***2024 Diesel Emission Reduction Act Tribal and Territory Grants***

***Notice of Funding Opportunity***

***Project Narrative Sample Format***

***Funding Opportunity Number: EPA-OAR-OTAQ-24-02***

***Instructions:*** *The project narrative should substantially comply with the instructions and content described below. It should also address the evaluation criteria in* [*Section V.A.*](#_A._Evaluation_Criteria) *of the NOFO. The project narrative, including the cover page, workplan, and budget table and detail, must not exceed a maximum of 14 single-spaced typewritten pages. Pages over the 14-page limit will not be reviewed.*

*Supporting materials, such as the applicant fleet sheet, partnership letters, and emissions calculations can be submitted as attachments and are not included in the 14-page limit. Eligible supporting materials should be submitted using the Other Attachments Form, as described in* [*Section IV.B.*](#_Application_Process) *above.*

*Applicants should ensure that their project narratives are written clearly using understandable terms. Doing so will help ensure that the evaluation team members understand the purpose, outputs, and outcomes of the proposed project.*

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

*All content italicized in brackets [] may be deleted to conserve space.*

***Please delete this instruction page from your final project narrative.***

**ENVIRONMENTAL PROTECTION AGENCY (EPA)**

**2024 Diesel Emission Reduction Act Tribal and Territory Grants**

**Notice of Funding Opportunity**

**EPA-OAR-OTAQ-24-02**

1. **Cover Page:** It is recommended that the cover page does not exceed one page. The cover page should include the following information:

|  |  |
| --- | --- |
| **Project Title** |  |
| **Applicant Information** | Applicant Name:  Address (Street, City, State, Zip):  Office Phone and Fax Numbers:  Contact Name, Email address and Website (if applicable): |
| **Entity Eligibility** | [*Using the criteria outlined under Section III.A. of this NOFO, please indicate entity type below with an X to confirm eligibility.]*  \_\_\_Tribal government (or intertribal consortium) which has jurisdiction over transportation or air quality OR  \_\_\_Alaska Native Village which has jurisdiction over transportation or air quality OR  \_\_\_territory government agency which has jurisdiction over transportation or air quality |
| **Budget Summary** | |  |  |  | | --- | --- | --- | | EPA Funding  **[A]** | Voluntary Cost Share  **[B]** | Total Project Cost  **[A+B=C]** | | **$** | **$** | **$** | |
| **Primary**  **Project Location** | *[Briefly describe the area(s) where the affected vehicles or engines operate. Primary project location (County, State, City, and Zip Code) listed in Section 2 of the workplan should be included here.]* |
| **Short Project Description** | *[Briefly describe your project in one to three sentences only, especially noting the expected outputs and outcomes. Use the applicable sector(s) and target fleet type(s) shown below in you project description. Include the type and number of affected vehicles/equipment and the type of emission upgrade(s) proposed for funding. Example descriptions: School Bus: Retrofit 40 class 6 school buses with DPFs; Freight: Install DPFs and bunk heaters on 20 Class 8 long-haul trucks; Port: Replace engines in 2 ship-to-shore gantry cranes with electric power.]* |
| **Project Sector(s)** | *[Please use the list below to select one or more appropriate project sectors.]*  Primary Sector:  Secondary Sector, as appropriate:  Other Sector, as appropriate: |
| **Target Fleet(s)** | *[Please use the list below to select one or more target fleet sectors.]*  Target Fleet:  Secondary Target Fleet, as appropriate:  Other Target Fleet, as appropriate: |

|  |  |  |
| --- | --- | --- |
| **Sectors** | **Target Fleets** | **Target Fleets (continued)** |
| Agriculture | Aerial Lift | Off-Highway Tractor |
| Airport | Agricultural Mower | Off-Highway Truck |
| Construction | Agricultural Tractor | Other Agricultural Equipment |
| Freight (non-port goods movement) | Airport Support Equipment | Other Construction Equipment |
| Industrial (non-port material handling, other) | Backhoe Loader | Other General Industrial Equipment |
| Mining | Baler/Combine/Swather | Other Material Handling Equipment |
| Municipal (emergency, utility) | Bore/Drill Rig | Passenger Locomotive |
| Port | Cement & Mortar Mixer | Paving/Surfacing Equipment |
| Railyard | Concrete/Industrial Saw | Plate Compactor |
| School Bus | Container Handling Equipment | Railcar Mover |
| Stationary | Crane | Refuse Hauler |
| Transit (non-port) | Crawler Dozer/Loader | Rough Terrain Forklift |
|  | Crushing/Proc. Equipment | Rubber Tire Dozer/Loader |
|  | Dumpsters/Tender | School Bus |
|  | Excavator | Short Haul – Combination |
|  | Forklift | Short Haul – Single Unit |
|  | Gantry Crane | Signal Board |
|  | Line Haul Locomotive | Skid Steer Loader |
|  | Line Haul Locomotive as Switch | Stationary Air Compressor |
|  | Logging Equip Fell/Bunch/Skidder | Stationary Gas Compressor |
|  | Long Haul – Combination | Stationary Generator |
|  | Long Haul – Single Unit | Stationary Irrigation Set |
|  | Marine – Auxiliary | Stationary Pump |
|  | Marine – Propulsion | Stationary Welder |
|  | Mining Equipment | Sweeper/Scrubber |
|  | Mobile Air Compressor | Switch Locomotive |
|  | Mobile Gas Compressor | Tamper/Rammer |
|  | Mobile Generator | Terminal Tractor |
|  | Mobile Irrigation Set | Transit Bus |
|  | Mobile Pump | Transport Refrigeration Unit |
|  | Mobile Welder | Trencher |

1. **Workplan**

Applicants must ensure that the workplan addresses the evaluation criteria in Section V.A. of this announcement. It is suggested to use the section numbers and headings and subsection numbers and headings below which correspond with the evaluation criteria in Section V.A. of the NOFO.

**Section 1- Project Summary and Approach (20 total possible points from Section V.A. of the NOFO)**

1. **Overall Project** (10 possible points)

Provide a project summary. This section should include details about how the activities will meet the goals and objectives of the program (Section I.B. of the NOFO) and demonstrate that all activities meet the program eligibility criteria (Sections II. and III. Of the NOFO.) Applicants should include:

* + A discussion of how the project meets the program goals and objectives.
  + A summary of the vehicles, engines and/or equipment targeted for emissions reductions and their eligibility under Section III.D. of the NOFO, including but not limited to ownership, usage, and remaining life requirements.
  + A discussion of how the applicant has considered the available/eligible technology options for the target fleet and has arrived at the chosen diesel emissions reduction solution(s).
  + A summary of all verified and/or certified technologies to be funded by the applicant.
  + Applications which include engine replacements and vehicle/equipment replacements should include the applicant’s plans for engine/vehicle/equipment scrappage.
  + Applicants proposing nonroad, locomotive, or marine replacements should commit to using Tier 4 vehicles, equipment, or engines if Tier 4 vehicles, equipment, or engines with the appropriate physical and performance characteristics are available, as described in Section III.D.2.b. Applicants anticipating the use of lower tiered vehicles, equipment, or engines should discuss their rationale for proposing lower tiered replacements and will be required to submit a Best Achievable Technology analysis if selected for funding.
  + Applications which include locomotives and/or marine engines and/or stationary engines should include a clear and concise justification for why/how the proposed emissions reductions are not subject to the Restriction for Mandated Measures under this NOFO, as described in Section III.D.2.d.x. and Appendix D.

Applications should only include information in criteria 1.a. that will not be detailed by another section of the workplan.

**b. Project Approach** (10 possible points)

Provide a detailed description of the proposed activities to be undertaken. Include details of every activity for which the applicant is seeking funding. Applicants should include:

* + A discussion of the roles and responsibilities of the Applicant organization and any other project partners, including subrecipients, beneficiaries, and/or contractors. Applicants should discuss whether they will directly implement the project or fund project partners through subawards or participant support costs as described in Appendix A.
  + Applicants should discuss whom or what entities or organization(s) will retain ownership of any vehicles, engines and/or equipment purchased with funding from this project.

**Section 2 – Goods Movement (5 total possible points from Section V.A. of the NOFO)**

This section of the workplan should include a detailed discussion of the project location in terms of vocational use of the vehicles/engines/equipment targeted for diesel emissions reductions. Specifically, applicants should demonstrate if the target fleets are located at, or service, goods movement facilities as defined below. Applicants should include the name of the specific port, airport, rail yard, terminal, or distribution center where the affected vehicles operate, as applicable. Points will be based upon the percentage of time targeted vehicles operate in, and/or the percentage of total targeted vehicles that operate in, goods movement facilities.

* + - * + Ports – places alongside navigable water with facilities for the loading and unloading of passengers and/or cargo from ships, ferries, and other vessels
        + Airports – places where aircraft operate that have paved runways and terminals which include cargo, baggage and/or passenger-movement operations
        + Rail Yards – a system of tracks other than main tracks and sidings used for making up trains, for storing cars, and for other purposes
        + Terminals – freight and passenger stations at the end of carrier lines, or that serve as junctions at any point with other lines, that have facilities for the handling of freight and/or passengers
        + Distribution Centers – facilities that perform consolidation, warehousing, packaging, decomposition, and other functions linked with handling freight, often in proximity to major transport routes or terminals, and which generate large amounts of truck traffic

**Section 3. Environmental Justice and Disadvantaged Communities** **(10 total possible points from Section V.A. of the NOFO)**

This section of the workplan should include a detailed discussion of the geographic project location and how the proposed project will benefit the affected communities. Applicants should describe the local environmental/public health impacts that the project seeks to address and describe how affected communities will benefit from the desired project results. Specifically, applicants should demonstrate if the target fleets are located in or operate in disadvantaged communities as defined below. Applicants should include the name of the counties where the affected vehicles operate. Points will be based upon the percentage of time targeted vehicles operate in, and/or the percentage of total targeted vehicles that operate in, disadvantaged communities.

Environmental justice (EJ) is the just treatment and meaningful involvement of all people regardless of race, color, national origin, income, Tribal Affiliation, or disability, in agency decision-making and other Federal activities that affect human health and the environment. Fair treatment means no group of people should bear a disproportionate share of the negative environmental consequences resulting from industrial, governmental and commercial operations or policies. Meaningful involvement means people have an opportunity to participate in decisions about activities that may affect their environment and/or health; the public’s contribution can influence the regulatory agency’s decision; community concerns will be considered in the decision-making process; and decision makers will seek out and facilitate the involvement of those potentially affected.

The DERA statute enables the program to prioritize projects that serve poor air quality areas (including nonattainment or maintenance areas and areas with air toxic air pollutant concerns), and those that use a community-based multistakeholder collaborative process to reduce toxic emissions. This allows the program to target communities with environmental justice concerns, that is, communities adversely and disproportionately affected by environmental, climate change, and human health harms or risks. Additionally, DERA has been identified as part of the Justice40 Initiative, which creates a goal that 40 percent of applicable federal benefits flow to disadvantaged communities.[[1]](#footnote-1)

* + 1. **Disadvantaged Communities:** For the purposes of this NOFO, “disadvantaged communities” are defined as meeting the following criteria.

**Nonattainment or Maintenance Area** (5 possible points): These counties are identified as priority project locations for the DERA program because they are designated, as of the release date of this NOFO, as nonattainment areas or maintenance areas for the following National Ambient Air Quality Standards. Data is sourced from the EPA’s [Green Book of Nonattainment Areas for Criteria Pollutants](https://www.epa.gov/green-book)).

PM2.5 1997 Standard (Annual: 15 μg/m3, 24-hour: 65 μg/m3)

PM2.5 2006 Standard (Annual: 15 μg/m3, 24-hour: 35 μg/m3)

PM2.5 2012 Standard (Annual: 12 μg/m3, 24-hour: 35 μg/m3)

Ozone (O3) 2008 Standard (8-hour: 0.075ppm)

Ozone (O3) 2015 Standard (8-hour: 0.070ppm)

The term “project location” refers to the area(s) where the affected vehicles or engines equipment operate. A list of priority areas that have been designated as disadvantaged communities for the purposes of this NOFO can be found on the [DERA Tribal and Territory Grants](http://www.epa.gov/dera/tribal-and-territory) website.

* + 1. **Community Engagement** (5 possible points**)**: The applicant should include details which demonstrate engagement with the affected communities and/or populations, especially local residents, to ensure their meaningful participation with respect to the design, planning, and performance of the project. Meaningful involvement means people have an opportunity to participate in decisions about activities that may affect their environment and/or health; the public’s contribution can influence the regulatory agency’s decision; community concerns will be considered in the decision-making process; and decision makers will seek out and facilitate the involvement of those potentially affected.

**Section 4 – Project Sustainability (5 total possible points from Section V.A. of the NOFO)**

This section of the workplan should include a detailed discussion of the applicant’s and/or project partner’s ability to promote and continue efforts to reduce emissions after EPA funding for this project has ended. Specifically, applications will be evaluated on whether the applicant and/or its project partners have existing policies or new commitments to, by the end of the project period, adopt idle-reduction policies, adopt contract specifications requiring the use of cleaner, more efficient vehicles and equipment, complete an up-to-date mobile source equipment inventory, or adopt other strategies to promote and continue efforts to reduce diesel emissions.

**Section 5 – Climate Change Adaptation (5 total possible points from Section V.A. of the NOFO)**

Applicants should provide details which demonstrate the ability to protect grant funded investments from severe weather events. The EPA will evaluate applications based on the quality and extent to which the project assesses and implements adaptation considerations described below to help ensure that the project achieves its expected outcomes even as the climate changes.

Adapting to climate change involves actions by individuals, businesses, governments, and others to build resilience and reduce vulnerability of human and natural systems to unavoidable climate impacts. Adaptation also reduces the long-term costs of responding to these impacts. Projects can demonstrate consideration of climate change adaptation through measures taken to anticipate, prepare for, and avoid adverse impacts of climate change. For example, assessing project vulnerability to climate impacts can be incorporated into project planning, such as siting decisions and operational plans. Measures taken to avoid damages could include ensuring fleets and equipment are protected from impacts such as flooding and sea level rise and protecting infrastructure from storm damage. The EPA will evaluate applications based on the quality and extent to which the project assesses and implements adaptation considerations described above to help ensure that the project achieves its expected outcomes even as the climate changes.

**Section 6 – Workforce Development (5 total possible points from Section V.A. of the NOFO)**

Under this criterion, the EPA will evaluate applicants based on the extent to which the application has demonstrated a plan to prepare the workforce for the project, such as conducting robust workforce planning to ensure current drivers, mechanics, electricians, and other essential personnel receive training to safely operate and maintain the new vehicles, engines, and equipment, as well as clarifying protections to ensure existing workers are not replaced or displaced because of new technologies.

**Section 7 – Environmental Results—Outcomes, Outputs and Performance Measures (30 total possible points from Section V.A. of the NOFO)**

1. **Emissions Reductions** (10 possible points)

Applicants should include the estimated annual and lifetime reductions in diesel emissions resulting from the project. Applicants should follow the instructions in Appendix C and should include a copy of their DEQ inputs and results (or alternative methods such as the EPA’s TRU or shore power calculators) as an attachment.

1. **Cost-Effectiveness** (5 possible points)

Applicants should include the lifetime total project cost effectiveness for PM2.5 and NOx, and the lifetime capital cost effectiveness for PM2.5 and NOx. Applicants should follow the instructions in Appendix C to calculate the cost effectiveness for PM2.5 and NOx reductions.

1. **Other Expected Project Outputs and Outcomes** (5 possible points)

Applicants should identify other expected quantitative and qualitative project outputs and outcomes, including those identified in Section I.C. of the NOFO. 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 above, the applicant is encouraged to include a table such as the following:

**Example of Outputs and Outcome Table**

|  |  |  |
| --- | --- | --- |
| Activities | Outputs | Outcomes |
| Fleet A | # of vehicles replaced or technologies installed | Annual Reduction = tons PM2.5 |
| Lifetime Reduction = tons PM2.5 |
| Annual Reduction = tons NOx |
| Lifetime Reduction = tons NOx |
| Lifetime Capital Cost Effectiveness = $/ton |
| Fleet B | # of vehicles replaced or technologies installed | Annual Reduction = tons PM2.5 |
| Lifetime Reduction = tons PM2.5 |
| Annual Reduction = tons NOx |
| Lifetime Reduction = tons NOx |
| Lifetime Capital Cost Effectiveness = $/ton |
| TOTALS |  | Total Annual Emissions Reduction = tons PM2.5 |
| Total Lifetime Emissions Reduction = tons PM2.5 |
| Total Annual Emissions Reduction = tons NOx |
| Total Lifetime Emissions Reduction = tons NOx |
| Total Lifetime Capital Cost Effectiveness = $/ton |
| Total Lifetime Project Cost Effectiveness = $/ton |

1. **Performance Measures and Plan** (5 possible points)

Applicants should describe the proposed performance measures, which will be the mechanism to track, measure, and report progress towards achieving the expected outputs and outcomes. Applicants should describe their plan for tracking and measuring progress toward achieving the expected project outputs and outcomes and how the results of the project will be evaluated, as described in Section I.C. of the NOFO.

The applicant should also develop performance measures they expect to achieve through the proposed activities and describe them in their application. These performance measures will help gather insights and will be the mechanism to track progress concerning successful processes and output and outcome strategies and will provide the basis for developing lessons to inform future recipients. It is expected that the description of performance measures will directly relate to the project outcomes and outputs (see Section I.C.). The description of the performance measures will directly relate to the project’s outcomes and outputs, including but not limited to:

* + - Overseeing subrecipients, and/or contractors and vendors;
    - Tracking and reporting project progress on expenditures and purchases; and
    - Tracking, measuring, and reporting accomplishments and proposed timelines/milestones.

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

* + - * What are the measurable short term and longer 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?
      * What are the expected county level locations of the outputs and outcomes?

1. **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 grants administration, including progress reports and final report preparation, into the project timeline.

**Section 8 – Programmatic Capability and Past Performance (15 total possible points from Section V.A. of the NOFO)**

**a. Past Performance** (5 possible points)

Submit a list of up to five federally funded or non-federally funded assistance agreements that the applicant is performing or has performed within the last three years. Assistance agreements include grants or cooperative agreements but not contracts. These assistance agreements should be awards directly to the applicant. For each of the agreements, include:

* Project title
* Assistance agreement number, if applicable
* Federal funding agency and assistance listing number (formally known as the Catalog of Federal Domestic Assistance (CFDA) number), if applicable
* Brief description of the agreement – no more than two sentences

Include a discussion of whether, and if so how, the applicant was able to successfully complete and manage the listed agreements.

Note: In evaluating applicants under the past performance factors in Section V.A., Criterion 8 of the NOFO, the EPA will consider the information provided by the applicant and may also consider relevant information from other sources, including information from the EPA’s files and from current/prior grantors (e.g., to verify and/or supplement the information provided by the applicant). If you do not have any relevant or available past performance or past reporting information, please indicate this in the application and you will receive a neutral score for these factors, which is half of the total points available for these sub-criteria in Section V.A. of the NOFO. If the applicant does not provide any response for these items, a score of 0 for these factors may be received.

**b. Reporting Requirements** (5 possible points)

For each of the assistance agreements listed, the applicant should describe their history of meeting the reporting requirements under the agreement(s). This should include:

* Whether the applicant submitted acceptable final reports under those agreements;
* The extent to which the applicant adequately and timely reported on its progress towards achieving the expected outputs and outcomes under those agreements; and
* If progress was not being made, whether the applicant adequately reported why not.

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

Include information on the applicant’s organization, including a description of the staff’s knowledge, expertise, qualifications, and resources and/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 can be included as an optional project team biography attachment, as listed in Section IV.B. of the NOFO.

**Section 9 – Budget (15 total possible points from Section V.A. of the NOFO)**

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/cooperative agreement 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](https://www.epa.gov/grants/rain-2019-g02).”

**Voluntary Cost Sharing:** Applicants should be aware that voluntary cost sharing is not required under this NOFO and will not be evaluated. However, applicants may propose to provide voluntary cost share.

Applicants who propose to use a voluntary cost share mustinclude the costs or contributions for the voluntary cost share in the project budget on the SF-424, SF-424A, and budget detail described later in this section. **If a proposed cost share is to be provided by a named project partner, a letter of commitment must be attached to the application as described in Section III.B. and Section IV.B. of the NOFO**. The budget detail described under this section must clearly specify the amount of federal funding and the cost share amount for each category of total project costs. 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 sharing does not materialize during grant performance, the EPA may reconsider the legitimacy of the award and/or take other appropriate action authorized under 2 CFR Part 200.

* 1. **Budget Detail** (5 possible points)

Whether the proposed budget provides a detailed breakout by funding type included in the proper budget category for each activity requesting funds. Applicants should consult the [EPA’s Interim General Budget Development Guidance for Applicants and Recipients of EPA Financial Assistance](https://www.epa.gov/sites/default/files/2019-05/documents/applicant-budget-development-guidance.pdf).

Applicants should provide a detailed breakout by funding type included in the proper budget category for each activity requesting funds. Applicants should use the instructions, budget object class descriptions, and example table below to complete the detailed budget section of the project narrative. The budget detail and the budget table should be included in the project narrative and count towards the maximum 14-page limit. Applicants should include applicable rows of costs for each budget category in their budget table to accurately reflect the proposed project budget. Applicants must itemize costs related to personnel, fringe benefits, travel, equipment, installation or labor supplies, contractual costs, other direct costs (i.e., subawards, participant support costs), indirect costs, and total costs. If providing a voluntary cost share, the budget detail must clearly specify the amount of federal funding and the cost share amount for each category. For applicants proposing to implement a participant support cost or rebate program, the rebates are appropriately listed under the Other budget category as “Participant Support Costs.” See [Appendix A](#_APPENDIX_A_–) for more information on participant support costs and [RAIN-2018-G05, “EPA Guidance on Participant Support Costs.”](https://www.epa.gov/grants/rain-2018-g05)

* **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 the 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 §200.1, “Equipment.” 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. The [EPA’s Subaward Policy and Supplemental Frequent Questions](https://www.epa.gov/grants/grants-policy-issuance-gpi-16-01-epa-subaward-policy-epa-assistance-agreement-recipients) has detailed guidance available for differentiating between contractors and subrecipients. Leased or rented goods (equipment or supplies) should be included in the “Other” category. The 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-competed/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 the [EPA’s 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) for the EPA’s policies on competitive procurements and encouraging the use of small and disadvantaged business enterprises.
* **Other – List each item in sufficient detail for the 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, “EPA Guidance on Participant Support Costs.”](https://www.epa.gov/grants/rain-2018-g05)

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 A 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 the [EPA’s Subaward Policy and supplemental Frequent Questions](https://www.epa.gov/grants/grants-policy-issuance-gpi-16-01-epa-subaward-policy-epa-assistance-agreement-recipients) 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. 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.”](https://www.epa.gov/grants/rain-2018-g02)

**Example Budget Table (Required, part of the 14-page limit)**

|  |  |  |  |
| --- | --- | --- | --- |
| Line Item and Itemized Cost | EPA Funding | Voluntary Cost Share | Total Project Cost |
| (1) Project Staff @ $30/hr x 10 hrs/wk x 40 wks |  | $12,000 |  |
| TOTAL PERSONNEL | $0 | $12,000 | $ 12,000 |
| 20% of Salary and Wages |  |  |  |
| - Leave, Insurance, Pensions, Unemployment |  | $2,400 |  |
| TOTAL FRINGE BENEFITS | $0 | $2,400 | $2,400 |
| Mileage for Staff: 200 mi/mo @ $.17/mi x 12 mo | $408 |  |  |
| TOTAL TRAVEL | $408 | $0 | $408 |
| 2 DOCs + CCV@ $5000 per unit | $10,000 |  |  |
| 2 DPFs with installation kit @ $6,000 per unit | $12,000 |  |  |
| 1 New Vehicle @ $100,000 per unit | $100,000 |  |  |
| 1 Electric School Bus @ $200,000 per unit | $200,000 |  |  |
| TOTAL EQUIPMENT | $322,000 | $0 | $322,000 |
| 10 Replacement CCV filters @ $10 per unit | $100 |  |  |
| TOTAL SUPPLIES | $100 | $0 | $100 |
| Retrofit Installation Contract | $10,000 |  |  |
| TOTAL CONTRACTUAL | $10,000 | $0 | $10,000 |
| Subgrant to School District for 2 Buses @ $100,000 per unit % plus $10,000 in personnel/admin costs | $200,000 |  |  |
| $10,000 |  |  |
| Participant Support Costs for 2 Rebates for School Bus Replacement ($100,000 per bus) | $200,000 |  |  |
| TOTAL OTHER | $410,000 | $0 | $410,000 |
| Federal Negotiated Indirect Cost Rate = 10%  (Indirect Rate x Personnel = Indirect Costs) | $1,200 |  |  |
| TOTAL INDIRECT | $1,200 | $0 | $1,200 |
| TOTAL FUNDING | $743,708 | $14,400 | $758,108 |
|  | EPA Funding1 | Voluntary Cost Share2 | Total Project Cost3 |

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

2 Voluntary Cost Share funds be included on the SF-424 in Section 18.b-e and on the SF424A in: Cell 5(f) under Section A – Budget Summary; Columns (2), (3) and/or (4) under Section B – Budget Categories; and Section C – Non-Federal Resources.

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

**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 the EPA. The term “management fees or similar charges” refers to expenses added to the direct costs in order to accumulate and reserve funds for ongoing business expenses, unforeseen liabilities, or for other similar costs that are not allowable under EPA’s 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 workplan**.**

**b. Expenditure of Awarded Funds** (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.

**c. Reasonableness of Costs** (5 possible points)

The 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 for each work component or task. Provide a detailed description of every itemized cost, including how every cost relates to the project narrative and specific emission reduction activities. Instructions for what to include in the Budget Detail are described in Section 9.a. above.

Applicants must itemize the cost categories as listed below and the SF-424A form: personnel, fringe benefits, contractual costs, travel, equipment, supplies, contractional 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 as described in Section III.B. of the NOFO, the budget narrative should include a detailed description of how the applicant will obtain the cost share and how the cost share funding will be used. Proposed voluntary cost share included in the budget detail must also be included on the SF-424 and SF-424A.

Recipients may issue subawards, contracts, or participant support costs to implement projects. Please refer to Appendix Afor detailed guidance on these funding options and how to correctly categorize these costs in the workplan budget.

**Other Attachments:**

* **Applicant Fleet Description - Use DERA Supplemental Application Template - EPA Form Number 5900-681- (As listed in Section V.A. of the NOFO):** (Required, does NOT count towards the 14-page limit): Applicants must complete and submit the DERA Supplemental Application Template (EPA Form Number 5900-681) containing the applicant fleet description data using the *Other Attachment* form in Grants.gov. The purpose of the applicant fleet description is to describe in detail the specific vehicles and engines targeted for emissions reductions as well as the diesel emissions reduction solution(s) to be implemented under the proposed project. Information provided in the applicant fleet description will be used to help determine project eligibility based on the criteria in Section III.D., and for evaluation purposes as described below. **Applicants are required to use the DERA Supplemental Application Template that includes data on the applicant fleet description found** on the [DERA Tribal and Territory Grants](http://www.epa.gov/dera/tribal-and-territory) website.

Applicants must describe, to the extent possible, the fleet(s) targeted for the proposed project, including: fleet owner; publicly or privately owned; place of performance; sector; target fleet type; on highway weight class; on highway description (delivery, drayage, emergency, shuttle bus, or utility vehicle); quantity; vehicle identification number(s); vehicle make; vehicle model; vehicle model year; engine serial number(s); engine make; engine model; engine model year; engine tier; engine horsepower; cylinder displacement; number of cylinders; engine family name; engine fuel type; annual amount of fuel used; annual usage hours; annual miles traveled; annual idling hours; annual hoteling hours; and remaining life. Applicants must describe, to the extent possible, the diesel emissions reduction solution(s) applied to each targeted vehicle/engine, including: year of upgrade action; upgrade; upgrade cost per unit; upgrade labor cost per unit; new engine model year; new engine tier; new engine horsepower; new engine duty cycle; new engine cylinder displacement; new engine number of cylinders; new engine family name; annual idling hours reduced; annual hoteling hours reduced; and annual diesel gallons reduced. This information should be presented in a table format.

Applicants will be scored under Section V.A., Criterion 10., Applicant Fleet Description, on the degree to which detailed information is provided within the applicant fleet description. The information provided within the applicant fleet description should be used to estimate the anticipated emissions reductions from the project and should be consistent with the information presented in the project narrative (see Appendix C for additional information on calculating emissions reductions).

* **Emissions Reduction Calculations** (Required, does NOT count towards the 14-page limit): Applicants must use the *Other Attachment* form in Grants.gov to upload calculations. Applicants should follow the instructions in Appendix C of this announcement for calculating emissions reductions. Applicants must include a copy of their Diesel Emissions Quantifier (DEQ) results spreadsheet showing DEQ results and inputs as an attachment to their application. If alternative methods are used, such as the [EPA TRU calculator](https://www.epa.gov/verified-diesel-tech/refrigerated-trailers-and-transport-refrigeration-units-trus) or the [EPA Shore Power calculator](https://www.epa.gov/ports-initiative/shore-power-technology-assessment-us-ports), applicants must thoroughly describe and document their emissions reduction calculation methods in an attachment to the project narrative.
* **Partnership Letters** (If applicable, does NOT count towards the 14-page limit): Applicants must use the *Other Attachment* form in Grants.gov to upload letters. **If the proposed cost share is to be provided by a named project partner, a letter of commitment is required.** If applicable, additional 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, 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 the EPA.
* **Mandated Measures Justification Supporting Information** (If applicable, does NOT count towards the 14-page limit): Applicants must use the *Other Attachment* form in Grants.gov to upload calculations. If applicable, the application must include a clear and concise justification in “Section 1- Project Summary and Approach” of the project narrative, for why/how the emissions reductions proposed for funding are not subject to the Restriction for Mandated Measures under this NOFO. Applicants must provide sufficient detail and information to support the justification, including maintenance schedules and history, if applicable. Please see Section III.D.2.d.x. and Appendix D for more information.

1. *Tackling the Climate Crisis at Home and Abroad*, 86 Fed. Reg., 7619 (Feb. 1, 2021). [↑](#footnote-ref-1)