

## **ENVIRONMENTAL PROTECTION AGENCY**

### **“Clean School Bus USA Assistance Agreements - Request for Applications”**

**AGENCY:** Environmental Protection Agency (EPA).

**ACTION:** Notice of Solicitation# OAR-CCD-03-07

**SUMMARY:** This notice announces the availability of funds and solicits applications for pilot demonstration projects designed to assist school districts in determining how best to implement activities that reduce pollution from school buses through the use of EPA verified or certified pollution reduction technology.

**DATES/DEADLINES:** To allow for efficient management of the competitive process, the Office of Transportation and Air Quality (OTAQ) is requesting eligible organizations submit an informal notice of “Intent to Apply” by July 14, 2003. Submission of an 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 proposals.

The deadline for submission of Final proposals is August 1, 2003. Applications submitted via U.S. Mail must be received by the deadline date.

**QUESTIONS/COMMENTS:** All questions or comments must be communicated in writing via regular U.S. mail, facsimile, or electronic mail to the contact person indicated in the section titled “For Further Information Contact” below. Responses will be posted on EPA’s Office of Air and Radiation Grants/Funding home page ([http://www.epa.gov/air/grants\\_funding.html](http://www.epa.gov/air/grants_funding.html)) on July 14, 2003.

**SUPPLEMENTARY INFORMATION:** The statutory authority for this action is Clean Air Act, Section 103(b)(3). The [Catalog of Federal Domestic Assistance](#) (CFDA) number is 66.034. Executive Order 12372, Intergovernmental Review of Federal Programs is applicable to awards resulting from this announcement (see Section VIII below).

**FOR FURTHER INFORMATION CONTACT:** Cheryl Hogan (Mail Code AAIO), US EPA National Vehicle and Fuel Emissions Laboratory, Certification and Compliance Division, 2000 Traverwood Drive, Ann Arbor, MI 48105. Phone (734)214-4780; Fax (734)214-4053; or email [hogan.cheryl@epa.gov](mailto:hogan.cheryl@epa.gov)

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### **I. Overview and Deadlines**

#### A. Overview

EPA is soliciting grant applications for pilot demonstration projects to assist school districts in their efforts to reduce pollution from diesel-powered school buses through the use of EPA verified or certified pollution reduction technology<sup>1</sup>. EPA recognizes that school districts may encounter a variety of obstacles as they work to implement successful projects to reduce pollution caused by school buses. Through this solicitation, EPA seeks to support efforts to compile information about ways to overcome any structural, organizational, or technical challenges that may arise in implementing a project to reduce pollution from school buses, including information regarding the effectiveness of verified or certified technology on a range of school bus engine types operating in a variety of conditions. The results of these case studies will be made available to other school districts who elect to pursue similar projects.

Diesel exhaust has health implications for everyone. Children are especially sensitive to air pollution because their respiratory systems are still developing and they have a faster breathing rate. More than 24 million children ride a bus to and from school everyday, spending roughly 3 billion hours on school buses each year. Statistics show that school buses are the safest way to transport children. We want to ensure that they are also the cleanest way to transport children. EPA's new Clean School Bus USA initiative has three primary goals: 1) reduce school bus idling; 2) retrofit existing buses with devices that reduce pollution, and 3) replace the oldest buses with new, cleaner buses. By documenting successful approaches to reducing pollution from school buses, EPA is providing an important tool for school districts across the country as they move to implement similar clean bus projects.

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<sup>1</sup> EPA's verification process evaluates retrofit technologies under a range of conditions and quantifies the percent reduction in emissions that the technology achieves. The verification process also identifies engine operating criteria and conditions that must exist for these technologies to achieve the certified reductions. A list of verified or certified technologies is available at: <http://www.epa.gov/otaq/retrofit/retroverifiedlist.htm>.

## B. Deadlines

In order to efficiently manage the selection process, OTAQ requests that an informal “Intent to Apply” be sent by July 14, 2003, to the contact person listed under the section labeled “For Further Information Contact.” Please provide name of the organization, point of contact, phone number, email address and project title.

An informal notice of “Intent to Apply” simply states in the form of email or fax that your organization intends to submit a proposal to be received by the deadline. Submitting an “Intent to Apply” does not commit an organization to submit a final proposal. The “Intent to Apply” is an optional submission; those not submitting an “Intent to Apply” may still apply by the deadline.

The deadline for receipt of completed final proposals (a narrative workplan, and one completed and signed federal grant application package, plus six copies of the complete submission) is August 1, 2003. Refer to *Section VII, Proposals* for detailed instructions on preparing and submitting proposals.

## II. Eligible Entities

Applications will be accepted from schools and school districts. Applications will also be accepted from certain organizations who propose to establish a subgrant program. The organization must indicate a process by which they will award subgrants for demonstration projects to individual schools or school districts. These organizations must be: schools; school districts; school transportation associations; other educational institutions; non-profit organizations, as defined by [OMB Circular A-122](#); or state, local, multi-state, or tribal governmental agencies. Applicants must demonstrate a commitment to undertake a cooperative effort with the purpose of demonstrating implementation strategies for reducing emissions from school buses through the use of EPA verified or certified pollution reduction technology.

## III. Background and Scope of Work

### A. Background

EPA is working aggressively to reduce pollution from new heavy-duty diesel trucks and buses, by requiring them to meet tougher and tougher emission standards in the future. The next set of these standards will take effect in 2004. An even more stringent set of standards will take effect in 2007. At that time, new heavy-duty vehicles will be up to 95 percent cleaner than today's vehicles. However, diesel engines are durable and long-lasting. It will take a long time for new vehicles to replace the heavy-duty trucks and buses currently on the road.

Clean School Bus USA is an outgrowth of EPA's Voluntary Diesel Retrofit Program<sup>2</sup>. By cleaning up school buses, we can help reduce children's exposure to diesel exhaust. There are about 440,000 school buses on the road today. Older technology buses produce as much as six times the pollution as a new school bus. About one-third of these buses were manufactured before 1990. These buses are the heaviest polluters and should be replaced. The remaining two-thirds of the school buses were manufactured between 1990 and 2002. These buses can be made much cleaner by retrofitting them with devices designed to reduce pollution.

## B. Scope of Work

The purpose of this solicitation is to fund projects that will demonstrate and document various ways to successfully implement projects that reduce pollution from school buses through the use of EPA verified or certified pollution reduction technology.

The program is designed to provide funds for school bus retrofit and replacement demonstration projects that will serve as case studies to provide guidance to other school districts seeking to implement similar projects. The workplan must describe the activities and approaches you plan to undertake, the methodology you will use to evaluate the project, and the way in which you will document and distribute the results of the demonstration.

Applicants are advised that retrofit and/or replacement technologies must be verified or certified technologies through EPA's Retrofit Program or another EPA certification program. Technologies for existing buses may include, but are not limited to, installation of pollution control hardware, engine upgrades, and/or ultra low sulfur diesel fuel (15 parts per million). Grant funds may only be applied to the cost differential between current diesel fuel and ultra low sulfur diesel or other fuel additives. Organizations also may seek funds for new school buses or engines that are EPA certified to run on compressed natural gas. A list of EPA verified or certified technologies is available at: <http://www.epa.gov/otaq/retrofit/retroverifiedlist.htm>.

Applicants may propose to establish a subgrant program. The organization must indicate a process by which they will award subgrants for demonstration projects to individual schools or school districts.

**All applicants must contribute a minimum of 5 percent of the total project cost. The cost-share may be provided in the form of cash or an "in-kind" contribution.** An in-kind contribution is the reasonable value of property and services which benefit the project.

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<sup>2</sup> To address vehicles currently on the road EPA launched the Voluntary Diesel Retrofit Program in 2000 (see <http://www.epa.gov/otaq/retrofit>). Through the use of innovative technology this program is helping to bring the current diesel fleet closer to the emissions standards that will be required for new engines in 2004 and 2007. About 150,000 vehicles and engines are in the retrofit program.

Matching funds must comply with 40 CFR 30.23 (for non-profit organizations) or 40 CFR 31.24 (for governmental agencies).

These cooperative agreements will be awarded under the authority of Section 103(a) of the Clean Air Act which authorizes the award of grants for research, investigations, experiments, demonstrations, surveys, and studies relating to the causes, effect, extent, prevention, and control of air pollution.

#### **IV. Funding Issues**

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

The estimated project period for awards resulting from this solicitation is November 2003 through November 2005.

B. How many agreements will EPA award in this competition?

EPA anticipates awarding up to 20 cooperative agreements, subject to availability of funds, and the quality of applications submitted. Applications evaluated, but not selected for this funding, may be retained for a period of one year to be considered in possible future awards.

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 this project will be:

1. close monitoring of the successful applicant(s) performance;
2. collaboration during the performance of the scope of work;
3. approving substantive terms of proposed contracts;
4. approving qualifications of key personnel;
5. review and comment on reports prepared under the assistance agreement.

EPA will not select employees or contractors employed by the recipient(s) and the final decision on the content of reports rests with the recipient(s).

C. What is the amount of funding available?

Cooperative agreements resulting from this announcement will be funded incrementally. Initial awards, in fiscal year 2003, will range up to \$1,000,000 per award. Additional funds may be added in subsequent years. The total funding for this project is estimated to be \$5,000,000 in fiscal year 2003.

D. Can funding be used to acquire services or fund partnerships?

Yes, provided you follow procurement and subaward or subgrant procedures contained in 40 CFR Parts 30 or 31, as applicable.

Successful applicants must compete contracts for services and products and conduct cost and price analyses to the extent required by these regulations. The regulations also contain limitations on consultant compensation. Applicants are not required to identify contractors or consultants in their proposal. Moreover, the fact that a successful applicant has named a specific contractor or consultant in the proposal EPA approves does not relieve it of its obligations to comply with competitive procurement requirements.

Subgrants or subawards may be used to fund partnerships with non profit organizations and governmental entities, or to provide financial assistance for retrofitting to commercial school bus fleet operators. Successful applicants cannot use subgrants or subawards to avoid requirements in EPA grant regulations for competitive procurement by using these instruments to acquire commercial services or products to carry out its cooperative agreement. The nature of the transaction between the recipient and the subgrantee must be consistent with the standards for distinguishing between vendor transactions and subrecipient assistance under Subpart B Section .210 of [OMB Circular A-133](#), and the definitions of “subaward” at 40 CFR 30.2(ff) or “subgrant” at 40 CFR 31.3, as applicable.

Please note that EPA will not be a party to these transactions.

**V. Selection Criteria**

A. Evaluation Factors

Each eligible application will be evaluated according to the criteria set forth below. Applications which are best able to directly and explicitly address these criteria 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.

<b>Criterion</b>	<b>Maximum Points per Criterion</b>
<b>Implementation Plan:</b> Describe, in detail, the plan for implementing the project including a timeline for each phase of the project. Indicate how you will acquire and install the equipment and include a list of potential partners. Describe the type of retrofit technology or technologies and the type of fuel (provide a plan for acquiring fuel if is non-traditional fuel).	25

<p><b>Policy Support:</b> Demonstrate a commitment (or existing effort) to implement policies that support retrofit projects by reducing pollution in other ways (i.e. anti-idling policies for school buses, indoor air quality improvements such as <i>Tools for Schools</i>, energy efficiency measures, or other pollution reduction/education programs).</p>	25
<p><b>Sustainability:</b> Provide information about how you will train skilled staff, identify effective implementation strategies that can be replicated, and measure and share results. This information will be helpful to educate other communities about how to pursue similar projects. If appropriate, provide information about any existing school bus retrofit projects including the number and type of vehicles, type of technology, funding level, partners involved, and challenges overcome.</p>	20
<p><b>Financial Participation:</b> Describe your contribution. Although applicants must provide a minimum of 5 percent of the total cost of the project (can be cash or in-kind resources), applicants who provide a more significant financial contribution will receive extra points. Matching funds must comply with 40 CFR 30.23 (for non-profit organizations) or 40 CFR 31.24 (for governmental agencies).</p>	15
<p><b>Fleet:</b> Describe the school bus fleet. Include the number of buses in the fleet, the date the engine was made, the name of the engine manufacturer, annual fuel consumption, annual hours of operation, annual miles the fleet travels, the fleet replacement rate, the type of retrofit technology you plan to use, and the number of buses or engines you plan to retrofit or replace. Also indicate who owns the buses, who operates the buses, and who maintains the buses.</p>	15

B. Other Factors

To develop a more comprehensive understanding about implementing school bus retrofit/replacement projects, EPA, in evaluating applications, will carefully consider other factors that are designed to ensure geographic equity, the demonstration of a variety of different technologies and fuels, as well as a balance between urban and rural and large and small school districts. These factors are as follows:

1. **Geographic Equity:** EPA will attempt to distribute funds throughout the United States in both urban and rural as well as large and small school districts to determine how projects are implemented in different locations.
2. **Air Quality:** EPA is interested in knowing if the school buses 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.
3. **Environmental Justice:** EPA seeks to improve the health of communities that are considered low-income, minority, have high asthma rates, or receive a disproportionate amount of pollution from diesel vehicles.

4. **Technology Diversity:** EPA is interested in evaluating a range of technologies and fuels.
5. **Ridership:** EPA is interested in specific information about ridership such as the number of children who ride the bus and the average length of time they are on the buses.
6. **Partners:** EPA will consider letters of support for and/or 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**

### A. How does the selection process work?

Each application will be evaluated by a team chosen to address a full range of transportation air quality matters. The Evaluation Team will base its evaluation solely on the selection criteria disclosed in this notice. Completed evaluations will be referred to a Selection Committee that is responsible for further consideration and final selection. The Selection Committee may adjust the rankings of all proposals to ensure effective geographic distribution of funding.

The Office of Transportation and Air Quality expects to complete the Evaluation/Selection process and make recommendations to EPA's grants office by September, 2003. All applicants will be notified promptly, after final selections, regarding their application's status.

EPA reserves the right to reject all proposals or applications and make no award. Formal disputes challenging the Agency award decision, will be resolved using the Dispute Procedures at 40 [CFR](#) 30.63 and 40 [CFR](#) 31.70.

## **VII. Proposals**

Applications must contain a narrative workplan, and one completed and signed federal grant application package. The complete grants application package can be downloaded at: <http://www.epa.gov/ogd/AppKit/index.htm>. The narrative, a maximum of 10 pages in length, must explicitly describe the project and address how it meets each of the selection criteria disclosed in Section V. Pages exceeding the maximum length may not be considered. Please include six copies of everything submitted. A duplicate of the cover letter should be attached to each copy submitted. Please do not include binders or spiral binding. The application should conform to the following outline:

1. Project title.
2. Applicant (Organization) name, contact person, phone number, fax and e-mail address.
3. Prepare a workplan. Summarize the project and specifically explain how the project meets the criteria.



4. Indicate the amount of funding you are requesting from EPA.
5. Provide the total cost of project (identify other funding sources including any in-kind resources).
6. Prepare a detailed budget. Clearly explain how EPA 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
  - Fringe Benefits
  - Contractual Costs
  - Travel
  - Equipment
  - Supplies
  - Other
  - Total Direct Costs
  - Total Indirect Costs: must include documentation of accepted indirect rate
  - Total Cost
7. Define the project period. Provide beginning and ending dates (for planning purposes, applicants should assume funds will be available in November 2003).
8. Discuss how you will meet the reporting requirements, including quarterly updates (schedule established by EPA) and a detailed follow-up report that summarizes the project and includes problems, successes, and lessons learned.

Applicants should clearly mark information in their application which they consider confidential. EPA will make final confidentiality decisions in accordance with Agency regulations at 40 CFR, Part 2, Subpart B.

Applicants awarded funding in previous competitions may submit new applications to fund a different project or additional vehicles.

### **VIII. Executive Order 12372 Compliance**

Applicants selected for funding will be required to provide a copy of their proposal to their [State Point of Contact](#) (SPOC) for review, pursuant with Executive Order 12372, Intergovernmental Review of Federal Programs. This review is not required of initial applications and not all states require such a review.

### **IX. How to Apply**

COMPLETED APPLICATION PACKAGES must be received via regular mail or express mail no later than 5 p.m. EST, August 1, 2003. Applications received after the deadline date will not be considered for funding. Please provide an original application package, as described in *Section VII, Proposals*, six copies of the application package, and one completed and signed Application for Federal Assistance. Facsimile and e-mail submissions will not be accepted.

Because of the unique situation involving U.S. mail screening, EPA highly recommends that applicants use an express mail option to submit their applications. The application should be addressed to:

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

US EPA  
National Vehicle and Fuel Emissions Laboratory  
Attn: Cheryl Hogan  
Certification and Compliance Division  
2000 Traverwood Drive  
Ann Arbor, MI 48105