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

TITLE: **INTEGRATED ASSESSMENT OF TRANSPORTATION-RELATED POLICIES ON GREENHOUSE GASES, LAND USE CHANGE, AND OTHER ECONOMY-WIDE IMPACTS**

ACTION: **Request for Applications (RFA)**

RFA NUMBER: **EPA-OAR-OTAQ-11-06**

CATALOG OF FEDERAL DOMESTIC ASSISTANCE (CFDA) NO: 66.034

DATES: The closing date and time for receipt of application submissions, regardless of mode of submission, is **February 17, 2011, 4:00 p.m., Eastern Standard Time (EST)**. All hard copies of application packages must be received by Sharyn Lie **by February 17, 2011, 4:00 p.m. EST** in order to be considered for funding. Electronic submissions must be submitted electronically to EPA through Grants.gov (http://www.grants.gov) **by February 17, 2011, 4:00 p.m. EST** in order to be considered for funding. Applications received after the closing date and time will not be considered for funding.

SUMMARY: This notice announces the availability of funds and solicits applications to advance comprehensive, integrated modeling and assessment of multiple greenhouse gases (GHGs) and air pollutants; to further the public's understanding of the interaction of the economic, energy, and environmental impacts of increased renewable fuel usage in the U.S. transportation sector using a robust modeling framework. The purpose of this funding opportunity will be to explore the direct and indirect impacts of increased renewable fuel demand, including land use and energy sector changes.

FUNDING/AWARDS: The total estimated funding for this competitive opportunity is approximately $500,000 over a five year period. EPA anticipates awarding only one cooperative agreement from this announcement, subject to availability of funds, the quality of applications received, and other applicable considerations.

CONTENTS BY SECTION

I. Funding Opportunity Description
II. Award Information
III. Eligibility Information
IV. Application and Submission Information
V. Application Review Information
VI. Award Administration Information
VII. Agency Contacts
VIII. Other Information (Appendices)

I. FUNDING OPPORTUNITY DESCRIPTION

A. Background

EPA's Office of Transportation and Air Quality (OTAQ) protects public health and the environment by supporting studies on ways to reduce air pollution from motor vehicles, engines, and the fuels used to operate them, and by encouraging travel choices that minimize emissions. OTAQ is responsible for analyzing lifecycle greenhouse gas (GHG) emissions from transportation fuels sold and distributed in the United States. A key piece of the lifecycle analysis is inclusion of indirect effects, such as indirect land use change impacts of producing renewable fuels.

EPA is seeking to fund a cooperative agreement with an eligible entity to further the public's understanding of the interaction of the economic, energy, and environmental impacts of increased renewable fuel usage in the U.S. transportation sector using a robust modeling framework. The purpose of this funding opportunity will be to explore the direct and indirect impacts of increased renewable fuel demand, including land use and energy sector changes.

B. Scope of Work

EPA is seeking proposals from eligible entities to improve the public data underlying well-established integrated assessment models used to analyze both climate change impacts and the linkages between renewable fuels and climate change. Applications must demonstrate enhanced understanding of the effects of climate change and its economic implications to increase the public's understanding of the challenges and opportunities posed by climate change.

This solicitation seeks applications from eligible entities which must describe in detail how they will utilize an integrated modeling framework that includes economic, atmospheric chemistry, climate (incorporating a general circulation model) and ecosystem components, which advance the understanding of:

1) The direct and indirect impacts of an increase in U.S. liquid transportation renewable fuels policies. Interactions between the agricultural, forestry, livestock, and energy sectors are of particular importance for this project.

2) The interaction between economy-wide policies and other transportation-sector policies. EPA is seeking to further the public's understanding of the parameters under which both economy-wide and complementary transportation sector policies may be appropriate.

3) A detailed analysis of the greenhouse gas emissions resulting from different types of land transitions, and the sensitivity of these emissions to different assumptions.

4) Methodologies for predicting the conversion of unmanaged land to productive uses in a variety of modeling frameworks. EPA is interested in furthering the public's understanding of estimates of the elasticity of land supply by region and pre-existing land type. Other factors that should be examined include any potential differences between historical patterns and future projections.

5) Understanding the key scientific theories that drive differences among models projections regarding land use change and other indirect impacts of increased use of renewable fuels.

6) Interaction between policies and programs in place internationally related to climate change and land use change. EPA is interested in furthering the public's understanding of how domestic laws (e.g., Brazil's ban on exporting soybeans from deforested areas), international financial incentives (e.g., the United Nations Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries, international agreements (e.g., Kyoto protocol), and domestic incentive programs (e.g., the U.S Conservation Reserve Program) may reduce the potential for land use change.

7) Trade-offs between extensification and intensification of land use in response to changes in renewable fuel demand and commodity prices. EPA is seeking to further the public's understanding of whether intensifying production on existing lands is a more likely alternative to increased land conversion based on changes in US renewable fuel demand.

Additionally, applicants should describe how their proposal would contribute to the public's understanding of the potential effects of climate change on sensitive populations that are least likely to be able to adapt (e.g., low income regions). EPA has established Agency priorities for environmental justice (EJ) (i.e., the fair treatment and meaningful involvement of all people), and thus places particular emphasis on the public health of and environmental conditions affecting minority, low-income, and indigenous populations who are or may be disproportionately impacted by environmental pollution.

C. EPA Strategic Plan Linkage and Anticipated Outcomes, Outputs and Performance Measures

Pursuant to Section 6a of EPA Order 5700.7, "Environmental Results under EPA Assistance Agreements," EPA must link proposed assistance agreements to the Agency's Strategic Plan. EPA also requires that grant applicants and recipients adequately describe environmental outputs and outcomes to be achieved under assistance agreements (see EPA Order 5700.7, Environmental Results under Assistance Agreements, http://www.epa.gov/ogd/grants/award/5700.7.pdf).

1. Linkage to EPA Strategic Plan

All applications must support Goal 1, Clean Air and Global Climate Change; Objective: 1.5 Reduce Greenhouse Gas Emissions of EPA's 2006-2011 Strategic Plan, 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." The Transportation and Climate Division (TCD) supports analytical projects to quantify the greenhouse gas implications of transportation-related policies, such as vehicle emission standards and increases in low carbon fuels. Such analyses provide insights for developing strategies to reduce greenhouse gas emissions from the U.S. transportation sector.

2. Outputs

The term "output" means an environmental activity, effort, and/or associated work product related to an environmental goal and objective that will be produced or provided over a period of time or by a specified date. 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, publishing at least one academic paper in peer reviewed literature directed to a nonfederal audience and presenting findings on an annual basis at relevant scientific conferences. These papers and presentations will document advances made in the understanding of the seven areas described in the Scope of Work. In addition, as part of the Agency's oversight of the project the recipient will meet with EPA officials annually to present findings from its study.

Progress reports and a final report will also be a required output, as specified in Section VI(C) of this announcement, “Reporting Requirement.”

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. They may not necessarily be achievable within an assistance agreement funding period.

Projects to be funded under this announcement are expected to produce at least one, and preferably all, of the following environmental outcomes:

- Improved understanding by the public of the GHG emissions from land use change transitions.
- Improved understanding by the public of domestic climate change mitigation benefits and costs as measured in both bio-physical and economic terms.
- Improved representation of climate impacts in integrated assessment models and understanding by the public of their economic valuation in the United States.
- Improved understanding by the public of the impact of using different types of feedstocks (e.g., grain ethanol, oilseeds, dedicated energy crops, residue crops) used for liquid transportation renewable fuels may be quantified, included the use of any co-products.
- Increased use of the most up-to-date, reliable data available to inform policy decisions by state, tribal and local governments as well as the regulated community and non-governmental organizations.
- Better understanding by the public of the interaction between competing policies (e.g., in the U.S. and other countries) and their impacts on greenhouse gas emissions.
- Improved resolution with which impacts of increased renewable fuel demand can be quantified, and better quantify the uncertainty associated with these estimates.

4. Performance Measures

The applicant should also develop performance measures they expect to achieve through the proposed activities and describe them in the application. These performance measures will help gather insights and will be the mechanism to track progress concerning successful process and outcome strategies and will provide the basis for developing lessons to inform

future recipients. It is expected that the description of performance measures will include information on how the Grant will lead to better estimates of the impacts on the agricultural sector of the wider use of renewable fuels in the U.S. transportation sector, both in the U.S. and globally. In addition, performance measures should also demonstrate how this grant will lead to better estimates of both direct and indirect land use change as a result of the use of renewable fuels in the U.S.

The following are questions to consider when developing output and outcome measures of quantitative and qualitative results:

i) What are the measurable short term and longer term results the project will achieve?

ii) How does the plan measure progress in achieving the expected results (including outputs and outcomes) and how will the approach use resources effectively and efficiently?

D. Supplementary Information

The statutory authority for this action is the Clean Air Act, §103(b)(3) which authorizes the award of grants for research, investigations, experiments, demonstrations, surveys, and studies related to the causes, effects, (including health and welfare effects), extent, prevention, and control of air pollution. Such activities include rendering technical services and providing financial assistance, as well as promoting analyses with the goal of improved understanding of climate change science, impacts and mitigation options, in relation to air pollution.

Demonstrations must involve new or experimental technologies, methods, or approaches, where the results of the project will be disseminated so that others can benefit from the knowledge gained in the demonstration project. A project that is accomplished through the performance of routine, traditional, or established practices, or a project that is simply intended to carry out a task rather than transfer information or advance the state of knowledge, however worthwhile the project might be, is not considered a demonstration project. Implementation activities are <u>not</u> eligible for funding under this announcement.

II. AWARD INFORMATION

A. What is the amount of funding available?

The total estimated funding expected to be available for awards under this competitive opportunity is approximately $500,000 over a five year period.

B. Partial Funding.

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

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

EPA anticipates award of only one cooperative agreement resulting under this announcement ranging in value from approximately $50,000 to $100,000 per year, subject to the availability of funds, quality of evaluated applications, and other applicable considerations. In addition, EPA reserves the right to make additional awards under this announcement, consistent with Agency policy, if additional funding becomes available after the original selections. Any additional selections for awards will be made no later than six months from the date of the original selections.

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

The estimated project period for an award resulting from this solicitation will begin in late Spring 2011. Proposed project periods may be up to five years.

E. Funding Type

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

- close monitoring of the successful applicant's performance to verify the results proposed by the applicant;
- collaboration during performance of the scope of work;
- in accordance with 40 CFR 31.36(g), review of proposed procurement;
- approving qualifications of key personnel (EPA will not select employees or contractors employed by the award recipient);
- review and comment on reports prepared under the cooperative agreement (the final decision on the content of reports rests with the recipient).

III. ELIGIBILITY INFORMATION

A. Eligible Entities

In accordance with CFDA 66.034, applications will be accepted from states, local governments, territories, Indian tribes, and possessions of the U.S., including the District of Columbia, international organizations, public and private universities and colleges, hospitals, laboratories, and other public or private non-profit institutions.

Non-profit organization, as defined by OMB Circular A-122, located at 2 CFR Part 230, means any corporation, trust, association, cooperative or other organization that: (1) is operated primarily for scientific, educational, service, charitable or similar purposes in the public interest; (2) is not organized primarily for profit; and (3) uses its net proceeds to maintain, improve and/or expand its operations. Note that OMB Circular A-122 specifically excludes the following types of organizations from the definition of "non-profit organization" because they are separately defined in the Circular: (i) colleges and universities; (ii) hospitals; (iii) state, local and federally-recognized Indian tribal governments; and (iv) those non-profit organizations that are excluded from coverage of this Circular

in accordance with paragraph 5 of the Circular. While not considered to be a "non-profit organization(s)" as defined by OMB Circular A-122, colleges and universities, hospitals, state, local and federally-recognized Indian tribal governments are, nevertheless, eligible to submit applications under OMB Circular A-122 and this RFA.

For-profit organizations are not an eligible entity for this funding opportunity. Additionally, 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 Sharing or Matching

No matching funds are required under this competition. Although cost-sharing/matching 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.

Leveraging is generally when an applicant proposes to provide its own additional funds/resources or those from third party sources to support or complement the project they are awarded under the competition which are above and beyond the EPA grant funds awarded. Any leveraged funds/resources, and their source, must be identified in the proposal (See Section IV of the announcement). Leveraged funds and resources may take various forms as noted below.

Voluntary cost share is a form of leveraging. Voluntary cost sharing is when an applicant voluntarily proposes to legally commit to provide costs or contributions to support the project when a cost share is not required. Applicants who propose to use a voluntary cost share **must** include the costs or contributions for the voluntary cost share in the project budget on the SF-424. If an applicant proposes a voluntary cost share, the following apply:

- A voluntary cost share is subject to the match provisions in the grant regulations (40 CFR 30.23 or 40 CFR 31.24, as applicable).
- A voluntary cost share may only be met with eligible and allowable costs.
- The recipient may not use other sources of federal funds to meet a voluntary cost share unless the statute authorizing the other federal funding provides that the federal funds may be used to meet a cost share requirement on a federal grant.
- The recipient is legally obligated to meet any proposed voluntary cost share that is included in the approved project budget. If the proposed voluntary cost share does not materialize during grant performance, then EPA may reconsider the legitimacy of the award and/or take other appropriate action as authorized by 40 CFR Parts 30 or 31 as applicable.

Other leveraged funding/resources that are not identified as a voluntary cost share. This form of leveraging may be met by funding from another federal grant, from an applicant's own resources, or resources from other third party sources. This form of leveraging should not be included in the budget and the costs need not be eligible and allowable project costs under the EPA assistance agreement. While this form of

leveraging should not be included in the budget, the grant workplan should include a statement indicating that the applicant is expected to produce the proposed leveraging consistent with the terms of the announcement and the applicant's proposal. If applicants propose to provide this form of leveraging, EPA expects them to make the effort to secure the leveraged resources described in their proposals. If the proposed leveraging does not materialize during grant performance, then EPA may reconsider the legitimacy of the award and/or take other appropriate action as authorized by 40 CFR Parts 30 or 31 as applicable.

C. Threshold Eligibility Criteria

These are requirements that if not met by the time of application submission will result in elimination of the application from consideration for funding. Only applications from eligible entities (see above) that meet all of these criteria will be evaluated against the ranking factors in Section V of this announcement. Applicants deemed ineligible for funding consideration as a result of the threshold eligibility review will be notified within 15 calendar days of the ineligibility determination.

1. a. Applications must substantially comply with the application submission instructions and requirements set forth in Section IV of this announcement or else they will be rejected. However, where a page limit is expressed in Section IV with respect to the narrative proposal, pages in excess of the page limitation will not be reviewed.

   b. In addition, applications must be received by the EPA or through www.grants.gov, as specified in Section IV of this announcement, on or before the application submission deadline published in Section IV of this announcement. Applicants are responsible for ensuring that their application reaches the designated person/office specified in Section IV of the announcement by the submission deadline.

   c. Applications received after the submission deadline will be considered late and returned to the sender without further consideration unless the applicant can clearly demonstrate that it was late due to EPA mishandling or because of technical problems associated with www.grants.gov. Where Section IV requires application receipt by a specific person/office by the submission deadline, receipt by an agency mailroom is not sufficient. Applicants should confirm receipt of their application with Sharyn Lie as soon as possible after the submission deadline—failure to do so may result in your application not being reviewed.

2. Applications must support EPA Strategic Plan Goal 1, ***"Clean Air and Global Climate Change"--*** *"Protect and improve the air so it is healthy to breathe and risks to human health and the environment are reduced. Reduce greenhouse gas intensity by enhancing partnerships with businesses and other sectors". (See Section I)*

3. Hard copy applications will only be accepted via an **express delivery service.** EPA will not accept applications submitted via e-mail, fax or standard 1st Class Mail delivery by the U.S. Postal Service.

4. Applications must address each of the components stated in Section I. Part B Scope of Work.

IV. APPLICATION AND SUBMISSION INFORMATION

A. How to Obtain an Application Package

Applicants can download individual grant application forms from EPA's Office of Grants and Debarment website at: http://www.epa.gov/ogd/AppKit/application.htm .

To obtain a hard copy of materials, please send an email or written request to the Agency contact listed in Section VII of this announcement.

B. Mode of Application Submission

Applicants have the following options to submit their applications: 1) Hard copy by express delivery service to the specified EPA contact below, or 2) electronically through grants.gov as explained in Appendix A. Applications will not be accepted via fax, email, or standard 1st class mail delivery by the U.S. Postal Service. All applications must be prepared, and include the information, as described below in Section IV.C "Content of Application," regardless of mode of transmission.

1. Hard Copy Submission

Please provide one original of the application package (including signed and completed SF 424 and SF 424A forms) --**no binders or spiral binding**--to:

Hard Copy via Express Delivery (FedEx, UPS, DHL, USPS etc.)

U.S. Environmental Protection Agency
Attn: Sharyn Lie
OAR/OTAQ/TCD
Ariel Rios Building North
1200 Pennsylvania Avenue, N.W.
Rm # 6520GG
Washington, DC 20004
Phone: (202)564-1092

Hard Copy Application Submission Deadline

All hard copies of application packages must be received by Sharyn Lie **by February 17, 2011, 4:00 p.m. EST**.

2. Grants.gov Submission (see Appendix A, Grants.gov Submission Instructions)

Application Submission Deadline: Your organization's authorized official representative (AOR) must submit your complete application electronically to EPA through Grants.gov (http://www.grants.gov) no later than **February 17, 2011, 4:00 p.m. EST**

C. Content of Application Package Submission

All application submissions, regardless of mode of submission, must contain completed and signed grant application forms, as well as a Narrative Proposal, as described below.

Grant Application Forms. Please be sure to include the organization fax number and email address in Block 5 of the Standard Form SF 424. The forms are available at http://www.epa.gov/ogd/AppKit/application.htm .

- Standard Form 424, *Application for Federal Assistance*
- Standard Form 424A, *Budget Information – Non-Construction Programs*
- Standard Form 424B, *Non-Construction Programs*
- Standard Form 6600-06, *Certification Regarding Lobbying*
- EPA Form 4700-4, *Pre-Award Compliance Review Report for All Applicants Requesting Federal Financial Assistance*
- EPA Form 5700-54, *Key Contacts Form*
- Narrative Proposal **(as described below)**

Narrative Proposal

The Narrative Proposal **(sections 1-3 below)** cannot exceed a maximum of 15 single-spaced typewritten pages, including the Summary Page. Supporting materials, such as resumes and letters of support, can be submitted as attachments and are not included in the 15 page limit.

1. Summary Information Page (recommended not to exceed one page)

a. Project Title
b. Applicant Information. Include applicant (organization) name, address, contact person, phone number, fax and e-mail address.
c. Funding Requested. Specify the amount you are requesting from EPA.
d. Total Project Cost. Specify total cost of the project. Identify funding from other sources, including cost share or in-kind resources.
e. Project period. Provide beginning and ending dates. (for planning purposes, applicants should assume a project start date of March 2011).
f. DUNS number-See Section VI.C.

2. Narrative Proposal Work-Plan

The narrative proposal work-plan must explicitly describe how the proposed project meets the guidelines established in Sections I-III of this announcement (including the threshold eligibility criteria in Section III.C) and must address each of the evaluation criteria set forth in Section V.

a. Project Summary/Approach: The summary shall contain the following components:

i. Detailed project summary, description of specific actions and methods to be undertaken and the responsible institutions, including estimated time line for

each task.

ii. Description of the associated work products to be developed.

iii. Explanation of project benefits to the public, and specifically the potential audience(s) served.

iv. Description of the roles of the applicant and partners, if any.

v. Description of the applicant's organization and experience related to the proposed project.

vi. Description of staff expertise/qualifications, staff knowledge, and resources or the ability to obtain them, to successfully achieve the goals of the proposed project. Demonstrate that staff have expertise in integrated assessment modeling, including scientific and economic analysis of global climate change

vii. Budget and estimated funding amounts for each work component/task.

viii. Discussion of how the project promotes Environmental Justice concerns (see Section I).

***Selected applicant(s) will need to submit a copy of their current indirect cost rate that has been negotiated with a federal cognizant agency prior to award.**

b. Environmental Results—Outcomes, Outputs and Performance Measures

Identify the expected quantitative and qualitative outcomes and outputs of the project **(See Section I)**, including what performance measurements or other means will be used to track and measure your progress towards achieving the expected outcomes and outputs and how the results of the project will be evaluated.

c. Programmatic Capability and Past Performance

Submit 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 5 agreements, and preferably EPA agreements) and describe (i) whether, and how, you were able to successfully complete and manage those agreements and (ii) your history of meeting the reporting requirements under those agreements including whether you adequately and timely reported on your progress towards achieving the expected outputs and outcomes of those agreements (and if not, explain why not) and whether you submitted acceptable final technical reports under the agreements. In evaluating applicants under these factors in Section V, 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/prior 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 in the proposal and you will receive a neutral score for these factors (a neutral score is half of the total

points available in a subset of possible points). If you do not provide any response for these items, you may receive a score of 0 for these factors.

3. Detailed Budget Narrative (See Appendix B, Budget Sample)

Clearly explain how EPA funds will be used. This section provides an opportunity for a narrative description of the budget found in the SF-424A. Applicants must itemize costs related to personnel, fringe benefits, contractual costs, travel, equipment, supplies, other direct costs, indirect costs, and total costs.

Management Fees: When formulating budgets for applications, applicants must not include management fees or similar charges in excess of the direct costs and indirect costs at the rate approved by the applicants cognizant 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 may not 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 scope of work.

4. Attachments. These are optional and are not included in the 15 page limit. Nor are these attachments considered during evaluation of an applicant's application.

a. Biographical Sketch. Provide resumes or curriculum vitae for all principal investigators and any other key personnel.
b. Negotiated Indirect Cost Rate Agreement.
c. **Quality Assurance Narrative Statement.**
d. Support Letters-These should indicate how the supporting organization will assist in the project.

D. 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 application. However, if they do, the fact that an applicant selected for award has named a specific subawardee/subgrantee, contractor, or consultant in the application 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 application.

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.

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

Section V of the announcement 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, if appropriate and relevant, the qualifications, expertise, and experience of:

(i) an applicant's named subawardees/subgrantees identified in the proposal/application if the applicant demonstrates in the application 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 subawards/subgrants to obtain commercial services or products from for profit firms or individual consultants.
(ii) an applicant's named contractor(s), including consultants, identified in the proposal/application if the applicant demonstrates in its proposal/application 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. 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 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 application evaluation process unless the applicant complies with these requirements.

F. Submission Dates and Times

The closing date and time for receipt of application submissions, regardless of mode of submission, is February 17, 2011, 4:00 pm Eastern Standard Time (EST). All hard copies of application packages must be received by Sharyn Lie by February 17, 2011, 4:00 pm EST; electronic submissions via

Grants.gov must be submitted to www.grants.gov by February 17, 2011, 4:00 pm EST. Applications received or submitted electronically after the closing date and time will not be considered for funding.

G. Confidential Business Information

In accordance with 40 CFR 2.203, applicants may claim all or a portion of their application as confidential business information. EPA will evaluate confidentiality claims in accordance with 40 CFR Part 2. Applicants must clearly mark applications or portions of applications 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, the agency considers competitive proposals/applications confidential and protected from disclosure prior to the completion of the competitive selection process.

H. Pre-Application Assistance and Communications

In accordance with EPA's Assistance Agreement Competition Policy (EPA Order 5700.5A1), EPA staff will not meet with individual applicants to discuss draft application packages, provide informal comments on draft narrative proposals, or provide advice and/or guidance to applicants on how to respond to ranking criterion. Applicants are responsible for the contents of their applications. However, EPA will respond to questions in writing from individual applicants regarding threshold eligibility criterion, administrative issues related to the submission of the application, and requests for clarification about the announcement.

V. APPLICATION REVIEW INFORMATION

Only eligible entities whose application(s) meet the threshold criteria in Section III of this announcement will be reviewed according to the evaluation criterion set forth below. Applicants should explicitly address these criteria as part of their application package submittal. Each application will be rated under a points system, with a total of 100 points possible.

A. Evaluation Criteria

Criteria	Points
1. <u>Project Summary/Approach:</u> Under this criterion, the Agency will evaluate the following factors: **(i) (20 pts)** the extent and quality to which the narrative proposal includes a well-conceived strategy for addressing the requirements in **Section I, Parts B (Scope of Work) and C (EPA Strategic Plan Linkage and Anticipated Outcomes/Outputs)**, **(ii) (20 pts)** whether the narrative proposal sets forth a reasonable time schedule for the execution of the tasks associated with the project and for achieving the project goals and objectives by project end.	**40**
2. <u>Environmental Results—Outcomes, Outputs and Performance Measures:</u> Under this criterion, the Agency will evaluate the effectiveness of the applicant's plan for tracking and measuring its progress toward achieving the expected project outputs and outcomes, including those identified in **Section I** of this announcement. In addition, the Agency will evaluate the performance measures proposed by the applicant and how they will be used to help track and measure the Applicants progress towards achieving the expected outputs and outcomes.	**20**
3. <u>Programmatic Capability and Past Performance:</u> Under this criterion,	

applicants will be evaluated based on their ability to successfully complete and manage the proposed project taking into account their: **I. (6 pts)** past performance in successfully completing and managing the assistance agreements identified in the narrative proposal as described in Section IV.C of the announcement, **II. (5 pts)** history of meeting the reporting requirements under the assistance agreements identified in the narrative proposal as described in Section IV.C of the announcement including whether the applicant submitted acceptable final technical reports under those agreements and the extent to which the applicant adequately and timely reported on their progress towards achieving the expected outputs and outcomes under those agreements and if such progress was not being made whether the applicant adequately reported why not, **III. (7pts)** organizational experience and plan for timely and successfully achieving the objectives of the proposed project, **IV. (7 pts)** staff expertise and qualifications, staff knowledge, and resources or the ability to obtain them, to successfully achieve the goals of the proposed project. Note: In evaluating applicants under items I and II of this criterion, the Agency will consider the information provided by the applicant and may also consider relevant information from other sources including agency files and prior/current grantors (e.g., to verify and/or supplement the information supplied by the applicant). If you do not have any relevant or available past performance or reporting information, please indicate this in the proposal and you will receive a neutral score for these sub-factors (items I and II above-a neutral score is half of the total points available in a subset of possible points). If you do not provide any response for these items, you may receive a score of 0 for these factors.	**25**
4. <u>Budget</u>: Under this criterion, the Agency will evaluate the proposed project budget to determine whether, **I. (5 pts)** costs are reasonable to accomplish the proposed goals, objectives, and measurable environmental outcomes, **II. (5 pts)** the proposed budget provides a detailed breakout of the approximate funding used for each major activity. An applicant's budget and budget narrative must account for both federal funds and any non-federal funds (e.g., any required or voluntary cost share/match if applicable). Applicants must precisely describe in their budget narrative how they will account for any required or voluntary cost share/match and what role EPA funding will play in the overall project.	**10**

5. Environmental Justice: Under this criterion, the Agency will evaluate the extent to which the proposed project helps to promote addressing environmental justice issues and concerns (See Section I) including how it will help to advance understanding of climate change impacts and linked climate change-air pollution issues and their potential effects on the public health of and environmental conditions affecting minority, low-income, and indigenous populations who are or may be disproportionately affected by climate change.	**5**

B. Review and Selection Process

Applications will first be evaluated against the threshold factors listed in Section III. Only those applications which meet all of the threshold factors will be evaluated using the evaluation criteria listed above by an EPA evaluation team. Each application will be given a numerical score and will be rank-ordered according to the numerical score. Preliminary funding recommendations will be provided to the Approving Official based on this ranking.

C. Other Factors

Final funding decisions will be made by the Approving Official based on the rankings and preliminary recommendations of the EPA evaluation team. In making the final funding decisions, the Approving Official may also consider programmatic priorities and geographic diversity of funds. Once final decisions have been made, a funding recommendation will be developed and forwarded to the EPA Award Official.

VI. AWARD ADMINISTRATION INFORMATION

A. Award Notices

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

Application Notifications

1. EPA anticipates notification to the *successful* applicant will be made via telephone, email or postal mail. The notification will advise the applicant that its proposed project has been successfully evaluated and recommended for award. The notification will be made to the original signer of the Standard Form (SF) 424, Application for Federal Assistance.

This notification, which advises that the applicant's proposed project has been recommended for award, is **not** an authorization to begin performance. The award notice signed by the EPA grants officer is the authorizing document and will be provided through postal mail. At a minimum, this process can take up to 90 days from the date of recommendation.

2. EPA anticipates notification to *unsuccessful* applicant(s) will be made via email or postal mail. The notification will be made to the original signer of the Standard Form (SF) 424, Application for Federal Assistance.

B. Administrative and National Policy Requirement

A listing and description of general EPA Regulations applicable to the award of assistance agreements may be viewed at:
http://www.epa.gov/ogd/AppKit/applicable_epa_regulations_and_description.htm.

Executive Order 12372, Intergovernmental Review of Federal Programs may be applicable to awards, resulting from this announcement. Applicants selected for funding may be required to provide a copy of their application to their State Point of Contact (SPOC) for review, pursuant to Executive Order 12372, Intergovernmental Review of Federal Programs. This review is not required with the Initial Application and not all states require such a review. A listing of State Point of Contacts (SPOC) may be viewed at: www.whitehouse.gov/omb/grants/spoc.html

C. Central Contractor Registration (CCR) and Data Universal Numbering System (DUNS) Requirements

Unless exempt from these requirements under OMB guidance at 2 CFR Part 25 (e.g., individuals), applicants must:

1. Be registered in the CCR prior to submitting an application or proposal under this announcement. CCR information can be found at https://www.bpn.gov/ccr/
2. Maintain an active CCR registration with current information at all times during which it has an active Federal award or an application or proposal under consideration by an agency, and
3. Provide its DUNS number in each application or proposal it submits to the agency. 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.

If an applicant fails to comply with these requirements, it will, should it be selected for award, affect their ability to receive the award.

D. Reporting Requirement

Quarterly progress reports and a detailed final technical report will be required. Quarterly reports summarizing technical progress, planned activities for next quarter and summary of expenditures are required. The final technical report shall be completed within 90 calendar days of the completion of the period of performance. The final technical report should include: summary of the project or activity, advances achieved and costs of the project or activity. In addition, the final technical 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 award.

E. Exchange Network

EPA, states, territories, and tribes are working together to develop the National Environmental Information Exchange Network, a secure, Internet- and standards-based way to support electronic data reporting, sharing, and integration of both regulatory and non-regulatory environmental data. States, tribes and territories exchanging data with each other or with EPA, should make the

Exchange Network and the Agency's connection to it, the Central Data Exchange (CDX), the standard way they exchange data and should phase out any legacy methods they have been using. More information on the Exchange Network is available at www.exchangenetwork.net.

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) which can be found at http://www.epa.gov/ogd/competition/resolution.htm. Copies of these procedures may also be requested by contacting Sharyn Lie at lie.sharyn@epa.gov.

G. Non-profit Administrative Capability

Non-profit applicants that are recommended for funding under this announcement are subject to pre-award administrative capability reviews consistent with Section 8b, 8c and 9d of EPA Order 5700.8 - Policy on Assessing Capabilities of Non-Profit Applicants for Managing Assistance Awards (http://www.epa.gov/ogd/grants/award/5700_8.pdf). In addition, non-profit applicants that qualify for funding may, depending on the size of the award, be required to fill out and submit to the Grants Management Office the Administrative Capabilities Form, with supporting documents, contained in Appendix A of EPA Order 5700.8.

H. Subaward and Executive Compensation Reporting

Applicants must ensure that they have the necessary processes and systems in place to comply with the sub-award and executive total compensation reporting requirements established under OMB guidance at 2 CFR Part 170, unless they qualify for an exception from the requirements, should they be selected for funding.

I. Use of Grant Funds

An applicant that receives an award under this announcement is expected to manage assistance agreement funds efficiently and effectively and make sufficient progress towards completing the project activities described in the work-plan in a timely manner. The assistance agreement will include terms/conditions implementing this requirement.

VII. AGENCY CONTACTS

For further information, contact:

U.S. Environmental Protection Agency
Attn: Sharyn Lie
OAR/OTAQ/TCD
Ariel Rios Building North
1200 Pennsylvania Avenue, N.W. Rm # 6520GG
Washington, DC 20004

lie.sharyn@epa.gov
202-564-1092

All questions or comments must be communicated in writing via postal mail, fax or email to the contact person listed above. Questions and answers will be posted until the closing date of this announcement at the OAR Grants/Funding webpage: http://www.epa.gov/air/grants_funding.html .

VIII. Other Information (Appendices)

Appendix A. Grants.gov Submission Instructions

Grants.gov Application Instructions

The electronic submission of your application must be made by an authorized official representative (AOR) of your institution who is registered with Grants.gov. For more information, go to http://www.grants.gov and click on "Get Registered" on the left side of the page. *Note that the registration process may take a week or longer to complete.* If your organization is not currently registered with Grants.gov, we encourage them to designate an AOR and ask that individual to begin the registration process as soon as possible.

To begin the application process under this grant announcement, go to http://www.grants.gov and click on the "Apply for Grants" tab on the left side of the page. Then click on "Apply Step 1: Download a Grant Application Package" to download the compatible Adobe viewer and obtain the application package. **To apply through grants.gov you must use Adobe Reader applications and download the compatible Adobe Reader version (Adobe Reader applications are available to download for free on the Grants.gov website. For more information on Adobe Reader please visit the Help section on grants.gov at** http://www.grants.gov/help/help.jsp or http://www.grants.gov/aboutgrants/program_status.jsp).

Once you have downloaded the viewer, you may retrieve the application package by entering the Funding Opportunity Number, EPA-OAR-OTAQ-11-06, or the CFDA number that applies to the announcement (CFDA 66.034), in the appropriate field. You may also be able to access the application package by clicking on the Application button at the top right of the synopsis page for this announcement on http://www.grants.gov (to find the synopsis page, go to http://www.grants.gov and click on the "Find Grant Opportunities" button on the left side of the page and then go to Search Opportunities and use the Browse by Agency feature to find EPA opportunities).

Application Submission Deadline: Your organization's AOR must submit your complete application electronically to EPA through Grants.gov (http://www.grants.gov) no later than **February 17, 2011 by 4:00 pm EST**.

Please submit *all* of the application materials described below.

Application Materials

The following forms and documents are required under this announcement:

1. Application for Federal Assistance (SF-424)
2. Budget Information for Non-Construction Programs (SF-424A)
3. Assurances for Non-Construction Programs (SF-424B)

4. Grants.gov Lobbying Form
5. EPA Key Contacts Form 5700-54
6. EPA Form 4700-4 – Pre-award Compliance Review Report
7. Narrative Proposal-prepared as described in Section IV.C of the RFA
8. Disclosure of Lobbying Activities (SF-LLL), if applicable
9. Other Attachments Form – Negotiated Indirect Cost Rate Agreement, optional
10. Other Attachments Form – Biographical Sketches for the Project Manager(s), optional
11. Other Attachments Form – Quality Assurance Narrative Statement, optional
12. Other Attachments Form – Support Letters, optional

The application package *must* include all of the following materials:

- **Standard Form (SF) 424, Application for Federal Assistance**

Complete the form. There are no attachments. Please note that the organizational Dun and Bradstreet (D&B) Data Universal Number System (DUNS) number must be included on the SF-424. Organizations may obtain a DUNS number at no cost by calling the toll-free DUNS number request line at 1-866-705-5711.

- **SF-424A, Budget Information for Non-Construction Programs**

Complete the form. There are no attachments. The total amount of federal funding requested for the project period should be shown on line 5(e) and on line 6(k) of SF-424A. If indirect costs are included, the amount of indirect costs should be entered on line 6(j). The indirect cost rate (i.e., a percentage), the base (e.g., personnel costs and fringe benefits), and the amount should also be indicated on line 22. If indirect costs are requested, a copy of the Negotiated Indirect Cost Rate Agreement must be submitted as part of the application package. (See instructions for document 10 below.)

- **SF-424B, Assurances for Non-Construction Programs**

Complete the form. There are no attachments.

- **Grants.gov Lobbying Form – Certification Regarding Lobbying**

Complete the form. There are no attachments.

- **EPA Form 5700-54, Key Contacts Form**

Complete the form. There are no attachments. If additional pages are needed, attach these additional pages to the electronic application package by using the “Other Attachments Form” in the “Optional Documents” box. (See Application Preparation and Submission Instructions below for more details.)

- **EPA Form 4700-4, Pre-Award Compliance Review Report**

Download and complete the form and attach it to your submission. The form can be downloaded from http://www.epa.gov/ogd/forms/adobe/4700-4_sec.pdf

7. Narrative Proposal
Prepared as described in **Section IV.C** of the announcement.

8. SF-LLL, Disclosure of Lobbying Activities, if applicable
This form is required if your organization is involved in lobbying. Complete the form if your organization is involved in lobbying activities.

9. Other Attachments Form – Negotiated Indirect Cost Rate Agreement
Use if indirect costs are included in the project budget. Use the "Other Attachments Form" in the "Optional Documents" box to attach a copy of your organization's Indirect Cost Rate Agreement, if applicable. (See Application Preparation and Submission Instructions below for more details.) You must submit a copy of your organization's Indirect Cost Rate Agreement as part of the application package if your proposed budget includes indirect costs.

10. Other Attachments Form – Biographical Sketches for the Project Manager(s)
Use the "Other Attachments Form" in the "Optional Documents" box to attach a copy of the biographical sketch of each project manager for the proposed project. Each biographical sketch should outline the education, work history, and knowledge/expertise of the individual that relate to managing the proposed project.

11. Other Attachments Form – Quality Assurance Narrative Statement. Use the "Other Attachments Form" in the "Optional Documents" box to attach a copy of a quality assurance narrative statement.

12. Other Attachments Form – Support Letters. Specifically indicate how the supporting organization will assist in the project.

Application Preparation and Submission Instructions

Documents 1 through 5 listed under Application Materials above should appear in the "Mandatory Documents" box on the Grants.gov Grant Application Package page.

For documents 1 through 5, click on the appropriate form and then click "Open Form" below the box. The fields that must be completed will be highlighted in yellow. Optional fields and completed fields will be displayed in white. If you enter an invalid response or incomplete information in a field, you will receive an error message. When you have finished filling out each form, click "Save." When you return to the electronic Grant Application Package page, click on the form you just completed, and then click on the box that says, "Move Form to Submission List." This action will move the document over to the box that says, "Mandatory Completed Documents for Submission."

For document 6 download and attach the form.

For document 7, you will need to attach electronic files. Prepare your narrative proposal as described above and save the documents to your computer a PDF file. When you are ready to attach your proposal to the application package, click on "Project Narrative Attachment Form," and open the form. Click "Add Mandatory Project Narrative File," and then attach your proposal (previously saved to your computer) using the browse window that appears. You may then click "View Mandatory Project Narrative File" to view it. Enter a brief descriptive title of your project in the space beside

"Mandatory Project Narrative File Filename;" the filename should be no more than 40 characters long. If there are other attachments to submit to accompany your proposal, you may click "Add Optional Project Narrative File" and proceed as before. When you have finished attaching the necessary documents, click "Close Form." When you return to the "Grant Application Package" page, select the "Project Narrative Attachment Form" and click "Move Form to Submission List." The form should now appear in the box that says, "Mandatory Completed Documents for Submission."

Documents 8 through 12 are listed in the "Optional Documents" box, but *please note that these so-called "optional" documents must also be submitted as part of the application package, if applicable to your organization.* You are only required to submit document 8 – SF-LLL, Disclosure of Lobbying Activities – if your organization is involved in lobbying activities. You are required to submit document 9 – Negotiated Indirect Cost Rate Agreement – if you have included any indirect costs in your proposed budget. You must submit document 10 – Biographical Sketches for Project Manager(s). To attach documents 8-12, use the "Other Attachments Form" in the "Optional Documents" box. After attaching the documents, please remember to highlight the "Other Attachments Form" and click "Move Form to Submission List" in order to move the documents to the box that says, "Optional Completed Documents for Submission."

Once you have finished filling out all of the forms/attachments and they appear in one of the "Completed Documents for Submission" boxes, click the "Save" button that appears at the top of the Web page. It is suggested that you save the document a second time, using a different name, since this will make it easier to submit an amended package later if necessary. Please use the following format when saving your file: "Applicant Name – FY11 – Assoc Prog Supp – 1st Submission" or "Applicant Name – FY 11 Assoc Prog Supp – Back-up Submission." If it becomes necessary to submit an amended package at a later date, then the name of the 2nd submission should be changed to "Applicant Name – FY11Assoc Prog Supp – 2nd Submission."

Once your application package has been completed and saved, send it to your AOR for submission to EPA through Grants.gov. Please advise your AOR to close all other software programs before attempting to submit the application package through Grants.gov.

In the "Application Filing Name" box, your AOR should enter your organization's name (abbreviate where possible), the fiscal year (e.g., FY11), and the grant category (e.g., Assoc Prog Supp). The filing name should not exceed 40 characters. From the "Grant Application Package" page, your AOR may submit the application package by clicking the "Submit" button that appears at the top of the page. The AOR will then be asked to verify the agency and funding opportunity number for which the application package is being submitted. If problems are encountered during the submission process, the AOR should reboot his/her computer before trying to submit the application package again. [It may be necessary to turn off the computer (not just restart it) before attempting to submit the package again.] If the AOR continues to experience submission problems, he/she may contact Grants.gov for assistance by phone at 1-800-518-4726 or email at http://www.grants.gov/help/help.jsp.

Applications submitted through grants.gov will be time and date stamped electronically.

Appendix B. Budget Sample

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 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 will perform work directly for the project (generally, paid employees of the applicant organization). If the applicant organization is including staff time (in-kind services) as a cost share, this should be included as Personnel costs. Personnel costs do not include: (1) costs for services of consultants, contractors, consortia members, or other partner organizations, which are included in the "Contractual" category; (2) costs for employees of subrecipients under subawards, which are included in the "Other" category; or (3) effort that is nor directly in support of the proposed project, which may be covered by the organization's negotiated indirect cost rate. The budget detail must identify the personnel category type by Full Time Equivalent (FTE), including percentage of FTE for part-time employees, number of personnel proposed for each category, and the estimated funding amounts.

- **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 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, rental/lease of equipment or supplies, equipment service or maintenance contracts, printing or photocopying, rebates, 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
Personnel		
(1) Project Manager @ $40/hr x 10 hrs/week x 52 wks		$20,800

(5) Project Staff @ $30/hr x 40 hrs/week x 40 wks	$244,000	
TOTAL PERSONNEL	$244,000	$20,800
Fringe Benefits		
20% of Salary and Wages	20%(244,000)	20%(20,800)
- Retirement, Health Benefits, FICA, SUI	$48,800	$4,160
TOTAL FRINGE BENEFITS	$48,800	$4,160
Travel		
Travel for Project Manager and staff: 500 mi/mo @ $0.55/mi x 12 mos.	$3,300	
Travel for Project Staff: 20 trips per month x $2,500 per tip	$600,000	
TOTAL TRAVEL	$303,300	
Equipment		
TOTAL EQUIPMENT	0	
Supplies		
Office and related supplies to support training	$150,000	
TOTAL SUPPLIES	$150,000	
Contractual		
Support Services Contract	$100,000	
TOTAL CONTRACTUAL	$100,000	
Other		
Travel for tribal representatives to attend workshop training 100 trips x $1,000 each	$100,000	
Travel for tribal representatives to attend workshop training 200 trips x $2,000 each	$400,000	
TOTAL OTHER	$500,000	
Indirect Charges		
Federal Negotiated Indirect Cost Rate = 10% (Indirect Rate x Personnel = Indirect Costs)	$26,480	
TOTAL INDIRECT	$26,480	
TOTAL FUNDING	$1,397,540	24,960
TOTAL PROJECT COST	$1,422,500	

** Cost-Share funds, while not required under this RFA, must also be included on the SF-424A as detailed in Section III.B of this RFA.

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**.**