Negotiated Indirect Cost Rate = 10% (Indirect Rate x Personnel = Indirect Costs)	\$6,880	***
<b>TOTAL INDIRECT</b>	<b>\$6,880</b>	
<b>TOTAL FUNDING</b>	<b>\$ 1,102,201</b>	<b>\$297,435</b>
<b>TOTAL PROJECT COST</b>	<b>\$1,399,636</b>	

\*\* Cost-Share funds must also be included on the SF-424A as detailed in Section III.B of this RFP.

\*\*\*Please see CFR Part 30.23(e) and CFR Part 31.24(c), Matching or Cost Sharing regarding overhead for indirect costs.

Note on Management Fees: When formulating budgets for proposals, applicants must not include management fees or similar charges in excess of the direct costs and indirect costs at the rate approved by the applicant's cognizant Federal audit agency, or at the rate provided for by the terms of the agreement negotiated with EPA. The term "management fees or similar charges" refers to expenses added to the direct costs in order to accumulate and reserve funds for ongoing business expenses, unforeseen liabilities, or for other

similar costs that are not allowable under EPA assistance agreements. Management fees or similar charges cannot be used to improve or expand the project funded under this agreement, except to the extent authorized as a direct cost of carrying out the work plan.

**Section 7. Target Fleet**

This section of the work plan must include information on vehicles to be retrofitted. You must describe in detail the specific vehicles and engines targeted for emissions reductions under the proposed project, including: target fleet type, number of vehicles, vehicle class, model year, retrofit year, chosen technology, current fuel type, and amount of fuel used.

**Section 8. Leveraging Resources**

Demonstrate how you will coordinate the use of EPA funding with other Federal and/or non Federal sources of funds/resources to leverage additional resources to carry out the proposed project(s) and/or that EPA funding will complement activities relevant to the proposed project(s) carried out by the applicant with other sources of funds or resources. Describe the type of leveraging proposed, how you will obtain the leveraged resources, the likelihood the leveraging will materialize during grant performance, and what role it will play in the overall project. Selected applicants are expected to abide by their proposed leveraging commitments during grant performance and the failure to do so may affect the legitimacy of the award.

## APPENDIX B

### Quantifying Environmental Outcomes

#### Diesel Emission Reductions

To estimate the anticipated emission reductions from your project, use the Diesel Emissions Quantifier (DEQ) found at <http://cfpub.epa.gov/quantifier/view/index.cfm>. Based on the vehicle/engine data you provided for the Applicant Fleet Description (described in Section IV.C.3 of this RFA) enter the same data into the DEQ. For assistance getting started, please review the Step-by-Step instructions guide (<http://cfpub.epa.gov/quantifier/view/stepbystep.cfm>). Please note you can average certain fields together; model year, vehicle miles traveled, idling hours, usage rate, and horsepower to minimize the number of DEQ runs required.

From the DEQ results page (example shown below), enter the Lifetime Amount Reduced for each of the listed pollutants (NO<sub>x</sub>, PM, HC, CO, CO<sub>2</sub>) in Section 2 “Environmental Results,” of your Work Plan.

Lifetime	NOx (tons)	PM (tons)	HC (tons)	CO (tons)	CO2 (tons)
Baseline of Entire Fleet	24.4505	0.4202	1.3818	3.7638	2,311.5617
Baseline of Engines Retrofitted	24.4505	0.4202	1.3818	3.7638	2,311.5617
Percent Reduced(%)	0.0%	85.0%	90.0%	90.0%	0.0%
Amount Reduced	0.0000	0.3571	1.2437	3.3874	0.0000
Amount Emitted After Retrofit, Retrofitted Engines	24.4505	0.0630	0.1382	0.3764	2,311.5617
Amount Emitted After Retrofit, Entire Fleet	24.4505	0.0630	0.1382	0.3764	2,311.5617
Capital Cost Effectiveness (\$/ton), Retrofitted Engines	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Total Cost Effectiveness (\$/ton), Retrofitted Engines	\$ 0.00	\$ 140,001.30	\$ 40,204.08	\$ 14,760.45	\$ 0.00

For further instruction on using the DEQ, please reference the DEQ Users Guide (<http://cfpub.epa.gov/quantifier/view/UserGuide.pdf>) and the DEQ tutorial video (<http://epa.gov/otaq/diesel/webinar.htm#deq>.) Additional assistance is available by calling the Clean Diesel Helpline at 877-NCDC-FACTS (877-623-2322) or emailing [cleandiesel@epa.gov](mailto:cleandiesel@epa.gov).

#### Alternative Methods

If you are unable to use the DEQ, you may utilize other means of calculating emission reductions.

Other methods may include:

- National Mobile Inventory Model (NMIM) - [www.epa.gov/otaq/nmim.htm](http://www.epa.gov/otaq/nmim.htm)
- Mobile Model (on-road vehicles) - [www.epa.gov/otaq/mobile.htm](http://www.epa.gov/otaq/mobile.htm)

- Nonroad Model (nonroad engines, equipment, and vehicles) - [www.epa.gov/otaq/nonrdmdl.htm](http://www.epa.gov/otaq/nonrdmdl.htm)

If you use an alternative method other than what is listed above, you must thoroughly describe and document your methods within Section 2 “Environmental Results,” of your Work Plan.

**Restriction for Mandated Measures – Emissions Reduction Worksheet**

No funds awarded under this RFP shall be used to fund the costs of emissions reductions that are mandated under Federal, State or local law. The restriction applies when the mandate takes effect (the effective date) for any affected vehicles, engines or equipment.

If the project takes place in an affected area, or includes affected vehicles, engines or equipment, emission reduction benefits shall only be calculated for the period preceding the effective date or compliance deadline. Please see Section III.D.1 of this RFP for more information on the Restriction for Mandated Measures.

If the proposed project takes place in a mandated area, or includes affected vehicles, engines, or equipment, the Applicant must use the following formula to calculate lifetime emission benefits that may be claimed.

Follow the instructions above to run the DEQ. From the DEQ results page (example shown below), enter the Annual Amount Reduced per Year in the spaces provided below.

Annual	NOx (tons/year)	PM (tons/year)	HC (tons/year)	CO (tons/year)	CO2 (tons/year)
Baseline of Entire Fleet	1.8750	0.0322	0.1060	0.2886	177.2670
Baseline of Engines Retrofitted	1.8750	0.0322	0.1060	0.2886	177.2670
Percent Reduced (%)	0.0%	85.0%	90.0%	90.0%	0.0%
<b>Amount Reduced Per Year</b>	0.0000	0.0274	0.0954	0.2598	0.0000

$\overline{\text{NOX}} (\$/\text{ton})$      $\overline{\text{PM}} (\$/\text{ton})$      $\overline{\text{HC}} (\$/\text{ton})$      $\overline{\text{CO}} (\$/\text{ton})$      $\overline{\text{CO2}} (\$/\text{ton})$

Note: This is the Annual results, not the Lifetime Results.

Retrofit Year = \_\_\_\_\_                      Mandate Compliance Year = \_\_\_\_\_

Multiply the values for each pollutant by the difference of the mandate year and the retrofit year and enter the calculated lifetime emissions for each of the listed pollutants (NO<sub>x</sub>, PM, HC, CO, CO<sub>2</sub>) in Section 2 “Environmental Results,” of your Work Plan.

For example, if the mandate is slated to occur in 2012 and the retrofit will take place in 2010, then multiply the highlighted values above by 2 (2012 - 2010=2). Thus, the calculated lifetime emissions would be as follows:

0.000*2=	0.027*2=	0.095*2=	0.259*2=	0.000*2=
<u>0.00</u>	<u>0.054</u>	<u>0.190</u>	<u>0.518</u>	<u>0.000</u>
NOX (tons)	PM (tons)	HC (tons)	CO (tons)	CO2 (tons)

## APPENDIX C

### Cost-Effectiveness Calculations

Applicants can use the DEQ for determining the cost-effectiveness of a project. The cost-effectiveness is determined, for the purpose of this RFP, based on the amount of funding the applicant is requesting from EPA. To determine the cost-effectiveness, enter the dollar amount requested from EPA in the DEQ funding information section. To access this section of the DEQ, the user must click on the link “Click here to enter funding information,” as shown below.

**Editing Information for Vehicle Group 1 (V1)**

Enter or edit information about this Vehicle Group.

Selected State:	MI
Select type:	On Highway
Select sector:	School Buses
Application:	School Buses
Quantity:	10
Model Year:	1999
Retrofit Year:	2009
Select fuel type:	Regular Diesel (ULSD), 15 ppm
Enter fuel volume:	15970 gal/yr for group
Calculated fuel volume:	15970 diesel gal/yr for group
Vehicle miles traveled:	13000 miles/vehicle/year
Idling hours (including hours saved):	270 idle hours/vehicle/year

[Click here to enter funding information.](#)

From here, enter the total project amount requested from EPA in the EPA field shown below. Enter any other sources of funding as well.

[Click here to continue without entering funding information.](#)

EPA	\$	50000	State	\$	0
Private	\$	0	SEP	\$	0
Local	\$	0	Match/Leveraged	\$	0
CMAQ	\$	0	Federal	\$	0
Other	\$	0	Unknown	\$	0
<b>Total Project Funding:</b>		\$	50000		

From the results page, enter the Total Cost-Effectiveness (example shown below) for each of the listed pollutants (NO<sub>x</sub>, PM, HC, CO, CO<sub>2</sub>) in Section 3 “National Programmatic Priorities,” of your Work Plan.

Lifetime	NOx (tons)	PM (tons)	HC (tons)	CO (tons)	CO2 (tons)
Baseline of Entire Fleet	24.4505	0.4202	1.3818	3.7638	2,311.5617
Baseline of Engines Retrofitted	24.4505	0.4202	1.3818	3.7638	2,311.5617
Percent Reduced(%)	0.0%	85.0%	90.0%	90.0%	0.0%
Amount Reduced	0.0000	0.3571	1.2437	3.3874	0.0000
Amount Emitted After Retrofit, Retrofitted Engines	24.4505	0.0630	0.1382	0.3764	2,311.5617
Amount Emitted After Retrofit, Entire Fleet	24.4505	0.0630	0.1382	0.3764	2,311.5617
Capital Cost Effectiveness (\$/ton), Retrofitted Engines	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
<b>Total Cost Effectiveness (\$/ton), Retrofitted Engines</b>	<b>\$ 0.00</b>	<b>\$ 140,001.30</b>	<b>\$ 40,204.08</b>	<b>\$ 14,760.45</b>	<b>\$ 0.00</b>

**Restriction for Mandated Measures**

No funds awarded under this RFP shall be used to fund the costs of emissions reductions that are mandated under Federal, State or local law. The restriction applies when the mandate takes effect (the effective date) for any affected vehicles, engines or equipment.

If the project takes place in an affected area, or includes affected vehicles, engines or equipment, cost-effectiveness shall only be calculated based on the emission reduction benefits occurring prior to the effective date or compliance deadline. Please see Section III.D.1 of this RFP for more information of the Restriction for Mandated Measures

If the proposed project takes place in a mandated area, or includes affected vehicles, engines, or equipment, the Applicant must use the following formulas to calculate the cost-effectiveness values.

To determine the cost-effectiveness, divide the amount requested from EPA by the lifetime emission reduction figure previously calculated using the Restriction for Mandated Measures – Emissions Reduction Worksheet in Appendix B. Enter the calculated Total Cost-Effectiveness for each of the listed pollutants (NO<sub>x</sub>, PM, HC, CO, CO<sub>2</sub>) in Section 3 “National Programmatic Priorities,” of your Work Plan.

For example, using the following calculated lifetime emission reductions and a dollar amount of \$50,000, cost-effectiveness values would be:

<u>0.00</u>	<u>0.054</u>	<u>0.190</u>	<u>0.518</u>	<u>0.000</u>
NOX (tons)	PM (tons)	HC (tons)	CO (tons)	CO2 (tons)
$\$50,000/0=$	$\$50,000/0.054=$	$\$50,000/0.190=$	$\$50,000/0.518=$	$\$50,000/0.000=$
<u>\$0</u>	<u>\$925,925</u>	<u>\$263,157</u>	<u>\$96,525</u>	<u>\$0</u>
NOX (\$/ton)	PM (\$/ton)	HC (\$/ton)	CO (\$/ton)	CO2 (\$/ton)

## APPENDIX D

### Proposal Package Checklist

The proposal package *must* include all of the following materials. Use this checklist to ensure that all required materials have been included in your proposal package.

- Standard Form SF 424 – Application for Federal Assistance
- Standard Form SF 424A – Budget Information
- Narrative Proposal (no more than 12 pages)
  - Cover Page
  - Narrative Workplan
    - 1. Project Summary/Approach
    - 2. Environmental Results
    - 3. National Programmatic Priorities
    - 4. Past Performance
    - 5. Staff Expertise and Qualifications
    - 6. Detailed Budget Narrative
    - 7. Applicant Fleet Description (not included in page limit)
    - 8. Optional Attachments (not included in page limit)