

National Clean Cities, Inc. Biodiesel Grant Program

Request for Applications
2004

SUMMARY: National Clean Cities, Inc. (NCC) has received funding from the United Soybean Board (USB) and the United States Department of Energy (DOE) Clean Cities Program to assist terminal operators, distributors, fleets and others in introducing biodiesel into their vehicles to reduce our country's dependence on foreign oil and reduce harmful emissions.

The NCC will administer the grant and has developed the following guidelines. **Please note that local Clean Cities Coalitions and Qualified State Soybean Boards (QSSBs) must apply jointly.**

DATES/DEADLINES: National Clean Cities, Inc. will accept applications from November 1, 2004 until 5 PM PST, **December 24, 2004**, and may re-open the application process if all funding is not committed. All project funds must be expended by September 30, 2005 and operational/completed by December 31, 2005.

FOR FURTHER INFORMATION CONTACT: The project manager for this program is Greg Zilberfarb, Executive Director of NCC. He can be reached by phone 703-779-4890; fax 703-779-4891; or email greg@nationalcleancities.org (All questions or comments must be communicated in writing via facsimile or electronic mail.)

CONTENTS BY SECTION

- I. Overview and Deadlines
- II. Eligible Entities
- III. Background and Scope of Work
- IV. Funding Issues
- V. Selection Criteria
- VI. Evaluation and Selection
- VII. Proposals
- VII. How to Apply

I. Overview and Deadlines

A. Overview

Although this program will consider all applications using biodiesel for the transportation market, a high priority will be placed on applications addressing the following areas of interest.

Terminal Distribution

Currently many existing and potential biodiesel markets have limited access to biodiesel. Many fuel distributors only have access to biodiesel at the supplier level. This results in distributors going directly to the biodiesel plant to get their fuel a truckload at a time. This is in contrast to the way they obtain their petroleum products which is by going to a local petroleum terminal.

To increase the efficiency of distributing biodiesel it needs to be made available at the terminal. This can be done by injecting it at the rack, which is inside the terminal, or by locating an "off-site" terminal close to the petroleum terminal. This would result in more efficient fuel distribution system for biodiesel and would make the fuel more easily available to more fuel distributors at a lower cost.

- An example would be projects that will either; result in biodiesel being offered at the terminal "rack" or at a nearby "off-site" biodiesel terminal, or at publicly accessible fueling stations.

New Technology Demonstrations

Projects that utilize new technologies along with biodiesel to decrease our dependence on foreign oil. As new emissions regulations are being phased in biodiesel needs to be part of the "new technology" being considered.

- An example would be a project that uses B-20 blends in combination with Ultra Low Sulfur Diesel and after-treatment devices.

Biodiesel Education

This program will consider proposals that:

- Provide educational biodiesel workshops or other effective education efforts targeted at school busses, local governments and recreational marine biodiesel markets. Other markets maybe considered if the applicant could show strong evidence of interest in biodiesel in that market.
- Show a strong tie-in with the targeted industries and their support of the educational effort. Such as, providing sponsorships for meetings, offer industry experts to help plan and promote meetings, serve on discussion panels, etc.
- Target areas that have not had many biodiesel educational opportunities in the past or an area that has exceptional potential for biodiesel use or interest in the fuel.

B. Simplified Application Process

NCC has simplified the application process in hopes of encouraging greater participation by Qualified State Soybean Boards (QSSBs), Clean Cities Coalitions and NCC members. We will accept a preliminary application consisting of a narrative work plan and an estimated budget by the deadline date. (Two pages maximum.)

Following a review of the preliminary applications, NCC will notify applicants whose proposals are chosen for further consideration. Within thirty days of notification, those applicants must then complete and submit a detailed work plan identifying how the grant will be spent, a detailed timeline, a detailed explanation of the deliverables and a final detailed budget.

Additionally, each successful applicant will be required to submit quarterly updates (schedule established by NCC) and a detailed follow-up report that summarizes the project and includes problems, successes, and lessons learned. We anticipate a one-page quarterly report and a 1-5 page detailed follow-up report.

Deadlines

NCC will accept applications until the close of business December 6, 2004, and may reopen the application process if all funding is not committed. Applications must include a preliminary proposal (a narrative work plan and an estimated budget). The NCC will attempt to notify applicants whose proposals are chosen for further consideration 30 days after submission. Remaining paperwork is due 30 days after notification.

ALL PROJECTS MUST BE COMPLETED AND ALL GRANT FUNDS MUST BE SPENT BY SEPTEMBER 30, 2005. THERE WILL BE NO EXCEPTIONS.

II. Eligible Entities

Although all applications will be considered, QSSBs, Clean Cities Coalitions, National Biodiesel Board (NBB) members and NCC members will be given additional criterion points. Applicants must demonstrate a commitment to undertake a cooperative effort with the purpose of demonstrating implementation strategies for reducing dependence on foreign oil and reducing emissions from diesel powered vehicles.

III. Background and Scope of Work

The purpose of this solicitation is to fund projects that will demonstrate and document various ways to successfully implement biodiesel projects that reduce our country's dependence on foreign oil and to reduce pollution from diesel powered vehicles.

Grant funds **may not** be applied to the cost differential between current diesel fuel and biodiesel. Applicants may seek funds to purchase new, or to retrofit equipment used for the distribution of biodiesel. The grant **may not** be used for the purchase of vehicles, but applicants may consider the cost of the new buses a financial contribution to the project.

Although there is no requirement for applicants to provide any cost share or financial contribution, projects involving cost share, in the form of cash or "in-kind" contributions, will be given additional consideration. An in-kind contribution is the reasonable value of property and services that benefit the project. For example, administrative support, installation/maintenance of equipment, and the cost of new buses for the project could all be considered "in-kind" contributions.

IV. Funding Issues

The estimated project period for awards resulting from this solicitation is December 31, 2004 to September 30, 2005. Total available funding is approximately \$200,000.

Funding entities expect to fund a variety of projects. The number of awards and distribution of funds are subject to availability of funds and the quality of applications submitted, but no single award will be for more than \$100,000.

The NCC will assist successful projects by providing:

1. Close monitoring of the successful applicant(s) performance;
2. Collaboration during the performance of the scope of work;
3. Review and comment on reports prepared under the grant agreement.

V. Selection Criteria

A. Eligibility Requirements

Although all entities are eligible, preference will be given to QSSBs, Clean Cities Coalitions, and members of the NBB and NCC.

B. Evaluation Factors

Each eligible application will be evaluated according to the criteria set forth below. Applications that are best able to directly and explicitly address these criteria in their work plans will have a greater likelihood of being selected for award. Each application will be rated under a points system, with a total of 100 points possible. **QSSBs, Clean Cities Coalitions and members of the NBB and NCC will receive an additional 5 points for each affiliation.**

Criterion	Maximum Points per Criterion
Probability of Success: The technical feasibility of the project, the quality of the team, the level of commitment from team members that can be documented (letters of commitment, equipment or fuel bids, etc.)	25
Energy Security Benefits: How much petroleum (diesel) will this project displace, or how much biodiesel will this project use?	25
Project Cost Share: Additional consideration will be given to applicants that can document additional cost-share, either in the form of cash or "in-kind" contributions.	20
Visibility of the Project: How much recognition will the applicant generate for the successful completion of the project.	15
Chance of Continued Success: What are the chances that this project will lead to continued petroleum displacement after the project is completed?	15
Membership/Affiliations: QSSBs, Clean Cities Coalitions and members of the NBB and NCC will receive an additional 5 points for each affiliation.	20 Bonus Points Possible
Maximum Point Total	120

C. Other Factors

NCC, in evaluating applications, will carefully consider other factors that are designed to ensure geographic equity, the demonstration of a variety of different applications, as well as a balance between urban and rural and large and small fleets. These factors are as follows:

Geographic Equity: NCC will attempt to distribute funds across the United States in both urban and rural as well as large and small fleets to determine how projects are implemented in different locations.

Air Quality: NCC is interested in knowing if the vehicles operate within an area that has poor air quality. Poor air quality areas can consist of areas designated (or at risk of future designation) by EPA to be in non-attainment or maintenance for a criteria pollutant, or that have localized air pollution problems.

Partners: NCC will consider letters of commitment to the project from potential partners. These letters could include information on any matching funds or in-kind resources that partners will provide.

VI. Evaluation and Selection

Applications will be evaluated and ranked by the NCC Grant Project Evaluation and Selection Team. The team will base its evaluations solely on the selection criteria disclosed in this notice. The Evaluation and Selection Team will be made up of two DOE representatives, a USB Director, an NCC Board Member and an NBB representative. NCC expects to complete the preliminary Evaluation/Selection process by December 13, 2004. All applicants will be notified promptly, regarding their application's status.

VII. Proposals

Preliminary applications must contain a narrative work plan with an estimated budget. NCC will notify those applicants chosen for further consideration.

The narrative must describe the project and address how it meets each of the selection criteria disclosed in Section V. The application should conform to the following outline:

1. Project title.
2. Name, contact person, phone number, fax and e-mail address of all applicants.
3. Work plan. Summarize the project and specifically explain how the project meets the criteria.
4. The amount of funding you are requesting from NCC.
5. The total cost of project (identify other funding sources including any in-kind resources).
6. An estimated budget. Explain how these funds will be used as well as how any

matching contributions -- both financial and in-kind services -- will be used. Provide a budget for the following categories:

- Personnel
 - Contractual Costs
 - Travel
 - Equipment
 - Supplies
 - Other
 - Total Cost
7. The project period. Provide beginning and ending dates (for planning purposes, applicants should assume funds will be available approximately January 1, 2005.
 8. Reporting. Discuss how you will meet the reporting requirements, including quarterly updates (schedule established by NCC) and a detailed final report that summarizes the project and includes problems, successes, and lessons learned.
 9. Evaluation. Discuss how you plan to evaluate progress and degree of accomplishment or success of the project.
 10. Applicants should clearly mark information in their application that they consider confidential.

VIII. How to Apply

The preferred application method is by electronic mail (email), although hard copies are accepted. If sent by hard copy, please provide four copies.

Mailing and Express Delivery (FedEx, UPS, etc.) Address:

**National Clean Cities, Inc.
Attention: Greg Zilberfarb
7-B Loudoun Street, S.W.
Suite 120
Leesburg, Virginia 20175**