

EPA 2009 State Innovation Grants Competition

Questions and Answers on USEPA 2009 State Innovation Grant Solicitation

The following is a list of questions that have been asked during the open solicitation period. The answer follows each question and the general topic for each question has been put in **bold print**. As questions continue to come in, this list will be updated during the solicitation period to provide equal access to potentially interested applicants. New questions will be located at the end of the list.

Q1. The **Catalog of Federal Domestic Assistance (CFDA)**: 66.940 Environmental Policy and State Innovation Grant contains three parts. Will this funding opportunity be open to all three parts of the CFDA ?

A1. No, this funding opportunity applies only to Part One of CFDA 66.940. This solicitation is specifically a competition to support projects that promote the testing of innovative approaches in state permitting programs that strive to create a more performance-based regulatory system, promote environmental stewardship and beyond-compliance business operation, and/ or promote a culture of creative environmental problem solving.

Q2. Is it okay for our organization to **solicit feedback from EPA** staff on our ideas if we don't talk directly to the staff that was listed in the preliminary announcement?

A2. No. Open discussion on proposal concepts was permitted up until the time of publication of this solicitation (official competition). Now that the competition has begun, all communication relating to possible proposal submittals must not continue with EPA staff within the EPA Regions and at Headquarters. Communication that is unrelated to the grants competition can continue between agencies and EPA.

Q3. We would like to submit **Letters of Support**. Will they count against the **page limit**?

A3. We request letters of support from senior management at the state-level agency (and eligible applicant organization, if different from the state agency), with the authority to commit that agency and its resources to the project. The letter can be provided in the same application method that the applicant chooses (e.g., electronic via grants.gov, or via hard copy). If the applicant uses grants.gov, they can submit the signed letter file as an attachment. We also welcome letters of support from active partners, team members, and organizations that may be directly affected by the proposal. The letter(s) would not count against the page limit.

Q4. What is the **deadline** for this competition?

A4. You may submit your pre-proposal any time prior to December 10, 2008. Since this deadline falls within the winter holiday season, interested applicants should familiarize themselves with the submission procedures early to ensure that they can meet the deadline date. All interested applicants are encouraged to take steps now to find out whether or not their senior management (or other designated grants administration processors within their agency) will be in the office, on travel, or on vacation during the days leading up to the submittal deadline. Applicants are encouraged to submit this pre-proposal as early as possible. Pre-proposals received after the submission deadline will be considered late and returned to the sender without further consideration.

Q5. In your overview description of EPA's Innovation Strategy, the solicitation mentions tribes. Our tribe is a **sovereign nation** of the United States, and has been a state and national representative on how to operate a good EPA program. Would we be eligible to apply for this State Innovation Grant solicitation?

A5. While the Innovation Strategy was meant to strengthen EPA's innovation partnership with both states and tribes, we do not currently have the funding available to open the State Innovation Grant Program up to tribes. We do however encourage states to partner with American Indian tribal environmental agencies on projects for the State Innovation Grant competition. Programs that involve such issues as energy, water, natural resources, public health, and transportation have great transferability potential for tribes.

Q6. Will this particular State Innovation Grant solicitation be open only to states or are **federally-recognized Indian tribes** eligible for the innovation grant program as well?

A6. No. This question was previously addressed in question 5. See above.

Q7. The State Department of Natural Resources is the principal environmental regulatory agency for our state, but the Department of Agriculture is the **regulatory agency for state pesticide control**. Would our state Department of Agriculture, Pesticide Division be considered an eligible applicant?

A7. If your agency or program has received a delegation for a federal environmental permitting program from EPA or a re-delegation of that program from your State Department of Natural Resources, and your proposal concept fits within the *Innovation in Permitting* theme of the grant program, you would be eligible to apply as a part of a team proposal. The principal environmental regulatory agency for the State(s) must retain a substantive involvement in the project.

If the Pesticide Division or Department of Agriculture has not received delegated authority of a federal environmental permitting program, you could not apply directly for the grant, but you could be included as a partner in a team proposal.

Q8. Since they are not "match", can "**leverage**" funds be counted from **outside** the formal cooperative agreement **project period**? For example, since awards can only begin 10/1/09, can development by the state(s) in advance of 10/1/09 be counted as "leverage"?

A8. No, to be counted as leveraging, the in-kind contribution of funds, time and materials should be within the period of performance under an award.

Q9. At several points in the RFP, it appears that **letters of support** are not necessary with the pre-proposal, and in fact that they would not be considered since they would not be one of the specified areas of content. Yet, on page 27, the RFP states that "...letters of support (if applicable), will need to be scanned so that they can be submitted electronically as part of the CD." Also, the response to Question 3 at <http://www.epa.gov/innovation/stategrants/2009q&a.pdf> says EPA requests letters of support but doesn't clarify whether this is during pre-proposal or final application. So this leads to three questions:

Are letters of support ever required to be part of a PRE-proposal (as in the case of multi-state projects)?

- If so, are they part of the 10-page limit, or are they above and beyond that limit?

- If not, should a multi-state PRE-proposal include an affirmation from the commissioner or senior deputy of each participating state's primary implementing agency?

A9. For the purpose of a pre-proposal, a letter of support is required only for a subordinate agency (one with a re-delegated authority for a permitting program) which should come from the state's principal environmental regulatory agency that has given a re-delegation of authority. The letter will not count against the 10-page limit. Letters of support for an otherwise multi-agency project (e.g., two or more agencies within a state, or an interstate, or state-tribal project) will not need to be presented with a pre-proposal but will be required with a final proposal/ work plan if the pre-proposal is selected in the competition.

Q10. On page 18 of the RFP is the statement, "For projects that include information systems innovation, the development of these systems must not exceed twenty percent (20%) of the federally-funded cost of the project." Elsewhere, there is a reference to **limitations on consultant compensation**.

Q10A. What are these **limitations**?

A10A. Please refer to OMB Circular A-87 for "Cost Principles for State and Local Governments". Also, under CFR 40 §30.27, consultant daily costs are limited to the maximum daily rate for level 4 of the executive schedule unless a greater amount is authorized by law.

Q10B. Do they apply to both **for-profit and not-for-profit** contractors?

A10B. Yes

Q10C. Would these limitations or the 20% **limit** quoted above **apply to the hiring of a contractor/consultant** to develop a web-based exchange of self-audit information to be completed and submitted from affected businesses to the state agency (This would not include development of specialized software or exchange systems, but would include the development of the web pages necessary for respondents to move through and complete submittals)?

A10C. Yes. Remember however, that the 20% limitation is on the total federal funding for the project.

Q11. Can we create a "sub-contracting" relationship with a not-for-profit through a **grant instead of a contract**?

A11. Yes, but remember contractual relationships (typically for goods and services) under an assistance agreement must be created by a competitive process after the award and contractors should not be identified in a pre-proposal.

Q12 Is an agency's **indirect rate** still only applied to salary and fringe?

A12 Generally, yes but, please refer to OMB circular A-87

Q13A. Is a delegated agency eligible to submit a preproposal if the **project is not directly linked to the delegated program**? For example, the agency is delegated for the underground storage tank program but the project would involve autobody refinishing shops. Would that project be eligible if submitted?

A13A. No.

Q13B. Would that same proposal be eligible if the **agency delegated** for the programs regulating autobody refinishing shops was one of the **main partners** in the project, along with the submitting agency?

A13B. The Agency with the delegation or re-delegation must be the principal in a pre-proposal submission.

Q14. Please provide more detail on the **documentation required to demonstrate delegation of a program**. Is a letter from the governor dated in 1985 assigning a program to a certain agency sufficient? If the original agency no longer exists, due to multiple reorganizations of agency responsibilities, what sort of paper trail is necessary to prove delegation lies with the agency currently implementing the program?

A14. A letter from the Governor assigning that program to a certain agency is sufficient. If that agency no longer exists because of a governmental reorganization, the agency with the delegation or re-delegation must provide some form of evidence that they it is the successor agency to the original delegation. The agency must decide whether to submit some form of direct evidence that they issue permits for the program in question, or directly or indirectly receive resources from EPA to conduct the permitting program, or provide an affirmation signed by the agency's general council declaring the re-delegation. EPA reserves the right to confirm a re-delegation for a permitting program

through its own records and ultimate award of an assistance agreement will be contingent on confirmation either by the submitting agency and/or EPA.

- Q15. I understand that the innovations grant proposals cannot include more than 20% for information systems development contracts. Is there a similar **cap on other contractor or subawards** totals (% of the whole) that must be met in the proposed project budget?
- A15. No, we have no limitations on other contracts. However, NCEI is primarily interested in projects where states are substantively leading and are involved in the project; not attempt to use this grant as a pass-through vehicle. Of primary concern here is that state agencies are expanding capacity and developing expertise in the area of innovation, not just employing a contractor to implement a one-time effort. In our review of the project budget, if the contract costs requested are higher than the personnel costs, we would expect a reasonable justification to be provided to enable us to assess whether or not the state is actively engaged, and allow us to make a prudent determination whether or not the costs are reasonable and the agency is playing the substantive role.
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