**Announcement Title:** Research on the Design of Policies for Pollution Control Using Market Mechanisms, and Data Gathering for Dissertation and Early Career Research on the Pollution Control Aspects of Environmental Economics

**Action:** Request for Proposals (RFP)

**Announcement Number:** EPA-OPEI-NCEE-08-02

**Catalog of Federal Domestic Assistance (CFDA)**: 66.611 Environmental Policy and Innovation Grants

**Due Date**: The closing date and time for receipt of proposals, regardless of mode of submission, is December 5th, 2008 at 11:59 p.m. Eastern Time. Electronic submission through Grants.gov is encouraged (see Section IV for instructions for Grants.gov and alternative submission instructions if necessary).

## OVERVIEW

The Environmental Protection Agency's (EPA) National Center for Environmental Economics (NCEE) is soliciting proposals for Federal assistance for (1) conducting research on the "Design of Policies for Pollution Control Using Market Mechanisms" and for (2) research support for "Data Gathering for Dissertation and Early Career Research on the Pollution Control Aspects of Environmental Economics".

Assistance under this program is generally available to States and local governments, territories and possessions, foreign governments, international organizations, Indian Tribes, interstate organizations, intrastate organizations, and possessions of the U.S., including the District of Columbia, public and private universities and colleges, hospitals, laboratories, other public or private nonprofit institutions, and individuals. Nonprofit organizations described in Section 501(c)(4) of the Internal Revenue Code that engage in lobbying activities as defined in Section 3 of the Lobbying Disclosure Act of 1995 are not eligible to apply.

The total amount anticipated to be awarded under this RFP is approximately $1,200,000. Proposals for area (1) must be for less than $300,000 of EPA funds to be considered and proposals for area (2) must be less than $75,000 of EPA funds to be considered. Assistance agreements may be awarded for project periods of up to 5 years where appropriate. While proposals must be for one area only, eligible applicants may submit more than one proposal for each area , or proposals for both areas, so long as each proposal is separately submitted and different. Individual assistance agreements may be fully or incrementally funded. Cost sharing is not required. EPA anticipates awarding 5 to 7 assistance agreements under this announcement as either grants or cooperative agreements.

A complete copy of this announcement, including discussion of proposal materials and

requirements, is posted at:
http://yosemite.epa.gov/ee/epa/eed.nsf/Webpages/GrantSolicitations.html.

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## Section I. FUNDING OPPORTUNITY DESCRIPTION

### A. Introduction

The EPA's National Center for Environmental Economics (NCEE) supports leading-edge research to stimulate the sound use of economics that fulfills EPA's mission to protect human health and safeguard the natural environment. NCEE and its predecessors have long sponsored research to improve the data and methods available to determine the economic value of improved pollution control and other aspects of environmental economics. Much of the resulting research can be found on the NCEE Website at http://yosemite.epa.gov/ee/epa/eed.nsf/webpages/EnvironmentalEconomicsReports.html.

Prior to 2008, EPA's National Center for Environmental Research (NCER) ran the Science to Achieve Results (STAR) program in Economics and Decision Sciences (EDS). NCEE and NCER worked very closely on all aspects of running the EDS program. With the 2008 budget year, the EDS program has moved to NCEE and this RFP is a continuation of that program. Information regarding research funded under previous EDS Requests for Applications (RFAs) can be found on NCER's web site at http://www.epa.gov/ncer/grants/.

Both NCER and NCEE have funded research on the use of economic incentives for pollution control. In particular, the STAR program funded a series of RFAs on "Market Mechanisms and Incentives." NCEE has also funded research in this area and has, in addition, targeted research funds to support dissertation research in environmental economics.

This RFP addresses two aspects of environmental economics research:

(1) Design of Policies for Pollution Control Using Market Mechanisms. NCEE is interested in supporting research in the design of policies for pollution control using market mechanisms, particularly when multiple, hybrid, or adaptive policies are being used to control one or more externalities.

(2) Data Gathering for Dissertation and Early Career Research on the Pollution Control Aspects of Environmental Economics. NCEE has long believed that there is a serious shortage of empirical data to determine the economic benefits, costs and impacts of measures taken to control pollutants. Although there are substantial academic incentives to write theoretical dissertations and other papers, it is often difficult for graduate students and investigators early in their career to find financial support for empirically-based work in this area. NCEE believes that the provision of such financial support may remedy some of this imbalance.

### B. Background

The agreements resulting from this RFP are expected to support the Enabling Support Program objective and Regulatory/Economic Management and Analysis program project within the EPA's strategic planning architecture. The EPA's 2006 Strategic Plan may be found at http://www.epa.gov/ocfo/plan/2006/entire_report.pdf (PDF) (184 pp, 11.56 MB) These projects will also support one or more of the efforts undertaken under Goal 1 (Clean Air and Global

Climate Change), Goal 2 (Clean and Safe Water), Goal 3 (Land Preservation and Restoration) and Goal 4 (Healthy Communities and Ecosystems) with reference to the Enhance Science and Research objectives for each (1.6, 2.3, 3.3 and 4.4, respectively). The overall goal of the projects is to elevate the state of knowledge of practitioners of environmental economics, confirm the adequacy and robustness of methods used to conduct economic analyses, and apply those methods to solve relevant and important problems.

***Outcomes.*** The term "outcomes" refer to 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, must be quantitative, and may not necessarily be achievable during the project period

***Outputs.*** The term "outputs" refer to an environmental activity, effort, and/or associated work products related to an environmental goal or 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 the project period.

Through the awards under this RFP, EPA expects the following outcomes: (a) improve research and presentation skills; (b) improve the capabilities of environmental economists and survey researchers to measure quantitative benefits to human health, the environment, and communities; (c) support partnerships between environmental economists, EPA, other federal, state, and local agencies, survey researchers, and other interested parties, (d) encourage more empirical studies on environmental economics, and an increased capacity to evaluate the economic benefits, costs, and impacts of environmental programs, and (e) provide additional information on opportunity costs, the measurement of benefits, costs and impacts, and advancing our knowledge on a wider array of environmental economic principles and tools.

The expected outputs of the proposed projects for area (1) are: research results increasing scientific knowledge about the use of market mechanisms for environmental policy and for area (2) are: research results in environmental economics generally. These research results (for both areas) should appear in reports, presentations, Ph.D. dissertations, and peer-reviewed journal publications, as well as in publicly-available knowledge-bases accessible through the internet.

## C. Authority and Regulations

Projects supported by this RFP could include improving air quality and water quality, as well as addressing disposal of solid wastes. The statutory authority for funding this assistance agreement is found in:

*Clean Air Act, as amended, Section 103, 42 U.S.C. 7403*

*Clean Water Act, as amended, Section 104, 33 U.S.C. 1254*

*Safe Drinking Water Act, as amended, Section 1442, 42 U.S.C. 300 j-1*

*Solid Waste Disposal Act, as amended, Section 8001, 42 U.S.C. 6981*

*Toxic Substances Control Act, Section 10, 15 U.S.C. 2609*

*Federal Insecticide, Fungicide, and Rodenticide Act, Section 20, 7 U.S.C. 136r*

*Comprehensive Environmental Response, Compensation and Liability Act, Section 311, 42 U.S.C. 9660*

Applicable regulations include: 40 CFR Part 30 (Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations), 40 CFR Part 31 (Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments) and 40 CFR Part 40 (Research and Demonstration Grants). Applicable OMB Circulars include: OMB Circular A-21 (Cost Principles for Educational Institutions) relocated to 2 CFR Part 220, OMB Circular A-87 (Cost Principles for State, Local and Indian Tribal Governments) relocated to 2 CFR Part 225, OMB Circular A-102 (Grants and Cooperative Agreements With State and Local Governments), OMB Circular A-110 (Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations) relocated to 2 CFR Part 215, and OMB Circular A-122, (Cost Principles for Non-Profit Organizations) relocated to 2 CFR Part 230.

**D. Specific Areas of Interest/Objectives and Outcomes**

Applicants must submit proposals for one of the two areas listed below. Proposals that do not address either area will be rejected. In addition, applicants may submit multiple proposals so long as each one is for one of the areas listed below, is separately submitted, and is different from the other. Proposals that combine both areas will not be accepted.

(1) Design of Policies for Pollution Control Using Market Mechanisms. Market mechanisms (or incentive-based instruments for pollution control) have the potential (and have been shown in practice) to achieve environmental policy goals with lower overall costs than other approaches. However, new policy initiatives may interact with existing regulatory frameworks, possibly resulting in unintended consequences. This necessitates careful evaluation of interactions of new and pre-existing environmental policies, as well as consideration of second-best and piecemeal approaches to regulation. Likewise, the use of multiple, hybrid, or adaptive mechanisms may be necessary to address large-scale environmental challenges, as policymakers have begun to examine environmental problems (such as climate change) that exhibit multiple externalities or other features linked with an externality that may require multiple and linked regulatory instruments. NCEE is therefore interested in supporting either normative or positive research in the design of policies for pollution control using market mechanisms, particularly second-best and piecemeal approaches to regulation as well as multiple, hybrid, or adaptive policies to control one or more externalities or other problems. These studies can be theoretical or empirical. Example of projects that proposals could address include, but are not limited to:

- an investigation of a market mechanisms (such as a carbon tax or cap-and-trade program) coupled with one or more of the following: a revenue recycling mechanism; a distributional mechanism; an R&D policy; a technology-forcing policy; a "green" subsidy; an existing standard, tax or fiscal policy; another regulatory policy (such as a

utility that faces environmental and rate regulation); an offset policy; or a cost-containment measure,

- the relationship between voluntary environmental compliance efforts and regulatory approaches,
- the use of a market mechanism to control environmental quality and another policy to control quantity (such as for water,
- the use of market mechanisms under second-best conditions,
- hybrid policies that combine a market mechanism with a command-and-control regulation, or
- an adaptive policy.

There is an extensive literature on these subjects (see, for example, Goulder and Parry 2008 and Harrington et al. 2004 for recent reviews).

(2) Data Gathering for Dissertation and Early Career Research on the Pollution Control Aspects of Environmental Economics. NCEE is also seeking proposals for gathering data for use in doctoral dissertations and other early career research in those areas of environmental economics involving pollution control. The data to be gathered should be relevant to the area of responsibility of EPA and/or state and local pollution control agencies. That is, the research to be funded must be relevant to one of the statutory authorities applicable to this RFP (see Section III.C.3). For example, data gathering related to the non-pollution control aspects of the management of National Parks would not be eligible. However, data should not be gathered primarily for the use of EPA or other federal government agencies; data should be gathered primarily for research purposes. Examples include data needed to model the behavior of pollution sources in response to policies, unintended consequences of policies, and the costs, benefits, and impacts of policies. Proposals in this area should be directed at short- or long-term priority research issues discussed in the Agency's *Environmental Economics Research Strategy* (see U.S. EPA 2005), although this is not a requirement.

The applicant's principal investigator or at least one major co-investigator for proposals under area (2) must be either a Ph.D. student or have received their Ph.D. no earlier than January 1, 2005. The proposals should involve data primarily intended for use in a research project being prepared by this investigator. This investigator may request minimal EPA funds for their time spent on the project. Other researchers, such as Ph.D. advisors and committee members, senior faculty, and other colleagues are encouraged to collaborate in the research proposal, however, no EPA funds should be allocated for time spent by these other researchers. The bulk of funds in the proposed budget should cover the data gathering involved.

## E. References

Lawrence H. Goulder and Ian W. H. Parry. 2008. "Instrument Choice in Environmental Policy." *Review of Environmental Economics and Policy* forthcoming

Winston Harrington, Richard D. Morgenstern, and Thomas Sterner (eds.) 2004. *Choosing*

*Environmental Policy: Comparing Instruments and Outcomes in the United States and Europe*. Washington, DC: RFF Press.

U.S. EPA. 2005. Environmental Economics Research Strategy. EPA/600/R-04/195. (http://www.epa.gov/ord/htm/documents/econresearch.pdf)

U.S. EPA. 2006. 2006-2011 EPA Strategic Plan, http://www.epa.gov/ocfo/plan/2006/entire_report.pdf (PDF) (184 pp, 11.56 MB)

**F. Special Requirements**

Groups of two or more eligible applicants may choose to form a consortium and submit a single proposal for this assistance agreement. The proposal must identify which organization will be the recipient of the assistance agreement and which organizations(s) will be sub-awardees of the recipient.

See Section IV of the solicitation which addresses the evaluation of an applicant's proposed contractors and subawardees. These instruments must be in compliance with the competitive Procurement Standards in 40 CFR Part 30 or 40 CFR 31.36 as appropriate.

## Section II. AWARD INFORMATION

The total amount expected to be awarded under this RFP is approximately $1,200,000. Proposals for area (1) as described in Section I.D must be for less than $300,000 of EPA funds to be considered; proposals for area (2) must be for less than $75,000 of EPA funds to be considered. Assistance agreements may be awarded for project periods of up to 5 years where appropriate Individual assistance agreements may be fully or incrementally funded. Cost sharing is not required. If incrementally funded in FY2009, future funding is not guaranteed. EPA anticipates awarding 5 to 7 assistance agreements—three to five under area (1) and two under area (2)—under this announcement, as either grants or cooperative agreements.

EPA reserves the right to award fewer than 7 agreements or to make no awards under this solicitation.

EPA may award both grants and cooperative agreements under this announcement. Under a *grant,* EPA employees are not permitted to be substantially involved in the planning and execution of the research.

Where appropriate, EPA may award *cooperative agreements* when substantial involvement between EPA employees and grant recipients is anticipated. Assistance recipients that are awarded cooperative agreements rather than grants are required to work closely with the EPA Project Officer and other EPA personnel, as determined by EPA, during the performance of the project. These collaborations may include data and information exchange, providing technical input to experimental design and theoretical development, coordinating extramural research with in-house activities, and joint authorship of journal articles on these activities. **To ensure that all**

**proposals receive fair consideration, applicants may not identify EPA cooperators or interactions; specific interactions between EPA's investigators and those of the prospective recipient for cooperative agreements will be negotiated at the time of award.**

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

NCEE is not likely to authorize any pre-award costs, but applicants may request funds to cover pre-award costs that are incurred 90 days or less before the award date. If EPA determines that the requested pre-award costs comply with the relevant OMB Circular (A-87 for public entities and A-122 for nonprofit organizations), and that the costs are justified as allocable to the project, then these costs may be included as allowable expenditures at the time that the assistance award document is prepared. However, if for any reason, EPA does not fund the proposal or the amount of the award is less than the applicant anticipated, then EPA is under no obligation to reimburse the applicant for these costs. Thus, applicants incur pre-award costs at their own risk.

## Section III. ELIGIBILITY INFORMATION

### A. Eligible Applicants

Eligible applicants include States, territories, the District of Columbia, Indian Tribes, interstate organizations, intrastate organizations, and possessions of the U.S. Eligible applicants also include public and private universities and colleges, hospitals, laboratories, and other public or private nonprofit institutions and international organizations. Nonprofit organizations described in Section 501(c)(4) of the Internal Revenue Code that engage in lobbying activities as defined in Section 3 of the Lobbying Disclosure Act of 1995 are not eligible to apply.

National laboratories funded by Federal Agencies (Federally-Funded Research and Development Centers, "FFRDCs") may not apply. FFRDC employees may cooperate or collaborate with eligible applicants within the limits imposed by applicable legislation and regulations. They may participate in planning, conducting, and analyzing the research directed by the applicant, but may not direct projects on behalf of the applicant organization. The institution, organization, or governance receiving the award may contract with or provide subawards to FFRDC's with funds through its grant from the EPA to an FFRDC for research personnel, supplies, equipment, and other expenses directly related to the research. (See Section IV.) However, salaries for permanent FFRDC employees may not be provided through this mechanism.

Federal Agencies may not apply. Federal employees are not eligible to serve in a principal leadership role on an assistance agreement, and may not receive salaries or augment their Agency's appropriations in other ways (e.g., travel funds) through grants made by this program.

**B. Cost Sharing or Match**

There are no cost-sharing or matching funds requirements under this RFP. However the degree to which the project budget effectively uses EPA funds and/or leverages internal or external matching funds will be considered as part of the cost-effectiveness evaluation criteria (see V.A). Allowable costs for nonprofit organizations are defined in OMB circular A-122; allowable costs for public entities are defined in OMB circular A-87. Leveraged funding or other resources need not be for eligible and allowable costs under the EPA assistance agreement unless the applicant proposes to provide a voluntary cost share or match.

If EPA accepts an offer for a voluntary cost share/match, applicants must meet their matching/sharing commitment as a condition of receiving EPA funding. Applicants may use their own funds or other resources for a voluntary match or cost share if the standards at 40 CFR 30.23 or 40 CFR 31.24, as applicable, are met. Only eligible and allowable costs may be used for voluntary matches or cost shares. Other Federal grants may not be used as matches or cost shares without specific statutory authority (e.g., Housing and Urban Development's Community Development Block Grants). Voluntary cost shares or matches must be included in the budget as a planned cost.

Applicants who will seek funding from other sources but do not intend to include these funds as a voluntary match or cost share in the budget must explain how these other funds will be used. Applicants relying on additional funding from other sources should support their expectations (e.g., based on past successes in obtaining multiple funding sources). Fund-raising costs are not allowable costs under EPA grants.

**C. Other Eligibility Criteria**

All of the following threshold criteria must be met by the time of proposal submission in order for a proposal to receive funding consideration. Only those proposals that meet all of these criteria will be evaluated against the ranking criteria in Section V of this solicitation. Applicants deemed ineligible for funding consideration will be notified within 15 calendar days of the ineligibility determination.

1. The applicant must demonstrate that it is eligible to apply for financial assistance under this solicitation.
2. Proposals that fail to demonstrate a public purpose of support or stimulation will not be funded. For example, proposals that request funding for a research project which primarily benefits a Federal program or provides a service for a Federal agency are not eligible.
3. To be eligible for funding consideration, a proposal's focus must consist of activities within the statutory terms of EPA's financial assistance authorities; specifically, the statute(s) listed in Section I.C. above. Generally, a project must address the causes, effects, extent, prevention, reduction, and elimination of air pollution, water pollution, solid/hazardous waste

pollution, toxic substances control, or pesticide control depending on which statute(s) is listed in I.C. above.

These activities should relate to the gathering or transferring of information or advancing the state of knowledge. Proposals should emphasize this "learning" concept, as opposed to "fixing" an environmental problem via a well-established method. Proposals relating to other topics which are sometimes included within the term "environment" such as recreation, conservation, restoration, protection of wildlife habitats, etc., must describe the relationship of these topics to the statutorily required purpose of pollution prevention and/or control.

4. The applicant's proposal, or the component of it to which the proposal for EPA funding applies, must focus on EPA mission-related issues connected to protecting human health and safeguarding the natural environment as specified in Section I.B. which addresses the relationship to EPA's Strategic Plan.
5. Proposals for area (1) as described in Section I.D must be for more than $20,000 and less than $300,000 of EPA funds to be considered; proposals for area (2) must be for more than $20,000 and less than $75,000 of EPA funds to be considered.
6. For proposals under area (2), the applicant's principal investigator or at least one major co-investigator must be a Ph.D. student or have received their Ph.D. no earlier than January 1, 2005.

7. a. Proposals must substantially comply with the proposal submission instructions and requirements set forth in Section IV of this announcement or else they will be rejected. However, where a page limit is expressed in Section IV with respect to the proposal or parts of the proposal, pages in excess of the page limitation will not be reviewed.

b. In addition, proposals must be received by the EPA or received through www.grants.gov, as specified in Section IV of this announcement, on or before the proposal submission deadline published in Section IV of this announcement. Applicants are responsible for ensuring that their proposal reaches the designated person/office specified in Section IV of the announcement by the submission deadline.

c. Proposals received 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. Applicants should confirm receipt of their proposal with Will Wheeler (wheeler.william@epa.gov) as soon as possible after the submission deadline—failure to do so may result in your proposal not being reviewed.

## Section IV. APPLICATION AND SUBMISSION INFORMATION

### A. Internet Address to Request Application Package

Electronic proposals submitted thru grants.gov are encouraged and recommended. Applicants who do not submit through grants.gov should download required forms at http://www.epa.gov/ogd/forms/forms.htm.

See Section IV. E. Submission Instructions and Other Submission Requirements for instructions for Grants.gov. Applicants who are unable to submit electronically through Grants.gov must contact Will Wheeler (wheeler.william@epa.gov, phone: 202-566-2264) for alternative proposal submission instructions. The proposal deadlines and other requirements of this solicitation still apply to applicants that use alternative submission methods.

An email will be sent to the Lead/Contact PI and the Administrative Contact (see below) to acknowledge receipt of the proposal and transmit other important information. *If you do not receive an email acknowledgment within 30 days of the submission closing date, immediately inform the* Will Wheeler (wheeler.william@epa.gov*). Failure to do so may result in your proposal not being reviewed.*

## B. Content and Form of Proposal Submission

The proposal is made by submitting the materials described below. **It is essential that the proposal package contain all information requested and be submitted in the described formats.**

**1. Standard Form 424 – Application for Federal Assistance** –Applicants should fill in this form as appropriate and include it as an attachment to their application.

**2. Key Contacts** - The applicant must complete the "Key Contacts" form as the second page of the application: a Key Contacts continuation page is also available at http://www.epa.gov/ogd/forms/forms.htm. The Key Contacts form should also be completed for major sub-agreements (i.e., primary co-investigators). Please make certain that all contact information is accurate.

**3. Narrative Proposal** – Contains the project description, budget justification and evaluation criteria discussion, and must provide:

(a) a concise description or abstract of the project and discussion of which subject area as identified in Section I.D. that it addresses(including literature citations),

(b) a justification for the proposed budget

(c) a discussion of how the proposal addresses each of the specific evaluation criteria that apply to the area that the proposal addresses (see *Section V (A) Specific Evaluation Criteria*—applicants should note that proposals under area (1) must respond to both peer

review and programmatic review criteria while proposals under area (2) must only respond to programmatic review criteria), and

(d) a Data Plan to make available all data from observations, analyses, or model development collected under an agreement awarded as a result of this RFP in a format and with documentation/metadata such that they may be used by others in the scientific community to the extent feasible to protect confidentiality and within a reasonable time period.

The narrative proposal must be no longer than 15 single spaced pages for area (1) (as described in Section I.D) and 5 single spaced pages for area (2) (as described in Section I.D). It should be provided on 8 ½ x 11" pages, single-line spaced, using no smaller than 12-point type and 1" page margins. In reviewing the narrative proposal, reviewers will not consider any pages beyond the page limit.

**4. Budget/SF 424-A Form**

Budget Information for Non-Construction Programs (SF-424A) – Complete the SF-424A to indicate how you plan to expend the funds provided by EPA. There are no attachments. At a minimum, complete Section B- Budget Information and Section F-Other Budget Information. The total amount of EPA funding requested for the project period should be shown on line 5(e) and on line 6(k) of SF-424A. If indirect costs are included, the amount of indirect costs should be entered on line 6(j). The indirect cost rate (i.e., a percentage), the base (e.g., personnel costs and fringe benefits), and the amount should also be indicated on line 22.

If a subaward, such as a subgrant with an educational institution, is included in the proposal, provide a separate budget and budget justification for the subaward. Include the total amount for the subaward under "Other" in the master budget. Any project containing sub awards or procurement contracts that constitute more than 40% of the total direct cost of the proposal will be subject to special review. Additional justification for use of these must be provided, discussing the need for the sub award/procurement contract to accomplish the objectives of the research project.

Please note that institutional cost-sharing is not required. However, if cost-sharing is proposed, a brief statement concerning cost-sharing should be added to the budget justification, and estimated dollar amounts must be included in the appropriate categories in the budget table.

Management Fees - When formulating a budget, applicants must not include management fees or similar charges in excess of the direct costs and indirect costs at the rate approved by the applicant's cognizant audit agency, or at the rate provided for 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.

**5. Attachment for Documentation of Qualifications and Letters of Intent** (no page limit) - The applicant must include in this attachment resumes of all principal staff who will have a major role in the project. This should also include letters of intent to provide resources for the proposed research or to document intended interactions. These are limited to one brief paragraph committing the availability of a resource (e.g., use of a person's time or equipment) or intended interaction (e.g., sharing of data, as-needed consultation) that is described in the Narrative Proposal

If your RFP is submitted electronically through Grants.gov, use the "Other Attachments Form" in the "Optional Documents" box to attach this.

**6. Guidelines, Limitations, and Additional Requirements**

a. Confidentiality

By submitting a proposal/application in response to this solicitation, the applicant grants the EPA permission to make limited disclosures of the proposal/application to technical reviewers both within and outside the Agency for the express purpose of assisting the Agency with evaluating the proposal/application. Information from a pending or unsuccessful proposal/application will be kept confidential to the fullest extent allowed under law; information from a successful proposal/application may be publicly disclosed to the extent permitted by law.

In accordance with 40 CFR 2.203, applicants may claim all or a portion of the proposal/application as confidential business information (e.g., intellectual property). EPA will evaluate confidentiality claims in accordance with 40 CFR Part 2. Applicants must clearly mark proposals/applications or portions thereof that they claim as confidential. If no claim of confidentiality is made, the EPA is not required to make an inquiry to the applicant otherwise required by 40 CFR 2.204(c) (2) prior to disclosure.

## C. Submission Dates and Times

This solicitation closes at **11:59 pm., EST on December 5, 2008. Proposals received** after 11:59 pm., EST on December 5, 2008 will be rejected without review.

It should be noted that this schedule may be changed without prior notification because of factors not anticipated at the time of announcement. In the case of a change in the solicitation closing date, a new date will be posted on the NCEE web site (http://www.epa.gov/economics) and a modification posted on www.grants.gov.

**D. Funding Restrictions**

The funding mechanism for all awards issued under this solicitation will consist of assistance agreements from the EPA. All award decisions are subject to the availability of funds.

In accordance with the Federal Grant and Cooperative Agreement Act, 31 U.S.C. 6301 et seq., the primary purpose of an assistance agreement is to accomplish a public purpose of support or stimulation authorized by federal statute, rather than acquisition for the direct benefit or use of the Agency.

Agency policy prevents EPA staff from providing individual applicants with any information that may create an unfair competitive advantage. Consequently, EPA employees will not review, comment, advise, and/or provide technical assistance to applicants preparing proposals or applications in response to this solicitation, nor will they endorse a proposal or discuss in any manner how the Agency will apply the published evaluation criteria for this competition. Applicants having questions about this solicitation should e-mail their questions to NCEE@epa.gov, using "Grant Solicitation Question" as the subject. Questions and answers will be posted on an NCEE website supporting the solicitation, http://yosemite.epa.gov/ee/epa/eed.nsf/Webpages/GrantsFAQ.html.

EPA may use cooperative agreements and not grants for some projects. The EPA will monitor research progress through reports provided by grantees and other contacts, including site visits, with the Principal Investigator.

Collaborative proposals involving more than one institution must be submitted as a single administrative package from one of the institutions involved. Each proposed project must be able to be completed within the project period and with the initial award of funds. Applicants should request the entire amount of money needed to complete the project. Recipients should not anticipate additional funding beyond the initial award of funds for a specific project.

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 sub awards or sub grants to fund partnerships, provided the recipient complies with applicable requirements for sub awards or sub grants 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 the regulations at 40 CFR Parts 30 or 31, as appropriate. The regulations also contain limitations on consultant compensation. Applicants are not required to identify subawardees/subgrantees and/or contractors (including consultants) in their proposal. However, if they do, the fact that an applicant selected for award has named a specific subawardee/subgrantee, contractor, or consultant in the proposal EPA selects for funding 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 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 from for-profit organizations to carry out its assistance agreement. The nature of the transaction between the recipient and the subawardee or 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. 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 or 40 CFR Part 31.36 and cannot use a subaward/subgrant as the funding mechanism.

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, if appropriate and relevant, the qualifications, expertise, and experience of:

(i) an applicant's named subawardees/subgrantees identified in the proposal/application if the applicant demonstrates in the proposal/application that if it receives an award that 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 profit firms or individual consultants.
(ii) an applicant's named contractor(s), including consultants, identified in the proposal/application if the applicant demonstrates in its proposal/application that the contractor(s) was selected in compliance with the competitive Procurement Standards in 40 CFR Part 30 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.

## E. Grants.gov Proposal Submission Instructions

**Please read this entire section before attempting an electronic submission through Grants.gov. If you are unable to utilize the Grants.gov application submission process, contact Will Wheeler (wheeler.william@epa.gov) for alternative application submission instructions at least 10 working days before the deadline to assure timely receipt of alternate instructions. In your message provide the funding opportunity number and title of the program, specify that you are requesting alternate submission instructions, and provide a telephone number, fax number, and an email address, if available. Alternate instructions will be e-mailed whenever possible. The proposal deadlines and other requirements of this solicitation still apply to applicants that use alternative submission methods.**

**Note: Grants.gov submission instructions are updated on an as-needed basis. Please provide your Authorized Organizational Representative (AOR) with a copy of the following instructions to avoid submission delays that may occur from the use of outdated instructions.**

The electronic submission of your proposal package must be made by an official representative of your institution who is registered with 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, please encourage your office to designate an AOR and ask that individual to begin the registration process as soon as possible.

The appropriate electronic proposal package available through the http://www.grants.gov site must be used for electronic submissions. To begin the application process, 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 proposal package. For more information on Adobe Reader please go to http://www.grants.gov/help/help.jsp.

***Note: Grants.gov is aware of a corruption issue when Adobe Reader application packages are saved in different versions of Adobe Reader. It is recommended that applicants uninstall earlier versions of Adobe Reader and then install the version available and compatible through Grants.gov.***

The proposal package may be quickly accessed from https://apply.grants.gov/forms_apps_idx.html using the appropriate FON (EPA-OPEI-NCEE-08-02). Please register for announcement change notification emails.

The Grants.gov website provides customer support via (800) 518-GRANTS (this is a toll-free number) or through e-mail at support@grants.gov. The customer support center is open from

7:00 a.m. to 9:00 p.m. Eastern time, Monday through Friday, except federal holidays, to address Grants.gov technology issues

**Proposal Submission Deadline:** Your organization's AOR must submit your complete proposal package, as described in Section IV. B of the announcement, electronically to EPA through Grants.gov (http://www.grants.gov) no later than 11:59pm EST on December 5, 2008. Proof of timely submission is automatically recorded by Grants.gov.

An electronic time stamp is generated within the system when the proposal is successfully received by Grants.gov. The applicant will receive an acknowledgement of receipt and a tracking number from Grants.gov with the successful transmission of their proposal.

Applicants should print this receipt and save it, along with facsimile receipts for information provided by facsimile, as proof of timely submission. When EPA successfully retrieves the package from Grants.gov, Grants.gov will provide an electronic acknowledgment of receipt to the e-mail address of the AOR. Proof of Timely submission shall be the date and time that Grants.gov receives your proposal package.

EPA ***strongly*** suggests that applicants submit their proposals during the operating hours of the Grants.gov Support Desk, so that if there are questions concerning transmission, operators will be available to walk you through the process. Submitting it during the Support Desk hours will also ensure that you have sufficient time for the proposal to complete its transmission prior to the proposal deadline.

Applicants using dial-up connections should be aware that transmission should take some time before Grants.gov receives it. Grants.gov will provide either an error or a successfully received transmission message. The Grants.gov Support desk reports that some applicants abort the transmission because they think that nothing is occurring during the transmission process.

Please be patient and give the system time to process the proposal. Uploading and transmitting many files particularly electronic forms with associated XML schemas will take some time to be processed.

Please submit *all* of the proposal materials described below and in Section IV.B of the announcement.. To view the full funding announcement, 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.

**1. Proposal Materials**

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

Application for Federal Assistance (SF-424)
Budget Information for Non-Construction Programs (SF-424A)
Narrative Proposal-See Section IV.B of the announcement for details.

Key Contacts Form (IV.B.3., above).

Other Attachments Form-Attachment for Documentation of Qualifications and Letters of Intent

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

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

Complete the form. There are no attachments

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.

**b. Standard Form SF 424A – Budget Information**:
Complete the form. There are no attachments.
The total amount of federal funding requested for the project period should be shown on line 5(e) and on line 6(k) of SF-424A. If indirect costs are included, the amount of indirect costs should be entered on line 6(j). The indirect cost rate (i.e., a percentage), the base (e.g., personnel costs and fringe benefits), and the amount should also be indicated on line 22.

**c. Narrative Proposal** – prepared as described in Section IV.B.3 of the announcement. The document should be readable in PDF, MS Word or Word Perfect WP6/7/8 for Windows and consolidated into a single file.

**d. EPA Form 5700-54, Key Contacts Form**

Complete the form. There are no attachments.
If additional pages are needed, attach these additional pages to the electronic application package by using the "Other Attachments Form" in the "Optional Documents" box. (See Application Preparation and Submission Instructions below for more details.)

e. **Attachment for Documentation of Qualifications and Letters of Intent** - The applicant must include in this attachment resumes of all principal staff who will have a major role in the project and letters of intent to provide resources for the proposed research or to document

intended interactions. If your RFP is submitted electronically through Grants.gov, use the "Other Attachments Form" in the "Optional Documents" box to attach this.

**2. Proposal Preparation and Submission Instructions**

(a) On the initial electronic Grant Application Package page, complete the "Application Filing Name" field by entering the Lead/Contact PI's name, starting with the last name. Note: Applicants do not need to complete the "Competition ID" field.

(b) Application for Federal Assistance (SF 424): Complete the form.

(c) Standard Form SF 424A – Budget Information: Complete the form.

(d) EPA Key Contacts Form 5700-54: Complete the form.

(e) Narrative Proposal-Project Narrative Attachment Form (click on "Add Mandatory Project Narrative"): Attach a single electronic file labeled "Narrative Proposal" that contains the items described in Section IV.B.3. of this solicitation.

(f) Other Attachment for Documentation of Qualifications and Letters of Intent - The applicant must include in this attachment resumes of all principal staff who will have a major role in the project and letters of intent to provide resources for the proposed research or to document intended interactions. If your RFP is submitted electronically through Grants.gov, use the "Other Attachments Form" in the "Optional Documents" box to attach this.

For documents (b)-(d), 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 (e) (or if additional pages are needed for the Key Contacts Form), you will need to attach electronic files. Prepare your narrative proposal as described above in Section IV.B.3 of the announcement and save the document to your computer. The document should be readable in PDF, MS Word or Word Perfect WP6/7/8 for Windows. 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 long. If there other attachments that you would like to submit 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."

For document f, see above.

Once the application package has been completed, the "Submit" button should be enabled. If the "Submit" button is not active, please call Grants.gov for assistance at 1-800-518-4726. Investigators should save the completed application package with two different file names before providing it to the AOR to avoid having to re-create the package should submission problems be experienced or a revised application needs to be submitted.

Submitting the proposal package. The proposal package must be transferred to Grants.gov by an AOR. The AOR should close all other software before attempting to submit the proposal package. Click the "submit" button of the proposal package. Your Internet browser will launch and a sign-in page will appear. *Note: Minor problems are not uncommon with transfers to Grants.gov. It is essential to allow sufficient time to follow all trouble-shooting instructions, including contacting Grants.gov, before 11:59 pm Eastern Time on the solicitation closing date.*

A successful transfer will end with an on-screen acknowledgement. For documentation purposes, print or screen capture this acknowledgement. If a submission problem occurs, reboot the computer – turning the power off may be necessary – and re-attempt the submission. If submission problems continue, call Grants.gov for assistance (Telephone: 1-800-518-4726).

Note: Grants.gov issues a "case number" upon a request for assistance

**F. Intergovernmental Review** – All applicants should be aware that formal requests for assistance might be subject to intergovernmental review under Executive Order 12372, Intergovernmental Review of Federal Programs. Applicants should contact their State's Single Point of Contact (SPOC's) for further information. A list of SPOC's can be accessed at http://www.whitehouse.gov/omb/grants/spoc.html. This information should be addressed in Block 16 of the required form, SF 424.

**G. 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 responsible for the contents of their applications/proposals. However, consistent with the provisions in the announcement, EPA will respond to questions from individual applicants regarding threshold eligibility criteria, administrative issues related to the submission of the proposal, and requests for clarification about the announcement.

## Section V. APPLICATION REVIEW INFORMATION

All eligible grant proposals under area (1), "Design of Policies for Pollution Control Using Market Mechanisms", will be reviewed by an appropriate external technical peer review panel comprised of individual experts using the peer review criteria described below. This review is designed to evaluate each proposal according to its scientific merit. Reviewers are asked to individually assign a score of excellent, very good, good, fair, or poor to each proposal. EPA translates the average of these individual scores into the final panel review score. Proposals under area (1) receiving final panel review scores of excellent or very good as a result of the peer review process will then undergo an internal programmatic review, as described below, conducted by technical experts from the EPA, including individuals from NCEE, ORD, and program and regional offices involved with the economics proposed. All proposals under area (1) that do not receive a score of Very Good or Excellent from the peer review panel are automatically declined.

Proposals under area (2), "Data Gathering for Dissertation and Early Career Research on the Pollution Control Aspects of Environmental Economics", undergo a separate internal programmatic review as described below and do not undergo peer review.

### A. Evaluation Criteria For Area One

1. Peer Review Criteria for Area (1), "Design of Policies for Pollution Control Using Market Mechanisms."

Individual external peer review panel members consider the proposals merit based on the criteria below. Criteria 1-5 are listed in descending order of importance:

1. Narrative Proposal (criteria 1a through 1f are essentially equal):
    a. The originality and creativity of the proposed research and the appropriateness and adequacy of the proposed research methods to the research question(s).
    b. The practicality and technically defensibility of the research approach, and the adequacy of the proposed time period.
    c. The expected contributions to the knowledge of policy design using market mechanisms
    d. The projected benefits of the proposed activity to society, including improving the environment or human health.
    e. How well the results will be disseminated broadly to enhance scientific and technological understanding.

f. How well the proposal is prepared with supportive information that is self-explanatory or understandable.

2. Investigators: The qualifications of the Principal Investigator(s) and other key personnel, including research training, demonstrated knowledge of pertinent literature, experience, and publication records. The extent to which all key personnel make an adequate time commitment to the project commensurate with their role in the project.

3. Responsiveness: The responsiveness of the proposal to the research needs identified for the topic area. How well the proposal addresses the objectives and special considerations specified by the EPA for this topic area.

4. Facilities and equipment: The availability and/or adequacy of the facilities and/or equipment proposed for the project. The existence of any potential deficiencies that may interfere with the successful completion of the research.

5. Budget: The reviewers are asked to provide their view on the appropriateness and/or adequacy of the proposed budget and its implications for the potential success of the proposed research. Input on requested equipment is of particular interest.

2. Programmatic Review Criteria for Area (1), "Design of Policies for Pollution Control Using Market Mechanisms."

Proposals under area one receiving a score of Very Good or Excellent from the peer review panel will be evaluated against the following technical criteria in the programmatic review. The importance of each criterion is indicated in percentage terms in parentheses after each criterion, and applicants are advised that their proposals should explicitly address each of the following to facilitate evaluation:

(1) Relevance and usefulness of the proposed research to solving important environmental problems. Applicants will be evaluated based on usefulness of new analytical models or empirical methods and how the usefulness of such research can be greatly enhanced by applying those new developments to one or more relevant, real-world problems as part of the proposed project. (Given the scope of the RFP, the benchmark real-world problem which is considered to be most useful to study is climate change in the United States.) (35%)

(2) Cost-effectiveness of the proposed research in terms of its likely contribution towards advancing knowledge of the use of market mechanisms for the research community, the interested public, and for policy makers. The proposals will be evaluated based on the extent that the budget is clearly stated, detailed, and appropriate to achieve the project's objectives. Proposals that identify partnering organization(s) will be evaluated on their ability to document these relationships with the applicant, for example, through letters of support, joint statements, or principles of agreement signed by other parties (25%)

(3) Likely credibility of the resulting research to the research communities and stakeholders involved. This will be judged primarily on the professional standing of the proposed researchers in their respective research communities but also on the likelihood that the methods proposed would be accepted by these communities and other stakeholders. (20%)

(4) Programmatic Capability: Under this criterion, applicants will be evaluated based on their ability to successfully complete and manage the proposed project taking into account the following factors (each is worth 2.5%): (i) its past performance in successfully completing and managing federally funded assistance agreements (an assistance agreement is a grant or cooperative agreement and not a contract) similar in size, scope, and relevance to the proposed project performed within the last 3 years, (ii) its history of meeting reporting requirements under federally funded assistance agreements (an assistance agreement is a grant or cooperative agreement and not a contract) similar in size, scope, and relevance to the proposed project performed within the last 3 years and submitting acceptable final technical reports under those agreements, (iii) its organizational experience and plan for timely and successfully achieving the objectives of the proposed project, and (iv) its staff expertise/qualifications, staff knowledge, and resources or the ability to obtain them, to successfully achieve the goals of the proposed project. Note: In evaluating applicants under 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). Applicants with no relevant or available past performance or reporting history (items i and ii above), will receive a neutral score (1.25%) for those elements of this criterion. (10%)

(5) Environmental Results Past Performance Criterion: Under this criterion, applicants will be evaluated based on the extent and quality to which they adequately documented and/or reported on their progress towards achieving the expected results (e.g., outcomes and outputs) under Federal agency assistance agreements (an assistance agreement is a grant or cooperative agreement and not a contract) performed within the last three years, and if such progress was not being made whether the applicant adequately documented and/or reported why not. Note: In evaluating applicants under this factor, EPA 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). Applicants with no relevant or available past performance reporting history will receive a neutral score (2.5 %) for this factor. (5%)

(6) Completeness of the Plan for Tracking and Reporting Progress Towards Achieving Environmental Outcomes and Outputs: Applicants will be evaluated based on their plan for tracking and measuring their progress towards achieving the expected project outputs and outcomes including those identified in Section I. (5%).

**B. Evaluation Criteria for Area 2, "Data Gathering for Dissertation and Early Career Research on the Pollution Control Aspects of Environmental Economics."**

Each eligible proposal submitted for this area will be evaluated against the following technical criteria in the programmatic review. The importance of each criterion is indicated in percentage terms in parentheses after each criterion. Applicants are advised that their proposals should explicitly address each of the following to facilitate evaluation:

(1) Relevance and usefulness of the proposed research to solving important environmental problems. Applicants will be evaluated based on usefulness of new analytical models or empirical methods and their correspondence to the priorities outlined in the Environmental Economics Research Strategy (U.S. EPA 2005) as described in Section I. (30%)

(2) Cost-effectiveness of the proposed data gathered in terms of its likely contribution towards advancing knowledge of the pollution control aspects of environmental economics for the research community, the interested public, and for policy makers. This will be judged by the absence of similar and equally useful data already collected by others, the importance of the data proposed to be collected to advancing knowledge of the pollution control aspects of environmental economics, the data plan, and the projected cost of gathering the data. The proposals will be evaluated based on the extent that the budget is clearly stated, detailed, and appropriate to achieve the project's objectives. Proposals that identify partnering organization(s) will be evaluated on their ability to document these relationships with the applicant, for example, through letters of support, joint statements, or principles of agreement signed by other parties. (25%)

(3) Likely credibility of the proposed data to the environmental economics research community. This criterion will be evaluated on the basis of the following five data assessment factors (see http://www.epa.gov/OSA/spc/pdfs/assess2.pdf for additional information on some closely related data assessment factors):

Soundness - The extent to which the scientific and technical procedures, measures, methods or models employed to generate the information are likely to be reasonable for, and consistent with, the intended application (10%).

Clarity and Completeness - The degree of clarity and completeness with which the data, assumptions, methods, quality assurance, sponsoring organizations, and analyses employed to generate the information are likely to be documented (5%).

Uncertainty and Variability - The extent to which the variability and uncertainty (quantitative and qualitative) in the information or in the procedures, measures, methods or models are likely to be evaluated and characterized (5%).

Evaluation and Review - The likely extent of independent verification, validation and peer review of the information or of the procedures, measures, methods or models, and effectiveness of the plan in measuring and tracking progress(5%). (Total: 25%).

(4) Programmatic Capability: Under this criterion, applicants will be evaluated based on their ability to successfully complete and manage the proposed project taking into account the following factors (each is worth 2.5%): (i) its past performance in successfully completing and managing federally funded assistance agreements (an assistance agreement is a grant or cooperative agreement and not a contract) similar in size, scope, and relevance to the proposed project performed within the last 3 years, (ii) its history of meeting reporting requirements under federally funded assistance agreements (an assistance agreement is a grant or cooperative agreement and not a contract) similar in size, scope, and relevance to the proposed project performed within the last 3 years and submitting acceptable final technical reports under those agreements, (iii) its organizational experience and plan for timely and successfully achieving the objectives of the proposed project, and (iv) its staff expertise/qualifications, staff knowledge, and resources or the ability to obtain them, to successfully achieve the goals of the proposed project. Note: In evaluating applicants under 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). Applicants with no relevant or available past performance or reporting history (items i and ii above), will receive a neutral score (1.25%) for those elements of this criterion. (10%)

(5) Environmental Results Past Performance Criterion: Under this criterion, applicants will be evaluated based on the extent and quality to which they adequately documented and/or reported on their progress towards achieving the expected results (e.g., outcomes and outputs) under Federal agency assistance agreements (an assistance agreement is a grant or cooperative agreement and not a contract) performed within the last three years, and if such progress was not being made whether the applicant adequately documented and/or reported why not.

Note: In evaluating applicants under this factor, EPA 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). Applicants with no relevant or available past performance reporting history will receive a neutral score (2.5%) for this factor. (5%)

(6) Completeness of the Plan for Tracking and Reporting Progress Towards Achieving Environmental Outcomes and Outputs. Applicants will be evaluated based on their plan for tracking and measuring their progress towards achieving the expected project outputs and outcomes including those identified in Section I. (5%)

## C. Selection Process

The review of proposals for areas one and two will be conducted in a manner that provides for separate rankings of proposals submitted for each of the subject areas. The final programmatic review scores for each proposal for each area will be based on averaging the individual scoring of each programmatic reviewer, after panel discussions regarding their initial evaluations. The review panels will recommend the proposals with the highest evaluated average numerical scores in each of the two subject areas to the EPA Approving Official (the NCEE Director) for consideration of funding. Final funding decisions are made by the NCEE Director based on these recommendations and in making the final funding decisions the NCEE Director may also consider program balance, available funds, and the results of the peer review for area one. Applicants selected for funding will be required to provide additional information listed below under "Award Notices." The proposal will then be forwarded to EPA's Grants and Interagency Agreement Management Division for award in accordance with the EPA's procedures.

NCEE may ask applicants whose Proposals to modify their work plans or budgets before making final funding recommendations. Applicants will not be asked or permitted to make any material changes to their work plans/budgets that would affect the basis upon which the proposal (or portions of the proposal) was recommended or selected for funding. EPA expects to identify and notify final contending applicants regarding the need for complete proposals within four months of the closing of this solicitation. Final contending applicants will then have approximately four to six weeks to complete and submit a full assistance agreement application.

# Section VI. AWARD ADMINISTRATION INFORMATION

## A. Award Notices

Applicants will be notified by e-mail about evaluation decisions and the prospect of a grant award based upon the outcome of the review and recommendation of the Approving Official. A summary statement of the scientific review by the review panel will be provided to each applicant upon request

Applicants recommended for funding will be required to submit additional certifications and an electronic version of the revised project abstract. They may also be asked to provide responses to comments or suggestions offered by the peer reviewers, a revised budget, and/or to resubmit their proposal. EPA Project Officers will contact Principal Investigators to obtain these materials.

The official notification of an award will be made by the Agency's Grants and Interagency Agreement Management Division. Applicants are cautioned that only a grants officer is authorized to bind the Government to the expenditure of funds; a preliminary selection does not guarantee an award.

NCEE anticipates that proposals under this announcement will be reviewed and selections for awards completed by April 15, 2009.

Upon receipt and processing of the formal grant applications, EPA will announce recipients through the posting of information on NCEE's website, http://yosemite.epa.gov/ee/epa/eed.nsf/Webpages/Grants.html.

EPA expects to announce successful awards no later than May 2009.

**B. Administrative and National Policy Requirements**

Applicants must comply with standard EPA assistance agreement requirements. Funded activities must be allowable under EPA statutory authority (see *Section III*, *Eligibility Information*). Expectations and responsibilities of grantees *and* cooperative agreement holders are summarized in this section, although the terms grant and grantee are used.

1. **Meetings:** PIs under area (1) "Design of Policies for Pollution Control Using Market Mechanisms" will be expected to budget for, and participate in, All-Investigators Meetings (also known as progress reviews) approximately once per year with EPA scientists and other grantees to report on research activities and discuss issues of mutual interest.
2. **Approval of Changes after Award:** Prior written approval is required from the EPA if there will be a significant change from the work described in the proposal. Examples of these changes are contained in 40 C.F.R. 30.25. Note: Prior written approval is also required from the EPA for incurring costs more than 90 calendar days prior to award.

During annual reviews, the designated EPA Project Officer will evaluate the progress of the grantee in completing tasks detailed in the workplan, ensure that the grantee is meeting all programmatic requirements, and spending federal funds on allowable activities under the cooperative agreement.

In addition to the required quarterly progress reports recipients must submit proceedings for any conferences held as well as comprehensive overall draft and final technical reports. The final report should provide a complete description of all research undertaken and all results achieved; and the proceedings should be submitted in a form suitable for posting on the NCEE Website. In the case of area (2) a copy of the dissertation and if possible the data gathered must be submitted and will be accepted in lieu of a final report. The draft final report will be due 90 days prior to the end of the assistance agreement. After reviewing the Project Officer's comments, the grantee will prepare a final report, which will be due at the end of the assistance agreement.

Grantees are in addition encouraged to develop and submit technical papers based on their research to appropriate technical journals. A grant recipient must also agree to provide copies of any peer reviewed journal article(s) resulting from the award during the project period. In addition, the recipient should notify the EPA Project Officer of any papers published after completion of the grant that were based on research supported by the grant.

3. **Acknowledgement of EPA Support:** EPA's full or partial support must be acknowledged in the proceedings document, journal articles, oral or poster presentations, news releases, interviews with reporters and other communications. Any documents developed under this agreement that are intended for distribution to the public or inclusion in a scientific, technical, or other journal shall include the following statement:

   This proceedings document [or article] was developed under Assistance Agreement No. ("assigned upon issuance by EPA's Office of Grants and Debarment") awarded by the U.S. Environmental Protection Agency. It has not been formally reviewed by the EPA. The views expressed in this document are solely those of [name of recipient] and the EPA does not endorse any products or commercial services mentioned in this publication.

## C. Reporting

The recipient of these financial awards will be subject to post award monitoring by a designated EPA Project Officer. A Project Officer will be designated at the time of award of the assistance agreements. To comply with standard EPA post award monitoring requirements, the recipient must submit progress reports quarterly, and participate in an annual review of the project with the EPA Project Officer. Annual reviews may take place on or off-site. Quarterly progress reports detail the project status, tasks completed during the reporting period, compliance with the workplan, anticipated goals and tasks for the upcoming quarter, expenditures, and remaining grant funds. Every fourth quarterly progress report should be in the format for STAR annual reports and be accompanied by a summary suitable for web posting. (The STAR format is detailed at http://es.epa.gov/ncer/publications/terms/tscs05.html.)

During annual reviews, the designated EPA Project Officer will evaluate the progress of the grantee in completing tasks detailed in the workplan, ensure that the grantee is meeting all programmatic requirements, and spending federal funds on allowable activities under the grant or cooperative agreement.

In addition to the required quarterly progress reports recipients must submit proceedings for any conferences suitable for posting on the NCEE Website as well as copies of any technical reports. The final report should provide a complete description of all results achieved. The draft final report will be due 90 days prior to the end of the assistance agreement. After reviewing the Project Officer's comments, the grantee will prepare a final report, which will be due at the end of the assistance agreement. The final report should be accompanied by a summary suitable for web posting in the format required for STAR final report summaries.

## D. Disputes

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) which can be found at http://www.epa.gov/ogd/competition/resolution.htm. Copies of these procedures may also be requested through the Agency contact listed in *Section VII*.

**E. Nonprofit Administrative Capability Clause**

Nonprofit applicants that are recommended for funding under this announcement are subject to pre-award administrative capability reviews consistent with Sections 8.b, 8.c, and 9.d of EPA Order 5700.8, 'EPA Policy on Assessing Capabilities of Non-Profit Applicants for Managing Assistance Awards' which can be found at 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 to the Grants Management Office the Administrative Capability Form, with supporting documents, contained in Appendix A of EPA Order 5700.8.

**F. Human Subjects**

A grant recipient must agree to meet all EPA requirements for studies using human subjects prior to implementing any work with these subjects. These requirements are given in 40 C.F.R. 26, referred to as the "Common Rule." No work involving human subjects, including recruiting, may be initiated before the EPA has received a copy of the applicant's Institutional Review Board's (IRB) approval of the project and the EPA has also provided approval. Where human subjects are involved in the research, the recipient must provide evidence of subsequent IRB reviews, including amendments or minor changes of protocol, as part of annual reports.

**G. Public Access and Information Release**

The Office of Management and Budget (OMB) Circular A-110 has been revised to provide public access to research data through the Freedom of Information Act (FOIA) under some circumstances. Data that are (1) first produced in a project that is supported in whole or in part with Federal funds and (2) cited publicly and officially by a Federal agency in support of an action that has the force and effect of law (i.e., a regulation) may be accessed through FOIA. If such data are requested by the public, the EPA must ask for it, and the grantee must submit it, in accordance with A-110 and EPA regulations at 40 C.F.R. 30.36.

In addition, the proposal must include a Data Plan to make available all data from observations, analyses, or model development collected under an agreement awarded as a result of this RFP in a format and with documentation/metadata such that they may be used by others in the scientific community, to the extent feasible to protect confidentiality and within a reasonable time period.

Section VII. AGENCY CONTACTS

Applicants with questions about this solicitation should e-mail their questions to NCEE@epa.gov, using "Grant Solicitation Question" as the subject. Questions will not be replied to directly. Instead, we will respond to all appropriate questions by posting answers on our website on the frequently asked questions (FAQ) page, http://yosemite.epa.gov/ee/epa/eed.nsf/Webpages/GrantsFAQ.html. We will acknowledge receipt of e-mail questions within two business days, indicating whether a response will be posted on our FAQ page. Questions submitted in other ways will result in a request to resubmit them by e-mail.

Questions should be submitted as early as possible. Only questions posed to us by nine days (November 26, 2008) before the closing date (December 5, 2008) will be considered, and no changes will be made to the FAQ page after four days prior (December 1, 2008) to the closing date of the solicitation (December 5, 2008).

An email will be sent by NCEE to the Principal Investigator and the Administrative Contact to acknowledge receipt of the application and transmit other important information. If you do not receive an email acknowledgment within 14 days of the submission closing date, immediately contact the Technical Contact listed under "Agency Contacts" in this solicitation. See "Submission Instructions for Electronic Applications" for additional information regarding acknowledgment of receipt of electronically submitted applications.

## Section VIII. OTHER INFORMATION

A brief overview of assistance agreements NCEE has awarded over the last few years is available at:
http://yosemite.epa.gov/ee/epa/eed.nsf/Webpages/Grants.html