

FY08 STATE CLEAN DIESEL GRANT PROGRAM



WORK PLAN NARRATIVE AND BUDGET NARRATIVE TEMPLATE

INSTRUCTIONS: The following template provides States with guidance on the information that should be included in the work plan and budget narrative submitted for the State Clean Diesel Grant program. You may use any format you choose, however, please include information requested in the categories indicated below.

SUMMARY PAGE

Project Title

Project Manager and Contact Information

Organization name	
Project manager	
Address	
Phone	
Fax	
Email	

Project Budget

	Year 1	Year 2
EPA base allocation	\$	
State match (if applicable)	\$	
EPA match incentive (if applicable)	\$	
Additional leveraged resources	\$	
TOTAL Project	\$	

Project Period

All work plans for the State Clean Diesel Grant Program will run from October 2008 – September 2010. States should develop and submit a 2 year work plan and budget but should distinguish activities and funds by year 1 and year 2 within the budget narrative. For purposes of the work plan and budget, States can assume the same funding levels for year 2 as in year 1 although funding for year 2 may change and will be addressed through a Federal Register Notice for FY09 funding.

Summary Statement

Insert a brief paragraph summarizing the proposed project.

SCOPE OF WORK

Project Description

This section should include a 2-3 page description of the State's plan to develop and implement grants and/or innovative financing programs that are appropriate to meet State needs and goals relating to the reduction of diesel emissions including a description of the tasks and activities that will be conducted to accomplish this goal.

Where applicable, States should include information regarding particular types of fleets, sectors or technologies (i.e., certified engine configurations, verified technologies or emerging technologies) that the State program aims to target and by what means the project will achieve a significant reduction in diesel emissions.

Where applicable, States should describe the air quality within the State or particular areas prioritized by the State including quantity of air pollution produced by the diesel fleet in the State and the primary sectors (e.g., highway, marine vessels, construction equipment) that make up the State's diesel fleet (both public and private).

States should provide a time-line or schedule of expected target dates, milestones, and completion dates to achieve specific tasks and accomplishments during the budget and project period.

For States submitting proposals to establish an innovative financing program, the work plan should include a description of the concept and the main innovative finance product(s) offered to borrowers.

Program Priorities

Discuss in 1-2 pages how the State Program will ensure that the programmatic priorities listed below as outlined in the Energy Policy Act of 2005, Subtitle G will be met:

1. Maximize public health benefits;
2. Are the most cost-effective;
3. Are in areas with high population density, that are poor air quality areas (including nonattainment or maintenance of national ambient air quality standards for a criteria pollutant; Federal Class I areas; or areas with toxic air pollutant concerns);
4. Are in areas that receive a disproportionate quantity of air pollution from diesel fleets, including truck stops, ports, rail yards, terminals, and distribution centers or that use a community-based multi-stakeholder collaborative process to reduce toxic emissions;
5. Include a certified engine configuration or verified technology that has a long expected useful life;
6. Maximize the useful life of any certified engine configuration or verified technology used or funded by the eligible entity;
7. Conserve diesel fuel; and
8. Utilize ultra low sulfur diesel fuel (15 parts per million of sulfur content) ahead of EPA's mandate (for nonroad projects).

EPA's Strategic Plan Linkage and Anticipated Outcomes/Outputs

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 recipients adequately describe environmental outputs and environmental outcomes to be achieved under assistance agreements (see EPA Order 5700.7, Environmental Results under Assistance Agreements, <http://www.epa.gov/oqd/grants/award/5700.7.pdf>).

1. Linkage to EPA Strategic Plan

All proposals must support Goal 1 of EPA's 2006-2011 Strategic Plan, Clean Air and Global Climate Change; Objective 1.1: Healthier Outdoor Air, which states, "Through 2011...[EPA will]...protect human health and the environment by attaining and maintaining health-based air-quality standards and reducing the risk from toxic air pollutants." <http://www.epa.gov/cfo/plan/plan.htm>. Projects funded under this program must reduce emissions from diesel fleets, thereby reducing local and regional air pollution. In 1-2 paragraphs, States should describe how the project meets these goals.

2. Outputs

The term "output" means an environmental activity, effort and/or associated products related to an environmental goal and objective that will be produced or provided over a period of time or by a specified date. Outputs may be quantitative or qualitative but must be measurable during an assistance agreement funding period. In 2-3 paragraphs, States must include a description of how they will track and measure progress towards the environmental goal throughout the assistance agreement period.

- a. Expected **outputs** from the projects to be funded under this program may include but are not limited to the following: number of retrofitted engines/vehicles/equipment, annual pounds or tons of fine particulate matter (PM_{2.5}), nitrogen oxides (NO_x), greenhouse gases (GHG) and/or volatile organic compound (VOCs) reduced, cost effectiveness of project (in \$/ton or \$/lb), and health benefits achieved (health benefits may be measured by numbers of illnesses, health care costs, or missed work/school days avoided).
 - i. If you are submitting a grant to establish an innovative finance project, an expected output may include the following: number and amount of innovative financing loans awarded.
- b. To estimate some of the anticipated outputs of your proposal, (e.g. pollution reduced), EPA encourages States to use the Diesel Emissions Quantifier found at <http://cfpub.epa.gov/quantifier/view/index.cfm>.
- c. Another tool is the National Mobile Inventory Model (<http://www.epa.gov/otaq/nmim.htm>). This tool must be used for State Implementation Plan calculations. For technical assistance regarding this tool, please email mobile@epa.gov.

- d. If you are unable to use these models, please describe your methodology for estimating or determining outputs in detail. Emission reduction estimates and measurements for a verified technology should be based on demonstrated emissions reductions and emission factors listed on EPA or CARB's verified technology list. Pre-retrofit and post-retrofit emissions testing and/or monitoring are not an eligible use of EPA funds under this assistance agreement program.

3. Outcomes

The term "outcome" means the result, effect or consequence that will occur from carrying out an environmental program or activity that is related to an environmental or programmatic goal or objective. Outcomes may be environmental, behavioral, health-related or programmatic in nature, but must be quantitative. They may not necessarily be achievable within an assistance agreement funding period. In 2-3 paragraphs, States must include a description of project outcomes resulting from the project outputs.

Expected **outcomes** from projects funded under this program may include but are not limited to the following:

- **Short-term outcomes** such as increased understanding of the environmental or economic effectiveness of the implemented technology; dissemination of the increased knowledge via listserves, websites, journals, and outreach events.
- **Medium-term outcomes** such as widespread adoption of the implemented technology; documented emissions reductions from these and other sources of diesel emissions in multiple states (emission reductions should be calculated using the Diesel Emissions Quantifier tool).
- **Long-term outcomes** such as reductions in the number of children with asthma or documented improved ambient air quality.

If you are submitting a grant to establish an innovative finance program, an expected outcome may include exploration and development of innovative finance concepts that result in lower interest rates or higher approval rates as a means to replace older vehicles or equipment with cleaner engines or equipment, or to retrofit existing engines or equipment with verified idle reduction technologies or emission control devices.

Project Partners

As applicable, provide a 1-2 paragraph description of the project partners, their various roles and additional leveraged resources beyond any private or third-party match described in the budget narrative section.

Sustainability of State Program

In 2-3 paragraphs, describe the State's plan for sustaining this project beyond the assistance agreement period. In addition, describe the State's plan for publicizing and promoting the benefits of the activities within your State.

Quality Assurance and Quality Control

Describe whether the proposed project involves environmentally related measurements or data generations that would need quality assurance and quality control plans and procedures as pursuant to 40 CFR 31.45.

BUDGET NARRATIVE

Project Budget

States should provide a detailed itemized budget proposal (in addition to the Standard Form 424A) using the example below and justify the expenses for each of the categories being performed within the grant/project period within year 1 or year 2. Indicate what portion of the cost will be paid by the State's allocation from EPA (which would include the bonus match if applicable) and the State's matching portion if applicable.

For purposes of the work plan and budget, States can assume the same funding levels for year 2 as in year 1 although funding for year 2 may change and will be addressed through a Federal Register Notice for FY09 funding.

Budget Category	Year 1		Year 2	
	EPA Allocation	State Match (if applicable)	EPA Allocation	State Match (if applicable)
1. Personnel				
2. Fringe Benefits				
3. Travel				
4. Supplies				
5. Equipment				
6. Contractual				
7. Other				
Total Direct Charges				
8. Indirect Charges				
Grand Total				

Explanation of Budget Framework

States must demonstrate that no more than 15 percent of a State's total allocation from EPA is being used to cover administrative type costs as identified in OMB Circular A-87 Attachment B (e.g., personnel, benefits, travel, supplies) The 15 percent maximum does not include indirect cost rates or funds going directly to projects through grants and/or loans.

1. Personnel

Indicate salaries, percentage of time assigned to the project and total cost for budget period, by job title of all individuals who will be supplemented with these funds. For example:

Category	Year 1		Year 2	
	EPA	State	EPA	State
Fleet Manager @ \$600/wk x 12 weeks	\$7,200	\$0	\$0	\$7,200
Project Manager @ \$15/hr x 40 hrs/wk x 12 wks	\$0	\$7,200	\$0	\$7,200

2. Fringe Benefits

Fringe benefit costs are those costs for personnel employment other than the employees' direct income (i.e., employer's portion of FICA insurance, retirement,

sick leave, holiday pay, and vacation cost) that will be paid by the grantee. Provide the total cost of fringe benefits unless treated as part of an approved indirect cost rate. Provide break-down of amounts and percentages that comprised fringe benefit costs, such as health insurance, FICA, retirement insurance, etc. Indicate all mandated and voluntary benefits to be supplemented with these funds. For example:

Category	Year 1		Year 2	
	EPA	State	EPA	State
Health Insurance – 1 FTE @ \$35/mos x 12 mos	\$420	\$0	\$0	\$420
Dental – 1 FTE @ \$40/mo x 12 mos	\$480	\$0	\$0	\$480

3. Travel

Travel and per diem costs are those costs for travel and subsistence which are directly related to the grant. Identify the number of trips planned, the purpose of each trip, the destination for each trip, the number of travelers, and the estimated cost of each trip. For example:

Category	Year 1		Year 2	
	EPA	State	EPA	State
<i>Site visit</i>				
Local Travel Mileage – 1000 miles x \$0.36	\$0	\$360	\$0	\$360
<i>Meeting</i>				
Air Fare for 1 person to Chicago, IL	\$0	\$250	\$0	\$250
Per diem 2 days @ \$40/day for 1 person	\$80	\$0	\$80	\$0
Hotel for 1 night for 1 person	\$75	\$0	\$75	\$0

4. Supplies

Equipment (less than \$5,000), material, and supply costs are those costs directly related to the grant. Identify all supplies purchased and its cost. The budget detail should be as descriptive as possible. Categories of supplies to be procured; e.g., laboratory supplies or office supplies, are acceptable if items cannot be reasonably separated. Provide the individual and total cost of supplies. For example:

Category	Year 1		Year 2	
	EPA	State	EPA	State
50 pamphlets for community members @ \$2 each	\$100	\$0	\$0	\$100
Copying and postage costs	\$100	\$0	\$100	

5. Equipment

Equipment, material, and supply costs are those costs directly related to the grant. Identify each item of equipment 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. Provide a description of each item of equipment and its cost. No equipment may be purchased without the expressed approval of the EPA regional contact. If equipment purchased wholly or partially with assistance agreement funds is to be used on more than one project/program, acquisition costs or usage fees must be approved and allocated properly.

6. Contractual

Contractual services are those services directly related to the EPA program/project. Identify each proposed contract and specify its purpose, nature, period of performance and estimated cost. Do not include procurement contracts which are reflected in other object class categories such as equipment, supplies, etc. If funds allocated to this object class category include proposed expenditures not usually categorized as services to be procured at the market place, explanatory footnotes must be included. Provide the total cost for contracts. For example:

Category	Year 1		Year 2	
	EPA	State	EPA	State
Contractor assistance: host workshop on how to apply for State Clean Diesel Grants and/or Loans	\$2,000	\$0	\$1,000	\$1,000

Please describe your competitive bid process. Contracts must be competed for services and products. You must also conduct cost, price and value analyses to the extent required in 40 CFR Parts 30 or 31, as applicable, as well as any regulations covered by state or local procurement requirements. The regulations also contain limitations on consultant compensation. You are not required to identify contractors or consultants in your application. Moreover, if you have named a specific contractor or consultant in your application EPA approves, it does not relieve you of your obligations to comply with competitive procurement requirements as well as any regulations covered by state or local procurement requirements.

Sub-grants or sub-awards may be used to fund partnerships with non-profit organizations and governmental entities. Successful applicants cannot use sub-grants or sub-awards to avoid requirements in EPA grant regulations for competitive procurement by using these instruments to acquire commercial services or products to carry out its cooperative agreement. The nature of the transaction between the recipient and the sub-grantee must be consistent with the standards for distinguishing between vendor transactions and sub-recipient assistance under Subpart B Section 210 of OMB Circular A-133, and the definitions of “sub-award” at 40 CFR 30.2 (ff) or “sub-grant” at 40 CFR 31.3, as applicable.

7. Other

This category should include the funds going toward the actual State grants and/or loans to eligible entities. This category should constitute the main part of your budget. For example:

Category	EPA	State
Clean Diesel Grant Funding	\$166,600	\$0

8. Direct Charges

Provide total amount of direct costs (items 1-7 above).

9. Indirect Charges

Indirect costs result from allocation of a grouping of administrative costs which

are not easily identified as a direct cost. Provide the total amount of indirect costs. Include a copy of your current indirect cost agreement which reflects the approved rate.

Match Requirements

Under the State Clean Diesel Program, a match is not required. However, as an incentive, States are encouraged to match the entire Federal allocation dollar for dollar. States that choose to match the Federal allocation can use a combination of non-Federal grants or financial contributions over which the State has control from non-Federal third parties and/or through in-kind contributions that are applicable to the period to which the matching requirements apply. A matching requirement may not be met by costs borne by another Federal grant. Eligible categories for matching funds include State funds or private funds which can either be cash donations or in-kind contributions.

In 2-3 paragraphs or more, States must provide a detailed description of the source of funding for the State match portion if applicable and should include details on when the match will be available to States for use within this program and any other pertinent details explaining the use of State or non-Federal third party contributions.

If applicable, include letters of financial support that specifically indicate how supporting organizations will assist in the project.

SIGNATURES

This work plan and detailed budget narrative must be signed and dated by the Authorized Representative signing the SF-424 form.

If your organization has the capability to sign the application with a digital or electronic signature, this will be accepted.

APPENDIX

Resources

States may wish to consult the CFR and OMB circulars as referenced in the Federal Register Notice. Links to these references are:

40 CFR 31: <http://www.gpoaccess.gov/cfr/index.html>

OMB Circular A-87: <http://www.whitehouse.gov/omb/circulars/index.html>