

OVERVIEW
U. S. ENVIRONMENTAL PROTECTION AGENCY, Region III
Chesapeake Bay Program Office Fiscal Year 2010 Request for Proposals (RFP) for
SUPPORT OF SMALL WATERSHED PROGRAMS
In the Chesapeake Bay Watershed
EPA-R3-CBP-10-07
Catalog of Federal Domestic Assistance (CFDA) Number 66.466

Important Dates

May 7, 2010	Issuance of RFP
June 16, 2010	Proposal Submission Deadline (see section IV for more information)
July 6, 2010	Approximate date for EPA to notify applicants of results
July 27, 2010	Approximate date for Applicant to submit federal cooperative agreement application. Processing of an assistance agreement typically takes 90 days.
September 27, 2010	Approximate date of award

Executive Summary

The U. S. Environmental Protection Agency (EPA) Chesapeake Bay Program Office is announcing a request for proposals for support of the Small Watershed Grant Program for 2010-2016. This is a new announcement that has not previously been distributed.

Subject to the availability of funding, the EPA Chesapeake Bay Program Office plans to award one cooperative agreement under this RFP, under the authority of Section 117(d) the Clean Water Act, and will carry out those activities listed under Section 117(g)(2)(B). Through this RFP, EPA seeks to identify an organization with a mission to support communities in their efforts to improve local watersheds within the Chesapeake Bay basin. EPA will develop a cooperative agreement with the selected organization to advertise for proposals, select subgrantees, oversee subgrants, monitor subgrants for completion of projects, and report on results and lessons learned. Funding for this program is appropriated each year by Congress. Since 2000, the Small Watershed Grants program has provided \$23.6 million to support 587 projects.

This RFP will cover the project period for the Small Watershed Program in the Chesapeake Bay Watershed up to and including six years from an expected start date of September 27, 2010. The total estimated funding for six years is approximately \$2-3 million per year. There is no funding guarantee beyond the first year. The number of awards will depend on individual proposal costs matched with final task priorities, the final aggregate amount of federal funding for initial proposals, and the total amount of federal funds available.

Annual cooperative agreements will be negotiated with EPA. EPA may elect to re-compete the entire project or specific tasks at an earlier date. Should additional funding become available to

support these activities, the EPA may award additional grants or cooperative agreements based on this solicitation and in accordance with the final selection process, without further notice or competition no later than six months after the original selection decision.

EPA will consider all proposals that are postmarked by the U.S. Postal Service, hand-delivered, sent through an official delivery service with documentation indicating EPA acceptance from a delivery service, or submitted via Grants.gov on or before 5:00 EDT on **June 16, 2010**. Any proposals postmarked, hand delivered, or submitted via <http://www.grants.gov/> after the due date and time will not be considered for funding. No proposals will be accepted by facsimile.

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FULL TEXT ANNOUNCEMENT

Section I: Funding Opportunity Description

A. About the Chesapeake Bay Program: The Chesapeake Bay is North America's largest and most biologically diverse estuary. A resource of extraordinary productivity, it is worthy of the highest levels of protection and restoration. Authorized by Section 117 of the Clean Water Act, the Chesapeake Bay Program is responsible for supporting the Chesapeake Executive Council through a number of actions including the coordination of federal, state and local efforts to restore and protect living resources and water quality of the Chesapeake Bay and Watershed. Section 117 also authorizes EPA to provide assistance grants to support the goals of the Program.

B. Contributing Factors and Mandates for Successful Local Watershed Efforts: There are several contributing factors and mandates for a successful small watershed grants program that fosters local action, capacity and environmental results at the local scale. These include:

- Section 117(b)(2) requires the Chesapeake Bay Program Office to develop and implement specific action plans, in cooperation with appropriate Federal, State and local authorities, that achieve Chesapeake Bay goals. Local efforts to protect and restore water quality, living resources and habitats are critical to the overall success of the Program.
- Section 117(g)(2) authorizes establishment of the small watershed grants program to implement cooperative tributary basin strategies that address water quality and living resource needs and to implement locally based protection and restoration programs and projects. Section 117(d) authorizes the award of grants under this program.
- The *Chesapeake 2000: A Watershed Partnership (Chesapeake 2000)* was set forth in June of 2000 by the Chesapeake Bay Program's governing Chesapeake Executive Council. The Chesapeake 2000 Agreement consolidated prior commitments and established new goals and deadlines for protecting and restoring the Chesapeake Bay's living resources, water quality, and vital habitats, promoting sound land use and engaging communities beyond 2000. Throughout the Chesapeake 2000 Agreement, there are many references to the importance of local action and small watershed scale efforts.
- President Obama's Executive Order (EO) 13508 to protect and restore the Chesapeake Bay was issued in May 2009. The EO calls for a new strategy for restoring and protecting the Chesapeake Bay. This new strategy builds upon existing Chesapeake Bay

Program goals and identifies a small set of strategy goals and outcome measures that are representative of the "new era of shared federal leadership" in protecting and restoring the Bay, as called for in the Executive Order. The Executive Order acknowledges the importance of coordinated actions at the federal, state, and local levels.

- EPA will issue a Bay-wide Total Maximum Daily Load (Bay TMDL) to define needed reductions in nitrogen, phosphorus, and sediment necessary to address as many as 92 impaired segments of the tidal portions of the Bay. Under this TMDL, EPA has issued clear "expectations" for development of Watershed Implementation Plans by the States and District that will outline the specific programs, plans, resources, and actions needed to achieve the required load reductions. The Watershed Implementation Plans will likely address local-scale implementation.(e.g., local watershed efforts, local governments). Efforts of the Small Watershed Grants program will help support these endeavors.

C. Proposals: This RFP is seeking cost-effective proposals from eligible applicants for one task: Manage a Small Watershed Grants Program **with a total estimated funding of between \$2,000,000 and \$3,000,000 each year.**

If your organization has an interest in this project area, has the skills to accomplish the task, and is eligible to receive a federal assistance agreement as described in Section III, we encourage you to submit a proposal. Each proposal will be evaluated using the relevant criteria referenced in Section V. The proposal should have a work plan and budget detail for the first year and an estimated budget for each of the subsequent years.

Tasks to be performed by the recipient include:

Manage Small Watersheds Grant Program

The Chesapeake Bay Small Watershed Grants Program promotes community-based efforts to develop conservation strategies to protect and restore the diverse natural resources of the Chesapeake Bay and its watershed. The program provides subgrants to local governments and non-profit organizations working to improve the condition of their local watershed while building citizen-based resource stewardship.

- Administer a Small Watershed Grants Program, including issuing an RFP, establishing guidelines for the program and coordinating the review and selection of the subgrantees;
- Advertise the program and assist potential applicants;
- Measure environmental results and successes of the various watershed management approaches and compile this data and information and communicate it to the CBP and its partners;
- Disperse monies to subawardees in a timely manner; and
- Conduct outreach programs for the SWG program, including a yearly event to announce the winners and other programs to promote and share the successes, lessons learned, and best practices from SWG program projects.
- Ensure subgrant activities meet the programmatic objectives of the Chesapeake Bay Program.

The recipient of this cooperative agreement shall issue subgrants which implement locally-based protection and restoration programs or projects within a watershed that complement TMDLs, including the creation, restoration, protection, or enhancement of living resources and habitats associated with the Chesapeake Bay ecosystem.

Examples of subgrant activities may include:

- Support communities in developing and implementing watershed management plans;
- Encourage the implementation and sharing of innovative, locally-based programs or projects that improve water quality and restore important habitats within the Chesapeake Bay basin;
- Develop the capacity of local governments, citizens groups, and other organizations to promote community-based stewardship and enhance local watershed management;
- Encourage environmentally sensitive development, land conservation, and sound land use planning;
- Promote a greater understanding of the Chesapeake Watershed and Bay and the interrelationship between the health of the Bay and the condition of local watersheds;
- Strengthen the link between communities and the Chesapeake Bay Program; and
- Increase local engagement by utilizing the strengths of key partners, including educators, in supporting local implementation projects.

Obtaining Additional Information: For additional background information on the Chesapeake Bay Program achievements and commitments, see the Chesapeake Bay Program website located at <http://www.chesapeakebay.net/> or call 1-800-YOUR-BAY to receive information by mail.

D. Authorizing Statutes and Regulations: The Small Watershed Grants Program is authorized under Sections 117(g)(2) and 117(d) of the Clean Water Act. These projects are subject to EPA's general grant regulations: 40 CFR Part 30 for Grants and Cooperative Agreements with Institutions of Higher Education, Hospitals, and other Nonprofit Organizations and 40 CFR Part 31 Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.

E. Environmental Results: EPA Order 5700.7, “Environmental Results under EPA Assistance Agreements,” requires that all assistance agreements be aligned with EPA's strategic goals and objectives. EPA also requires assistance programs to focus not only on outputs (i.e., the activities and/or associated work products performed or conducted by an assistance agreement recipient during the funding period) but also on outcomes (i.e., the results, effects, or consequences of a recipient's activities). As a result of this order, EPA will negotiate outcomes and outputs with the selected grantee(s). Examples of expected outcomes and outputs for the cooperative agreements to be awarded under this announcement are listed in Appendix A.

F. The Agency's Strategic Plan/Government Performance and Results Act (GPRA)

Linkage: The overall goal of these cooperative agreements is to protect and restore the Chesapeake Bay ecosystem through continued technical support and outreach necessary to address water quality restoration goals and maintain public awareness of Chesapeake Bay restoration. This goal supports the Agency's Strategic Goal #4: Healthy Communities and Ecosystems; Objective 4.3: Ecosystem; Sub-objective 4.3.4: Improve Aquatic Health of the Chesapeake Bay. The project(s) funded under this announcement must be linked to this strategic goal.

Section II: Award Information

A. Funding Amount:

The EPA Chesapeake Bay Program Office plans to make one award for approximately \$2,000,000 to \$3,000,000 annual incremental funding for FY2010 through FY2016 depending on funding availability, satisfactory performance and other applicable consideration.

The award made under this RFP will support the Chesapeake Bay Program partners by administering a Small Watershed Grants Program. The Cooperative Agreement will be funded under Section 117(d) of the Clean Water Act and under the Catalog of Federal Domestic Assistance (CFDA) number 66.466. EPA reserves the right to reject all proposals and make no awards under this announcement. EPA reserves the right to make additional awards under this announcement, consistent with Agency policy and guidance, if additional funding becomes available after the original selection is made. Any additional selection for awards will be made no later than six months after the original selection decision.

In appropriate circumstances, EPA reserves the right to partially fund proposals by funding discrete portions or phases of proposed projects. If EPA decides to partially fund a project, it will do so in a manner that does not prejudice any applicants or affect the basis upon which the proposal or portion thereof was evaluated and selected for award and therefore maintains the integrity of the competition and selection process.

B. Award Type: EPA has determined that a cooperative agreement is the appropriate funding vehicle. Cooperative agreements are used under circumstances where substantial involvement is anticipated between EPA and the recipient during performance of the activity. Typically, federal involvement would be in the form of participation with other Chesapeake Bay Program partners and stakeholders in an advisory capacity to the grantee. This participation is expected to include involvement in an advisory capacity through Chesapeake Bay Program's Goal Implementation Teams (GIT's) and related committees (on which EPA also participates to ensure that all the recommendations for technical work support the Chesapeake Bay Program partners). All work conducted is to support the efforts to restore the Chesapeake Bay ecosystem. EPA will not make final subaward decisions; the grantee will make the final subaward selections and administer the subawards.

C. Expected Project Period: The expected project period of the cooperative agreement is six years, with one-year budget periods. No commitment of funding can be made for future fiscal years. The expected start date for awards resulting from this RFP is **September 27, 2010**.

Section III: Eligibility Information

A. Eligible Applicants: Non-profit organizations, state and local governments, colleges, universities, and interstate agencies are eligible to submit proposals in response to this RFP. For-profit organizations are not eligible to submit proposals in response to this RFP. Since funding for these projects comes from EPA, EPA employees are not eligible to submit a proposal in response to this solicitation or aid in the preparation of a proposal by conceptualizing, developing, or structuring proposals.

B. Cost Share or Matching Requirements: In accordance with Clean Water Act 117(d) (2)(A), the agency determines the cost share requirement for awards under this subsection. The CFDA Number 66.466 states that assistance agreement applicants must commit to a cost share of five to 50 percent of total eligible costs as determined at the sole discretion of EPA. For this RFP, EPA has determined that an applicant must provide a minimum of 25 percent of the total cost of the project as the non-federal cost share.

Cost share may be in the form of cash or in-kind contributions. Involvement from foundations, watershed groups, private sector, eligible governmental, and non-conventional partners can help with the match. This match must be met by eligible and allowable costs and is subject to the match provisions in grant regulations. Proposals that do not demonstrate how the 25 percent match will be met will be rejected.

C. Threshold Eligibility Criteria: Only proposals from eligible entities (see Section III.A above) that meet the following threshold eligibility criteria will be evaluated against the criteria in Section V.B. Applicants deemed ineligible for funding consideration as a result of the threshold eligibility review will be notified in writing within 15 calendar days of the ineligibility determination:

1. Proposals must substantially comply with the proposal submission instructions and requirements set forth in Section IV of this announcement, or they will be rejected. Where a page limit is expressed in Section IV with respect to the narrative proposal, pages in excess of the page limitation will not be reviewed.
2. In addition, proposals must be postmarked by or received via grants.gov on or before the proposal submission deadline published in Section IV of this announcement, or they will be rejected. Proposals postmarked or received via grants.gov after the submission deadline will be considered late and returned to the sender without further consideration unless the applicant can clearly demonstrate that it was late due to EPA mishandling. For hard copy submissions, where Section IV requires proposal receipt by a specific person/office by the submission deadline, receipt by an agency mailroom is not sufficient. Applicants should confirm receipt of their proposal with Veronica Kuczynski at 410-267-5743 or kuczynski.veronica@epa.gov as soon as possible after submission - failure to do so may result in your proposal not being reviewed.
3. Projects funded under this announcement must be linked to the strategic goal outlined in Section I.F.
4. For a proposal to be considered eligible for funding, all work included in the proposal must take place within the Chesapeake Bay Watershed, which includes portions of Delaware, Maryland, New York, Pennsylvania, Virginia, West Virginia, and all of the District of Columbia.
5. Eligibility and Cost-Share requirements of Section III. A. and B. must be met.

Section IV: Application and Submission Information

A. Federal Application: Do not submit a full federal grant application in response to this RFP. If your proposal is preliminarily selected for funding, an EPA project officer will request an application from you, negotiate the work plan and budget, and oversee the process of awarding the cooperative agreement.

B. Content and Form of Proposal Submission:

Proposal Elements: Each proposal will be evaluated using the criteria referenced in Section V. B. of this announcement. You must submit a single-spaced narrative proposal of up to 12 pages in length by the date and time specified in Section IV.C below. The format for this proposal is contained in Appendix A of this announcement. Review the directions for the preparation of the proposal. Proposals that are not prepared in substantial compliance with the requirements in Appendix A will not be considered for funding and will be returned to the applicant.

Proposal Materials

The proposal package **must** include all of the following materials:

1. **Standard Form (SF) 424, Application for Federal Assistance** – Complete the form located at <http://www.epa.gov/ogd/AppKit/form/SF424.pdf>. Please be sure to include organization fax number and email address in Block 8 of the Standard Form SF 424. Please note that the organizational Dunn and Bradstreet (D&B) Data Universal Number System (DUNS) number must be included on the SF-424. Organizations may obtain a DUNS number at no cost by calling the toll-free DUNS number request line at 1-866-705-5711.
2. **Narrative Proposal** – The format for this proposal is contained in Appendix A of this announcement. Review the directions for the preparation of the proposal.

Requirements for Narrative Proposal— See Appendix A: All proposal review criteria in Section V, as well as the requirements in Section I, must be addressed in the proposal. The proposal shall not exceed 12 pages in length. Pages refer to one-side of a single spaced typed page. Font size should be no smaller than 10, and the proposal must be submitted on 8 ½” x 11” paper. Note that the 12 pages must include all supporting materials, including resumes or curriculum vitae and letters of support. With the exception of documentation of non-profit status and the SF-424, if you submit more than 12 pages, the additional pages will be discarded and will not be reviewed.

Confidential Business Information: It is recommended that confidential business information (“CBI”) **not** be included in your proposal/application. In accordance with 40 CFR 2.203, applicants may claim all or a portion of their application/proposal package as confidential business information. EPA will evaluate confidentiality claims in accordance with 40 CFR 2. Applicants must clearly mark applications/proposals or portions thereof that they claim as confidential. If no claim of confidentiality is made, EPA is not required to make the inquiry to the applicant otherwise required by 40 CFR 2.204(c)(2) prior to disclosure. However, competitive proposals/applications are considered confidential and protected from disclosure prior to the completion of the competitive selection process.

Pre-proposal/Application Assistance and Communications: In accordance with EPA’s Assistance Agreement Competition Policy (EPA Order 5700.5A1), EPA staff will not meet with individual applicants to discuss draft proposals, provide informal comments on draft proposals, or provide advice to applicants on how to respond to ranking criteria. Applicants are solely responsible for the contents of their applications/proposals. However, consistent with the provisions in the announcement, EPA will respond to questions in writing from individual applicants regarding threshold eligibility criteria, administrative issues related to the submission of the proposals, and requests for clarification about the announcement. Applicants should email their questions to Holly Waldman at waldman.holly@epa.gov. All questions and answers will be posted on <http://www.epa.gov/region3/chesapeake/grants.htm>.

C. Submission Dates and Times: EPA will consider all submissions that are postmarked by the U.S. Postal Service, hand-delivered, include official delivery service documentation indicating EPA receipt from a delivery service, or submitted via <http://www.grants.gov/> on or before 5:00 p.m. EDT on June 16, 2010. All submissions postmarked, hand delivered, or submitted via <http://www.grants.gov/> after the deadlines specified above will not be considered for funding. No proposals will be accepted by facsimile machine submission.

D. Intergovernmental Review: Applicants must comply with the Intergovernmental Review Process and/or consultation provisions of Section 204, Demonstration Cities and Metropolitan Development Act, if applicable, which are contained in 40 CFR Part 29. This program is eligible for coverage under Executive Order (EO) 12372, An Intergovernmental Review of Federal Programs. An applicant should consult the office or official designated as the single point of contact in his or her state for more information on that state's required process for applying for assistance if the state has selected the program for review. Single Points of Contact can be found at <http://www.whitehouse.gov/omb/grants/spoc.html>. Further information regarding this requirement will be provided if your proposal is selected for funding.

E. Funding Restrictions:

Allowable Costs: EPA assistance agreement funds may only be used for the purposes set forth in the cooperative agreement and must be consistent with the statutory authority for the award. Federal funds may not be used for cost sharing for other Federal grants (except where authorized by statute), lobbying, or intervention in Federal regulatory or adjudicatory proceedings. In addition, federal funds may not be used to sue the federal government or any other government entity. All costs identified in the budget must conform to applicable Federal Cost Principles contained in the Office of Management and Budget (OMB) Circular A-87 "Cost Principles for State, Local and Tribal Governments;" A-122 "Cost Principles for Nonprofit Organizations;" or A-21 "Cost Principles for Educational Institutions." During the grant negotiation, any ineligible costs outlined in the proposal (i.e. lobbying activities) will be not be included in the final grant award.

Management Fees: When formulating budget proposals, applicants must not include management fees or similar charges in excess of the direct costs and indirect costs at the rate approved by the applicants' cognizant audit agency or at the rate provided by the terms of the agreement negotiated with 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 assistance agreements. Management fees or similar charges may not 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 scope of work.

Partnerships, Contractors, and Subawards:

a. Can funding be used for the applicant to make subawards, acquire contract services, or fund partnerships?

EPA awards funds to one eligible applicant as the recipient even if other eligible applicants are named as partners or co-applicants or members of a coalition or consortium. The recipient is accountable to EPA for the proper expenditure of funds.

Funding may be used to provide subgrants or subawards of financial assistance, which includes using subawards or subgrants to fund partnerships, provided the recipient complies with applicable requirements for subawards or subgrants, including those contained in 40 CFR Parts 30 or 31, as appropriate. Applicants must compete contracts for services and products, including consultant contracts, and conduct cost and price analyses to the extent required by the procurement provisions of these regulations. The regulations also contain limitations on consultant compensation. Applicants are not required to identify subawardees/subgrantees and/or contractors or consultants in their proposal. If they do so, the fact that an applicant selected for award has named a specific subawardee/subgrantee, contractor or consultant in the proposal EPA selects does not relieve the applicant of its obligations to comply with subaward/subgrant and/or competitive procurement requirements as appropriate. Please note that applicants may not award sole-source contracts to consulting, engineering, or other firms assisting applicants with the proposal solely based on the firm's role in preparing the proposal.

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 from for-profit organizations to carry out its assistance agreement. The nature of the transaction between the recipient and the subawardee or 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. EPA will not be a party to these transactions. Applicants acquiring commercial goods or services must comply with the competitive procurement standards in 40 CFR Part 30.40 or 40 CFR Part 31.36 and cannot use a subaward/subgrant as the funding mechanism.

b. How will an applicant’s proposed subawardees/subgrantees and contractors be considered during the evaluation process described in Section V of the announcement?

Section V of the announcement describes the evaluation criteria and evaluation process that will be used by EPA to make selections under this announcement. During this evaluation, except for those criteria that relate to the applicant’s own qualifications, past performance, and reporting history, the review panel will consider, as appropriate and relevant, the qualifications, expertise, and experience of:

- (i) An applicant's named subawardees/subgrantees identified in the proposal if the applicant demonstrates that should it receive an award, the subaward/subgrant will be properly awarded consistent with the applicable regulations in 40 CFR Parts 30 or 31. For example, applicants must not use subawards/subgrants to obtain commercial services or products from for profits or individual consultants;
- (ii) An applicant's named contractor(s), including consultants, identified in the proposal if the applicant demonstrates that the contractor(s) was selected in compliance with the competitive Procurement Standards in 40 CFR Part 30.40 or 40 CFR 31.36 as appropriate. For example, an applicant must demonstrate that it selected the contractor(s) competitively or that a proper non-competitive sole-source award consistent with the regulations will be made to the contractor(s), that efforts were made to provide small and disadvantaged businesses with opportunities to compete, and that some form of cost or price analysis was conducted. EPA may not accept sole-source justifications for contracts for services or products that are otherwise readily available in the commercial marketplace.

EPA will not consider the qualifications, experience, and expertise of named subawardees/subgrantees and/or named contractor(s) during the proposal/application evaluation process unless the applicant complies with these requirements.

F. Submission Instructions:

You may submit your proposal in one of two ways: If you choose to submit your proposal using the hard-copy method, please follow the instructions under "Hard Copy Submission" below. If you choose to submit your proposal electronically via <http://www.grants.gov>, please follow the instructions under "Electronic Submission" below.

Hard Copy Submission

Please submit three complete, unbound copies of the proposal package described in Section IV.B. and Appendix A (SF 424 and Narrative Proposal). The hard copies of the proposal should be double-sided if possible. The proposal must be mailed or delivered to:

Veronica Kuczynski (3CB00)
U.S. Environmental Protection Agency
Chesapeake Bay Program Office
410 Severn Ave., Suite 109
Annapolis, MD 21403

(EPA-R3-CBP-10-07)

Grants.gov Electronic Submission

The electronic submission of your proposal must be made by an official representative of your institution who is registered with [Grants.gov](http://www.grants.gov) and is authorized to sign applications for federal assistance. For more information, go to <http://www.grants.gov> and click on “Get Registered” on the left side of the page. *Note that the registration process may take a week or longer to complete.* If your organization is not currently registered with [Grants.gov](http://www.grants.gov), please encourage your office to designate an AOR and ask that individual to begin the registration process as soon as possible.

To begin the proposal process under this grant announcement, go to <http://www.grants.gov> and click on the “Apply for Grants” tab on the left side of the page. Then click on “Apply Step 1: Download a Grant Application Package” to download the compatible Adobe viewer and obtain the application package. **To apply through grants.gov, you must use Adobe Reader applications and download the compatible Adobe Reader version.** (Adobe Reader applications are available to download for free on the Grants.gov website. For more information on Adobe Reader, please visit the Help section on grants.gov at <http://www.grants.gov/help/help.jsp> or http://www.grants.gov/aboutgrants/program_status.jsp).

Once you have downloaded the viewer, you may retrieve the application package by entering the Funding Opportunity Number, EPA-R3-CBP-10-07, or the CFDA number that applies to the announcement (CFDA 66.466), in the appropriate field. You may also be able to access the proposal/application package by clicking on the Application button at the top right of the synopsis page for this announcement on <http://www.grants.gov> (to find the synopsis page, go to <http://www.grants.gov> and click on the “Find Grant Opportunities” button on the left side of the page and then go to Search Opportunities and use the Browse by Agency feature to find EPA opportunities).

Proposal Submission Deadline: Your organization’s AOR must submit your complete proposal/application electronically to EPA through Grants.gov (<http://www.grants.gov>) no later than 5 p.m. EDT on June 16, 2010.

Please submit *all* of the proposal materials described below. To view the full funding announcement, go to <http://www.epa.gov/region03/chesapeake/grants.htm> or go to <http://www.grants.gov> and click on “Find Grant Opportunities” on the left side of the page and then click on Search Opportunities/Browse by Agency and select Environmental Protection Agency.

Proposal Materials

The following forms and documents are required to be submitted under this announcement:

1. Standard Form (SF) 424, Application for Federal Assistance

Complete the form. There are no attachments. Please be sure to include organization fax number and email address in Block 8 of the Standard Form SF 424.

Please note that the organizational Dun and Bradstreet (D&B) Data Universal Number System (DUNS) number must be included on the SF-424. Organizations may obtain a DUNS number at no cost by calling the toll-free DUNS number request line at 1-866-705-5711.

2. Narrative Proposal – The format for the proposal is contained in Appendix A of the announcement. Review the directions for the preparation of the proposal. See Section IV.B. of this announcement for additional guidance. The document should be readable in PDF, MS Word or Word Perfect WP6/7/8 for Windows and consolidated into a single file.

Application Preparation and Submission Instructions

Documents 1 and 2 listed under Proposal Materials above should appear in the “Mandatory Documents” box on the Grants.gov Grant Application Package page.

For document 1, click on the appropriate form and then click “Open Form” below the box. The fields that must be completed will be highlighted in yellow. Optional fields and completed fields will be displayed in white. If you enter an invalid response or incomplete information in a field, you will receive an error message. When you have finished filling out each form, click “Save.” When you return to the electronic Grant Application Package page, click on the form you just completed and then click on the box that says “Move Form to Submission List.” This action will move the document over to the box that says “Mandatory Completed Documents for Submission.”

For document 2, you will need to attach electronic files. Prepare your narrative proposal as described in Section IV.B and Appendix A of this announcement and save the document to your computer as an MS Word, PDF, or WordPerfect file. When you are ready to attach your proposal to the application package, click on “Project Narrative Attachment Form” and open the form. Click “Add Mandatory Project Narrative File” and then attach your proposal (previously saved to your computer) using the browse window that appears. You may then click “View Mandatory Project Narrative File” to view it. Enter a brief descriptive title of your project in the space beside “Mandatory Project Narrative File Filename;” the filename should be no more than 40 characters. If there are other attachments that you would like to accompany your proposal, you may click “Add Optional Project Narrative File” and proceed as before. When you have finished attaching the necessary documents, click “Close Form.” When you return to the “Grant Application Package” page, select the “Project Narrative Attachment Form” and click “Move

Form to Submission List.” The form should now appear in the box that says, “Mandatory Completed Documents for Submission.”

Once you have finished filling out all of the forms/attachments and they appear in one of the “Completed Documents for Submission” boxes, click the “Save” button that appears at the top of the Web page. It is suggested that you save the document a second time, using a different name, since this will make it easier to submit an amended package later if necessary. Please use the following format when saving your file: “Applicant Name – FY10 – Small Watershed Grants – 1st Submission” or “Applicant Name – FY10 - Small Watershed Grants – Back-up Submission.” If it becomes necessary to submit an amended package at a later date, then the name of the 2nd submission should be changed to “Applicant Name – FY10 - Small Watershed Grants – 2nd Submission.”

Once your proposal/application package has been completed and saved, send it to your AOR for submission to U.S. EPA through Grants.gov. Please advise your AOR to close all other software programs before attempting to submit the application package through Grants.gov.

In the “Application Filing Name” box, your AOR should enter your organization’s name (abbreviate where possible), the fiscal year (e.g., FY09), and the grant category (e.g., Assoc Prog Supp). The filing name should not exceed 40 characters. From the “Grant Application Package” page, your AOR may submit the application package by clicking the “Submit” button that appears at the top of the page. The AOR will then be asked to verify the agency and funding opportunity number for which the application package is being submitted. If problems are encountered during the submission process, the AOR should reboot his/her computer before trying to submit the application package again. [It may be necessary to turn off the computer (not just restart it) before attempting to submit the package again.] If the AOR continues to experience submission problems, he/she may contact Grants.gov for assistance by phone at 1-800-518-4726 or email at <http://www.grants.gov/help/help.jsp> or contact the person listed in Section VII of this announcement.

Application/proposal packages submitted thru grants.gov will be time/date stamped electronically.

If you have not received a confirmation of receipt from EPA (*not from grants.gov*) within 30 days of the proposal/application deadline, please contact the person listed in Section VII of this announcement. Failure to do so may result in your proposal/application not being reviewed.

Section V: Application Review Information

A. Evaluation Process: After EPA reviews proposals for threshold eligibility purposes as described in Section III of this announcement, the Chesapeake Bay Program Office will conduct a merit evaluation of each eligible proposal. Reviews will normally involve teams of professionals from EPA and non-EPA organizations. All reviewers will sign a conflict of interest statement.

B. Evaluation Criteria: Maximum score: Task I: 175 points

All applicants must respond to evaluation criteria one, two, three, four and five.

1. Organizational Capability: (Maximum score: 40 Points)

- i) Applicants will be evaluated based on the quality of their proposed program and how it demonstrates the ability to achieve the objectives of the Chesapeake Bay Small Watershed Grant Program described in Section I.C. **(10 points)**
- ii) In addition, EPA will evaluate the applicant's approach and plan for making competitive subawards including how they will promote competition for subawards and the applicant's process for evaluating and selecting subawardees, including the criteria to be used to evaluate and select subawardees and whether those criteria are related to the program objectives. **(10 points)**
- iii) EPA will also evaluate the applicant's approach for ensuring that the subawards will help to achieve the objectives of the program as described in Section I.C of the announcement. **(10 points)**
- iv) Applicants will also be evaluated based on how well the proposal demonstrates that the applicant has the organizational capacity, experience, travel capabilities, and technical and outreach expertise to accomplish the proposed plan of work successfully. **(10 points)**

2. Programmatic Capability and Past Performance: (Maximum score: 40 points)

Under this criterion, applicants will be evaluated based on their ability to successfully complete and manage the proposed project taking into account the applicant's:

- (i) Past performance in successfully completing and managing the assistance agreements identified in response to Section IV.B and Appendix A of the announcement. **(10 points)**
- (ii) History of meeting the reporting requirements under the assistance agreements identified in response to Section IV.B and Appendix A of the announcement including whether the applicant submitted acceptable final technical reports under those agreements and the extent to which the applicant adequately and timely reported on their progress towards achieving the expected outputs and outcomes under those agreements and if such progress was not being made whether the applicant adequately reported why not. **(10 points)**
- (iii) Organizational experience and plan for timely and successfully achieving the objectives of the proposed project. **(10 points)**
- (iv) Staff expertise/qualifications, staff knowledge, and resources or the ability to obtain them, to successfully achieve the goals of the proposed project. **(10 points)**

Note: In evaluating applicants under items i and ii of this criterion, the Agency will consider the information provided by the applicant and may also consider relevant information from other sources including agency files and prior/current grantors (e.g., to verify and/or supplement the information supplied by the applicant). If you do not have any relevant or available past performance or past reporting information, please indicate this in the proposal and you will receive a neutral score for these subfactors (items i and ii above a neutral score is half of the total points available in a subset of possible points). If you do not provide any response for these items, you may receive a score of 0 for these factors.

3. Cost effectiveness: (Maximum score: 20 points)

To what degree is the proposal cost-effective, considering the following factors: organizational overhead (indirect costs); ability to perform the duties within the operational range of budgets provided by the Chesapeake Bay Program?

4. Transferability of Results to Similar Projects and /or Dissemination to the Public: (Maximum score: 30 points)

Proposals will be evaluated on how the applicant intends to:

- a. Gather information and lessons learned from the project(s). **(10 points)**
- b. Transfer the information/data/ results to stakeholders in the watershed. **(10 points)**
- c. Documents and distributes results of the project(s) to the appropriate audience or summarizes information so that Chesapeake Bay Program can disseminate. **(10 points)**

5. Tracking and Measuring Environmental Results: (Maximum score: 30 points)

Under this criterion, applicants will be evaluated based on the extent to which the proposal demonstrates the applicant's ability to track and measure progress toward achieving the expected outputs and outcomes described in Section I.C. To what degree does the proposal demonstrate that the applicant's ability to effectively measure environmental results and the successful watershed management approaches and to compile this data and information and communicate it to the CBP and its partners, particularly the states? To what degree does the proposal demonstrate the applicant's ability to manage, disperse and track over possibly three hundred subawards?

6. Watershed and Ecosystem Knowledge: (Maximum score: 15 points)

To what degree does the proposal demonstrate that the applicant has expertise in watershed planning, innovative conservation, restoration, and protection techniques, and knowledge of the Chesapeake Bay ecosystem? To what degree does the proposal demonstrate the applicant's knowledge of the specific challenges and issues faced in the Chesapeake Bay restoration? To

what degree does the proposal demonstrate the applicant's ability to administer a program that helps achieve the goals and drivers of the Chesapeake Bay Program for example, Chesapeake 2000, Executive Order, and the Bay TMDL.

C. Review and Selection Process:

Review: Eligible proposals will be evaluated using the criteria stated in Section V.B. above and ranked by a panel of reviewers from EPA's Chesapeake Bay Program Office. The review team will then forward the highest-ranked proposals to the Director or Deputy Director of the Chesapeake Bay Program Office for final selection. The selection official will consider proposal rankings and programmatic goals in making the final selection. Program goals can be found at: <http://cap.chesapeakebay.net/strategicframework.htm>.

Anticipated Announcement and Award Dates:

Important Dates

May 7, 2010	Issuance of RFP
June 16, 2010	Proposal Submission Deadline (see section IV for more information)
July 6, 2010	Approximate date for EPA to notify applicants of results
July 27, 2010	Approximate date for Applicant to submit federal cooperative agreement application. Processing of an assistance agreement typically takes 90 days.
September 27, 2010	Approximate date of award

Section VI: Award Administration Information

A. Award Notices

It is expected that applicants will be notified in writing of funding decisions on or around July 6, 2010 either via email or U.S. Postal Service. Notification of selection does not indicate that the applicant can start work on the project. The selected applicants will then be asked to submit a full federal assistance agreement application package. A federal project officer provides assistance in the application process and negotiates a work plan, budget, and starting date. Processing of the cooperative agreement award generally takes 90 days.

B. Administrative and National Policy Requirements

If your proposal is selected, the following information will be helpful in preparing your cooperative agreement application.

Disputes Resolution Process: Assistance agreement competition-related disputes will be resolved in accordance with the dispute resolution procedures published in 70 FR (Federal Register) 3629, 3630 (January 26, 2005) that can be found at:

<http://www.epa.gov/ogd/competition/resolution.htm>. Copies of these procedures may also be requested by contacting Veronica Kuczynski by email at kuczynski.veronica@epa.gov or fax at 410-267-5777.

DUNS Requirement: Applicants are required to provide a Dunn and Bradstreet (D&B) Data Universal Numbering System (DUNS) number when applying for federal assistance agreements. A DUNS number must be included in every application. The DUNS number must be included in Block 8 of the Standard Form 424 entitled, Application for Federal Assistance, Version 2, (OMB Number 4040-0004; Expiration Date 01/31/2012). Organizations can receive a DUNS number at no cost by calling the dedicated toll free DUNS number request line at 1-866-705-5711. Additional information on obtaining a DUNS number can also be found at: <http://www.dnb.com>.

Indirect Costs: If indirect costs are budgeted in the assistance application and the non-profit organization or educational institute does not have a previously established indirect cost rate, it will need to prepare and submit an indirect cost rate proposal and/or cost allocation plan in accordance with the appropriate federal cost principle, OMB Circular A-122, "Cost Principles for Non-Profit Organizations" or OMB Circular A-21, "Cost Principles for Educational Institutions" within 90 days from the effective date of the award.

If a local government does not have a previously established indirect cost rate, it will need to prepare its indirect cost rate proposal and/or cost allocation plan in accordance with OMB Circular A-87, "Cost Principles for State, Local, and Indian Tribal Governments." The local government recipient whose cognizant federal agency has been designated by OMB must develop and submit its indirect cost rate proposal to its cognizant agency within six (6) months after the close of the governmental unit's fiscal year. If the cognizant federal agency has not been identified by the OMB, the local government recipient must still develop (and when required, submit) its proposal within that period.

If a state government agency does not have a previously established indirect cost rate, it agrees that it will prepare its indirect cost rate proposal in accordance with OMB Circular A-87, "Cost Principles for State, Local, and Indian Tribal Governments." The state government agency must send its proposal to its cognizant Federal agency within six (6) months after the close of the governmental unit's fiscal year.

EPA Requirements for Quality Management Plans and Quality Assurance Plans: In accordance with 40 CFR 30.54 and 31.45, projects that include the generation or use of environmental data are required to submit a Quality Management Plan (QMP) and Quality Assurance Project Plan (QAPP).

The QMP must document quality assurance policies and practices that are sufficient to produce data of adequate quality to meet program objectives. The QMP should be prepared in accordance with EPA QA/R-2: EPA Requirements for Quality Management Plans (refer to <http://www.epa.gov/region03/chesapeake/grants.htm>, Attachment 7). The recipient's QMP

should be reviewed and updated annually as needed. The QMP must be submitted to the EPA Project Officer at least 45 days prior to the initiation of data collection or data compilation.

The recipient must develop and implement quality assurance and quality control procedures, specifications and documentation that are sufficient to produce data of adequate quality to meet project objectives. The Quality Assurance Project Plan (QAPP) is the document that provides comprehensive details about the quality assurance/quality control requirements and technical activities that must be implemented to ensure that project objectives are met. The QAPP should be prepared in accordance with EPA QA/R-5: EPA Requirements for Quality Assurance Project Plans. The QAPP must be submitted to the EPA Project Officer at least 30 days prior to the initiation of data collection or data compilation. Requirements for QAPPs can be found at http://www.epa.gov/quality1/qa_docs.html.

Federal Requirements: An applicant whose proposal is selected for federal funding must complete additional forms prior to award (see 40 CFR 30.12 and 31.10). EPA reserves the right to negotiate and/or adjust the final cooperative agreement amount and work plan content prior to award consistent with Agency policies.

Deliverables: Awarded applicants will be required to provide a chart or list of deliverables providing items and dates due.

Pre-Award Administrative Capability Review for Non-Profit Organizations: Non-profit applicants that are recommended for funding under this announcement are subject to pre-award administrative capability reviews consistent with Section 8b, 8c, and 9d of EPA Order 5700.8 - Policy on Assessing Capabilities of Non-Profit Applicants for Managing Assistance Awards (http://www.epa.gov/ogd/grants/award/5700_8.pdf). In addition, non-profit applicants that qualify for funding may, depending on the size of the award, be required to fill out and submit the Administrative Capabilities Form with supporting documents contained in Appendix A of EPA Order 5700.8.

The Order, in Section 7(c), defines non-profit organizations as any corporation, trust, association, cooperative, or other organization that: (1) Is operated primarily for scientific, educational, service, charitable or similar purposes in the public interest; (2) Is not organized primarily for profit; (3) Uses its net proceeds to maintain, improve, and/or expand its operations; and (4) Is subject to 40 CFR Part 30. The term does not include colleges and universities as defined under Office of Management Budget (OMB) Circular A-21; state, local and federally-recognized Indian Tribal governments; hospitals; and organizations considered as similar to concerns under Attachment C to OMB Circular A-122.

Incurred Costs: Funding eligibility ends on the date specified in the award. The time expended and costs incurred in either the development of the proposal or the final assistance application, or in any subsequent discussions or negotiations prior to the award, are neither reimbursable nor recognizable as part of the recipient's cost share.

C. Reporting

Quarterly or semiannual progress reports as determined by the federal project officer will be required as a condition of this award.

Section VII: Agency Contact

For administrative and technical issues regarding this RFP, please contact Veronica Kuczynski via email at kuczynski.veronica@epa.gov. All questions must be received in writing via email or fax at 410-267-5777 with the reference line referring to this RFP (Re: **RFP EPA-R3-CBP-07**). All questions and answers will be posted on <http://www.epa.gov/region3/chesapeake/grants.htm>.

Section VIII: Other Information

In developing your proposal, you may find the following documents helpful. Websites for guidance documents are listed here. If you prefer a paper copy, please call 1-800-YOUR BAY.

Boundaries of the Chesapeake Bay Watershed

http://www.chesapeakebay.net/content/maps/cbp_18894.pdf

An electronic copy of the *Chesapeake 2000* agreement is located at:

http://www.chesapeakebay.net/content/publications/cbp_12081.pdf.

Electronic copy of the *Chesapeake Bay Program Guidance for Data Management* is located at

<http://archive.chesapeakebay.net/cims/Guidance%20for%20Data%20Management%20Nov%202006.pdf>.

EPA Requirements for Quality Management Plans and Quality Assurance Plans: Requirements for quality assurance plans are defined in EPA Requirements for Quality Assurance Project Plans (QA/R-5). These documents are located at http://www.epa.gov/quality1/qa_docs.html.

Please visit the EPA Grants website at <http://www.epa.gov/ogd> if you have questions about grant issues such as costs or eligibility.

An electronic copy of the *Chesapeake Bay Program Grant and Cooperative*

Agreement Guidance is located at <http://www.epa.gov/region3/chesapeake/grants.htm>.

Additional questions about grant issues such as cost or eligibility can be obtained at

<http://www.epa.gov/ogd> or <http://www.epa.gov/region3/chesapeake/grants.htm> for EPA Grant and Cooperative Agreement Guidance. For questions pertaining to the task and/or general questions, please refer to Section VII: Agency Contact.

Further information on Chesapeake Bay Program committees can be found at

<http://www.chesapeakebay.net/committeeactivities.aspx?menuitem#14890>.

Appendix A
Narrative Proposal Format
U. S. ENVIRONMENTAL PROTECTION AGENCY, Region III
Chesapeake Bay Program Office Fiscal Year 2010 Request for Proposals (RFP) for
SUPPORT OF SMALL WATERSHED PROGRAMS
In the Chesapeake Bay Watershed
RFP EPA-R3-CBP-07

The following information must be provided or the proposal may not be considered complete and may not be evaluated.

Format: Narrative proposals as described below shall not exceed 12 single-spaced pages. The proposal must be submitted on 8 ½" x 11" paper. Font size should be no smaller than 10. Note that the 12 pages must include all supporting materials, including resumes or curriculum vitae and letters of support. With the exception of documentation of non-profit status and the SF-424, if the proposal includes more than 12 pages, the additional pages will be discarded and not considered in the review. Applicant's responses should be numbered and submitted according to the format listed below.

1. Name, address (street and email), and contact information of the applicant

2. Background - Include the following in this section:

- i.) Brief description of your organization;
- ii) Documentation of non-profit status if applicable; and
- iii) Brief biographies of applicant lead(s), including resumes and/or curriculum vitae.
- iv) DUNS number – See Section VI of RFP

3. Clear, concise narrative of the applicant's qualifications and proposal of activities and approaches to address needs stated in this RFP AND explanation of how your organization is qualified to perform this work. You can include a curriculum vitae or resume of the principal investigators in Section 2, Background. These must be included in the 12-page maximum for the proposal.

4. Work plan – Include the following in this section:

Provide a clear, concise narrative of how your organization will meet the objectives of the Program described in Section I.C. of the RFP, develop and implement the Program, perform the tasks listed below, and support the mission of your organization. Tasks to be performed by the grant recipient include the following:

Manage Small Watersheds Grant Program

The Chesapeake Bay Small Watershed Grants Program promotes community-based efforts to develop conservation strategies to protect and restore the diverse natural resources of the Chesapeake Bay and its watershed. The program provides subgrants to local governments and non-profit organizations working to improve the condition of their local watershed while building citizen-based resource stewardship.

Tasks to be performed by the grant recipients include the following:

- Administer the Small Watershed Grants Program, including issuing the RFP, establishing guidelines for the program, and coordinating the review and selection of the subgrantees;
- Advertise the program and assist potential applicants;
- Measure environmental results and success of the various watershed management approaches and compile this data and information and communicate it to the CBP and its partners;
- Disperse monies to subawardees in a timely manner; and
- Conduct outreach programs for the SWG program, including a yearly event to announce the winners and other programs to promote and share the successful outcomes, lessons learned, and best practices from SWG program projects.

The recipient of this cooperative agreement shall issue subgrants to implement locally-based protection and restoration programs or projects within a watershed that complement TMDLs, including the creation, restoration, protection, or enhancement of living resources and habitats associated with the Chesapeake Bay ecosystem.

Examples of subgrant activities may include:

- Support communities in developing and implementing watershed management plans;
- Encourage the implementation and sharing of innovative, locally-based programs or projects that improve water quality and restore important habitats within the Chesapeake Bay basin;
- Develop the capacity of local governments, citizens groups, and other organizations to promote community-based stewardship and enhance local watershed management;
- Encourage environmentally sensitive development, land conservation, and sound land-use planning;
- Promote a greater understanding of the Chesapeake Watershed and Bay and the interrelationship between the health of the Bay and the condition of local watersheds;
- Strengthen the link between communities and the Chesapeake Bay Program; and
- Increase local engagement by utilizing the strengths of key partners, including educators, in supporting local implementation projects.

ii) For the first year and each of the subsequent years, provide a budget detail breakdown by the major budget categories (i.e. personnel, fringe benefits, travel, equipment, supplies, contractual, construction, other, and indirect). In each of the budgets, include the cost-share amount (a minimum of 25 percent - dollar for dollar) and

specify how much of the funding will go to subawards and/or contractors. Please note that subaward costs must be included in the “other” budget costs category. For an example budget detail, please go to:

http://www.epa.gov/region03/grants/Application_Kit_for_Grants_and_Cooperative_Agreements.pdf, page 42.

iii) **Environmental Results – Outputs and Outcomes:** Address how the proposal will meet the expected outputs and outcomes of this project.

A. Activity:

1. Output: An output is an environmental activity, effort, or work product related to an environmental goal or objective that will be produced within the assistance agreement period. Examples of outputs are:

- List of subaward recipients (list must be in easy to use/read formatted spreadsheets or other similar electronic tool);
- Use of on-line tools (i.e., tools for sub-award applicants to apply; for review teams to read and rank sub-award applicants);
- Numbers of acres and/or miles of restoration and conservation practices implemented;
- Number of restoration, watershed, and/or land use plans designed, developed, or implemented; and
- Plans for how to share the successful outcomes, lessons learned, and best practices from SWG program projects.

2. Outcome: An outcome is a result, effect, or consequence that will result from carrying out an environmental program or activity that is related to an environmental programmatic goal or objective. Outcomes are quantitative measures that may not necessarily be achievable within the assistance agreement period. Examples of outcomes are:

- Amount of nitrogen, phosphorus, and/or sediment (in pounds) reduced or prevented;
- Reduction in volume and pollutant load of runoff;
- Changes made to regulations, codes, and/or ordinances; and
- Improved collective knowledge about how the Bay is cleaned up, resulting in reduction in the amount of nutrients in the CB and an improvement in the living resources of the Bay.

iv) **Review Criteria:** Address in narrative form each of the review criteria as identified in Section V. of the RFP. Identify by the review criteria number and title followed by your narrative.

With specific respect to the Programmatic Capability and Environmental Results Past Performance factor in V.B:

Submit a list of federally and/or non-federally funded assistance agreements (assistance agreements include Federal grants and cooperative agreements but not Federal contracts) similar in size, scope and relevance to the proposed project that your organization performed within the last three years (no more than 5 agreements, and preferably EPA agreements) and describe (i) whether, and how, you were able to successfully complete and manage those agreements and (ii) your history of meeting the reporting requirements under those agreements including whether you adequately and timely reported on your progress towards achieving the expected outputs and outcomes of those agreements (and if not, explain why not) and whether you submitted acceptable final technical reports under the agreements.

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

In addition, provide information on your organizational experience and plan for timely and successfully achieving the objectives of the proposed project, and your staff expertise/qualifications, staff knowledge, and resources or the ability to obtain them, to successfully achieve the goals of the proposed project.

**Appendix B
EPA-R3-CBP-10-07**

**SAMPLE
(DO NOT SUBMIT WORKSHEET WITH APPLICATION)**

CHESAPEAKE BAY PROGRAM ADMINISTRATIVE COST CAP WORKSHEET

INSTRUCTIONS: In accordance with Section 117(d)(4) and 117(e)(6) of the Clean Water Act (CWA), the costs of salaries and fringe benefits incurred in administering a grant under Section 117(d) or 117(e) of the CWA shall not exceed 10 percent of the annual federal grant award. The worksheet, below is provided to assist you in calculating allowable administrative costs. The Budget Detail of your Application for federal Assistance (SF-424) should reflect how your administrative costs will comply with the cap. For specific guidance refer to page 2 of this sample "Compliance with CWA Section 117 Requirements Restricting Administrative Costs."

Federal grant amount	\$ _____
Cap %	X .10
Limit on Administrative Costs	\$ _____ (a)
List Administrative Costs: (Budgeted costs for application or actual costs for FSR)	
_____	\$ _____
_____	_____
_____	_____
_____	_____
Total	\$ _____ (b)

Line (b) cannot exceed Line (a).

COMPLIANCE WITH CWA SECTION 117 RESTRICTING ADMINISTRATIVE COSTS

Statutory Authority

Under statutory authority, grantees applying for Chesapeake Bay Program grants/cooperative agreements under Section 117(d) or (e) must adhere to the requirement on administrative costs as follows:

Under Section 117(a)(1) Administrative Cost - The term “administrative cost” means the cost of salaries and fringe benefits incurred in administering a grant under this section.

Under Section 117(d)(4) - Administrative Costs. - Administrative costs shall not exceed 10 percent of the annual grant award.

Under Section 117(e)(6) - Administrative Costs. -Administrative costs shall not exceed 10 percent of the annual grant award.

Guidance for Determining Administrative Costs

As determined by EPA/CBPO, the following provides guidance in determining administrative costs for grants/cooperative agreements under Section 117 (d) and (e) of the Clean Water Act.

1. Administrative Costs

Salaries and fringe benefits charged against the project or program element for the sole purpose of administering the grant/cooperative agreements shall not exceed 10% of the annual Federal grant. One hundred percent of the salaries and fringe benefits related to these functions are considered administrative costs. Examples of administrative costs include, but are not limited to:

- preparation and submission of grant applications
- fiscal tracking of grants funds
- maintaining project files
- collection and submission of deliverables

2. Non-administrative Costs

Salaries and fringe benefits related to the implementation of the project or program element of the grant/cooperative agreement are not considered administrative costs. None of the salaries and fringe benefit costs related to these functions shall be considered administrative costs. Example:

- the salaries and fringe benefits for technical staff to conduct work to accomplish specific Bay Program goals as outlined in the program or project elements are not administrative costs.

3. Calculation of Administrative Costs

In order to ensure compliance with this requirement, use the format above or a similar format to calculate the costs and include in the Budget Detail of your Application for Federal Assistance (SF-424).

4. Questions Regarding Administrative Costs

The grantees shall direct questions to the EPA Project Officer who will determine what costs should be included as administrative costs on a case-by-case basis.