

**AGENCY:** ENVIRONMENTAL PROTECTION AGENCY (EPA)  
**TITLE:** 2019 & 2020 Targeted Airshed Grant Program  
**ACTION:** Request for Applications (RFA)  
**RFA NUMBER:** EPA-OAR-OAQPS-20-01

**CATALOG OF FEDERAL DOMESTIC ASSISTANCE (CFDA) NO: 66.956**

**IMPORTANT DATES**

November 22, 2019	RFA OPENS
April 10, 2020	RFA CLOSSES – APPLICATIONS DUE
June 26, 2020	ANTICIPATED NOTIFICATION OF SELECTION
October 1, 2020	ANTICIPATED AWARD

The closing date and time for receipt of application submissions is **April 10, 2020, at 11:59 PM, Eastern Time (ET)** to be considered for funding. Application packages must be submitted electronically to EPA through Grants.gov (<http://www.grants.gov>) no later than **April 10, 2020, at 11:59 PM ET** to be considered for funding.

To allow for efficient management of the competitive process, EPA requests submittal of an informal notice of an Intent to Apply to Tim Roberts at [roberts.timothy-p@epa.gov](mailto:roberts.timothy-p@epa.gov) by **March 6, 2020**. The notice should indicate how many applications you intend to submit, and the type of project. Submission of Intent to Apply is optional; it is a process management tool that will allow EPA to better anticipate the total staff time required for efficient review, evaluation, and selection of submitted applications.

**SUMMARY:**

This notice announces the availability of funds and solicits applications from eligible entities to compete for financial assistance through the Targeted Airshed Grant Program. This program will assist local, state, and/or tribal air pollution control agencies to develop plans and conduct projects to reduce air pollution in nonattainment areas that EPA determines are the top five most polluted areas relative to ozone (O<sub>3</sub>), annual average fine particulate matter (PM<sub>2.5</sub>), or 24-hour PM<sub>2.5</sub> National Ambient Air Quality Standards (NAAQS). The overall goal of the Targeted Airshed Grant Program is to reduce air pollution in the nation’s areas with the highest levels of ozone and PM<sub>2.5</sub> ambient air concentrations.

**FUNDING/AWARDS:**

The total estimated funding for this competitive opportunity is approximately **\$106,512,000**. EPA anticipates awarding a total of approximately **8 – 15** assistance agreements from this announcement, subject to availability of funds, the quality of applications received, and other applicable considerations (see Section II. Award Information). Both the maximum number of applications per nonattainment area and requested federal funding per application correlates with how often the nonattainment area is included on the three “Areas Ranked as the Top Five Most Polluted Areas” lists described in Section I.A. of this solicitation. The total number of applications an eligible applicant may submit is listed in the table “Maximum Number of Applications Eligible Entities Can Submit per Nonattainment Area” in Section I.A. Applicants can request no more than \$20,000,000 per application.

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## I. FUNDING OPPORTUNITY DESCRIPTION

### A. Background

EPA received funding in the 2010, 2015, 2016, 2017, and 2018 Appropriations Acts to reduce air pollution in the nation's areas with the highest levels of ozone or fine particulate matter (PM<sub>2.5</sub>) exposure. Exposure to these pollutants are associated with numerous adverse human health effects, including increased respiratory symptoms, hospitalization for heart or lung diseases, and even premature death. For more information about ozone and PM<sub>2.5</sub> pollution standards, please visit [NAAQS](#).

Congress has again directed EPA in the 2019 Consolidated Appropriations Act and Further Consolidated Appropriations Act, 2020, to make funds available for competitive grants to reduce air pollution in nonattainment areas that the Agency determines are ranked as the top five most polluted areas relative to the ozone, annual PM<sub>2.5</sub>, or 24-hour PM<sub>2.5</sub> standards. Using air quality information from EPA's air quality database, the Office of Air and Radiation (OAR) has identified the following areas as the top five most polluted areas for 8-hour average ozone, the top five most polluted areas for annual average PM<sub>2.5</sub>, and the top five most polluted areas for 24-hour PM<sub>2.5</sub> as of the end of the 2018 data reporting period. Area information, including maps and lists of the counties within each nonattainment area, is available at [EPA's Green Book](#).

#### **Nonattainment Areas Ranked as the Top Five Most Polluted Areas for Ozone, Annual PM<sub>2.5</sub>, and 24-hour PM<sub>2.5</sub> Standards based on 2016-2018 Air Quality Measurements**

##### **Ozone Nonattainment Areas (2015 8-hour standard of 70 parts per billion):**

Area	Design Value
Los Angeles-South Coast Air Basin, CA	111
Morongo Band of Mission Indians, CA	101
Los Angeles-San Bernardino Counties (W. Mojave), CA	98
Riverside County (Coachella Valley), CA	91
Nevada County (Western part), CA	90 (tie)
San Joaquin Valley, CA	90 (tie)

##### **PM<sub>2.5</sub> Nonattainment Areas (2012 annual standard of 12 micrograms per cubic meter):**

Area	Design Value
San Joaquin Valley, CA	17.8
Los Angeles-South Coast Air Basin, CA	14.7
Plumas County, CA	14.7
Allegheny County, PA	12.6
Imperial County, CA	12.6

##### **PM<sub>2.5</sub> Nonattainment Areas (2006 24-hour standard of 35 micrograms per cubic meter):**

Area	Design Value
Klamath Falls, OR	75
Fairbanks, AK	65
San Joaquin Valley, CA	65
Sacramento, CA	50
San Francisco Bay Area, CA	48

The total estimated federal funding for this competitive opportunity is approximately **\$106,512,000**. EPA anticipates awarding a total of approximately **8 – 15** assistance agreements from this announcement, subject to availability of funds, the quality of applications received, and other applicable considerations. For each nonattainment area, eligible applicants (see Section III.A.) can submit no more than the total number of applications listed in the table directly below so long as each application is for a different project(s) and separately submitted. Applicants can include multiple projects within one application. The maximum amount of requested federal funding shall not exceed **\$20,000,000 per application**. While each application can request up to the full funding amount of \$20,000,000, the total amount of requested funding needs to be commensurate with the applicant’s proposed activities, considering the emissions inventory and emissions sources in the applicable nonattainment area. Applicants should request less than \$20,000,000 if the project(s) necessary to reduce emissions in the applicable nonattainment area does not warrant the full funding amount. As noted in Section II.B., EPA reserves the right to partially fund selected applications.

The maximum number of applications an eligible entity is allowed to submit per nonattainment area correlates with how often the nonattainment area is included on the three “Nonattainment Areas Ranked as the Top Five Most Polluted Areas” tables above. The maximum number of applications in the table below apply to eligible entities as described in Section III.A. For instance, if a nonattainment area has multiple eligible entities responsible for the prevention or control of emissions in that area, then each eligible entity can submit the maximum number of applications for that area.

If an applicant submits multiple applications under this competition and EPA selects more than one application for award from the same applicant, EPA may award a single assistance agreement that combines the applicant’s selected applications.

**Maximum Number of Applications Eligible Entities Can Submit per Nonattainment Area**

<b>Nonattainment Areas</b>	<b>Total Times on Nonattainment Lists</b>	<b>Maximum Number of Applications</b>
Allegheny County, PA	1	2
Fairbanks, AK	1	2
Imperial County, CA	1	2
Klamath Falls, OR	1	2
Los Angeles-San Bernardino Counties (West Mojave Desert), CA	1	2
Los Angeles-South Coast Air Basin, CA	2	3
Morongo Band of Mission Indians, CA	1	2
Nevada County (Western part), CA	1	2
Plumas County, CA	1	2
Riverside County (Coachella Valley), CA	1	2
Sacramento, CA	1	2
San Francisco Bay Area, CA	1	2
San Joaquin Valley, CA	3	4

## **B. Scope of Work**

OAR's Targeted Airshed Grant Program is soliciting applications from eligible entities, as described in Section III.A. of this announcement, to design projects to meet the goals of the program in the areas that the Agency has determined are the top five most polluted relative to the ozone, annual PM<sub>2.5</sub>, or 24-hour PM<sub>2.5</sub> standards. The goal of the Targeted Airshed Grant Program is to implement programs, projects, and approaches that: demonstrate documentable reductions of ozone and/or PM<sub>2.5</sub> concentrations in the designated areas; demonstrate documentable reductions in precursor emissions of ozone, which include nitrogen oxides (NO<sub>x</sub>), carbon monoxide (CO) and volatile organic compounds (VOCs), and/or direct or precursor emissions of PM<sub>2.5</sub>, which include sulfur dioxide (SO<sub>2</sub>), NO<sub>x</sub>, VOCs, and ammonia; and are replicable elsewhere. Proposed activities must be for emission reduction activities deemed necessary to assist with compliance with the NAAQS for these pollutants, and that demonstrate the potential for inclusion in the affected jurisdiction's SIP or TIP submission to EPA intended to meet those standards.

To the extent possible, proposed projects should utilize technologies that meet or exceed the latest emissions standards for the respective pollutant(s), or are the most stringent, least polluting technologies and/or activities. Proposed activities can complement but cannot replicate activities already being funded with an existing Clean Air Act Section 103 or 105 grant or Diesel Emissions Reduction Act (DERA) grant being carried out by the applicant in the applicant's nonattainment area. Proposed activities must be for projects to carry out emission reductions; applications only including planning exercises will not be considered. Additionally, activities that do not directly reduce emissions from a given source or support the reduction of emissions are not eligible for funding.

Proposed activities must be designed to achieve quantifiable reductions in ozone precursor emissions and/or direct PM<sub>2.5</sub> or PM<sub>2.5</sub> precursor emissions in one or more of the designated nonattainment areas identified above in Section I.A. by addressing one or more of the following priority emissions-generating or emissions-reducing activities:

- Industrial;
- transportation (vehicle, marine, locomotive);
- land use;
- residential, commercial, agricultural, aqua-cultural, and/or natural resource management;
- municipal operations (including municipal energy, water, and solid waste facilities); use or supply of green power products, on-site renewables, combined heat and power, clean residential heating, and other clean energy supply options; and/or,
- other innovative activities that generate measurable reductions of ozone and/or PM<sub>2.5</sub> air pollution.

Proposed projects must address emissions in the nonattainment area and be suitable for SIP or TIP adoption. They should focus on local communities rather than large geographic areas, to promote higher success rates in reducing air pollution and maximizing public health benefits. The proposed project should address the needs and concerns of affected communities, especially any communities or populations that have faced or are facing environmental justice concerns. The term "affected communities" are communities, populations, groups, and other interested parties that are, or have been, affected by the environmental and/or other issues that the proposed project is intended to address. The term "environmental justice concerns," as used in this solicitation, generally relate to issues that have

resulted in some communities and/or populations being more adversely, disproportionately and/or historically impacted by environmental issues and problems than other communities because of race, color, national origin or income, including tribal and indigenous communities. Factors potentially indicating disproportionate impacts to communities with environmental justice concerns include, but are not limited to: differential proximity and exposure to environmental hazards; greater susceptibility to adverse effects from environmental hazards due to genetic predisposition, age, chronic medical conditions, lack of health care access, or poor nutrition; unique environmental exposures because of practices linked to cultural background or socioeconomic status (*e.g.*, subsistence fishing or farming); cumulative effects from multiple stressors; reduced ability to effectively participate in decision-making processes due to language barriers, inability to access traditional communication channels, or limited capacity to access technical and legal resources; and degraded physical infrastructure, such as poor housing, poorly maintained public buildings (*e.g.*, schools), or lack of access to transportation. Applicants should consider partnering with impacted communities in planning activities to ensure that communities are meaningfully involved in the proposed project.

In addition to the above, applications submitted under this announcement should:

- establish approaches and practices that will achieve ongoing, significant ozone precursor emissions and/or direct PM<sub>2.5</sub> and/or PM<sub>2.5</sub> precursor emission reductions, considering the emission sources in that nonattainment area;
- ensure the proposed project will help the designated area make progress towards attainment of the NAAQS and continue to achieve ongoing emission reductions;
- build and leverage partnerships across multiple stakeholder groups, including impacted communities to expand the impact of the project; and,
- create models of success that could be replicable in the airshed or other jurisdictions and/or demonstrate technologies or practices that can achieve greater emission reductions than those currently utilized.

Where relevant, applicants should also describe how the proposed project would help to complement research, planning, or implementation activities supported by other EPA grants, such as DERA grants, PM<sub>2.5</sub> Monitoring Network grants, and Clean Air Act Section 105 grants.

As noted in Section I.A., while each application can request up to the full funding amount of \$20,000,000, the total amount of requested funding needs to be commensurate with the applicant's proposed activities, considering the emissions inventory and emissions sources in the applicable nonattainment area. Applicants should request less than \$20,000,000 if the project(s) necessary to reduce emissions in the applicable nonattainment area does not warrant the full funding amount. As noted in Section II.B., EPA reserves the right to partially fund selected applications.

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

Pursuant to Section 6a of EPA Order 5700.7, "Environmental Results under EPA Assistance Agreements," EPA must link proposed assistance agreements to the Agency's Strategic Plan. EPA also requires that grant applicants and recipients adequately describe environmental outputs and outcomes to be achieved under assistance agreements (see EPA Order 5700.7, Environmental Results under Assistance Agreements, [http://www.epa.gov/sites/production/files/2015-03/documents/epa\\_order\\_5700\\_7a1.pdf](http://www.epa.gov/sites/production/files/2015-03/documents/epa_order_5700_7a1.pdf)).

**1. Linkage to EPA Strategic Plan.** The activities to be funded under this announcement support EPA’s FY 2018-22 Strategic Plan. Awards made under this announcement will support Goal 1 “A Cleaner, Healthier Environment”; Objective 1.1: “Improve Air Quality.” Under this objective, EPA will “Work with states and tribes to accurately measure air quality and ensure that more Americans are living and working in areas that meet high air quality standards.” Applicants must explain in their application how their project will further this objective.

Please read [EPA’s FY 2018-2022 Strategic Plan](#) for more information.

EPA also requires that grant applicants adequately describe environmental outputs and outcomes to be achieved under assistance agreements (see EPA Order 5700.7A1, Environmental Results under Assistance Agreements, [www.epa.gov/sites/production/files/2015-03/documents/epa\\_order\\_5700\\_7a1.pdf](http://www.epa.gov/sites/production/files/2015-03/documents/epa_order_5700_7a1.pdf)). Applicants must include specific statements describing the environmental results of the proposed project in terms of well-defined outputs and, to the maximum extent practicable, well-defined outcomes that will demonstrate how the project will contribute to the priorities described above. Specifically, the proposed activities must reduce emissions, thereby reducing local and regional air pollution of criteria pollutants.

**2. Outputs.** The term “output” means an environmental activity, effort, and/or associated work product related to emissions reduction activities that will be realized or provided over time or by a specified date. Outputs may be quantitative or qualitative but must be measurable during an assistance agreement funding period. Examples of outputs from the project(s) to be funded under this announcement may include, but are not limited to, the following:

- Wood-burning appliances replaced;
- Number of replaced or retrofitted engines/vehicles/equipment;
- Engaging affected communities about the design and performance of the project;
- A publicly available community engagement plan for meaningful engagement of the affected communities; and/or
- Dissemination of project/technology information via list-serves, websites, journals and outreach events.

Quarterly progress reports and a final technical report will also be a required output, as specified in Section VI.C. “Reporting Requirement” and in accordance with the terms and conditions in the award.

**3. Outcomes.** The term “outcome” means the result, effect or consequence that will occur from carrying out an environmental program or activity that will achieve emissions reductions. Outcomes may be environmental, behavioral, health-related, or programmatic in nature, but must be quantitative. They may not necessarily be achievable within an assistance agreement funding period. Projects funded under this announcement are expected to result in emissions reductions of ozone precursors and/or direct PM<sub>2.5</sub> or PM<sub>2.5</sub> precursors. Ozone precursors include NO<sub>x</sub>, CO, and VOCs. PM<sub>2.5</sub> precursors include NO<sub>x</sub>, VOCs, SO<sub>2</sub>, and/or ammonia. These projects should result in one or more of, but are not limited to, the following environmental outcomes:

- Tons of air pollution reduced annually and over the lifetime of the project (specifying the total years), including the emission reductions for each of the following pollutants, as relevant to the project:
  - PM<sub>2.5</sub>,
  - NO<sub>x</sub>,
  - VOCs,
  - SO<sub>2</sub>, and/or
  - ammonia
- Annual and lifetime gallons of gasoline or diesel fuel saved;
- Annual and lifetime hours of engine idling reduced;
- Annual and lifetime kilowatt hours saved;
- Progress toward environmental justice objectives;
- Costs per ton of pollution reduced; and/or
- Benefits to the communities affected by the project, including improvements to human health and the environment, the local economy, social conditions and the welfare of the residents in such communities.

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

- Documented improved ambient air quality;
- Contributions towards compliance with SIP or TIP and/or NAAQS;
- Improved community engagement and partnership;
- 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;
- Demonstration and deployment of zero and near-zero emission vehicles and engines; and/or
- Health benefits achieved, which may be measured by numbers of illnesses, health care costs, missed work/school days avoided, and/or reduced mortality from air pollution.

**4. Performance Measures.** The applicant should also develop performance measures they expect to achieve through the proposed activities and describe them in the application. These performance measures will be the mechanism to track progress concerning successful process, outcome, and output strategies and will provide the basis for developing lessons to inform potential future recipients. The description of the performance measures will directly relate to the project's outcomes and outputs, including but not limited to:

- Overseeing project partners, subrecipients, and/or contractors and vendors;
- Tracking and reporting project progress on expenditures, purchases, and other fiscal activities;
- Tracking and reporting actual accomplishments versus proposed outputs/outcomes and proposed timelines/milestones; and
- Measuring and reporting on outcomes, including tracking, measuring and reporting emission reductions.

The outcomes and performance measures must include an estimate of ozone precursors and/or direct PM<sub>2.5</sub> or PM<sub>2.5</sub> precursor emissions, including NO<sub>x</sub>, VOC, direct PM<sub>2.5</sub>, SO<sub>2</sub>, and/or



ammonia, that will be reduced both annually and over the lifetime of the project, including the assumptions used to make those estimates. Both annual and lifetime emissions estimates reduced from the project must be included, specifying the anticipated total number of years of the life of the project. The annual and lifetime emission reductions estimates must be provided for each of the relevant individual pollutants and not a sum of all pollutants. If the proposed project includes multiple activities or technologies that achieve significantly different emission reductions (i.e., replacing school buses and wood burning appliances), the anticipated emissions reduced must be provided separately for each activity.

If an applicant is unable to calculate ozone precursor and/or PM<sub>2.5</sub> reductions, they may include estimates of other quantifiable outputs that have a direct relationship with ozone and/or PM<sub>2.5</sub> levels. Examples of such outputs are described above. Applicants may take advantage of existing EPA tools, including the [Diesel Emissions Quantifier](#) and [EPA's Woodstove Emissions Calculator](#), for estimating emissions reductions for each pollutant being addressed. Additional information on the quantification used to calculate these emission reductions, including the key assumptions that were used for any existing calculator tool or the citations of any studies or reports, must be included in a required attachment (see Section IV.C. Content of Application Package Submission). All applications must include an Estimated Emissions Reduction Calculations attachment that provides additional information on the quantification used to calculate these emission reductions, including the key assumptions that were used for any existing calculator tool or the citations of any studies or reports. The Estimated Emissions Reduction Calculations is required but will not count towards the project narrative 15-page limit. Questions about how to calculate emissions reductions estimates from other types of projects should be directed to the applicable [air emissions point of contact](#) or the Agency contact listed in Section VII.

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

- What are the measurable short-term and long-term results the project will achieve?
- How does the plan measure progress in achieving the expected results, including outputs and outcomes, and how will the approach use resources effectively and efficiently?

#### **D. Statutory Authority**

The statutory authorities for this action are Public Laws 116-6 and 116-94 which authorize EPA to award targeted airshed grants for emission reduction activities deemed necessary for compliance with national ambient air quality standards and included in a State Implementation Plan submitted to the EPA. Public Laws 116-6 and 116-94 limit these awards to nonattainment areas that the Agency determined are ranked as the top five most polluted areas relative to ozone and the annual and 24-hour PM<sub>2.5</sub> standards.

## **II. AWARD INFORMATION**

### **A. What is the amount of funding available?**

The total estimated funding expected to be available for awards under this competitive opportunity is approximately \$106,512,000. Funding is dependent upon agency appropriations, funding availability

and other applicable considerations. See Section I.A. for the maximum amount of requested federal funding per application.

**B. Partial Funding**

In appropriate circumstances, EPA reserves the right to partially fund applications by funding discrete portions or phases of proposed projects. The Other Factors, as listed in Section V.C., may be used to determine whether to award partial funding for a selected application. If EPA decides to partially fund an application, it will do so in a manner that does not prejudice any applicants or affect the basis upon which the application, or portion thereof, was evaluated and selected for award, and therefore maintains the integrity of the competition and selection process.

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

EPA anticipates awarding a total of approximately 8 – 15 grants from this announcement, subject to availability of funds, the quality of applications received, and other applicable considerations. If EPA selects multiple applications from an applicant, EPA may combine the selected applications into one grant award for the successful applicant (See Section VI.A. Award Notices). See Section I.A. on both the total number of applications an eligible applicant may submit per nonattainment area and total federal funding an applicant can request per application.

EPA reserves the right to make additional awards under this announcement, consistent with Agency policy, if additional funding becomes available after the original selections. Any additional selections for awards will be made no later than six months from the date of the original selections. In addition, EPA reserves the right to reject all applications and make no awards under this announcement or to make fewer awards than anticipated.

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

The estimated project period for awards resulting from this solicitation will begin in October 2020. Proposed project periods may be up to five years from the project start date.

**E. Funding Type**

The funding for selected projects will be in the form of a grant or cooperative agreement depending upon the nature of the proposed activity and the extent of EPA involvement. Cooperative agreements permit substantial involvement between the EPA Project Officer and the selected applicants in the performance of the work supported. Although EPA will negotiate precise terms and conditions relating to substantial involvement as part of the award process, the anticipated substantial federal involvement for cooperative agreements will be:

- Close monitoring of the successful applicant’s performance to verify the results proposed by the applicant;
- Collaboration during performance of the scope of work;
- In accordance with 2 CFR 200.317 and 2 CFR 200.318, review of proposed procurement;
- Approving qualifications of key personnel (EPA will not select employees or contractors employed by the award recipient);
- Review and comment on reports prepared under the cooperative agreement (the final decision

on the content of reports rests with the recipient).

### **III. ELIGIBILITY INFORMATION**

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

Entities eligible to submit applications under this announcement are those air pollution control agencies, as defined by Section 302(b) of the Clean Air Act, that: (a) have responsibilities for the prevention and control of air pollution for one or more nonattainment areas identified in Section I.A. of this announcement, and (b) have an active air program grant under Sections 103 or 105 of the Clean Air Act to carry out those responsibilities.

#### **B. Voluntary Cost Sharing or Matching Funds**

**No matching funds are required under this competition.** Although cost-sharing/matching is not required as a condition of eligibility under this competition, under Section V. of this announcement EPA will evaluate applications based on a leveraging criterion.

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

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

- A voluntary cost share is subject to the match provisions in the grant regulations (2 CFR Part 200 as applicable).
- A voluntary cost share may only be met with eligible and allowable costs.
- The recipient may not use other sources of federal funds to meet a voluntary cost share unless the statute authorizing the other federal funding provides that the federal funds may be used to meet a cost share requirement on a federal grant.
- The recipient is legally obligated to meet any proposed voluntary cost share that is included in the approved project budget. If the proposed voluntary cost share does not materialize during grant performance, EPA may reconsider the legitimacy of the award and/or take other appropriate action as authorized by 2 CFR Part 200 as applicable.

If a proposed voluntary cost share is to be provided not directly by the applicant but instead by a named third-party, a leveraged funds cost share commitment letter(s) must be attached to the application that includes the amount of voluntary funding. This leverage funds commitment letter(s) will not count towards the 15-page project narrative page limit; see Section IV.C.

**Other leveraged funding/resources that are not identified as a voluntary cost share.** This form of leveraging may be met by funding from another federal grant, from an applicant's own resources, or

resources from other third-party sources. This form of leveraging should not be included in the budget and the costs need not be eligible and allowable project costs under the EPA assistance agreement. While this form of leveraging should not be included in the budget, the project narrative should include a statement indicating that the applicant is expected to produce the proposed leveraging consistent with the terms of the announcement and the applicant's proposal. If applicants propose to provide this form of leveraging, EPA expects them to make the effort to secure the leveraged resources described in their proposals. If the proposed leveraging does not materialize during grant performance, then EPA may reconsider the legitimacy of the award and/or take other appropriate action as authorized by 2 CFR Part 200 as applicable.

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

These are requirements that, if not met by the time of application submission, will result in elimination of the application from consideration for funding. Only applications from eligible entities (see Section III.A.) that meet all of these criteria will be evaluated against the ranking factors in Section V. If necessary, EPA may contact applicants to clarify threshold eligibility questions prior to making an eligibility determination. Applicants deemed ineligible for funding consideration due to the threshold eligibility review will be notified within 15 calendar days of the ineligibility determination.

#### **1. Application Content and Submission**

- a.** Applications must substantially comply with the application submission instructions and requirements set forth in Section IV. and Appendices A and B or else they will be rejected.
- b.** Where a page limit is expressed in Section IV.C. with respect to the project narrative, pages in excess of the page limitation will not be reviewed. The page limit of the project narrative is 15 pages.
- c.** Applications must be submitted through [Grants.gov](https://www.grants.gov) as stated in Section IV.A. (except in the limited circumstances where another mode of submission is specifically allowed for as explained in Section IV.) on or before the application submission deadline published in Section IV. Applicants are responsible for following the submission instructions in Section IV. to ensure that their application is timely submitted.

Applications submitted after the submission deadline will be considered late and deemed ineligible without further consideration unless the applicant can clearly demonstrate that it was late due to EPA mishandling or because of technical problems associated with [Grants.gov](https://www.grants.gov) or relevant [SAM.gov](https://www.sam.gov) system issues. Applicants' failure to timely submit their application through [Grants.gov](https://www.grants.gov) because they did not timely or properly register in [SAM.gov](https://www.sam.gov) or [Grants.gov](https://www.grants.gov) will not be considered an acceptable reason to consider a late submission.

- 2.** Applications must further EPA's current priorities for improving air quality, which focus on improving air quality to ensure more Americans are living and working in areas that meet high air quality standards as described in Section I.C.
- 3.** Proposed activities must take place in at least one of the nonattainment areas identified in Section I.A.
- 4.** Proposed activities must be for emission reduction activities and/or activities that will lead to emission reductions that will assist in complying with the NAAQS for the applicable pollutants,

and that demonstrate the potential for inclusion in the affected jurisdiction's SIP or TIP submission to EPA intended to meet those standards.

5. Proposed activities must be designed to achieve quantifiable reductions in direct PM<sub>2.5</sub>, ozone precursors, and/or PM<sub>2.5</sub> precursor emissions (NO<sub>x</sub>, CO, VOC, direct PM<sub>2.5</sub>, SO<sub>2</sub>, and ammonia) but may also include activities that reduce emissions through changing behavior (e.g., education/outreach to reduce residential wood burning). See "Outcomes" in Section I.C. and Appendix B, as well as the required application attachments, including the Emissions Reduction Calculations, in Section IV.C.
6. Ineligible activities: If an application is submitted that includes any ineligible tasks or activities, that portion of the application will be ineligible for funding and may, depending on the extent to which it affects application, render the entire application ineligible for funding. Primary activities that do not achieve emission reductions in the applicable nonattainment area or lead to no emission reductions in the applicable nonattainment area will not be funded. Applications only including planning exercises will not be considered.
7. Proposed activities can complement, but cannot replicate, activities already being funded by the applicant's existing Clean Air Act Section 103 or 105 or DERA grants in the applicable nonattainment area.
8. The maximum amount of federal funding that may be requested by an applicant in an application must not exceed \$20,000,000. Applications requesting more federal funding than the specified amount will be considered at the maximum federal amount available as specified in Section I.A. As noted in Section I.A., the total amount of requested funding needs to be commensurate with the applicant's proposed activities, considering the emissions inventory and emissions sources in the applicable nonattainment area. Applicants should request less than \$20,000,000 if the project(s) necessary to reduce emissions in the applicable nonattainment area does not warrant the full funding amount.
9. Applicants can submit no more than the total number applications listed in Section I.A. If an applicant submits more applications than what is listed, EPA will contact the applicant to determine which application(s) to withdraw.

#### **IV. APPLICATION AND SUBMISSION INFORMATION**

##### **A. Requirements to Submit Through Grants.gov and Limited Exception Procedures**

Applicants, except as noted below, must apply electronically through [Grants.gov](https://www.grants.gov) under this funding opportunity based on the grants.gov instructions in this announcement and Appendix A. If an applicant does not have the technical capability to apply electronically through grants.gov because of limited or no internet access which prevents them from being able to upload the required application materials to [Grants.gov](https://www.grants.gov), the applicant must contact [OMS-ARM-OGDWaivers@epa.gov](mailto:OMS-ARM-OGDWaivers@epa.gov) or the address listed below in writing (e.g., by hard copy, email) *at least 15 calendar days prior to the submission deadline under this announcement* to request approval to submit their application materials through an alternate method.

Mailing Address:

OGD Waivers  
c/o Jessica Durand  
USEPA Headquarters  
William Jefferson Clinton Building  
1200 Pennsylvania Ave., N. W.  
Mail Code: 3903R  
Washington, DC 20460

Courier Address:

OGD Waivers  
c/o Jessica Durand  
Ronald Reagan Building  
1300 Pennsylvania Ave., N.W.  
Rm # 51278  
Washington, DC 20004

In the request, the applicant must include the following information:

- Funding Opportunity Number (FON)
- Organization Name and Unique Entity Identifier (e.g., DUNS)
- Organization's Contact Information (email address and phone number)
- Explanation of how they lack the technical capability to apply electronically through Grants.gov because of 1) limited internet access or 2) no internet access which prevents them from being able to upload the required application materials through [Grants.gov](https://www.grants.gov).

EPA will only consider alternate submission exception requests based on the two reasons stated above and will timely respond to the request. All other requests will be denied. If an alternate submission method is approved, the applicant will receive documentation of this approval and further instructions on how to apply under this announcement. Applicants will be required to submit the documentation of approval with any initial application submitted under the alternative method. In addition, any submittal through an alternative method must comply with all applicable requirements and deadlines in the announcement including the submission deadline and requirements regarding proposal content and page limits (although the documentation of approval of an alternate submission method will not count against any page limits).

If an exception is granted, it is valid for submissions to EPA for the remainder of the entire calendar year in which the exception was approved and can be used to justify alternative submission methods for application submissions made through December 31 of the calendar year in which the exception was approved (e.g., if the exception was approved on March 1, 2019, it is valid for any competitive or non-competitive application submission to EPA through December 31, 2019). Applicants need only request an exception once in a calendar year and all exceptions will expire on December 31 of that calendar year. Applicants must request a new exception from required electronic submission through Grants.gov for submissions for any succeeding calendar year. For example, if there is a competitive opportunity issued on December 1, 2019 with a submission deadline of January 15, 2020, the applicant would need a new exception to submit through alternative methods beginning January 1, 2020.

Please note that the process described in this section is only for requesting alternate submission

methods. All other inquiries about this announcement must be directed to the Agency Contact listed in Section VII. Queries or requests submitted to the email address identified above for any reason other than to request an alternate submission method will not be acknowledged or answered.

## **B. Grants.gov Application Submission Instructions (see Appendix A)**

An applicant's authorized official representative (AOR) must submit its complete application electronically to EPA through Grants.gov (<https://www.grants.gov>) no later than **April 10, 2020, by 11:59 PM Eastern Time**.

See Appendix A for full [Grants.gov](https://www.grants.gov) submission instructions.

## **C. Content of Application Package Submission**

The application package *must* include all of the following materials except Number 6, Optional Attachments. Number 5, Leveraged Funds Cost Share Commitment Letter(s), is only required if applicable. Also see Appendices A and B.

- 1. Grant Application Forms** (All Required). Please complete the forms as appropriate.
  - a.** Standard Form (SF) 424, *Application for Federal Assistance*. Please note that the organizational Dun and Bradstreet (D&B) Data Universal Number System (DUNS) number must be included on the SF-424. Organizations may obtain a DUNS number at no cost by calling the toll-free DUNS number request line at 1-866-705-5711.
  - b.** Standard Form 424A, *Budget Information for Non-Construction Programs*
  - c.** EPA Form 4700-4, *Pre-Award Compliance Review Report for All Applicants Requesting Federal Financial Assistance*
  - d.** EPA Form 5700-54 Key Contacts Form
- 2. Project Narrative** – see **Appendix B** (Required, 15-page limit). Use the Project Narrative Attachment form in Grants.gov. The project narrative must explicitly describe how the proposed project meets the guidelines established in Sections I-III of this announcement, including the threshold eligibility criteria in Section III.C., and must address each of the evaluation criteria set forth in Section V. The project narrative cannot exceed a maximum of 15 single-spaced typewritten pages, including the summary page. Excess pages will not be reviewed. Supporting materials identified below can be submitted as attachments and are not included in the 15-page limit. The project narrative must substantially comply with the specific instructions, format and content as defined in Appendix B.
- 3. Emissions Inventories** (Required, not part of 15-page limit). Use the Optional Attachments form in Grants.gov. Include quantitative data of the relevant pollutants emissions inventories of the source category(ies) of the proposed project, and any other key relevant source categories, including calculations and methodologies on how this data was derived. This information does not count towards the project narrative 15-page limit. See Appendix B.
- 4. Emissions Reduction Calculations** (Required, not part of the 15-page limit). Use the Optional Attachments form in Grants.gov. The applicant must thoroughly describe and document emissions reduction calculation methods in an attachment to the project narrative. The applicant should provide additional information on the quantification used to calculate the anticipated

emission reductions from the proposed project, including the key assumptions that were used for any existing calculator tool or citations of any studies or reports. This information does not count towards the project narrative 15-page limit. See Appendix B.

- 5. Leveraged Funds Cost Share Commitment Letter(s)** (Required, if applicable. Not part of 15-page limit). Use the Optional Attachments form in Grants.gov. If any voluntary cost share funding is to be provided by a project partner(s), and not directly by the applicant, a letter by the partner(s) demonstrating their specific commitment to meet the proposed leveraged cost share is required. This letter(s) must include the specific amount of voluntary funding the project partner anticipates providing and does not count towards the project narrative 15-page limit. See Appendix B.
- 6. Optional Attachments** (Not required, not part of 15-page limit). Use the Optional Other Attachments form in Grants.gov.
  - Biographical Sketch(es): Provide resumes or curriculum vitae for key staff, managers, and any other key personnel.
  - Negotiated Indirect Cost Rate Agreement.
  - Quality Assurance Narrative Statement.
  - Partnership Letter(s): If applicable, letters that demonstrate strong, long-term involvement throughout the project from a variety of project partners are encouraged. Letters should specifically indicate how project partners and supporting organizations will participate in or directly assist in the design and performance of the project, including their specific role, or how obtaining support from project partners will allow the applicant to more effectively perform the project.
  - Approval Letter: If applicable, to use alternate means to submit initial application.

#### **D. Submission Dates and Times**

The closing date and time for submission of applications is **April 10, 2020, by 11:59 PM, Eastern Time (ET)**. Applications submitted after the closing date and time will not be considered for funding.

#### **E. Additional Provisions for Applicants Incorporated into the Solicitation**

Additional provisions that apply to this solicitation and/or awards made under this solicitation, including but not limited to those related to confidential business information, contracts and subawards under grants, and application assistance and communications, can be found at <https://www.epa.gov/grants/epa-solicitation-clauses>. These, and the other provisions that can be found at the website link, are important, and applicants must review them when preparing applications for this solicitation. If you are unable to access these provisions electronically at the website above, please communicate with the EPA contact listed in this solicitation to obtain the provisions.

#### **V. APPLICATION REVIEW INFORMATION**

Only eligible entities whose application(s) meet the threshold criteria in Section III. of this announcement will be reviewed according to the evaluation criteria set forth below. Under this competition, EPA reserves the right to fund the top ranked applications for each nonattainment area listed in Section I.A., contingent on the quality of the application and funding availability



notwithstanding its ranking overall among all applications. Applicants must explicitly address these criteria as part of their application package submittal. Each application will be rated under a points system, with a **total of 125 points possible**. Additional guidance on addressing the evaluation criteria and the suggested format in the applicant’s project narrative is included in Appendix B.

**A. Evaluation Criteria**

<b>Evaluation Criteria</b>	<b>Points</b>
<p><b>1. <u>Project Summary and Approach:</u></b> Under this criterion, EPA will evaluate applications based on the extent and quality of its project summary and overall approach to accomplishing the project. Specifically, EPA will evaluate:</p> <ul style="list-style-type: none"> <li><b>a. (20 pts)</b> The extent and quality to which the application supports an approach, activity, and/or technology that will achieve ongoing, significant reductions of ozone, direct PM<sub>2.5</sub> and/or precursor emissions in the designated nonattainment areas, as described in Section I.A. The applicant should include how they considered other available technologies or activities to reduce emissions from a given source and why they arrived at the chosen emission reduction solution(s).</li> <li><b>b. (10 pts)</b> The applicant’s analysis of the emissions inventory for the nonattainment area and key source categories addressed by the project, and a description of how the project will help the designated area make progress toward attainment for the applicable NAAQS.</li> <li><b>c. (10 pts)</b> The extent the application includes an innovative, well-conceived strategy for achieving the greatest amount of emission reductions possible from a given source, supporting the lowest emission activities and/or technologies available.</li> <li><b>d. (5 pts)</b> The roles and responsibilities of the applicant and any other project partners, contractors or sub-grantees.</li> </ul>	<b>45</b>
<p><b>2. <u>Community Benefits, Engagement and Partnerships:</u></b> Under this criterion and as described in Section I.B., EPA will evaluate applicants on the extent to which the proposed project:</p> <ul style="list-style-type: none"> <li><b>a. (5 pts)</b> Addresses the needs and concerns of affected communities, especially those that have faced or are facing environmental justice concerns.</li> <li><b>b. (5 pts)</b> Includes previous, current and/or future efforts and plans for engaging affected communities, which may include: engaging community-based organizations; demonstrating community support for the proposed project; planning for ongoing community engagement; and/or building and supporting partnerships across multiple stakeholder groups.</li> </ul>	<b>10</b>
<p><b>3. <u>Project Sustainability (5 pts):</u></b> Under this criterion, EPA will evaluate applications based on the description of planned actions in the nonattainment area after EPA funding for this project has ended, including the ability of, and how, the applicant and/or key partners will promote and continue efforts to achieve ongoing emission reductions of ozone, direct PM<sub>2.5</sub>, and/or precursor emissions.</p>	<b>5</b>
<p><b>4. <u>Environmental Results—Outcomes, Outputs and Performance Measures:</u></b> Under this criterion, EPA will evaluate:</p> <ul style="list-style-type: none"> <li><b>a. (10 pts)</b> The extent and quality to which the applicant identifies and quantifies the expected project outputs and outcomes, as described in Section I.C.</li> <li><b>b. (5 pts)</b> The performance measures proposed by the applicant and how they will be used to help track and measure the applicant’s progress towards achieving the expected outputs and outcomes, as described in Section I.C.</li> <li><b>c. (5 pts)</b> The effectiveness of the applicant’s performance plan for tracking and measuring its progress toward achieving the expected project outputs and outcomes.</li> <li><b>d. (5 pts)</b> The reasonableness of the proposed timeline, key milestones, and tasks and the likelihood of completion of the project’s goals and objectives by project end.</li> </ul>	<b>25</b>

<p><b>5. <u>Programmatic Capability and Past Performance:</u></b> Under this criterion, EPA will evaluate applicants based on their ability to successfully complete and manage the proposed project considering their:</p> <ul style="list-style-type: none"> <li><b>a. (5 pts)</b> Past performance in successfully managing and completing the assistance agreements identified in the project narrative.</li> <li><b>b. (5 pts)</b> History of meeting the reporting requirements under the assistance agreements identified in the project narrative. This includes whether the applicant submitted acceptable final technical reports under those agreements and the extent to which the applicant adequately and timely reported on their progress towards achieving the expected outputs and outcomes under those agreements and if such progress was not being made whether the applicant adequately reported why not.</li> <li><b>c. (5 pts)</b> Staff expertise and qualifications, staff knowledge, and resources or the ability to obtain them, to successfully achieve the goals of the proposed project.</li> </ul> <p>Note: In evaluating applicants under items a. and b. of this criterion, EPA will consider the information provided by the applicant and may also consider relevant information from other sources including agency files and prior/current grantors (e.g., to verify and/or supplement the information supplied by the applicant). If the applicant does not have any relevant or available past performance or reporting information, please indicate this in the application and the applicant will receive a neutral score for these sub-factors (items A and B above-a neutral score is half of the total points available in a subset of possible points). If the applicant does not provide any response for these items, the applicant may receive a score of 0 for these sub-factors.</p>	<b>15</b>
<p><b>6. <u>Leveraged Funding (5 pts):</u></b> Under this criterion, EPA will evaluate applicants based on the extent they demonstrate that they will leverage additional funds/resources, beyond the EPA funds awarded, to support the proposed project activities and how these funds/resources will be used to contribute to the performance and success of the proposed project. This includes, but is not limited to, funds and other resources leveraged from businesses, labor organizations, non-profit organizations, education and training providers, and/or federal, state, tribal, and local governments, as appropriate. Applicants will also be evaluated based on the amount and type of leveraged resources to be provided; how they will obtain the leveraged resources; the likelihood these leveraged resources will materialize during grant performance; the strength of the leveraging commitment; and the role the leveraged funds/resources will play to support the proposed activities. See Sections III.B. and Appendix B for more information on leveraged funds.</p>	<b>5</b>
<p><b>7. <u>Budget:</u></b> Under this criterion, EPA will evaluate applicants based on:</p> <ul style="list-style-type: none"> <li><b>a. (5 pts)</b> Their approach, procedures, and controls for ensuring that awarded grant funds will be expended in a timely and efficient manner.</li> <li><b>b. (10 pts)</b> Whether the proposed costs are reasonable to accomplish the proposed goals, objectives and measurable environmental outcomes.</li> <li><b>c. (5 pts)</b> Whether the proposed budget provides a detailed breakout of the approximate funding used for each major activity.</li> </ul> <p>Note: An applicant’s budget and budget narrative must account for both federal funds and any non-federal funds (e.g., any voluntary cost share/match if applicable). Applicants must precisely describe in their budget narrative how they will account for any voluntary cost share/match, if applicable, and what role EPA funding will play in the overall project. EPA will evaluate leveraged funds under evaluation criterion #6.</p>	<b>20</b>
<p><b>Maximum Total Possible Points</b></p>	<b>125</b>

**B. Review and Selection Process**

Applications will first be evaluated against the threshold factors listed in Section III.C. of this RFA.

Only those applications which meet all of the threshold factors will be evaluated using the evaluation criteria listed above by an EPA evaluation team. Each application will be given a numerical score and will be rank-ordered by the evaluation team. Preliminary funding recommendations will be provided to the EPA Headquarters Selection Official based on these reviews and rankings.

### **C. Other Factors**

Final funding decisions will be made by the EPA headquarters selection official based on the rankings and preliminary recommendations of the EPA evaluation team. In making the final funding decisions, the Selection Official may also consider: programmatic priorities; how often the nonattainment area is included on the three “Nonattainment Areas Ranked as the Top Five Most Polluted Areas” table in Section I.A.; population of the nonattainment area; technology diversity; and/or geographic diversity of funds. Under this competition, EPA also reserves the right to fund the top ranked applications for each nonattainment area listed in Section I.A., contingent on the quality of the application and funding availability notwithstanding its ranking overall among all applications. Once final decisions have been made, a funding recommendation will be developed and forwarded to the EPA award official.

### **D. Additional Provisions for Applicants Incorporated into the Solicitation**

Additional provisions that apply to this solicitation and/or awards made under this solicitation including the clause on Reporting and Use of Information Concerning Recipient Integrity and Performance can be found at [EPA Solicitation Clauses](#). These, and the other provisions that can be found at the website link, are important, and applicants must review them when preparing proposals for this solicitation. If you are unable to access these provisions electronically at the website above, please communicate with the EPA contact listed in this solicitation to obtain the provisions.

## **VI. AWARD ADMINISTRATION INFORMATION**

### **A. Award Notices**

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

- 1. Successful Applicants.** EPA anticipates notification to successful applicants will be made via telephone or electronic or postal mail by **June 26, 2020**. The notification will be sent to the original signer of the proposal or the project contact listed in the proposal. This notification, which informs the applicant that its proposal has been selected and is being recommended for award, is not an authorization to begin work. The official notification of an award will be made by EPA’s Grants and Interagency Agreements Management Division.

Applicants are cautioned that only a grants officer is authorized to bind the Government to the expenditure of funds; selection does not guarantee an award will be made. For example, statutory authorization, funding or other issues discovered during the award process may affect the ability of EPA to make an award to an applicant. The award notice, signed by an EPA grants officer, is the authorizing document and will be provided through electronic or postal mail. The successful applicant may need to prepare and submit additional documents and forms (e.g., work plan), which must be approved by EPA, before the grant can officially be awarded. The time between notification of selection and award of a grant can take up to 90 days or longer.

2. **Combining Proposals into One Award.** If an applicant submits multiple applications under this competition and EPA selects more than one application for award from the same applicant, EPA may award a single assistance agreement that combines the applicant's selected applications.
3. **Unsuccessful Applicants.** EPA anticipates notification to unsuccessful applicant(s) will be made via email or postal mail by **June 26, 2020**. The notification will be made to the original signer of the SF-424, Application for Federal Assistance.

#### **B. Administrative and National Policy Requirement**

A listing and description of general EPA Regulations applicable to the award of assistance agreements may be viewed at: <https://www.epa.gov/grants/epa-policies-and-guidance-grants>.

#### **C. Reporting Requirement**

Quarterly progress reports and a detailed final technical report will be required. Quarterly reports summarizing technical progress, planned activities for the next quarter and summary of expenditures are required. The final technical report shall be completed within 90 calendar days of the completion of the period of performance. The final technical report should include: summary of the project or activity, advances achieved and costs of the project or activity. In addition, the final technical report shall discuss the problems, successes, and lessons learned from the project or activity that could help with implementing a similar project elsewhere. The schedule for submission of quarterly reports will be established by EPA, after award and will be included in the Terms and Conditions.

#### **D. Disputes**

Assistance agreement competition-related disputes will be resolved in accordance with the dispute resolution procedures published in 70 FR (Federal Register) 3629, 3630 (January 26, 2005) which can be found at [Grant Competition Dispute Resolution Procedures](#). Copies of these procedures may also be requested by contacting the person listed in Section VII of the announcement. Note, the FR notice references regulations at 40 CFR Parts 30 and 31 that have been superseded by regulations in 2 CFR parts 200 and 1500. Notwithstanding the regulatory changes, the procedures for competition-related disputes remains unchanged from the procedures described at 70 FR 3629, 3630, as indicated in 2 CFR Part 1500, Subpart E.

#### **E. Additional Provisions for Applicants Incorporated into the Solicitation**

Additional provisions that apply to this solicitation and/or awards made under this solicitation, including but not limited to those related to DUNS, SAM, copyrights, disputes, and administrative capability, can be found at [www.epa.gov/grants/epa-solicitation-clauses](http://www.epa.gov/grants/epa-solicitation-clauses). These, and the other provisions that can be found at the website link, are important, and applicants must review them when preparing proposals for this solicitation. If you are unable to access these provisions electronically at the website above, please communicate with the EPA contact listed in this solicitation to obtain the provisions.

## **VII. AGENCY CONTACT**

For further information, contact:

U.S. Environmental Protection Agency  
ATTN: Tim Roberts  
1200 Pennsylvania Ave., NW  
Mail Code: 6102A  
Washington, DC 20460  
[roberts.timothy-p@epa.gov](mailto:roberts.timothy-p@epa.gov)

All questions or comments must be communicated in writing via postal mail or email to the contact person listed above. Questions and answers will be posted until the closing date of this announcement at the OAR Grants/Funding webpage <https://www.epa.gov/grants/air-grants-and-funding>.

## Appendix A – Grants.gov Submission Instructions

The electronic submission of your application must be made by an official representative of your institution who is registered with Grants.gov and is authorized to sign applications for Federal assistance. For more information on the registration requirements that must be completed in order to submit an application through grants.gov, go to <https://www.grants.gov> and click on “Applicants” on the top of the page and then go to the “Get Registered” link on the page. If your organization is not currently registered with Grants.gov, please encourage your office to designate an Authorized Organization Representative (AOR) and ask that individual to begin the registration process as soon as possible. Please note that the registration process also requires that your organization have a Unique Entity Identifier (e.g. DUNS number) and a current registration with the System for Award Management (SAM) and the process of obtaining both could take a month or more. Applicants must ensure that all registration requirements are met in order to apply for this opportunity through grants.gov and should ensure that all such requirements have been met well in advance of the submission deadline. Registration on grants.gov, SAM.gov, and DUNS number assignment is free.

Applicants need to ensure that the AOR who submits the application through Grants.gov and whose unique entity identifier (e.g., DUNS number) is listed on the application is an AOR for the applicant listed on the application. Additionally, the DUNS number listed on the application must be registered to the applicant organization’s SAM account. If not, the application may be deemed ineligible.

To begin the application process under this grant announcement, go to <https://www.grants.gov> and click on “Applicants” on the top of the page and then “Apply for Grants” from the dropdown menu and then follow the instructions accordingly. Please note: To apply through grants.gov, you must use Adobe Reader software and download the compatible Adobe Reader version. For more information about Adobe Reader, to verify compatibility, or to download the free software, please visit <https://www.grants.gov/web/grants/applicants/adobe-software-compatibility.html>

You may also be able to access the application package for this announcement by searching for the opportunity on <https://www.grants.gov>. Go to <https://www.grants.gov> and then click on “Search Grants” at the top of the page and enter the Funding Opportunity Number, EPA-OAR-OAQPS-20-01, or CFDA 66.956, in the appropriate field and click the Search button.

Please Note: All applications must now be submitted through Grants.gov using the “Workspace” feature. Information on the Workspace feature can be found at the [Grants.gov Workspace Overview Page](#).

**Application Submission Deadline:** Your organization’s AOR must submit your complete application package electronically to EPA through Grants.gov (<https://www.grants.gov>) no later than **April 10, 2020**. Please allow for enough time to successfully submit your application and allow for unexpected errors that may require you to resubmit.

Please submit all of the application materials described below using the grants.gov application package that you downloaded using the instructions above.

## **Application Materials**

The following forms and documents are required under this announcement, as described in Section IV.C and Appendix B:

### Mandatory Documents:

- Standard Form 424, *Application for Federal Assistance*.
- Standard Form 424A, *Budget Information for Non-Construction Programs*
- EPA Form 4700-4, *Pre-Award Compliance Review Report*
- EPA Form 5700-54, Key Contacts Form
- Project Narrative Attachment Form, *Project Narrative*
- Other Attachments Form – Leveraged Funds Commitment Letter(s), if applicable
- Other Attachments Form – Emissions Inventories
- Other Attachments Form – Emissions Reduction Calculations

Optional Attachment Documents. Use the “*Other Attachments*” form identified under the Mandatory Documents tab to submit the following:

- Biographical Sketch(s)
- Negotiated Indirect Cost Rate Agreement
- Quality Assurance Narrative Statement
- Leveraged Funds Commitment Letter(s)
- Partnership Letter(s)
- Approval Letter, if applicable to use alternate means to submit initial application

When saving application files, please ensure that the following characters are *not* included in the file names: ~ " # % & \* : < > ? / \ { | }. Including these characters can cause problems with application files.

Applications submitted through grants.gov will be time and date stamped electronically. If you have not received a confirmation of receipt from EPA (not from grants.gov) within 30 days of the application deadline, please contact the Agency contact in Section VII. Failure to do so may result in your application not being reviewed.

### **Technical Issues with Submission**

1. Once the application package has been completed, the “Submit” button should be enabled. If the “Submit” button is not active, please call [Grants.gov](https://www.grants.gov) for assistance at 1-800-518-4726. Applicants who are outside the U.S. at the time of submittal and are not able to access the toll-free number may reach a [Grants.gov](https://www.grants.gov) representative by calling 606-545-5035. Applicants should save the completed application package with two different file names before providing it to the AOR to avoid having to re-create the package should submission problems be experienced or a revised application needs to be submitted.

2. Submitting the application. The application package must be transferred to [Grants.gov](https://www.grants.gov) by an AOR. The AOR should close all other software before attempting to submit the application package. Click the “submit” button of the application package. Your Internet browser will launch, and a sign-in page

will appear. Note: Minor problems are not uncommon with transfers to [Grants.gov](https://www.Grants.gov). It is essential to allow enough time to ensure that your application is submitted to [Grants.gov](https://www.Grants.gov) BEFORE the due date identified in Section IV of the solicitation. The Grants.gov support desk operates 24 hours a day, seven days a week, except Federal Holidays.

A successful transfer will end with an on-screen acknowledgement. For documentation purposes, print or screen capture this acknowledgement. If a submission problem occurs, reboot the computer – turning the power off may be necessary – and re-attempt the submission. Note: Grants.gov issues a “case number” upon a request for assistance.

3. Transmission Difficulties. If transmission difficulties that result in a late transmission, no transmission, or rejection of the transmitted application are experienced, and following the above instructions do not resolve the problem so that the application is submitted to [Grants.gov](https://www.Grants.gov) by the deadline date and time, follow the guidance below. The Agency will make a decision concerning acceptance of each late submission on a case-by-case basis. All emails, as described below, are to be sent to the Agency contact in Section VII with the FON in the subject line. If you are unable to email, contact the agency contact listed in Section VII. Be aware that EPA will only consider accepting applications that were unable to transmit due to [Grants.gov](https://www.Grants.gov) or relevant <http://www.SAM.gov>/system issues or for unforeseen exigent circumstances, such as extreme weather interfering with internet access. Failure of an applicant to submit timely because they did not properly or timely register in [SAM.gov](https://www.SAM.gov) or [Grants.gov](https://www.Grants.gov) is not an acceptable reason to justify acceptance of a late submittal.

a. If you are experiencing problems resulting in an inability to upload the application to Grants.gov, it is essential to call [Grants.gov](https://www.Grants.gov) for assistance at 1-800-518-4726 before the application deadline. Applicants who are outside the U.S. at the time of submittal and are not able to access the toll-free number may reach a Grants.gov representative by calling 606-545-5035. Be sure to obtain a case number from Grants.gov. If the problems stem from unforeseen exigent circumstances unrelated to Grants.gov, such as extreme weather interfering with internet access, contact the listed agency contact in Section VII.

b. Unsuccessful transfer of the application package: If a successful transfer of the application cannot be accomplished even with assistance from [Grants.gov](https://www.Grants.gov) due to electronic submission system issues or unforeseen exigent circumstances, send an email message to the agency contact listed in Section VII. prior to the application deadline. The email message must document the problem and include the Grants.gov case number as well as the entire application in PDF format as an attachment.

c. Grants.gov rejection of the application package: If a notification is received from [Grants.gov](https://www.Grants.gov) stating that the application has been rejected for reasons other than late submittal, promptly send an email to the agency contact listed in Section VII. with the FON in the subject line within one business day of the closing date of this solicitation. The email should include any materials provided by Grants.gov and attach the entire application in PDF format.

Please note that successful submission through [Grants.gov](https://www.Grants.gov) or via email does not necessarily mean your application is eligible for award.



## Appendix B – Project Narrative Instructions, including Budget Detail Sample

**Instructions:** The project narrative must substantially comply with the instructions, format, and content described below. It must also address the evaluation criteria in Section V.A. of the RFA.

The project narrative, including the cover page, must not exceed a maximum of 15 single-spaced typewritten pages. Pages in excess of the 15-page limit will not be reviewed. Supporting materials, such as biographical sketches, leveraged funds commitment letters, and emission inventories can be submitted as attachments and are not included in the 15-page limit.

The project narrative should use commonly understandable terms to ensure reviewers have a strong understanding of the purpose, focus, and expected outputs and outcomes of the proposed project. A person unfamiliar with the technical aspects of the project, including the given technology, activities and/or nonattainment location, should be able to fully comprehend the proposal without any research.

Applicants are not required, but highly encouraged, to use the cover page and project narrative format below.

### **Project Narrative**

#### *Cover Page:*

The cover page should not exceed one page. The cover page should include the following information:

- **Project Title**
- **Applicant Information**
  - Applicant (organization) name
  - Address
  - Office phone number
  - Contact name, and e-mail address
  - DUNS number
- **Budget Summary:** Include the following information:

<b>EPA Funding Requested</b>	<b>Voluntary Cost Share, if Applicable</b>	<b>Total Project Cost</b>
\$	\$	\$

As noted in Section I.A., while each application can request up to the full funding amount of \$20,000,000, the total amount of requested funding needs to be commensurate with the applicant's proposed activities, considering the emissions inventory and emissions sources in the applicable nonattainment area. Applicants should request less than \$20,000,000 if the project(s) necessary to reduce emissions in the applicable nonattainment area does not warrant the full funding amount. As noted in Section II.B., EPA reserves the right to partially fund selected applications.

- **Project Period:** Provide beginning and ending dates. Projects are anticipated to begin in August 2020 and end no more than five years after the project start date.
- **Brief Project Description:** Briefly describe your project in one to two sentences, especially noting the total number of equipment or technology affected (e.g., replace 10 diesel fueled heavy-duty short haul trucks with battery-electric zero tailpipe emission trucks; replace 10 diesel fueled Type C school buses with battery-electric buses; and replace 100 residential non-certified wood burning appliances with cleaner alternatives).
- **Project Location:** List the primary nonattainment area(s) as listed in Section I.A. of the RFA

where the emission benefits of the project will be realized.

*Workplan:*

Applicants must ensure that the project narrative addresses the evaluation criteria in Section V. Applicants should use the section and subsection numbers and headings below which **correspond with the evaluation criteria in Section V.A. of the RFA.**

Section 1- Project Summary and Approach (45 total possible points from Section V.A.)

This section should contain a detailed project description of the following information:

**A. Ongoing, Significant Emissions Reductions & Consideration of Other Activities (20 possible points)**

A detailed project summary and description of the specific approach(es), activity(ies) and/or technology(ies) to be undertaken. The summary should include the associated products to be developed and explanation of project benefits both to the public and the potential audience(s) served. Also include if and how the proposed project will achieve ongoing, significant reductions of ozone, direct PM<sub>2.5</sub> and/or precursor emissions in the designated nonattainment area(s), as described in Section I.A. of the RFA. The applicant should include how they considered other available technologies or activities to reduce emissions from a given source and why they arrived at the chosen emission reduction solution(s).

**B. Emissions Inventory & Progress Towards Attainment (10 possible points)**

A qualitative description and quantitative data of the applicant's analysis of the emissions inventory for all relevant air pollutants of the nonattainment area should be included. The applicant should provide quantitative emissions inventories of the source category(ies) of the proposed project, as well as other key relevant source categories. Specific calculations and methodologies on how this data was derived must be included in the mandatory emissions inventories attachment, which does not count towards the project narrative 15-page limit.

The applicant should also provide information on how this project is expected to help the designated area make progress toward meeting the NAAQS attainment for the relevant pollutant(s). The quantified emissions of the individual air pollutants estimated to be reduced from the proposed project should be discussed qualitatively. The applicant should provide specific estimated emissions reductions from the proposed project. The applicant should provide additional information on the quantification used to calculate the anticipated emission reductions from the proposed project, including the key assumptions that were used for any existing calculator tool or the citations of any studies or reports, which may be included in the mandatory emissions reduction calculations attachment. For replacing diesel-fueled medium- or heavy-duty on- or off-road vehicles or equipment, use EPA's [Diesel Emissions Quantifier \(DEQ\)](#) tool and results spreadsheet showing DEQ results and inputs as an attachment to the application. Applicants may also take advantage of EPA's [Burn Wise Wood Stove Emissions Calculator](#), for estimating emissions reductions.

**C. Innovative Emission Reductions (10 possible points)**

A description of how the proposed activity is an innovative, well-conceived strategy for achieving the greatest amount of emission reductions possible from a given source, supporting the lowest emission activities and/or technologies available. This includes providing information about the source category, including individual emissions levels from the current existing utilized technologies or activities compared to the anticipated emission reductions from

the proposed project. The extent to which the proposed project is an innovative, or creative or new, approach to reducing emissions should be discussed.

**D. Roles and Responsibilities** (5 possible points)

The applicant should include a discussion of the roles and responsibilities of the applicant organization and any other project partners, contractors, and/or sub-grantees. Partnerships letter(s) should be included in the application as an attachment, which do not count towards the 15-page project narrative page limit. These partnership letters should describe the partner's roles in the proposed project.

Section 2- Community Benefits, Engagement and Partnerships (10 total possible points from Section V.A.)

**A. Community Benefits** (5 possible points)

The proposed project should address the needs and concerns of affected communities, especially any communities or populations that have faced or are facing environmental justice concerns as described in Section I.B. of the RFA. The proposed project should maximize public health benefits, including providing information on how communities located near the project will benefit and how communities will be engaged in the project. The project narrative should include a discussion of how the proposed project will address the needs and concerns of affected communities, including any communities or populations that have faced or are facing environmental justice concerns, and/or other interested parties, groups or populations that have been adversely affected by environmental burdens, as described in Section I.B. of the RFA. A description of the current environmental impacts or burdens located around the proposed project should be included, explaining how the affected communities are potentially vulnerable to these environmental burdens.

**B. Community Engagement and Partnerships** (5 possible points)

Include details of the applicant's efforts and plans for engaging affected communities on the proposed project. The term "affected communities" is defined in Section I.B. of the RFA. Engagement should include any past, current, and/or anticipated future efforts for working with the affected communities located near the proposed project. Information on how the proposed project is supported by the community should be included. Applicants should discuss their approach to incorporate ongoing community input throughout the design and performance of the project, including specific methods and activities to engage the community. Community engagement and partnership efforts should include multiple stakeholder groups that represent a broad spectrum of the community, such as grassroots, neighborhood, school and faith-based organizations, city councils, businesses, local governments, and other key local partners. Recent involvement of project partners, community members and/or organizations working together on projects should be highlighted. Applicants may submit partnership letters in the application attachments, which do not count towards the 15-page project narrative page limit. These partnership letters should demonstrate strong, long-term involvement throughout the project.

Section 3- Project Sustainability (5 total possible points from Section V.A.)

The applicant should include a detailed discussion of the applicant's and/or project partner's planned actions to promote and continue efforts to reduce emissions in the nonattainment area after EPA funding for this project has ended. Include information on how the applicant and/or key partners will promote and continue to achieve ongoing emission reductions of ozone, direct PM<sub>2.5</sub>, and/or precursor

emissions. Sustainable project activities in the nonattainment area may include: the implementation of contract specifications, ordinances, or rules requiring the use of cleaner, more efficient equipment; the implementation of policies that support near- or zero-emission technologies or activities; and/or ongoing financial mechanisms, beyond EPA funding, to continue emission reduction activities.

Section 4- Environmental Results—Outcomes, Outputs and Performance Measures (25 total possible points from Section V.A.)

**A. Expected Project Outputs and Outcomes (10 possible points)**

Identify the expected quantitative and qualitative outcomes and outputs of the project as defined in Section I.C. of the RFA. Specific outputs and outcomes should be provided and may include short- and longer-term activities. In addition to a narrative discussion of the outputs and outcomes, the applicant is encouraged to include a table such as:

<b>Anticipated Outputs and Outcomes</b>	
<b>Outputs</b>	<b>Outcomes</b>

**Example of Outputs and Outcome Table**

<i>Anticipated Outputs and Outcomes</i>	
<i>Outputs</i>	<i>Outcomes</i>
<i>Replace 10 diesel fueled Type C school buses with battery-electric zero-tailpipe emission buses</i>	<i>Annual School Bus Emissions = X tons of NO<sub>x</sub>, Y tons of PM<sub>2.5</sub>. Z tons of CO, etc.</i>
	<i>Lifetime School Bus Emission Reductions (over X years) = X tons of NO<sub>x</sub>, Y tons of PM<sub>2.5</sub>. Z tons of CO, etc.</i>
	<i>Annual Diesel Fuel Reduced = X gallons</i>
	<i>Lifetime Annual Diesel Fuel Reduced = Y gallons</i>
<i>Replace 100 residential non-certified wood burning appliances with EPA certified cleaner burning devices</i>	<i>Annual Woodstove Emissions = X tons of NO<sub>x</sub>, Y tons of PM<sub>2.5</sub>. Z tons of VOCs, etc</i>
	<i>Lifetime Woodstove Emissions = X tons of NO<sub>x</sub>, Y tons of PM<sub>2.5</sub>. Z tons of VOCs, etc.</i>

Anticipated air emission reductions directly from the project both annually and over the total life of the project must be included in the outcomes, including emission reductions by each type of activity for each individual pollutant, which includes: ozone precursors and/or direct PM<sub>2.5</sub> or PM<sub>2.5</sub> precursor emissions, including NO<sub>x</sub>, VOC, direct PM<sub>2.5</sub>, SO<sub>2</sub>, and/or ammonia.

Applicants must provide the quantification used to calculate these estimated emission reductions as described in Section 1.C. of this RFA and Section 8 of this appendix. These calculations must be included as a mandatory emissions reduction calculations attachment, as

listed in Section IV.C. of the RFA; this mandatory attachment does not count towards the 15-page limit of the project narrative.

**B. Performance Measures (5 possible points)**

Describe what performance measurements, timeline of milestones, and/or other means will be used to track, measure, and report progress towards achieving the expected outputs and outcomes and how the results of the project will be evaluated, as described in Section 1.C. of the RFA.

**C. Performance Plan (5 possible points)**

Describe the applicant's plan for tracking and measuring progress toward achieving the expected project outputs and outcomes, as described in Section I.C. of the RFA and 4.A. of this appendix. The following are questions to consider when developing output and outcome measures of quantitative and qualitative results:

- What are the measurable short-term and long-term results the project will achieve?
- How does the plan measure progress in achieving the expected results, including outputs and outcomes, and how will the approach use resources effectively and efficiently?

**D. Timeline and Milestones (5 possible points)**

The applicant should include a detailed timeline for the project including milestones for specific tasks, such as bidding, procurement, installation and reports, along with estimated dates. Applicant should include scheduled time for quarterly and final report preparation into the project timeline.

Section 5- Programmatic Capability and Past Performance (15 total possible points from Section V.A.)

**A. & B. Management, Completion and Reporting Requirements (10 possible points)**

Submit a list of no more than three federally-funded assistance agreements similar in size, scope, and relevance to the proposed project that the applicant has performed or is currently performing within the last three years. Assistance agreements include federal grants and cooperative agreements but not federal contracts. EPA assistance agreements are preferred. These assistance agreements should include awards directly to the applicant and not to any subawardees/subgrantee and/or named contractor that may be involved in the proposed project. For each of the three agreements, include:

- Assistance agreement number
- Project title
- Brief description of the agreement – no more than two sentences
- Federal agency and CFDA number

For each of the three assistance agreements listed, the applicant should describe:

- Whether and how the applicant was able to successfully manage and complete the agreement.
- The applicant's history of meeting the reporting requirements under the agreement. This should include whether the applicant submitted acceptable final technical reports under those agreements and the extent to which the applicant adequately and timely reported on its progress towards achieving the expected outputs and outcomes under those agreements. If such progress was not made, the applicant should provide an adequate

explanation and indicate whether, and if so, how, the applicant documented its reason for the lack of progress.

Note: In evaluating applicants under these factors in Section V. of the RFA, EPA will consider the information provided by the applicant and may also consider relevant information from other sources, including information from EPA files and from current/prior grantors (e.g., to verify and/or supplement the information provided by the applicant). If the applicant does not have any relevant or available past performance or past reporting information, please indicate this in the proposal to receive a neutral score for these factors, which is half of the total points available in a subset of possible points. If the applicant does not provide any response for these items, a score of 0 for these factors may be received.

**C. Staff Expertise (5 possible points)**

Include information on the applicant's organization, including a description of the staff's knowledge, expertise, qualifications and resources or the ability to obtain them, to successfully achieve the proposed project's goals. Biographical sketches, including resumes or curriculum vitae for key staff, managers and any other key personnel should be included as an optional biographical sketch attachment, as listed in Section IV.C. of the RFA; the optional attachment does not count towards the 15-page limit of the project narrative.

Section 6- Leveraged Funding (5 total possible points from Section V.A.)

The applicant should demonstrate how they will leverage additional funds/resources beyond the federal grant funds awarded to support the proposed project activities and how these funds/resources will be used to contribute to the performance and success of the proposed project; see Section III.B. of the RFA. This includes but is not limited to funds and other resources leveraged from businesses, labor organizations, non-profit organizations, education and training providers, and/or federal, state, tribal, and local governments, as appropriate. The budget narrative described under Section 7 of this appendix must clearly specify the amount of federal funding and the cost share amount for each category of total project costs. Include an explanation of how the voluntary match will be met.

If a proposed voluntary cost share is to be provided by a named third-party/parties and not the applicant, a Leveraged Funds Cost Share Commitment Letter(s) must be attached to the application as described in section IV.C. of the RFA, which does not count towards the 15-page project narrative page limit.

All voluntary cost share funds are subject to the regulations governing matching fund requirements at 2 CFR Part 200. Any form of cost share included in the budget detail must also be included on the SF-424 and SF-424A. In the budget narrative, the applicant should describe the amount and type of leveraged resources to be provided, including:

- how they will obtain the leveraged resources;
- the likelihood that these leveraged resources will materialize during grant performance (e.g., submitting leveraged funds cost share commitment letter(s) as attachments);
- the strength of the leveraging commitment; and
- the role the leveraged resources will play to support the proposed project activities.

If an applicant is proposing "other leveraged funds" as described in Section III.B. of the RFA, then they do not include these funds in their budget. While this form of leveraging should not be included in the

budget, the project narrative should include a statement indicating that the applicant is expected to produce the proposed leveraging consistent with the terms of the announcement and the applicant's application.

Selected applicants are expected to abide by their proposed leveraging commitments during grant performance and the failure to do so may affect the legitimacy of the award. The leveraged funds commitment letters should describe the project partner and include their commitment to providing any amount of in-kind or monetary assistance to the proposed project. See Section III.B. of the RFA for more detailed information on voluntary cost share or matching leveraged funds.

Section 7- Budget (20 total possible points from Section V.A.)

This section of the project narrative is a detailed description of the budget found in the SF-424A and must include a discussion of the applicant's approach to ensuring proper management of grant funds, a detailed budget narrative, as well as the itemized budget table below. An applicant's budget table and budget narrative must account for both federal funds and any non-federal voluntary cost share, if applicable. Selected applicant(s) will need to submit a copy of their current indirect cost rate that has been negotiated with a federal cognizant agency prior to award. Additional guidance for developing the applicant's budget is available in [RAIN-2019-G02, "Interim General Budget Development Guidance for Applicants and Recipients of EPA Financial Assistance."](#)

**A. Expenditure of Awarded Funding (5 possible points)**

Applicants should provide a detailed written description of the applicant's approach, procedures, and controls for ensuring that awarded grant funds will be expended in a timely and efficient manner.

**B. & C. Reasonableness of Budget and Budget Detail (15 possible points)**

EPA will evaluate the reasonableness of the applicant's budget based on the applicant's narrative description of the budget and detailed breakout of requested funding.

Applicants must itemize the cost categories as listed below and the SF-424A form: personnel, fringe benefits, contractual costs, travel, equipment, supplies, contractual costs, other direct costs (subawards, participant support costs), indirect costs, and total costs. Round up to the nearest dollar and do not use any cents.

For applicants that provide a voluntary cost share or matching funds ("leveraging") with the exception of "Other" leveraged funding described in Section III.B. of the RFA and Section 6 of this appendix, the budget narrative must clearly specify the amount of federal funding and the cost share amount for each category of total project costs for each category. If voluntary cost share funding is to be provided, see Section 6 of this appendix for required leveraged funds cost share commitment letter(s)

There are several ways the recipients may implement projects and fund project partners depending on the roles and responsibilities of each. These include direct implementation, subawards, and participant support costs. Please refer to Appendix C for detailed guidance on these funding options and how to correctly categorize these costs in the workplan budget.

Applicants should use the following instructions, budget object class descriptions and example table to complete the detailed budget section of the project narrative. Applicants should, include

applicable rows of costs for each budget category in their budget table to accurately reflect the proposed project budget.

- **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 (paid employees of the applicant organization as reflected in payroll tax records). 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 contractors (including individual consultants), which are included in the “Contractual” category; (2) costs for employees of subrecipients under subawards or non-employee program participants (e.g., interns or volunteers), which are included in the “Other” category; or (3) effort that is not directly in support of the proposed project, which may be covered by the organization’s negotiated indirect cost rate. The budget detail must identify the personnel category type by Full Time Equivalent (FTE), including percentage of FTE for part-time employees, number of personnel proposed for each category, and the estimated funding amounts.
- **Fringe Benefits - Identify the percentage used, the basis for its computation, and the types of benefits included.** Fringe benefits are allowances and services provided by employers to their employees as compensation in addition to regular salaries and wages. Fringe benefits may include, but are not limited to the cost of leave, employee insurance, pensions and unemployment benefit plans. If the applicant’s fringe rate does not include the cost of leave, and the applicant intends to charge leave to the agreement, it must provide supplemental information describing its proposed method(s) for determining and equitably distributing these costs.
- **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); related to proposed project activities (e.g., attendance at meetings); or to a technical training or workshop that supports effective implementation of the project activities. Only include travel costs for employees in the travel category. Travel costs do not include: (1) costs for travel of contractors (including consultants), which are included in the “Contractual” category; (2) travel costs for employees of subrecipients under subawards and non-employee program participants (e.g., trainees), which are included in the “Other” category. Further, travel does not include bus rentals for group trips, which would be covered under the contractual category. Finally, if the applicant intends to use any funds for travel outside the United States, it must be specifically identified. All proposed foreign travel must be approved by EPA’s Office of International and Tribal Affairs prior to being taken.
- **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 that are not included in the purchase price for the equipment. 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 2 CFR 200.94. The budget detail must include an itemized listing of all equipment proposed under the project. If installation costs are included in the equipment costs, labor expenses shall be itemized with the detailed number of hours charged and the hourly wage. If the applicant has written procurement procedures that define a threshold for equipment costs that is lower than \$5,000, then that threshold takes precedence.

- **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 services (including 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. [EPA’s Subaward Policy and supplemental Frequent Questions](#) has detailed guidance available for differentiating between contractors and subrecipients. Leased or rented goods (equipment or supplies) should be included in the “Other” category. EPA does not require applicants to identify specific contractors. The applicant should list the proposed contract activities along with a brief description of the anticipated scope of work or services to be provided, proposed duration, and proposed procurement method (competitive or non-competitive), if known. Any proposed non-competitively/sole-source contracts in excess of \$3,500 must include a justification. Note that it is unlikely that EPA will accept proposed sole source contracts for goods and services (e.g., consulting) that are widely available in the commercial market. Refer to [EPA’s Best Practice Guide for Procuring Services, Supplies, and Equipment Under EPA Assistance Agreements](#) for EPA’s policies on competitive procurements and encouraging the use of small and disadvantaged business enterprises.
- **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; participant support costs such as non-employee training stipends and travel, subsidies or rebates for purchases of pollution control equipment (such as a specified amount of funding for residential woodstove changeouts or truck owners to purchase cleaner trucks); and subaward costs. Applicants should describe the items included in the “Other” category and include the estimated amount of participant support costs in a separate line item. Additional information about participant support costs is contained in [RAIN-2018-G05, “Interim EPA Guidance on Participant Support Costs.”](#)

Subawards (e.g., subgrants) and participant support costs are a distinct type of cost under this category. The term “subaward” means an award of financial assistance (money or property) by any legal agreement made by the recipient to an eligible subrecipient even if

the agreement is referred to as a contract. Rebates, subsidies, and similar one-time, lump-sum payments to program beneficiaries for purchase of eligible emission control technologies are considered participant support costs. Please refer to Appendix C of this RFA for detailed guidance on funding projects and partnerships and how to correctly categorize these costs in the workplan budget. “Other” does not include procurement purchases, technical assistance in the form of services instead of money, or other assistance in the form of revenue sharing, loans, loan guarantees, interest subsidies, insurance, or direct appropriations. Subcontracts are not subawards and belong in the contractual category. Applicants must provide the aggregate amount they propose to issue as subaward work as a separate line item in the “Other” category, and a description of the types of activities to be supported. Refer to [EPA’s Subaward Policy and supplemental Frequent Questions](#) for additional guidance.

- **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, less distorting or other factors such as contracts and equipment  
(Indirect Rate x (total direct cost – distorting factors) = Indirect Costs)

Additional indirect cost guidance is available in [RAIN-2018-G02, “Indirect Cost Guidance for Recipients of EPA Assistance Agreements.”](#)

### Example Budget Table

Line Item & Itemized Cost	EPA Funding	Non-Federal Cost Share
<b>Personnel</b>		
(1) Project Manager @ \$40/hr x 10 hrs/wk x 208 wks		\$83,200
(2) Project Staff @ \$30/hr x 40 hrs/wk x 208 wks	\$249,600	
TOTAL PERSONNEL	\$249,600	\$83,200
<b>Fringe Benefits</b>		
20% of Salary and Wages @ 20% x Total Personnel - Retirement, Health Benefits, FICA, SUI	\$49,920	\$16,640
TOTAL FRINGE BENEFITS	\$49,920	\$16,640
<b>Travel</b>		
Mileage for PM: 25 miles/wk @ \$.17/mi x 208 wks	\$884	
Mileage for Staff: 50 mi/wk @ \$.17/mi x 208 wks	\$1,768	
TOTAL TRAVEL	\$2,652	
<b>Equipment</b>		

Line Item & Itemized Cost	EPA Funding	Non-Federal Cost Share
10 Electric Trucks and Charging Equipment Owned by the Applicant @ \$360,000/unit	\$1,620,000	\$1,980,000
<b>TOTAL EQUIPMENT</b>	<b>\$1,620,000</b>	<b>\$1,980,000</b>
<b>Supplies</b>		
Outreach Materials and Supplies	\$10,000	
<b>TOTAL SUPPLIES</b>	<b>\$10,000</b>	
<b>Contractual</b>		
Charging Equipment Installation	\$55,000	
<b>TOTAL CONTRACTUAL</b>	<b>\$55,000</b>	
<b>Other</b>		
Subaward/subgrant to School District for 50% of 10 Electric Type C Buses @ \$420,000/unit plus \$32,000 in personnel costs	\$2,100,000	\$2,100,000
	\$32,000	
Participant Support Costs/Rebates for 50% 100 Woodstove Changeouts (\$4,400 per Pellet Stove @ 50% x 100)	\$220,000	
<b>TOTAL OTHER</b>	<b>\$2,352,000</b>	<b>\$2,100,000</b>
<b>Indirect Charges</b>		
(Federal Negotiated Indirect Cost Rate = 10%)		
Federal Indirect Cost Rate x Personnel = Indirect Costs	\$24,960	\$8,320
<b>TOTAL INDIRECT</b>	<b>\$24,960</b>	<b>\$8,320</b>
<b>TOTAL FUNDING</b>	<b>\$4,364,132</b>	<b>\$4,188,160</b>
	<b>EPA Funding<sup>1</sup></b>	<b>Non-Federal Cost Share<sup>2</sup></b>
<b>TOTAL PROJECT COST<sup>3</sup></b>		<b>\$8,552,292</b>
<b>Other Leveraged Funds<sup>4</sup></b>		
Rebate Program Participant's Share of Stoves (\$4,400 per Pellet Stove @ 50% x 100)		\$220,000

**Note on Management Fees:** When formulating budgets for applications, applicants must not include management fees or similar charges in excess of the direct costs and indirect costs at the rate approved by the 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

1 EPA Funding amount must be included on the SF-424 in Section 18.a and SF-424A in: cell 5(e) under Section A – Budget Summary; and Column (1) under Section B – Budget Categories.

2 Non-Federal Cost Share funding amount must be included on the SF-424 in Section 18.b-e and SF424A in: cell 5(f) under Section A – Budget Summary; columns (2) and (3) under Section B – Budget Categories; and Section C – Non-Federal Resources.

3 Total Project Cost must be included on the SF-424 in Section 18.g and SF-424A in: cell 5(g) under Section A – Budget Summary; and column (5), Row k under Section B – Budget Categories.

4 Other leveraged funds should be included in the Budget Detail if the applicant is proposing to implement a rebate program/participant support costs for equipment purchases. The program participant's share of the equipment that is not covered by the rebate is not part of the total project cost under the grant award; the program participant's share of the equipment that is not covered by the rebate is considered "other leveraged funds." Other Leveraged Funds should NOT be included in the SF-424 and SF-424A.

to expenses added to the direct costs in order to accumulate and reserve funds for ongoing business expenses, unforeseen liabilities, or for other similar costs that are not allowable under EPA assistance agreements. Management fees or similar charges cannot be used to improve or expand the project funded under this agreement, except to the extent authorized as a direct cost of carrying out the work plan.

Section 8 - Attachments (As listed in Section IV.C. of the RFA; this information does not count towards the project narrative 15-page limit):

**Emissions Inventories:** Mandatory. Include additional data of the source category(ies) of the proposed project, and any other key relevant source categories, including calculations and methodologies. See Section I.B. of this Appendix for additional details. This should be referenced in Section 1.B. of the workplan.

**Emission Reduction Calculations:** Mandatory. Applicants must provide information on the quantification used to calculate estimated emission reductions from the proposed project, including all key assumptions. See Section IV.C. of the RFA and Section I.C. of this appendix. This should be referenced under Section 1.B. of the workplan.

**Leveraged Funds Cost Share Commitment Letter(s):** If applicable, project partners who are providing in-kind or monetary assistance must demonstrate their specific commitment to meet the proposed cost share. Letters should be addressed to the applicant organization and included as attachments to the application. Please do not ask partners to submit letters directly to EPA. This should be referenced under Section 6 of the workplan.

**Biographical Sketch(s):** Optional. Provide resumes or curriculum vitae for key staff, managers and any other key personnel. If submitted, this should be referenced under Section 5.C. of the workplan.

**Negotiated Indirect Cost Rate Agreement:** Optional. The applicant will be required to submit this agreement if their application is selected for funding.

**Quality Assurance Narrative Statement:** Optional. The applicant will be required to submit a quality assurance project plan if their application is selected for funding and if applicable.

**Partnership Letters:** If applicable, letters of support that demonstrate strong, long-term involvement throughout the project from a variety of project partners are encouraged. Letters should specifically indicate how project partners and supporting organizations will participate in or directly assist in the design and performance of the project, or how obtaining support from project partners will allow the applicant to more effectively perform the project. Letters should be addressed to the applicant organization and included as attachments to the application. Please do not ask partners to submit letters directly to EPA.

## Appendix C – Clarification of Subawards and Participant Support Costs

As noted in Appendix B, the “other” cost category on the SF-424A includes both subawards and participant support costs. Depending on the project, these costs may be applicable to a targeted airshed application. This appendix helps clarify these differences. Additional information about participant support costs is contained in [RAIN-2018-G05, “Interim EPA Guidance on Participant Support Costs.”](#)

If a targeted airshed grant recipient (also known as the “recipient”) intends to fund the proposed project’s emission control technologies (i.e., vehicles, engines, equipment and/or appliances) that they do not directly own, such as vehicle fleets and/or wood-burning appliances, they have the option to (1) make a **subaward** or (2) provide **participant support costs** to a project partner. Both options can fund a project partner’s technology and installation costs, but only subawards can fund a project partner’s direct and indirect costs, such as personnel and travel. If the targeted airshed grant recipient is only funding a project partner’s equipment and installation costs, they may instead choose to provide participant support costs rather than a subaward in order to avoid the extensive subaward monitoring and management requirements.

**Direct Implementation:** Where the target project technologies (i.e., vehicles, engines, equipment and/or appliances) are owned and operated by the targeted airshed grant recipient, the recipient may directly implement the project. The recipient is responsible for procuring all project technologies, and any required contractual services, in accordance with applicable competitive procurement requirements in [2 CFR Part 200](#). The applicant’s/recipient’s budget should reflect only those expenses incurred directly by the recipient organization for personnel, fringe, travel, supplies, equipment, contractual, other, and indirect.

**Subawards:** Targeted airshed grant recipients may make subawards to subrecipients to carry out a portion of the grant project; in this case, the grant recipient is also known as a “pass-through entity.” Subawards establish a financial assistance relationship under which the subrecipient’s employees and contractors implement programs and projects to accomplish the goals and objectives of the grant. Under targeted airsheds, a non-federal entity or individual is eligible to receive a subaward even if it is not eligible to receive a targeted airshed grant from EPA directly. While there may be some situations in which a subaward to an individual may be appropriate, those situations are rare.

Note that subawards are different than procurement contracts. Contractors such as equipment suppliers, consulting firms (including individual consultants) or other vendors provide goods and services directly to targeted airshed grant recipients for direct implementation activities. Subrecipients only receive reimbursement for their actual direct or approved indirect costs such that they do not “profit” from the transaction and subrecipients are subject to the same federal requirements as the pass-through entity. In other grant programs, for-profit entities participating in grant activities are typically contractors rather than subrecipients. However, targeted airsheds is one of the few EPA grant programs (along with DERA) where it is appropriate for pass-through entities to make subawards to for-profit organizations to purchase and install equipment for that organization’s own use. For example, if a targeted airshed recipient (and not a subrecipient or subgrantee) directly implementing a project purchases school buses directly from a vendor, the appropriate funding instrument is a procurement contract and the transaction is subject to the applicable competitive procurement requirements. Referring to an individual consultant or vendor as a “partner” does not exempt the transaction from competitive procurement requirements.

Alternately, if a targeted airshed grant recipient provides direct funding to a school district for the

school district to implement its own diesel emissions reduction program for its school bus fleet, the appropriate funding instrument is a subaward. Indicators that the transaction is a subaward include eligible and allowable costs to support the following in addition to the subrecipient vehicle and equipment purchase and installation costs:

- subrecipient personnel and overhead including indirect costs incurred for project management, coordination, procurement, reporting and outreach;
- subrecipient travel costs required for project implementation and oversight; and
- subrecipient contractual costs for design and engineering services.

If a targeted airshed grant recipient chooses to pass funds from its targeted airshed grant to other entities through subawards, the recipient must comply with applicable provisions of 2 CFR Part 200, the EPA Subaward Policy, and EPA's National Term and Condition for Subawards. Note that under 2 CFR 200.331 there are extensive requirements for subrecipient monitoring and management that apply to pass-through entities. Additionally, federal requirements including the 2 CFR Part 200 Procurement Standards "flow down" to subrecipients. By accepting a targeted airshed grant, the recipient is certifying that it either has systems in place to comply with the regulatory and EPA policy requirements specified in these provisions, or that the recipient will refrain from making subawards with EPA funding until the required systems are designed and implemented.

EPA's Award Official must approve subawards to for-profit entities and individuals on the basis of either a precise description of the subaward in the EPA approved budget and project narrative, or on a transaction by transaction basis. The applicant's project narrative and budget narrative should include detailed descriptions of any proposed subawards and include cost estimates for subawards as line items under the "Other" budget category; see Section 7 in Appendix B. Should a targeted airshed grant recipient decide to make a subaward that was not described in the approved project narrative and budget, the recipient must obtain prior written approval from EPA's Award Official for the subaward.

There is no requirement for recipients to compete subawards under this RFA, however pass-through entities may choose to select subrecipients competitively provided this practice is consistent with applicable statutes, regulations and the terms of their targeted airshed grant. Recipients may use the subaward template contained in Appendix D of EPA's Subaward Policy to assist them in complying with the "subaward content" requirements, however EPA does not mandate the use of this template.

**Participant Support Costs:** Targeted airshed grant recipients may provide participant support costs to program beneficiaries to enable beneficiaries to participate in the recipient's program or project. Rebates, subsidies, and similar one-time, lump-sum payments to program beneficiaries for the purchase of eligible emissions control technologies are considered to be participant support costs. Program beneficiaries, rather than the targeted airshed grant recipient, directly own the new technology.

Participant support costs differ from subawards in that the beneficiary is participating in the targeted airshed grant recipient's project or program instead of implementing their own project or program. Program beneficiaries may be individual owner/operators, private or public fleet owners, or residents in the applicable nonattainment area; however, program beneficiaries are not employees, contractors or subrecipients of the targeted airshed grant recipient. The following are examples of participant support costs:

- The recipient uses their targeted airshed grant to provide a subsidy or rebate to multiple medium- and heavy-duty truck dealerships, which enables approved truckers operating in the nonattainment area to purchase new, cleaner approved trucks for a reduced price.
- The recipient uses their targeted airshed grant to provide a subsidy or rebate to pre-approved wood-burning heating appliance installers and/or residents to scrap and replace old, non-EPA certified residential wood burning appliances with approved pellet or natural gas appliances for a reduced price.

Program beneficiaries are not subject to the same federal requirements as the targeted airshed grant recipient or subrecipients. For example, the competitive procurement requirements do not apply to program beneficiaries purchasing emission control technologies.

Recipients may also use participant support costs to purchase emission control technologies on behalf of program beneficiaries. In some situations, this approach allows targeted airshed grant recipients to achieve economies of scale and/or take advantage of existing purchase contracts. Competitive procurement requirements apply to the targeted airshed grant recipient when the recipient takes this approach. For example, a grant recipient may award a competitive contract to a technology vendor to purchase and install emissions reduction equipment on vehicles owned by program beneficiaries.

Participant support costs for rebates, subsidies or other payments must be supported by guidelines issued by the recipient and approved by EPA, defining the rules, restrictions, timelines, programmatic requirements, reporting and transaction documentation requirements, eligibility, and funding levels that rebate, subsidy or other payment beneficiaries must follow. Allowable rebates, subsidies or other payments must be issued only for eligible emission reduction activities as defined in Section I.B. of this RFA and the terms of the targeted airshed grant agreement. Additionally, there must be written agreement between recipient or subrecipient and the program beneficiary that:

- Describes the activities that will be supported by rebates, subsidies or other payments;
- Specifies the amount of the rebate, subsidy or payment;
- Identifies which party will have title to the technologies (i.e., vehicles, engines, equipment and/or appliances), if any, purchased with a rebate or subsidy; and
- Establishes source documentation requirements to ensure proper accounting of EPA funds.

EPA's Award Official must approve participant support costs on the basis of either a precise description of the participant support costs in the EPA approved budget and work plan, or on a transaction by transaction basis. The applicant's project narrative and budget narrative should include detailed descriptions of any proposed participant support costs and include cost estimates for participant support costs as line items under the "Other" budget category. Should a targeted airshed recipient decide to award participant support costs that were not described in the approved work plan and budget, the recipient must obtain prior written approval from EPA's Award Official. Moreover, after a grant is awarded, should a recipient decide to modify the amount approved (upwards or downwards) for participant support costs, prior written approval from EPA's Award Official is also required.

When creating budgets, applicants/recipients must exclude participant support costs from Modified Total Direct Costs for calculation of indirect costs as required by 2 CFR 200.68.

**Resources:**

Best Practice Guide for Procuring Services, Supplies, and Equipment Under EPA Assistance Agreements: <https://www.epa.gov/grants/best-practice-guide-procuring-services-supplies-and-equipment-under-epa-assistance-agreements>

EPA Subaward Policy with attachments: <https://www.epa.gov/grants/grants-policy-issuance-gpi-16-01-epa-subaward-policy-epa-assistance-agreement-recipients>. Includes:

- EPA Subaward Policy
- Appendix A: Distinctions Between Subrecipients and Contractors
- Appendix B: National Term and Condition for Subawards
- Appendix C: Model Programmatic Subaward Reporting Requirement
- Appendix D: Subaward Agreement Template