City of Las Cruces®
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Council Action and Executive Summary

Item # 3 **Ordinance/Resolution#** 10-124 **Council District:** ___

For Meeting of: **October 26, 2009**
(Adoption Date)

TITLE: A RESOLUTION TO APPLY FOR A GRANT OFFERED BY THE ENVIRONMENTAL PROTECTION AGENCY (EPA), NATIONAL CLEAN DIESEL FUNDING ASSISTANCE PROGRAM, FY 2009/2010 FOR AN AMOUNT NOT TO EXCEED $1,000,000. NO MATCH IS REQUIRED BY THE CITY.

PURPOSE(S) OF ACTION: The National Clean Diesel Assistance Program is administered by the US Environmental Protection Agency for the purpose of reducing emissions from diesel vehicles. Fleet Services intends to request approximately $1,000,000 to retrofit primarily heavy duty diesel trucks with idle reduction and exhaust control technology, and also to operate the entire diesel fleet on a 20% biodiesel fuel blend for the duration of the grant period. There is no cost share requirement for this grant, but Fleet Services expects to contribute in kind support in the form of labor for equipment installation.

Name of Drafter: Auguie Henry III		**Department:** Facilities / GAO		**Phone:** (575) 541-2281	
Department	**Signature**	**Phone**	**Department**	**Signature**	**Phone**
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			Assistant City Manager		(575) 541-2271
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BACKGROUND / KEY ISSUES / CONTRIBUTING FACTORS:
EPA's National Clean Diesel 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.

Eligible diesel emission reduction solutions include verified emission control technologies such as retrofit devices, cleaner fuels, and engine upgrades, verified idle reduction technologies, verified aerodynamic technologies and low rolling resistance tires, certified engine repowers, and/or vehicle or equipment replacement.

(Continue on additional sheets as required)

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 intertribal consortia) 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.

SUPPORT INFORMATION:

Fund Name / Account Number	Amount of Expenditure	Budget Amount
TBD is awarded	$1,000,000.00	$1,000,000.00

1. Resolution
2. Exhibit "A" EPA Proposal

OPTIONS / ALTERNATIVES:

1. Allow the City, Fleet Operations to apply for the EPA grant.
2. Disapprove and the application not be submitted.

(Continue on additional sheets as required)

RESOLUTION NO. 10-124

A RESOLUTION TO APPLY FOR A GRANT OFFERED BY THE ENVIRONMENTAL PROTECTION AGENCY (EPA), NATIONAL CLEAN DIESEL FUNDING ASSISTANCE PROGRAM, FY 2009/2010 FOR AN AMOUNT NOT TO EXCEED $1,000,000. NO MATCH IS REQUIRED BY THE CITY.

The City Council is informed that:

WHEREAS, the Environmental Protection Agency (EPA) funds are currently offered through the National Clean Diesel Funding Assistance Program; and

WHEREAS, the City of Las Cruces has determined the project of retrofitting current diesel vehicles through exhaust controls and engine upgrades, eligible idle reduction technologies, and low rolling resistance tires; and

WHEREAS, the City of Las Cruces must submit a competitive grant application for an amount not to exceed $1,000,000 based on selected projects for the appropriated funding; and

WHEREAS, there is no match requirement for the City to be awarded the grant funds.

NOW, THEREFORE, be it resolved by the governing body of the City of Las Cruces, New Mexico:

(I)

THAT, the City of Las Cruces is authorized to submit to the Environmental protection Agency (EPA), National Clean Diesel Funding Assistance Program FY 2009/2010 Request for Proposal an application; and

(II)

THAT, City staff and officials are authorized to do all deeds necessary in the accomplishment of the herein above.

DONE AND APPROVED this 26th day of October, 2009

_____
Mayor

ATTEST:

_____
City Clerk

(SEAL)

Moved by: _____

Seconded by: _____

VOTE:

Mayor Miyagishima: _____
Councillor Silva: _____
Councillor Connor: _____
Councillor Archuleta: _____
Councillor Small: _____
Councillor Jones: _____
Councillor Thomas: _____

Approved as to Form:

Asst City Attorney

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

TITLE: **National Clean Diesel Funding Assistance Program, FY 2009/2010 Request for Proposals (RFP)**

RFP NUMBER: **EPA-OAR-OTAQ-09-10**

CATALOG OF FINANCIAL DOMESTIC ASSISTANCE NUMBER: 66.039

IMPORTANT DATES

OCTOBER 6, 2009	RFP OPENS
DECEMBER 8, 2009	RFP CLOSES – 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 the appropriate EPA contact by **Tuesday, December 8, 2009, 4:00 p.m. local time** in order to be considered for funding. Electronic submissions submitted through e-mail must be received by the appropriate EPA contact by **Tuesday, December 8, 2009, 4:00 p.m. local time.** Applications received after the closing date and time will not be considered for funding. See Section IV of the RFP for EPA contacts and further submission information.

SUMMARY

EPA's National Clean Diesel 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.

Eligible diesel emission reduction solutions include verified emission control technologies such as retrofit devices, cleaner fuels, and engine upgrades, verified idle reduction technologies, verified aerodynamic technologies and low rolling resistance tires, certified engine repowers, and/or vehicle or equipment replacement.

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 intertribal consortia) 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 $64 million, including all non-tribal and tribal awards. EPA regional offices will award the assistance agreements for projects resulting from this announcement. The anticipated number of non-tribal awards and eligible funding ranges for each EPA regional office are defined in Section II.A of this RFP, subject to availability of funds and the quality of non-tribal proposals received. EPA also anticipates awarding approximately 5-10 tribal assistance agreements depending on the quantity and quality of tribal proposals received and funding considerations. The minimum eligible funding request for tribal proposals is $30,000. Funding will be in the form of cooperative agreements or grants.

Summary of What EPA Will Fund

- **Verified Retrofit Technologies**: EPA will fund up to 100% of the cost of eligible exhaust controls and engine upgrades.
- **Verified/Certified Cleaner Fuel Use**: EPA will fund the cost differential between the eligible cleaner fuels and conventional diesel fuels.
- **Verified Idle Reduction Technologies**: EPA will fund up to 100% of the cost of eligible idle reduction technologies.
- **Verified Aerodynamic Technologies and Low Rolling Resistance Tires**: EPA will fund up to 100% of the cost of eligible aerodynamic and tire technologies.
- **Certified Engine Repower**: EPA will fund up to 75% of the cost (labor and equipment) of an eligible engine repower.
- **Certified Vehicle/Equipment Replacement**: EPA will fund the incremental cost of a newer, cleaner vehicle or piece of equipment, up to 25% of the cost of an eligible replacement vehicle or piece of equipment (except for school buses; see below).
- **School Bus Replacement**:
    - For replacement buses that meet EPA's 2010 emissions levels for heavy-duty highway vehicles, EPA will fund the incremental cost of a newer, cleaner school bus, up to 50% of the cost of an eligible replacement school bus.
    - For replacement buses that meet EPA's 2007 emissions levels for heavy-duty highway vehicles, EPA will fund the incremental cost of a newer, cleaner school bus up to 25% of the cost of an eligible replacement school bus.

Pursuant to Section 792(d)(2) of the EPAct of 2005, no funds awarded under this RFP shall be used to fund the costs of emissions reductions that are mandated under Federal, State, Tribal or local law.

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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 $PM_{2.5}$ and 6.4 million tons of NO_X, which contribute to the formation of ozone and additional fine particles. These emissions will come from approximately 20 million engines operating 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. Approximately 60 assistance agreements totaling over $28 million were awarded nationwide through EPA's FY08 National Clean Diesel Funding Assistance Program's regional competitions. In addition on February 17, 2009, President Barack Obama signed the American Recovery and Reinvestment Act of 2009 (Public Law No. 111-05) (Recovery Act) which provided funding for DERA. Under the Recovery Act funding for the National Clean Diesel Funding Assistance Program, EPA awarded 90 assistance agreements totaling $156 million for projects that demonstrated the ability to be commenced expeditiously, reduce diesel emissions, and maximize job creation and/or preservation and economic recovery through a variety of diesel emission reduction strategies.

Specific information on these funded projects can be found at 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 www.epa.gov/RDEE/energy-programs/state-and-local/showcase.html.

C. Scope of Work

A single proposal may target multiple fleets, fleet types and/or diesel emission reduction solutions.

The term "project location" as used in this RFP refers to the primary area where the affected vehicles/engines operate, or the primary area where the emissions benefits of the project will be realized.

Tribal applicants must submit their proposals to the EPA Office of Transportation and Air Quality (OTAQ) contact identified in Section IV.B.3.a of this RFP, regardless of geographic project location. Tribal proposals will be evaluated and selected by OTAQ. Tribal applicants may submit multiple proposals as long as each proposal is for a separate and distinct project and each proposal is submitted separately.

Non-tribal applicants must submit their proposals to the EPA regional office which covers the geographic project location. The geographic boundaries for each EPA regional office are defined below and the EPA regional contacts for proposal submission are identified in Sections IV.B.3.b-j of this RFP. EPA Regions 1, 2, 3, 4, 5, 8, 9, and 10 will

only accept non-tribal proposals for projects located solely within that EPA Region and EPA Regions 6 and 7 will only accept non-tribal proposals for projects located solely within EPA Regions 6 and/or 7.

EPA Regions 1, 2, 3, 4, 5, and 8 will each separately evaluate and select non-tribal proposals for projects located within their Region. EPA Regions 6 and 7 will jointly evaluate and select non-tribal proposals for projects located within Regions 6 and/or 7. EPA Regions 9 and 10 will jointly evaluate non-tribal proposals for projects located in Regions 9 or 10 but will develop separate ranking lists for the Region 9 and 10 proposals and selections will be made separately by Regions 9 and 10.

Non-tribal applicants are allowed to submit proposals to more than one EPA regional office. Non-tribal applicants may submit up to three (3) proposals to the same EPA regional office as long as each proposal is for a separate and distinct project and each proposal is submitted separately. If an applicant submits more that three (3) proposals to any one EPA regional office, the applicant will be contacted prior to EPA review of any of the proposals to determine which proposals the applicant will withdraw from the competition.

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 EPAct 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[1] or maintenance of national ambient air quality standards for a criteria pollutant; Federal Class I areas[2]; 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;

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

[2] 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.

d. Include a certified engine configuration or verified technology that has a long expected useful life;
e. Maximize the useful life of any certified engine configuration or verified 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).

2. **Regional Significance**: This section only applies to non-tribal proposals. Tribal proposals do not have to address the Regional Significance factors.

The term "project location" as used in this RFP refers to the primary area where the affected vehicles/engines operate, or the primary area where the emissions benefits of the project will be realized.

The following Regional Significance factors highlight specific environmental issues that are focal points of the EPA regional office(s). Non-tribal proposals will be evaluated based on the extent and quality to which the proposed project advances the applicable goals and priorities listed below.

h. Region 1 is accepting non-tribal proposals for projects located within Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont.

Region 2 is accepting non-tribal proposals for projects located within New Jersey, New York, Puerto Rico and the U.S. Virgin Islands.

Non-tribal proposals submitted for projects located in Regions 1 and 2 will be evaluated based on the quality and extent to which the proposed project:

- Advances the priority sectors of municipal (including school buses), transit, freight, construction, and ports;
- Addresses the following relevant sector-specific priorities:
    - For projects that advance the construction sector: includes a plan to adopt or encourage the adoption of the Northeast Diesel Collaborative model, or similar, construction specifications (http://northeastdiesel.org/pdf/NEDC-Construction-Contract-Spec.pdf)
    - For projects that advance the freight sector: reduces diesel emissions locally through retrofits, idle reduction technology, fleet turnover, and/or engine replacement; and/or by facilitating or encouraging a mode shift from truck to rail or barge
    - For projects that advance the municipal sector: includes a plan to use leveraged resources to reduce idling through policy, outreach and/or driver training
    - For projects that advance the ports sector: focuses on reducing emissions from trucks or marine engines at ports that operate adjacent to communities

  - For projects that advance the transit sector: includes a plan to use leveraged resources to reduce idling through policy, outreach and/or driver training
- Demonstrates an ability to extend or replicate benefits of the project in the future (sustainability);
- Provides emissions benefits to multiple towns, cities or states;
- Demonstrates the effective use of partnerships and describes the nature and extent of partnership activities, including partner letter(s) of commitment.
- In addition to reducing emissions of black carbon, addresses climate change by either maximizing reductions of other greenhouse gases or by incorporating the proposed project as part of a larger strategy to address climate change.

i. Region 3 is accepting non-tribal proposals for projects located within Delaware, Maryland, Virginia, Pennsylvania, West Virginia, and the District of Columbia.

Non-tribal proposals submitted for projects located in Region 3 will be evaluated based on the quality and extent to which the proposed project:

- Provides emissions benefits to urban areas;
- Provides emissions benefits to areas of concern for air toxics risk;
- Reduces emissions along interstates and at marine ports; and
- Addresses climatic change and the reduction of greenhouse gas emissions.

j. Region 4 is accepting non-tribal proposals for projects located within Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina and Tennessee.

Non-tribal proposals submitted for projects located in Region 4 will be evaluated based on the quality and extent to which the proposed project:

- Addresses the following relevant sector-specific priorities:
  - Green Corridors – promoting development of a Regional Green Corridors Program focusing on idle reductions and alternative fueling options for interstate trucking along interstate corridors including any aspect of goods movement
  - Clean Construction-innovative approaches to ensure widespread upgrading/retrofitting of non-road construction equipment
  - Clean Ports-Clean diesel operations at waterports and airports to include all aspects of passenger and/or freight passing through a port
- Includes the use of alternative fuels that replace diesel fuel, to include but not limited to biodiesel, compressed natural gas, liquefied natural gas, and propane;
- Is regional (involving emissions benefits in more than one state);
- Incorporates collaboration or partnerships.

k. Region 5 is accepting non-tribal proposals for projects located within Illinois, Indiana, Michigan, Minnesota, Ohio and Wisconsin.

Non-tribal proposals submitted for projects located in Region 5 will be evaluated based on the quality and extent to which the proposed project:

- Helps meet a goal to reduce emissions from 1 million of the 3.3 million diesel engines in the Midwest by 2010;
- Supports clean diesel coalitions in each state to share information, work with interested fleets, and address specific geographic needs. To find more information about the Midwest clean diesel coalitions, see www.epa.gov/midwestcleandiesel/leadershipgroup/index.html#state;
- Leads to broader efforts and sustainable, larger scale projects and programs to further reduce diesel emissions;
- Supports communities working to address climate change.

l. Regions 6 and 7 are jointly accepting non-tribal proposals for projects located within Arkansas, Iowa, Kansas, Louisiana, Missouri, Nebraska, New Mexico, Oklahoma and Texas.

Non-tribal Proposals for projects located in Regions 6 and/or 7 will be evaluated based on the quality and extent to which the proposed projects:

- Are in areas that have pollution levels that are approaching the NAAQS;
- Would mitigate acute exposure to diesel exhaust;
- Support the implementation of idle reduction strategies or technologies;
- Would mitigate exposure to diesel exhaust in environmental justice communities.

m. Region 8 is accepting non-tribal proposals for projects located within Colorado, Montana, North Dakota, South Dakota, Utah and Wyoming.

Non-tribal proposals for projects located in Region 8 will be evaluated based on the quality and extent to which the proposed project:

- Promotes idle reduction strategies or technologies (e.g., auxiliary power units, engine preheaters, truck stop electrification, and other technologies), improved aerodynamics, or low rolling-resistance tires;
- Reduces emissions from the oil and gas industry;
- Improves the air quality on a Tribal Reservation located within EPA Region 8.

n. Region 9 is accepting non-tribal proposals for projects located within California, Arizona, Nevada, Hawaii, Guam, American Samoa and the Commonwealth of the Northern Mariana Islands.

Region 10 is accepting non-tribal proposals for projects located within Washington, Oregon, Idaho and Alaska.

Non-tribal proposals for projects in Regions 9 or 10 will be evaluated based on the quality and extent to which the proposed project:

- Achieves greenhouse gas reductions *and* diesel criteria pollutant reductions (particulate matter and/or nitrogen oxide reductions);
- Reduces emissions along interstate and international goods movement corridors;
- Works with communities and/or tribes in project development and implementation.

D. Use of Funds

1. **Eligible Diesel Vehicles, Engines and Equipment:** Projects may include, but are not limited to, diesel emission reduction solutions from the following heavy duty diesel emission source types:

   a. Buses;
   b. Medium-duty or heavy-duty trucks;
   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)[3].

   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 Solutions:** Projects must include one or more of the following diesel emissions reduction solutions that utilize a certified engine configuration and/or a verified technology. EPA is particularly interested in projects that combine technologies in order to further reduce emissions. For example, a project may combine verified idle reduction, aerodynamic, or tire technologies with verified retrofit technologies or combine engine repower with verified retrofit technologies.

   a. Verified Retrofit Technologies: A "retrofit" project is defined broadly to include any technology, device, fuel 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.

[3] Eligible non-road engines used for energy production include, but are not limited to, stationary generators and pumps.

A list of eligible, EPA verified retrofit technologies is available at www.epa.gov/otaq/retrofit/verif-list.htm; a list of eligible, CARB verified retrofit technologies is available at www.arb.ca.gov/diesel/verdev/vt/cvt.htm, and they include:

i. **Exhaust Controls:** Exhaust Controls include pollution control devices installed in the exhaust system (such as oxidation catalysts and particulate matter filters), or systems that include crankcase emission control (like a closed crankcase filtration system). This funding can cover up to 100% of the cost (labor and equipment) for an eligible exhaust control.

ii. **Engine Upgrades:** Generally, engine upgrade involves the removal of parts on a certified engine configuration and replacement with parts that cause the engine to represent an engine configuration which is certified to meet more stringent federal emission standards. Some engines are able to be upgraded to reduce their emissions by applying manufacturer upgrades that are retrofits verified by EPA or CARB as a package of components demonstrated to achieve specific levels of emission reductions. Some engines are able to be upgraded to a cleaner EPA certified configuration through the application of a "kit" (the "kit" may not necessarily be verified as a retrofit by EPA or CARB, but the "kit" must be used to rebuild the engine to an engine configuration which is certified to meet more stringent federal emission standards. For example, a tier 0 nonroad engine could be upgraded to a certified tier 1 nonroad configuration).

   This funding can cover up to 100% of the cost (labor and equipment) for an engine upgrade with a manufacturer upgrade that is a retrofit verified by EPA or CARB as a package of components demonstrated to achieve specific levels of emission reductions. In the case of an engine upgrade with a "kit" applied at the time of rebuild, this funding cannot be applied to the entire cost of the engine rebuild, but only the incremental cost of the upgrade "kit" and associated labor costs for installation. Note: Engine upgrades may not be available for all engines, and not all upgrades may achieve an emissions benefit. To be funded, the upgrade must result in an emissions benefit by meeting a more stringent emission standard or verified level of reduction. For an engine to be eligible for an upgrade, the engine must be currently operating and performing its intended function.

iii. **Cleaner Fuels Use:** Cleaner fuels include, but are not limited to, ultra-low sulfur diesel fuel (for non-road vehicles, engines and equipment prior to EPA's mandate), biodiesel, diesel emulsions or additives verified by EPA or CARB, compressed natural gas, propane and other certified alternative fuels. For new or expanded use of a cleaner fuel, this funding can cover the cost differential between the cleaner fuel and conventional diesel fuel.

b. **Verified Idle Reduction Technologies:** An idle reduction project is generally defined as the installation of a technology or device that reduces unnecessary idling of the main drive engine of diesel vehicles or equipment and/or is designed to provide services (such as heat, air conditioning, and/or electricity) to vehicles and equipment that would otherwise require the operation of the main drive engine while the vehicle is temporarily parked or remains stationary. The reduction in idling will conserve diesel fuel and must also lower emissions. This funding can cover up to 100% of the cost (labor and equipment) for an eligible, verified idle reduction technology.

A list of EPA verified idle reduction technologies is available at www.epa.gov/smartway/transport/what-smartway/verified-technologies.htm, and includes the following technology categories:

i. Auxiliary power units and generator sets;
ii. Battery air conditioning systems;
iii. Thermal storage systems;
iv. Electrified parking spaces (truck stop electrification);
v. Fuel operated heaters;
vi. Shore connection systems and alternative maritime power;
vii. Shore connection systems for locomotives; and
viii. Automatic shutdown/start-up systems for locomotives.

Please note that technologies for the electrification of engines/vehicles/equipment other than those specifically listed above cannot be considered verified idle reduction technologies, but may be eligible as a Repower (removal of a diesel engine and its replacement with an electric power source, see Section e, below) or a Replacement (replacement of a diesel powered engine/vehicle/equipment with an eligible electric engine/vehicle/equipment, see Section f, below).

c. **Verified Aerodynamic Technologies**: To improve fuel efficiency, long haul Class 8 trucks can be retrofitted with aerodynamic trailer fairings or the fairings can be provided as new equipment options. This funding can cover up to 100% of the cost (labor and equipment) for aerodynamic trailer fairings - either individually or in combination with one another (e.g., skirt & either gap reducer or rear fairings).

A list of EPA verified aerodynamic technologies is available at www.epa.gov/smartway/transport/what-smartway/verified-technologies.htm, and includes:

i. Gap fairings that reduce the gap between the tractor and the trailer to reduce turbulence;
ii. Trailer side skirts that minimize wind under the trailer; and
iii. Trailer rear fairings that reduce turbulence and pressure drop at the rear of the trailer.

Advanced aerodynamic technologies are not eligible for funding if installed on trucks that have NOx exhaust controls, such as Selective Catalytic Reduction (SCR).

d. **Verified Low Rolling Resistance Tires:** Certain tire models can provide a reduction in NOx emissions and fuel savings, relative to the "best selling" new tires for Class 8 trucks, when used on all three axles. This funding can cover up to 100% of the costs (labor and equipment) for low rolling resistance tires. A list of EPA verified low rolling resistance tires is available at www.epa.gov/smartway/transport/what-smartway/verified-technologies.htm, and includes both dual tires and single wide tires (single wide tires replace the double tire on each end of a drive or trailer axle, in effect turning an "18" wheeler into a "10" wheeler). Low rolling resistance tires can be used with lower-weight aluminum wheels to further improve fuel savings, however aluminum wheels are not eligible for funding under this RFP.

   Low rolling resistance tires are not eligible for funding if installed on trucks that have NOx exhaust controls, such as Selective Catalytic Reduction (SCR), or in the case where low rolling resistance tires have already been installed on the truck.

e. **Certified Engine Repowers:** Repower refers to the removal of an existing engine and replacing it with a newer, cleaner engine that is certified to a more stringent set of engine emissions standards. Repower includes, but is not limited to, diesel engine replacement with an engine certified for use with a cleaner fuel and/or the replacement of a non-road engine with a highway engine. In order for a repower to be eligible, the repowered vehicle, engine or equipment must continue to perform the same function as before the repower. This funding can cover up to 75% of the cost (labor and equipment) of an eligible engine repower. Please see Section III.B of this RFP for additional information on cost-share requirements.

   For a repower that involves the removal of an existing diesel propulsion engine and its replacement with a genset(s), the electric generator in a genset together with the newer, cleaner engine are both eligible costs of the repower, subject to the cost-share requirement defined above

   For a stationary or auxiliary diesel powered electric generator (gensset), repower means the removal of the existing diesel engine from the genset and replacing it with a new, cleaner engine. Only the newer, cleaner engine (labor and equipment) is an eligible cost of the repower, subject to the cost-share requirement defined above.

   i. **Repower Criteria:** Repower projects are eligible for funding on the condition that the replaced engine is properly disposed of. Evidence of appropriate disposal, including the engine serial number, is required in a final assistance

agreement report submitted to EPA. Drilling a hole in the engine block and manifold while retaining possession of the engine is an acceptable scrapping method. Other methods may be considered and will require prior EPA approval. If scrapped or salvaged engines are to be sold, program income requirements apply.

(1) Non-road Engines: The engine being replaced will be scrapped or rendered permanently disabled or returned to the original engine manufacturer for remanufacturing to a certified cleaner emission standard.

(2) Highway Engines: The engine being replaced will be scrapped or rendered permanently disabled or returned to the original engine manufacturer for remanufacturing to MY 2007 or newer certified emission standards.

f. Vehicle and Equipment Replacements: Non-road and highway diesel vehicles and equipment can be replaced under this program with newer, cleaner vehicles and equipment that operate on diesel or alternative fuels and use engines certified by EPA and, if applicable, CARB to meet a more stringent set of engine emissions standards. Replacement projects can include the replacement of diesel vehicles/equipment with newer, cleaner diesel or hybrid or alternative fuel vehicles/equipment. The replacement vehicle/equipment must be of the same type and similar gross vehicle weight rating or horsepower as the vehicle/equipment being replaced (e.g., a 300 horsepower bulldozer is replaced by a bulldozer of similar horsepower). The replacement vehicle/equipment must perform the same function as the vehicle/equipment that is being replaced (e.g., an excavator used to dig pipelines would be replaced by an excavator that continues to dig pipelines). This funding covers the incremental cost of a newer, cleaner vehicle or piece of equipment, up to 25% of the cost of an eligible replacement vehicle/equipment (except for school buses—see provision below). Please see Section III.B for additional information on cost-share requirements.

For a stationary or auxiliary diesel powered electric generator (genset), replacement means the removal of the entire genset and its replacement with a newer, cleaner genset. The electric generator in a genset together with the newer, cleaner engine is an eligible costs of the replacement, subject to the cost-share requirement defined above.

In addition, EPA Certified SmartWay trailers used in long-haul Class 8 applications are eligible as replacement equipment (either as a trailer replacement or as part of a tractor-trailer replacement). EPA Certified SmartWay trailers, which utilize verified aerodynamic technologies and low rolling resistance tires, can significantly reduce fuel use and emissions. A list of EPA Certified SmartWay trailers is available at www.epa.gov/smartway/transport/what-smartway/tractor-trailer-tech.htm.

i. Replacements for School Buses: This funding can cover up to 25% or 50% of the cost of a replacement school bus, depending on the certified engine emission levels of the replacement bus' engine.

(1) **Twenty-five percent maximum**: EPA will fund up to 25% of the cost of a replacement school bus with an engine manufactured in model year 2007 – 2012 that:
   (a) is particulate filter equipped (or catalyst equipped in the case of a CNG engine); and
   (b) meets regulatory requirements for school bus engines manufactured in that model year; and
   (c) must not exceed the following emission levels: particulate matter (PM) at 0.01 grams per brake horsepower hour (g/bhp-hr), nonmethane hydrocarbons (NMHC) at 0.14 g/bhp-hr, and nonmethane hydrocarbons plus oxides of nitrogen (NMHC+NOx) at 2.5 g/bhp-hr.

(2) **Fifty percent maximum**: EPA will fund up to 50% of the cost of a replacement school bus with an engine manufactured in model year 2008–2012 that:
   (a) is particulate filter equipped (or catalyst equipped in the case of a CNG engine); and
   (b) meets regulatory requirements for school bus engines manufactured in that model year; and
   (c) must not exceed the following emission levels: particulate matter (PM) at 0.01 grams per brake horsepower hour (g/bhp-hr), nonmethane hydrocarbons (NMHC) at 0.14 g/bhp-hr, and oxides of nitrogen (NOx) at 0.2 g/bhp-hr. (Note: Family Emission Limits (FELs), indicated on the EPA engine emission control label for a specific engine family, must not exceed these specified emission levels.)

ii. **Replacement Criteria:** Replacement projects are eligible for funding on the condition that the following criteria are satisfied:
   (1) The vehicle/equipment being replaced will be scrapped or rendered permanently disabled or returned to the original engine manufacturer for remanufacturing to a certified cleaner emission standard. Drilling a hole in the engine block and manifold and disabling the chassis while retaining possession of the vehicle/equipment is an acceptable scrapping method. Other methods may be considered and will require prior EPA approval. Equipment and vehicle components that are not part of the engine or chassis may be salvaged from the unit being replaced (e.g. plow blades, shovels, seats, tires, etc.) If scrapped or salvaged vehicles/parts are to be sold, program income requirements apply.
   (2) Evidence of appropriate disposal, including engine serial number and vehicle identification number (VIN), is required in a final assistance agreement report submitted to EPA.

g. **Repower and Replacement Restrictions:** This restriction applies to all repower and replacement projects as defined above in Sections e and f. The following activities are not eligible for funding under this RFP:

(1) Repower or Replacements that would have occurred through normal attrition are considered to be the result of normal fleet turnover and are not eligible for funding under this program. Normal attrition is generally defined as a replacement or repower that is scheduled to take place between now and the end of the project period. Normal attrition is typically defined by the vehicle or fleet owner's budget plan, operating plan, standard procedures, or retirement schedule. For example, if a school bus fleet typically retires vehicles after 20 years, a bus that is currently in its 18th or 19th year of service is not eligible for replacement. A bus that is currently in its 17th year of service and has 3 years of useful life remaining (as defined by the fleet's retirement schedule) is eligible for replacement.

(2) The purchase of new vehicles or equipment to expand a fleet is not covered by this program.

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.

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.

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 replaced or retrofitted engines/vehicles/equipment; and/or
- Hours of idling reduced

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

- Adoption of an idle-reduction policy
- Number of subawards
- Dissemination of project/technology information via list serves, websites, journals and outreach events

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_2, 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:

   - Changes in driver behavior regarding idling practices
   - 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.

III. AWARD INFORMATION

A. Available Funding

EPA anticipates awarding a total of approximately $64 million under this announcement, subject to the availability of funds and the quality of proposals received.

The amount of federal funding requested must fall within the eligible funding range specified below:

1. **Tribal Proposals:** Only proposals from eligible tribal agencies or intertribal consortia requesting EPA funding of $30,000 or more will be considered. It is anticipated that approximately 5-10 tribal assistance agreements will be made from this announcement.

2. **Region 1**: Only non-tribal proposals requesting EPA funding between $250,000 and $1,000,000 will be considered. It is anticipated that 6-9 Region 1 assistance agreements will be made from this announcement.

3. **Region 2**: Only non-tribal proposals requesting EPA funding between $500,000 and $2,000,000 will be accepted. It is anticipated that 6-10 Region 2 assistance agreements will be made from this announcement.

4. **Region 3**: Only non-tribal proposals requesting EPA funding between $500,000 and $2,500,000 will be accepted. It is anticipated that 5-10 Region 3 assistance agreements will be made from this announcement.

5. **Region 4:** Only non-tribal proposals requesting EPA funding between $750,000 and $3,000,000 will be accepted. It is anticipated that 3-6 Region 4 assistance agreements will be made from this announcement.

6. **Region 5:** Only non-tribal proposals requesting EPA funding between $250,000 and $1,500,000 will be accepted. It is anticipated that 10-20 Region 5 assistance agreements will be made from this announcement.

7. **Regions 6 and 7**: Only non-tribal proposals requesting EPA funding between $200,000 and $1,500,000 will be accepted. It is anticipated that 4-14 Region 6 and/or 7 assistance agreements will be made from this announcement.

8. **Region 8**: Only non-tribal proposals requesting EPA funding between $1,000,000 and $3,000,000 will be accepted. It is anticipated that 2-4 Region 8 assistance agreements will be made from this announcement.

9. **Region 9:** Only non-tribal proposals requesting EPA funding between $300,000 and $3,000,000 will be accepted. It is anticipated that 4-8 Region 9 assistance agreements will be made from this announcement.

10. **Region 10:** Only non-tribal proposals requesting EPA funding between $250,000 and $1,000,000 will be accepted. It is anticipated that 2-5 Region 10 assistance agreements will be made from this announcement.

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 April1, 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 grant or 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 during the project period; 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 intertribal consortium) 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.

Federally recognized Indian tribal governments are defined as any Indian tribe, band, nation, or other organized group or community (including Native villages) certified by the Secretary of the Interior as eligible for the special programs and services provided by him through the Bureau of Indian Affairs as well as any organization or intertribal consortium that represents federally recognized tribes.

An "intertribal consortium" is defined as a partnership between two or more tribes that is authorized by the governing bodies of those tribes to apply for and receive assistance under this program. Intertribal consortia are eligible to receive assistance under this program only if the consortium demonstrates that all members of the consortium meet the eligibility requirements for the program and authorize the consortium to apply for and receive assistance by submitting to EPA documentation of (1) the existence of the partnership between Indian tribal governments, and (2) authorization of the consortium by all its members to apply for and receive the assistance.

B. Cost-Share Requirement and Voluntary Cost-Share

Any form of cost-share, mandatory or voluntary, must be included in the Budget Detail portion of the Work Plan and the proposal must describe how the applicant will obtain the cost-share and how the cost-share funding will be used. Applicants may use their own funds or other sources for cost-share if the standards of 40 CFR 30.23 or 40 CFR 31.24, as applicable, are met. If the proposed cost-share is to be provided by a project partner, a

letter of commitment is required. Only eligible and allowable costs may be used for cost-share. Other Federal grants may not be used as cost-share under this RFP.

1. **Mandatory Cost-Share Requirement:** Projects involving Certified Engine Repowers or Certified Vehicle/Equipment Replacements, as defined in Sections I.D.2.e and f of this RFP, are subject to the following funding limitations and mandatory cost-share requirements:
   - Certified Engine Repower: EPA will fund up to 75% of the cost (labor and equipment) of an eligible engine repower (i.e. applicants are responsible for cost-sharing at least 25% of the cost of an eligible engine repower.)
   - Certified Vehicle/Equipment Replacement: EPA will fund the incremental cost of a newer, cleaner vehicle or piece of equipment, up to 25% of the cost of an eligible replacement vehicle or piece of equipment (i.e. applicants are responsible for cost-sharing at least 75% of the cost of an eligible replacement vehicle or piece of equipment)
   - School Bus Replacement:
     - For replacement buses that meet EPA's 2010 emissions levels for heavy-duty highway vehicles, EPA will fund the incremental cost of a newer, cleaner school bus, up to 50% of the cost of an eligible replacement school bus (i.e. applicants are responsible for cost-sharing at least 50% of the cost of an eligible replacement school bus.)
     - For replacement buses that meet EPA's 2007 emissions levels for heavy-duty highway vehicles, EPA will fund the incremental cost of a newer, cleaner school bus, up to 25% of the cost of an eligible replacement school bus (i.e. applicants are responsible for cost-sharing at least 75% of the cost of an eligible replacement school bus.).

For repower and replacement projects, EPA encourages applicants to limit the Federal portion of the equipment costs to the true incremental cost of the cleaner engine or vehicle/equipment. Doing so 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).

Proposals that include repowers or replacements must demonstrate on both the SF-424 Application for Federal Assistance and SF-424A Budget Information that these minimum mandatory cost-share requirements will be met, **or the proposal may be disqualified during the threshold eligibility review.** Specifically, the mandatory 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 mandatory cost-shared funds must also be indicated in Section A, Section B line 6.d, and Section C of the SF-424A.

There is no requirement for a cost-share contribution from applicants for projects involving Verified Retrofit Technologies as defined in Section I.D.2.a, Verified Idle Reduction Technologies as defined in Section I.D.2.b, Verified Low Rolling

Resistance Tires as defined in Section I.D.2.c, and Verified Aerodynamic Technologies as defined in Section I.D.2.d.

2. **Voluntary Cost-Share:** While it is not required that an applicant provide a voluntary cost-share beyond EPA's funding and/or any mandatory cost-share as described above, applicants may provide a voluntary cost-share to enhance, expand, and 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. Providing a voluntary cost-share may affect an applicant's evaluation under criterion number 3 in Section V of this RFP.

   If proposed, 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.** 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.

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. 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 and returned to the sender without further consideration unless the applicant can clearly demonstrate that it was late due to EPA mishandling. For hard copy 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 regional contact identified in Section IV of this RFP as soon as possible after the deadline; failure to do so may result in your proposal not being reviewed.
   - **d. Proposals will NOT be accepted via fax or standard 1st class mail delivery by U.S. Postal Service.**

2. Proposals that do not include one or more of the eligible diesel emissions reduction solutions set forth in Section I.D.2 of this RFP are not eligible and will not be reviewed.

3. Proposals which request EPA assistance funds below or in excess of the applicable amounts specified in Section II.A of this RFP are not eligible and will not be reviewed.

4. Non-tribal applicants may submit up to three (3) proposals to the same EPA regional office as long as each proposal is for a separate and distinct project and each proposal is submitted separately. If an applicant submits more than three (3) proposals to any one EPA regional office, the applicant will be contacted prior to EPA review of any of the proposals to determine which proposals the applicant will withdraw from the competition. A single proposal may target multiple fleets, fleet types and/or diesel emission reduction solutions.

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 EPAct of 2005, no funds awarded under this RFP shall be used to fund the costs of emissions reductions that are mandated under Federal, State, Tribal 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.

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 retrofit technologies on EPA's or CARB's, "Formerly Verified Technologies" lists: www.epa.gov/otaq/retrofit/deleted-list.htm, www.arb.ca.gov/diesel/verdev/verdev.htm.

4. No funds awarded under this RFP shall be used for emissions testing and/or air monitoring activities (including the acquisition cost of emissions testing equipment), or research and development.

5. No funds awarded under this RFP shall be used for fueling infrastructure, such as that used for the production and/or distribution of biodiesel, compressed natural gas, liquefied natural gas, and or other cleaner fuels.

6. In the case of an engine upgrade with a "kit" applied at the time of rebuild, no funds awarded under this RFP shall be used for the entire cost of the engine rebuild, but only for the incremental cost of the upgrade "kit" and associated labor costs for installation.

7. Low rolling resistance tires may be used with lower-weight aluminum wheels to further improve fuel savings; however no funds awarded under this RFP shall be used for the purchase of aluminum wheels.

8. No funds awarded under this RFP shall be used for the purchase of low rolling resistance tires or advanced aerodynamic technologies if similar technologies have already been installed on the truck or if the truck is equipped with NOx exhaust controls, such as Selective Catalytic Reduction (SCR).

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/forms/forms.htm.

Please refer to the Proposal Package Checklist in Appendix D to ensure that all required information is 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 .

B. Proposal Submission

A single proposal may target multiple fleets, fleet types and/or diesel emission reduction solutions.

The term "project location" as used in this RFP refers to the primary area where the affected vehicles/engines operate, or the primary area where the emissions benefits of the project will be realized.

Tribal applicants must submit their proposals to the EPA Office of Transportation and Air Quality (OTAQ) contact identified below, regardless of geographic project location. Tribal proposals will be evaluated and selected by OTAQ. Tribal applicants may submit multiple proposals as long as each proposal is for a separate and distinct project and each proposal is submitted separately.

Non-tribal applicants must submit their proposal to the EPA regional office which covers the geographic project location and as identified below. EPA Regions 1, 2, 3, 4, 5, 8, 9, and 10 will only accept non-tribal proposals for projects located solely within that EPA Region and EPA Regions 6 and 7 will only accept non-tribal proposals for projects located solely within EPA Regions 6 and/or 7.

EPA Regions 1, 2, 3, 4, 5, and 8 will each separately evaluate and select non-tribal proposals for projects located within their Region. EPA Regions 6 and 7 will jointly evaluate and select non-tribal proposals for projects located within Regions 6 and/or 7. EPA Regions 9 and 10 will jointly evaluate non-tribal proposals for projects that take place in Regions 9 or 10 but will develop separate ranking lists for the Region 9 and 10 proposals and selections will be made separately by Regions 9 and 10.

Non-tribal applicants are allowed to submit proposals to more than one EPA regional office. Non-tribal applicants may submit up to three (3) proposals to the same EPA regional office as long as each proposal is for a separate and distinct project and each proposal is submitted separately. If an applicant submits more that three (3) proposals to any one EPA regional office, the applicant will be contacted prior to EPA review of any of the proposals to determine which proposals the applicant will withdraw from the competition.

All applicants have the following options to submit their proposals: a) Hard copy by express delivery service or hand delivery to the specified EPA contact listed below, or b) electronically through email to the specified EPA contact listed 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., <u>to the appropriate EPA contact mailing address listed below</u>. 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

received by the appropriate EPA regional contact listed below by Tuesday, December 8, 2009, 4:00 p.m. local time.

2. **Electronic Submission:** Please send an email containing an Adobe pdf file of all required application package materials, including signed and completed SF 424 and SF 424A forms. Emails must be addressed to the appropriate EPA contact identified below and include, "Clean Diesel Funding Proposal – [*name of applicant*]" in the subject line. All email submissions of complete proposal packages must be **received** by the appropriate EPA contact listed below by Tuesday, December 8, 2009, 4:00 p.m. local time.

   Please note that if you choose to submit your materials via email, you are accepting all risk attendant to email submissions, including server delays. Email submissions exceeding 15MB will experience transmission delays. EPA advises applicants to send email submissions at least 48 hours prior to the deadline to ensure timely receipt, or to submit any proposal packages exceeding 15MB via hardcopy. Proposal packages received after the submission deadline will not be considered for funding.

3. **Proposal Submission Contacts:**

   a. **Tribal Proposals:** Rosalva Tapia
      U.S EPA OTAQ - 347G
      1310 L Street, NW
      Washington, DC 20005
      Email: tribal_clean_diesel@epa.gov
      All proposal packages must be received by Tuesday, December 8, 2009, 4:00 p.m EST.
      Note: All proposals submitted by tribal applicants must be submitted to the OTAQ contact listed here, regardless of geographic location of the project.

   b. **Region 1**: Halida Hatic
      U.S. EPA Region 1
      1 Congress Street, Suite 1100 (CAQ)
      Boston, MA 02114
      Email: hatic.halida@epa.gov
      All proposal packages must be received by Tuesday, December 8, 2009, 4:00 p.m EST.

   c. **Region 2**: Matthew Laurita
      U.S. EPA Region 2
      290 Broadway, Floor 25
      New York, NY 10007
      Email: R2_Diesel_Grants@epa.gov
      All proposal packages must be received by Tuesday, December 8, 2009, 4:00 p.m EST.

d. **Region 3:** Bill Jones
U.S. EPA Region 3
Air Protection Division (3AP23)
1650 Arch Street
Philadelphia, PA 19103
Email: jones.bill@epa.gov
All proposal packages must be received by Tuesday, December 8, 2009, 4:00 p.m EST.

e. **Region 4:** Alan Powell
U.S. EPA Region 4
Air, Pesticides and Toxics Management Division
61 Forsyth St., SW
Atlanta, Georgia 30303
Email: R4CleanDiesel@epa.gov
All proposal packages must be received by Tuesday, December 8, 2009, 4:00 p.m EST.

f. **Region 5:** Steve Marquardt
U.S. EPA Region 5
77 West Jackson Blvd., A-18J
Chicago, IL 60604
Email: mcdi@epa.gov
All proposal packages must be received by Tuesday, December 8, 2009, 4:00 p.m CST.

g. **Regions 6 and 7**: Gloria Vaughn (6PD)
U.S. EPA Region 6
1445 Ross Avenue, Suite 1200
Dallas, TX 75202-2733
Email: BSCDERA@epa.gov
All proposal packages must be received by Tuesday, December 8, 2009, 4:00 p.m CST.
Note: Regions 6 and/or 7 non-tribal proposals must be sent to the Region 6 contact listed here. Regions 6 and 7 will jointly evaluate and select non-tribal proposals for projects located within Regions 6 and/or 7 (i.e. the evaluation will result in one ranking list of the Region 6 and 7 non-tribal proposals).

h. **Region 8:** Rebecca Russo
U.S. EPA Region 8
7th Floor, Mailcode: 8P-AR
1595 Wynkoop St. Denver, CO 80202
Email: russo.rebecca@epa.gov
All proposal packages must be received by Tuesday, December 8, 2009, 4:00 p.m MST.

i. **Region 9:** Romie Duarte
EPA Region 9
600 Wilshire Blvd., Suite 1460
Los Angeles, CA 90017
Email: duarte.romie@epa.gov
All proposal packages must be received by Tuesday, December 8, 2009, 4:00 p.m PST.

j. **Region 10**: Romie Duarte
EPA Region 9
600 Wilshire Blvd., Suite 1460
Los Angeles, CA 90017
Email: duarte.romie@epa.gov
All proposal packages must be received by Tuesday, December 8, 2009, 4:00 p.m PST.
Note: Since there will be a joint Region 9/10 review panel, Region 10 proposals must be sent to the Region 9 contact listed above. EPA Regions 9 and 10 will jointly evaluate non-tribal proposals for projects that take place in Regions 9 or 10 but will develop separate ranking lists for the Region 9 and 10 proposals and selections will be separately made by Regions 9 and 10.

C. Content of Proposal Package

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

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. 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.

2. **Project Narrative**: The Project Narrative must substantially comply with the specific instructions, format and content as defined in **Appendix A**. The Project Narrative includes the following components:
   - Cover Page
   - Work Plan (Sections 1-7)

   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 description information can be submitted as attachments and are not included in the

10-page limit. A sample format for the Project Narrative may be downloaded at www.epa.gov/otaq/diesel/prgnational.htm.

3. **Applicant Fleet Description:** This information does not count towards the 10-page limit. The purpose of the Applicant Fleet Description 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 (e.g., school bus, port, construction, delivery truck, transit bus, locomotive, refuse hauler, utility vehicle, long haul truck, agriculture, mining, marine, other), 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. This information does not count towards 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 proposals is Tuesday, December 8, 2009 at 4:00 p.m. local time. All hard copies of proposal packages must be received by the appropriate EPA contact defined in Section IV.B.3 of this RFP by Tuesday, December 8, 2009, 4:00 p.m. local time in order to be considered for funding. All electronic submissions of proposal packages must be received via email by the appropriate EPA contact defined in Section IV.B.3 of this RFP by Tuesday, December 8, 2009, 4:00 p.m. local time 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 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. Please type "National 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.

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 Question and Answer sessions regarding this Request for Proposals via teleconference. EPA will attempt to answer any appropriate questions in this public forum. Dates, times, and participant information for Question and Answer sessions will be posted at www.epa.gov/otaq/diesel/prgnational.htm as it becomes available. Questions and answers from these teleconferences will also be posted in the FAQ document at www.epa.gov/otaq/diesel/prgnational.htm.

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.

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 subawards/subgrants to obtain commercial services or products from for profit firms or individual consultants.

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. 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

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.C 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. Non-tribal proposals will be evaluated based on a total of 100 points possible and tribal proposals will be evaluated based on a total of 75 points possible.

A. Evaluation Criteria

Criteria	Points
Project Narrative	
1. <u>Project Summary and Overall Approach:</u> Under this criterion, applicants will be evaluated based on: **a.** (8 points) the extent and quality to which the applicant addresses the requirements in Appendix A for Section 1 "Project Summary" of the Work Plan; **b.** (7 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.	**15**
2. <u>Results – Outcomes and Outputs</u>: Under this criterion, applicants will be evaluated based on: **a.** (10 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. **b.** (5 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.	**15**

3. <u>National Programmatic Priorities</u>: Under this criterion, applicants will be evaluated on the extent and quality to which the project addresses the National Programmatic Priorities identified in Section I.C.1 of the RFP. **a.** (10 pts)Are the most cost-effective; **b.** (10 pts)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; **c.** (3 pts) Conserve diesel fuel; **d.** (2 pts) Maximize public health benefits, include a certified engine configuration or verified technology that has a long expected useful life and maximize the useful life of any certified engine configuration or verified technology used or funded by the eligible entity, 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).	**25**
4. <u>Regional Significance:</u> Under this criterion, applicants will be evaluated based on the extent and quality to which the project advances the goals and priorities of the EPA regional office which covers the project location, as identified in Section I.C.2 of the RFP. Region 4 applicants: Please note that non-tribal applicants submitting proposals to Region 4 will be evaluated based on a specific point breakdown under this criterion, as defined in Section 4 of Appendix A. Tribal applicants will not be evaluated based on this criterion.	**25**
5. <u>Past Performance--Programmatic Capability and Reporting on Results:</u> Under this criterion, applicants will be evaluated based on their technical ability to successfully complete and manage the project taking into account the applicant's: **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; **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 **c.** (2 points) 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 performed within the last 3 years; and, if such progress was not made whether the documentation	**6**

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 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.	
6. <u>Staff Expertise/Qualifications:</u> 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.	**5**
7. <u>Budget/Resources</u>: Under this criterion, applicants will be evaluated based on: **a.** (3 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.** (2 points) whether the project budget is appropriate to accomplish the proposed goals, objectives, and measurable environmental outcomes.	**5**
8. <u>Applicant Fleet Description</u>: Under this criterion, applicants will be evaluated based on the degree to which detailed information on the target fleet (vessel(s), vehicle(s), engine(s) and/or equipment) is provided.	**4**

B. Review and Selection Process

Assistance agreements funded under this announcement will be awarded and managed by each of EPA's ten regional offices.

1. **Tribal Proposals:** Tribal applicants must their submit proposals to the EPA Office of Transportation and Air Quality (OTAQ) contact identified in Section IV.B.3.a of this RFP, regardless of geographic location of the project. Tribal proposals will be reviewed by an OTAQ review panel. Proposals will first be evaluated against the threshold factors listed in Section III.C of this RFP. Only those tribal proposals which meet all of the threshold factors will be evaluated against other tribal proposals using the evaluation criteria listed above. Each proposal will be given a numerical score and will be rank-ordered according to the numerical score against the other tribal proposals evaluated by the review panel. Preliminary funding recommendations will be provided to the OTAQ Approving Official based on this ranking.

2. **Non-tribal Proposals:** Non-tribal applicants must their submit proposals to the appropriate EPA regional contact identified in Sections IV.B.3.b-j of this RFP for the geographic project location. Non-tribal proposals will be reviewed by regional review panels.

   Non-tribal proposals will first be evaluated against the threshold factors listed in Section III.C of this RFP. Only those non-tribal proposals which meet all of the threshold factors will be evaluated using the evaluation criteria listed above. Each non-tribal proposal will be given a numerical score and will be rank-ordered

according to the numerical score against the other non-tribal proposals evaluated by the regional review panel as follows: EPA Regions 1, 2, 3, 4, 5 and 8 will each separately review and select non-tribal proposals for projects located within their Region; EPA Regions 6 and 7 will jointly review and select non-tribal proposals for projects located within Regions 6 and/or 7; EPA Regions 9 and 10 will jointly review non-tribal proposals for projects that take place in Regions 9 or 10 but will develop separate ranking lists for the Region 9 and 10 proposals and selections will be made separately by Regions 9 and 10.

Preliminary funding recommendations will be provided to the EPA regional Approving Officials based on this ranking.

C. Other Factors

Funding decisions will be made by the appropriate EPA Approving Official based on the rankings and preliminary recommendation of the appropriate EPA review panel. In making funding decisions, the EPA Approving Official may also consider sector (fleet type) diversity, technology diversity, geographic diversity, and the funding priorities of the statutory funding allocation (EPAct 2005) as discussed below.

EPAct 2005 specifies that EPA shall provide not less than 50 percent of funds available for a fiscal year under the Diesel Emissions Reduction National Program to eligible entities for the benefit of public fleets. For the purposes of this RFP, emissions reductions for the benefit of public fleets include, but are not limited to, projects involving: school buses; municipal fleets; public or private equipment contracted for public works; public or private vehicles and equipment that serve public ports. **Please note that this is calculated at the national level and is not a factor in the evaluation and initial ranking of proposals.** Once preliminary funding decisions are made by each Approving Official the national program calculates the percent of funding proposed for the benefit of public fleets to ensure the national program mandate of 50 percent will be met. If the national program mandate is not met by the preliminary funding decisions, the Approving Officials may also consider the benefit of public fleets in the final funding decision.

Once final decisions have been made, a funding recommendation will be developed and forwarded to the appropriate 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.

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

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) 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 CONTACTS

Faye Swift
Phone: (202) 343-9147
Email: swift.faye@epa.gov

Jennifer Keller
Phone: (202) 343-9541
Email: keller.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. A sample format for the Project Narrative may be downloaded at: www.epa.gov/otaq/diesel/prgnational.htm.

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 can 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 mandatory and/or voluntary cost-share funding (including in-kind resources)
- 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.
- Multiple Proposals: Provide the name of the project, a short description of target fleet type(s) and proposed diesel emissions reduction solutions included in the project, the EPA regional office submitted to, and amount of EPA funding requested for any other proposals submitted under this RFP.

B. Work Plan: Applicants must ensure that the Work Plan addresses evaluation criteria 1-7 in Section V of this announcement by using the section headings 1-7 below which correspond with the evaluation criteria headings 1-7 in Section V of this RFP. Each evaluation criterion will be evaluated based solely 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 verified and/or certified 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 discussion of how the applicant has weighed the available/eligible technology options for the target fleet and has arrived at the chosen diesel emission reduction solution(s).
- A detailed timeline for the project including milestones for specific tasks, such as bidding, procurement, installation and reports.
- The roles and responsibilities of the Applicant organization and any other project partners, contractors, or subgrantees.
- 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 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 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 fill out and include the following table, or something similar, in this section of the work plan.

Anticipated Outputs and Outcomes		
Activities	Outputs	Outcomes

Example Outputs and Outcome Table

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

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 (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 a certified engine configuration or verified technology that has a long expected useful life - applicants should include a description of any certified engine configurations or verified technologies to be used or funded by the project, including expected lifetime of said engines and technologies;
- Maximize the useful life of any certified engine configuration or verified 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. Regional Significance
Tribal proposals do not have to address this section and should include the section heading but leave this section of the Work Plan blank.

For non-tribal proposals this section of the work plan must address how the project will address and achieve the Regional Priorities of the EPA regional office which covers the project location and to which the proposal is submitted. Regional Priorities for each of the ten EPA regional offices are identified in Section I.C.2 of this RFP.

Region 4 applicants: Please note that non-tribal applicants submitting proposals to Region 4 will be evaluated under Section V: Criteria #4 based on a specific point breakdown, as follows:

- Addresses the following relevant sector-specific priorities:
  - (6 points) Green Corridors – promoting development of a Regional Green Corridors Program focusing on idle reductions and alternative fueling options for interstate trucking along interstate corridors including any aspect of goods movement
  - (6 points) Clean Construction-innovative approaches to ensure widespread upgrading/retrofitting of non-road construction equipment
  - (6 points) Clean Ports-Clean diesel operations at waterports and airports to include all aspects of passenger and/or freight passing through a port
- (2 points) Includes the use of alternative fuels that replace diesel fuel, to include but not limited to biodiesel, compressed natural gas, liquefied natural gas, and propane;
- (2 points) Is regional (involving emissions benefits in more than one state);
- (3 points) Incorporates collaboration or partnerships.

Section 5. 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 agreements, 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 6. 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.

EPA will not consider the qualifications, experience, and expertise of named subawardees/subgrantees and/or named contractor(s) unless certain conditions/requirements are met. For additional information see Section IV.G of this RFP.

Section 7. 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 cost-share, mandatory or voluntary, 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. Mandatory cost-share funds must be in the form of cash contributions to the Equipment Object Class. 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

- **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

- **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) Project Manager @ $40/hr x 10 hrs/week x 52 wks		$20,800
(1) Project Staff @ $30/hr x 40 hrs/week x 40 wks	$48,000	
TOTAL PERSONAL	$48,800	$20,800
Fringe Benefits		
20% of Salary and Wages	20%(48,800)	20%(20,800)
- Retirement, Health Benefits, FICA, SUI	$9,760	$4,160
TOTAL FRINGE BENEFITS	$9,760	$4,160
Travel		
Local mileage for Project Manager: 100 mi/mo @ $0.17/mi x 12 mos.	$204	
Local mileage for Project Staff: 200 mi/mo @ $0.17/mi x 12 mos.	$408	
TOTAL TRAVEL	$612	
Equipment		
25 DOCs + CCV@ $5000 per unit	$125,000	
25 DPFs with installation kit @ $6,000 per unit	$150,000	
10 New vehicles for Replacement @ $100,000 per unit	$250,000	$750,000

10 Engines for Repower @ $50,000 per unit	$375,000	$125,000
TOTAL EQUIPMENT	$ 900,000	$875,000
Supplies		
100 Replacement CCV filters @ $100 per unit	$1,000	
TOTAL SUPPLIES	$1,000	
Contractual		
Retrofit Installation Services Contract	$10,000	
TOTAL CONTRACTUAL	$10,000	$10,000
Other		
5 Subgrants to School Districts for School Bus Retrofits with DPFs. Each Subgrant @ $50,000	$250,000	
TOTAL OTHER	$250,000	
Indirect Charges		
Federal Negotiated Indirect Cost Rate = 10% (Indirect Rate x Personnel = Indirect Costs)	$4,880	$2,080
TOTAL INDIRECT	$4,880	$2,080
TOTAL FUNDING	$1,225,052	$887,080
TOTAL PROJECT COST	$2,112,132	

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

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.

Applicant Fleet Description: The Project Narrative must also contain an Applicant Fleet Description section. This information does not count towards the 10-page limit. See Section IV.C.3 of this RFP for detailed instructions on completing the Applicant Fleet Description portion of the Project Narrative.

Cost-Share Commitment Letters and Optional Attachments: This information does not count towards the 10-page limit. See Section IV.C.4 and 5 for detailed instructions and applicability.

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_x, PM, HC, CO, CO_2) 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.

Alternative Methods

If you are unable to use the DEQ, you may utilize the following alternative methods for calculating emission reductions:

- National Mobile Inventory Model (NMIM) - www.epa.gov/otaq/nmim.htm
- Mobile Model (on-road vehicles) - www.epa.gov/otaq/mobile.htm
- Nonroad Model (nonroad engines, equipment, and vehicles) - www.epa.gov/otaq/nonrdmdl.htm

- SmartWay FLEET Model - www.epa.gov/smartway/transport/partner-resources/resources-complete.htm#tools

If an alternative method is used 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. 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%
Amount Reduced Per Year	0.0000	0.0274	0.0954	0.2598	0.0000

_____ _____ _____ _____ _____
NOX ($/ton) PM ($/ton) HC ($/ton) CO ($/ton) CO2 ($/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_x, PM, HC, CO, CO_2) in Section 2 "Environmental Results," of your Work Plan.

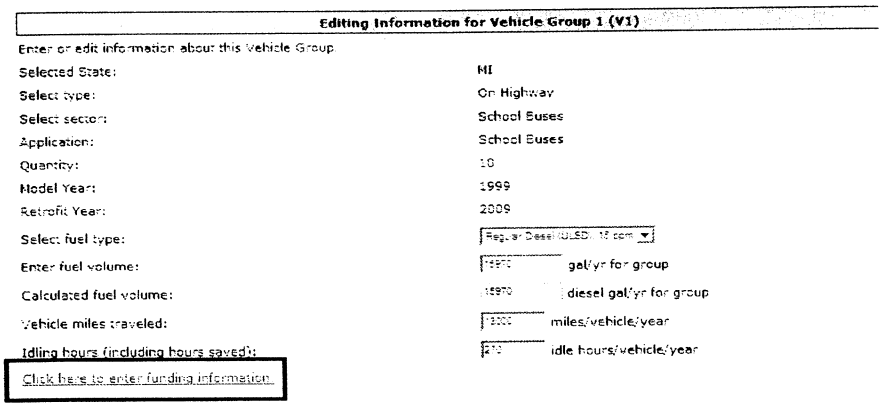
For example, if the mandate is slated to occur in 2012 and the retrofit will take place in 2010, then multiply the highlighted values above by 2 (2012 - 2010=2). Thus, the calculated lifetime emissions would be as follows:

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

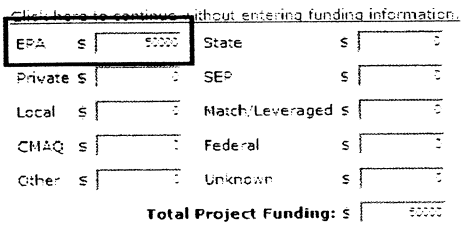
APPENDIX C

Cost-Effectiveness Calculations

To estimate the cost-effectiveness of your project, use the Diesel Emissions Quantifier (DEQ) found at http://cfpub.epa.gov/quantifier/view/index.cfm. The cost-effectiveness is determined, for the purpose of this RFP, based on the amount of funding the applicant is requesting from EPA plus the amount of any mandatory cost-share required for repower or replacement projects, if applicable. To determine the cost-effectiveness, enter the dollar amount requested from EPA plus the amount of any mandatory cost-share required for repower or replacement projects, if applicable, in the DEQ funding information section. To access this section of the DEQ, the user must click on the link "Click her to enter funding information," as shown below.



From here, enter the total project amount requested from EPA in the EPA field shown below. If a project has multiple fleets (i.e. school buses and transit buses), enter the total amount requested from EPA only once. If the project includes repower or replacement enter the amount of any mandatory cost-share required in the Match/Leveraged field. DO NOT ENTER ANY VOLUNTARY COST-SHARE FUNDS THAT ARE INCLUDED IN YOUR PROJECT BUDGET.



From the results page, enter the Total Cost-Effectiveness (example shown below) for each of the listed pollutants (NO_x, PM, HC, CO, CO_2) 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
Total Cost Effectiveness ($/ton), Retrofitted Engines	$ 0.00	$ 140,001.30	$ 40,204.08	$ 14,760.45	$ 0.00

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. 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-effectives values.

To determine the cost-effectiveness, divide the amount requested from EPA plus the amount of any mandatory cost-share required for repower or replacement projects, if applicable, by the lifetime emission reductions number 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_x, PM, HC, CO, CO_2) 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:

0.00	0.054	0.190	0.518	0.000
NOX (tons)	PM (tons)	HC (tons)	CO (tons)	CO2 (tons)

$50,000/0= $0	$50,000/0.054= $925,925	$50,000/0.190= $263,157	$50,000/0.518= $96,525	$50,000/0.000= $0
NOX ($/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 10 pages)

- ☐ Cover Page
- ☐ Work Plan
  - ☐ 1. Project Summary/Approach
  - ☐ 2. Environmental Results
  - ☐ 3. National Programmatic Priorities
  - ☐ 4. Regional Significance
  - ☐ 5. Past Performance
  - ☐ 6. Staff Expertise and Qualifications
  - ☐ 7. Detailed Budget Narrative
- ☐ Applicant Fleet Description information (not included in page limit)
- ☐ Cost-Share Commitment Letters, if applicable (not included in page limit)
- ☐ Optional Attachments (not included in page limit)