District of Columbia Department of Energy and Environment



## NOTICE OF FUNDING AVAILABILITY AND REQUEST FOR APPLICATIONS (RFA)

Stormwater Retention Credit Purchase Agreement Program Management and Program to Award Funds for Identification of Green Infrastructure Sites (Short name: SRC Purchase Agreement Program) RFA # 2016-1606-SWMD

4/29/2016

Application deadline: by 4:30 p.m. on 6/10/2016

Government of the District of Columbia Department of Energy and Environment 1200 First Street, NE 5th Floor Washington, DC 20002 (202) 535-2600



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# SECTION 1. GENERAL INFORMATION

## **1.1 Introduction**

The District of Columbia Department of Energy and Environment (DOEE) is soliciting grant applications from eligible entities (called "Applicants"). The goals of this Request for Applications (RFA) are to incentivize installation of stormwater runoff-reducing Green Infrastructure (GI) in the District of Columbia ("District"), and to spur and expand the District's Stormwater Retention Credit (SRC) market. The Stormwater Management Division (SWMD) of DOEE is administering this RFA.

An informational meeting/conference call and opportunity for questions and answers about the RFA will be held on May 12, 2016 at 1:00pm. Street address and call-in number are below:

Department of Energy and Environment 1200 First Street, NE 5th Floor Washington, DC 20002 Call-in number: (866) 741-7514. Conference code: 2014667.

# **1.2 Purpose of the Grant**

The purposes of this grant are (1) to establish an SRC purchase agreement program that specifies a price at which an SRC generator can sell SRCs from a GI project to the Grantee for a specified number of years, and (2) to award funds to support the outreach and technical work required for SRC generators to identify and evaluate GI locations in the Municipal Separate Storm Sewer System (MS4) area of the District.

# **1.3 Source of Funds**

The source of funds for the grant is the District of Columbia Stormwater Permit Compliance Enterprise Fund.

## 1.4 Competition for a Grant Award

This RFA is competitive. Each Applicant must demonstrate the ability to carry out the activities for this grant (called a "project"). A review panel will evaluate the applications for this grant according to the stated list of criteria in Section 4.2 of this RFA. The proposal with the highest score will be awarded the grant.

Specifically, the grant will be awarded based on the Applicant's eligibility (Section 1.6), the extent to which the proposed project fits within the scope and available funding of the grant, the strength of the application, and the Applicant's capacity to achieve the grant's goals.

## **1.5 Project and Funds Available**

DOEE seeks applications for:

Project Number	Project Name	Project Amount
1	Stormwater Retention Credit Purchase Agreement	Up to \$12,750,000.00
	Program and Program for Award of Funds to Identify	
	Green Infrastructure Sites	

## **1.6 Eligibility**

The following are eligible to apply if an "x" appears:

 $\square$ -Nonprofit organizations, including those with IRS 501(c)(3) or 501(c)(4) determinations;

⊠-Faith-based organizations;

Government agencies

Universities/educational institutions; and

Private Enterprises.

Continuing conditions of eligibility are that the information in the application is complete and truthful and that the Applicant at all times is able to meet any material conditions stated in its application. For instance, if an Applicant's ability to fulfill the terms of the grant is based on the availability of skilled staff and those staff should leave after the application's submittal or the grant award to the Applicant, the Applicant has the responsibility to advise DOEE in writing of this change in material conditions. Another example of change in material conditions that could result in the loss of eligibility would be the loss of the Applicant's tax-exempt status.

## **1.7 Definitions**

District - The District of Columbia.

Grantee - The person provided a grant by the District, including a sub-grantee.

**Person** - A natural person or a legal entity, including a partnership, firm, association, joint venture, public or private corporation, trust, estate, commission, board, public or private institution, cooperative, the District government and its agencies, and the federal government and its agencies.

**Writing** - A tangible or electronic record of a communication or representation, including handwriting, typewriting, printing, photostat, fax, photography, word processing computer output, and e-mail. A "signed" writing includes an electronic symbol or process attached to, or logically associated with a writing, and executed or adopted by a person with the intent to sign the writing.

# **1.8 Permissible Use of Grant Funds**

A Grantee may use grant funds only for allowable grant project expenditures. Grant funds related to work performed will be provided on a reimbursement basis, except that an advance of funds may be provided for grant administration expenses in limited circumstances for good cause approved by DOEE at its sole discretion.

For grant funds to be disbursed under a SRC Purchase Agreement, as outlined in Section 7 of this RFA, DOEE will deposit the grant funds with an independent escrow agent ("Escrow Agent") pursuant to an escrow agreement among the District, the Grantee, and the Escrow Agent, according to the terms outlined in Appendix 1, "General Terms and Conditions." Grant funds to be disbursed under a SRC Purchase Agreement will be released pursuant to the escrow agreement.

# **1.9 Grant Monitoring**

In its sole discretion, DOEE may use several methods to monitor the grant, including site visits, requiring submission of periodic financial reports, and collecting performance data. Each Grantee is subject to audit.

# **1.10 General Terms and Conditions**

Appendix 1, "General Terms and Conditions" is incorporated by reference in this RFA. Applicants and Grantees must comply with any and all applicable terms and conditions outlined in Appendix 1.

## 1.11 RFA Conditions - Promises, Certifications, and Assurances

Appendix 2, "Applicant's Promises, Certifications, and Assurances" ("PCA"), is incorporated by reference in this RFA.

# **1.12 DOEE's Authority to Make Grants**

DOEE has grant-making authority under:

• The Water Pollution Control Act of 1984, effective March 16, 1985, as amended, (D.C. Law 5-188; D.C. Official Code § 8-103.01 *et seq.*);

- The District Department of the Environment Establishment Act of 2005, effective February 15, 2006, as amended, (D.C. Law 16-51, D.C. Official Code § 8-151.01 *et seq.*);
- The Comprehensive Stormwater Management Enhancement Amendment Act of 2008, effective March 25, 2009, (D.C. Law 17-371; D.C. Official Code § 8-152.01 *et seq.*); and
- Other applicable laws and regulations.

# 1.13 Conflicts between RFA and Applicable Law

If any requirement of this RFA conflicts with a provision of any applicable law, including a District or federal law or regulation, the applicable legal provision shall control.

# SECTION 2. SUBMISSION OF APPLICATION

## 2.1 RFA Release Date

The release date of this RFA is 4/29/2016.

# 2.2 Obtaining a Copy of the RFA

A person may obtain a copy of this RFA at <u>doee.dc.gov</u> or by requesting a copy through any of the methods listed in Section 2.6. Please add to any note the heading "RE: RFA 2016-1606-SWMD."

## 2.3 Applications: When, What, and Where

When: All applications must be received by 4:30 p.m. on 6/10/2016.

Applications received will be dated and recorded as "received," pending review by DOEE for completeness. DOEE considers an application to be "filed" only if all the required materials are submitted. Late or incomplete applications will be considered received, not filed.

What: The contents of the Application are specified in Section 3. Each Applicant must submit:

Five paper copies of the application; and

One electronic copy.

The Department will not receive faxed copies.

Where: The paper copies must be filed with DOEE at the following address:

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Department of Energy and Environment RFA – Grants 1200 First Street NE 5<sup>th</sup> Floor Washington, DC 20002

Attn: RFA 2016-1606-SWMD

Email: The electronic copy, formatted as a .pdf file, should be sent to SRC.Purchase@dc.gov.

## 2.4 Award Announcement

DOEE expects to notify each Applicant in writing of its award status within six weeks after the application due date.

## 2.5 Updates and Questions and Answers (Q&A)

Additional information may become available before the application is due. It is the Applicant's responsibility to stay up-to-date on the status and requirements of the grant for which it is applying.

DOEE welcomes questions seeking clarification of matters in this RFA. Questions about the RFA should be sent to SRC.Purchase@dc.gov with "RE: RFA 2016-1606-SWMD" in the subject line.

DOEE will publish updates and Questions and Answers (Q&A) regarding the RFA at <u>doee.dc.gov</u>. DOEE will also create an email list to send updates and information regarding the RFA. A person can be put on the email list by immediately emailing SRC.Purchase@dc.gov with the subject line "RE: RFA 2016-1606-SWMD – Add me to the email list."

DOEE will provide the information to those on the email list at the same time the information is uploaded to the DOEE website. Paper copy updates will be available for pickup at DOEE's offices by appointment. DOEE will not mail out updates or Q&A materials.

The cut-off date for receipt of any questions is one week prior to the application deadline.

# **2.6 DOEE Contacts**

DOEE can be contacted about this RFA (use the RFA's short name and number whenever possible) by:

**Emailing** SRC.Purchase@dc.gov with "RE: RFA 2016-1606-SWMD " in the subject line;

**In person** by making an appointment with Brian Van Wye (call (202) 741-2121 and identify this RFA by name); or

Writing DOEE at 1200 First Street NE, 5th Floor, Washington, DC 20002, Attention: Brian Van Wye Re: RFA 2016-1606-SWMD on the envelope.

# SECTION 3. APPLICATION CONTENT

# 3.1 Format

Proposals should be formatted as follows:

- (a) Use plain, white,  $8\frac{1}{2}$ " x 11" recycled paper with one-inch margins.
- (b) Applications should be double-sided, to the extent possible.
- (c) Limit the project description to 15 double-spaced pages. Budget tables, flowcharts, photographs, the work plan, and other supporting documentation may be attached in addition to the project description.
- (d) Staple the application in the top left-hand corner. Do not use a plastic cover or other form of binding.

# **3.2 Proposal Content**

DOEE intends to fund a project that will benefit the environment, and, in particular, the environment of the District. The proposal should use the following format and explain, in increasing levels of detail, how the Applicant will accomplish this.

(Note: Before drafting the proposal, please read the project description very carefully to see if there are restrictions for the DOEE grant. For instance, certain activities might be required to take place in the District or the scoring might give extra points to labor sourced in the District.)

# (a) Cover Sheet

Include a cover sheet in the format specified in Appendix 3.

# (b) **Project Summary**

Provide a brief introduction (one or two paragraphs) that summarizes the proposal.

## (c) **Project Description**

Present the quantifiable outputs and how to measure the project's success. This will require identifying the target audience, explaining how the chosen methods will produce the outputs, and what resources must be expended to achieve the outputs identified. In presenting the project team and the budget, ensure that expenditures identified are those that the grant can reimburse.

(1) Purpose and Objectives

State how the project will benefit the environment and identify its targets or objectives.

(2) Target Audience

Identify the target audience and address how the project will engage the target audience. For instance, if the project has an educational component, describe who the target audience is (e.g., high school students, low-income residents, etc.), how the project will educate the target audience, and how educating this audience will benefit the environment.

## (3) Project Outcomes, Outputs, and Activities

# Explain the expected project outcomes, the project outputs that will produce the outcomes, and the activities that make the outputs possible.

A *project outcome* is a medium- to long-term result that occurs and/or continues after the project ends. Outcomes tend not to be quantified, because they are typically statements of relative conditions. For example, outcomes – not necessarily associated with this project – might include improved health of residents, an adequately sized riparian buffer, or increased public awareness of the effects of human activities on the health of the Chesapeake Bay.

*An output* is a short-term result achieved at the end of the project period. Outputs can and should be quantified. For example, an output might be described as providing watershed education to 100 students, installing 200 square feet of green roof and an informational sign, or cleaning two acres of land of invasive plants.

*Activities* are undertaken to achieve the outputs and outcomes. For example, if the project involves teachers, the proposal would explain how the Applicant will recruit the teachers, what the teachers will do, and if any experience or research supports the proposed use of teachers.

The proposal should connect the projected outcomes with the outputs, and the outputs, in turn, to the funded activities. This enables reviewers to evaluate what the proposed project will achieve if funded.

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# (4) Methods

Describe how the Applicant will use people and resources to accomplish the proposed activities.

(5) Measurement of Project Success

Provide quantifiable measurements. For example, a trash removal project might measure the pounds of trash removed, while a stormwater project might measure the amount of stormwater captured. Also, if there are key tasks in the project, the proposal should identify the milestones necessary to produce the stated outputs.

(6) Project Budget.

Present a project budget and budget narrative.

An example of a project budget table, with categories that DOEE examines, appears in Appendix 4. The narrative should explain each budget line item. The explanation should be thorough enough to allow a reviewer to understand why expenditure levels were chosen and how the line item amounts were derived. The narrative should list its principal assumptions - for example, "senior staff are paid \$xx per hour times xx hours."

The proposal may use the budget format in Appendix 4. If the Applicant's own internal budget format is more detailed and covers each of the indicated line items, the Applicant may use its budget format. The budget must state the total cost of the project, even if the total exceeds the amount of the grant.

If the Applicant seeks an advance payment, it must request advance payment in its proposal and explain why an advance payment is requested. See Section 6.2.

Resources other than those being funded under the grant should appear in the column titled "Non-DOEE Match," meaning the Applicant intends to provide the indicated resources (i.e., the "match," and that the resources do not come from DOEE). Entries in this column would include both dollars and the value of the in-kind contributions. For example, in-kind contributions can include staff time, volunteer services, already-paid licensing fees, materials, supplies, and the use of equipment or real estate.

Volunteer hours provided to a grantee or sub-grantee must be valued at rates consistent with those the Applicant's organization ordinarily pays for similar work, including salary and fringes. If the grantee or a sub-grantee does not have employees performing similar work, the rates must be valued the same as rates ordinarily paid by employers in the same labor market for similar work.

The Applicant must verify that all costs in the budget are allowable and verifiable (see the examples of allowable costs and non-allowable costs listed below). DOEE will require documentation for grant payments, and the entire grant will be subject to audit.

Typical allowable costs are:

- 1. Rental of office space, vehicles, and equipment;
- 2. Employee salaries and benefits;
- 3. Contractor labor, including professional services;
- 4. Accounting and bookkeeping services;
- 5. Communications, including telephone and data services;
- 6. Printing, reproduction, and signage;
- 7. Materials and supplies;
- 8. Computers and printers;
- 9. Small tools;
- 10. Some field equipment, typically below \$5,000 in value;
- 11. Postage and shipping;
- 12. Necessary travel, meals and lodging; and
- 13. Insurance.

If the category or size of the expenditure is not obviously connected to the proposed project, the proposal should justify it. For example, a project to install a \$100,000 trash trap should discuss how the particular equipment was identified and why the price is the best for the project.

Non-allowable costs include:

- 1. Major equipment, like vehicles;
- 2. Lobbying, including salaries, overhead, and out-of-pocket expenses;
- 3. Entertainment;
- 4. Interest payments on loans;
- 5. Most food; and
- 6. Land purchases.

## (d) Applicant

## (1) Organization

Describe the organization's history, mission, and current or past projects that demonstrate the organization's capacity to achieve the project's goals. This section should be limited to one page. To provide further information, the Applicant can reference its website or attach an organizational brochure or resume.

# (2) Key Personnel

Identify the key team members for the project, and provide brief biographies or their resumes. The team members can be staff, volunteers, or contractors.

# (3) Past Performance on District Grants/Contracts

Identify District agencies from which the Applicant has received funding as a contractor, grantee, or partner in the past five years and provide specific information including:

- The grant(s) or contract(s) title;
- The District agency/agencies;
- The grant number(s), contract number(s), or other identifier(s);
- The amount(s) paid; and
- What was accomplished as a result of the funding(s).

Briefly describe any disputes, investigations, or audits related to any of these District grants or contracts, grants, or partnerships in the past five years.

# (4) Partners

Sometimes partnerships can improve the success of a project. These partnerships might be with government agencies, nongovernmental organizations (NGOs), companies, or individuals. If a partner is to be involved in the project, the Applicant must describe the partner's involvement and resource commitments. The proposal must identify and attach a letter of support on the partner's letterhead, signed by an authorized official if the partner is a government agency, NGO, or business entity.

In lieu of a letter, an Applicant may attach an email from the partner (or an authorized official if the partner is a government agency, NGO, or business entity) that states support of the project and identifies the partner's name, address, website, and a contact name, telephone number, and email address.

For the following types of partners, provide the documentation indicated.

# i. District of Columbia Public Schools

If the Applicant will work with the District of Columbia Public Schools (DCPS), it must include a letter of support from the principal of each school with which it will work, and, if available, from each participating teacher. Teachers and principals may send a joint letter.

## ii. Property Owner

If the Applicant will work on public land, it must submit a letter of support from the managing agency. Similarly, if the Applicant is to work on private land, it must submit a letter of support from each property owner. If the project includes construction or installation, the letter must acknowledge that the property owner will be responsible (either directly or through an agreement with another entity) for project maintenance.

# iii. Partnering Organization

If the Applicant has identified a project partner, it must include a letter of intent from the collaborating organization/s, agreeing to participate in the proposed project. The letter should demonstrate that the partnering organization understands the project presented for funding and the activities and/or services that the partner will provide.

# iv. National Park Service

Projects that would be carried out on National Park Service (NPS) property will require NPS permission. Sometimes the paperwork supporting such permission takes extra time to complete. DOEE will accept more informal statements generated by responsible NPS officials, including emails.

# 3.3 Work Plan

The proposal package must include the work plan described in Section 7.3.

# **3.4 Required Documents**

Each of the following documents must be filed as part of the proposal package. If the document is not in this filing, DOEE may classify the grant application as "received" but not "filed," as specified in Section 2.3. However, if a government agency must issue a required document, and the Applicant has requested the document but not received it, DOEE may accept a copy of the Applicant's request to the agency for the purpose of deeming the Application "filed."

# (a) Certificate of Good Standing

Each Applicant must submit a current Certificate of Good Standing from the District Department of Consumer and Regulatory Affairs.

## (b) Promises, Certifications, and Assurances

Each Applicant must sign and submit the "Promises, Certifications and Assurances" ("PCA") in Appendix 2.

Signing the PCA is a condition of eligibility for this grant. If the Applicant is not prepared to sign the PCA, it should not apply for a grant. Compliance with the promises, certifications, and assurances in the PAC is a continuing condition of eligibility for this grant.

The PCA must be signed by the Applicant or, if the Applicant is an organization, by a duly authorized officer of the organization.

The PCA also includes a sworn statement verifying that the Applicant is not in arrears (i.e. is "current") on all obligations outstanding to the District, including all District agencies. The Applicant must be "current" as of the date of the application and the date of a grant award. DOEE requires, as a condition of continuing eligibility, that a grantee stay current on such obligations during the period of the grant.

# (c) IRS W-9 Tax Form

The Applicant must submit a current completed W-9 form prepared for the U.S. Internal Revenue Service (IRS). DOEE defines "current" to mean that the document was completed within the same calendar year as that of the application date.

# (d) Tax Exemption Affirmation Letter

The tax exemption affirmation letter is the IRS's determination letter of non-profit status. If this letter is not available, then the Applicant should provide its most recent IRS Form 990 tax return, if one was submitted. If no return has yet been filed, the organization can submit its application for tax-exempt status. If the group has a supporting organization with an IRS tax-exempt status determination, then that organization's tax exemption affirmation letter should also be submitted.

**If there is no IRS tax exemption affirmation letter because the organization is a religious organization, then the Applicant may submit the best evidence it can of its status.** Examples of potential best evidence for this purpose include, but are not limited to (i) a letter from the leader of the organization verifying that the organization is a religious group; (ii) a letter from the group's board chair or similar official, verifying that the organization is a religious group; (iii) the Applicant's most recently submitted state sales or other tax exemption form, if it exists (Form 164 in the District of Columbia); or (iv) the state's issued tax exemption certificate or card, if it exists. (*See* IRS publication no. 1828, *Tax Guide for Churches and Religious Organizations.*)

# (e) Applicant's Current Fiscal Year Budget

The Applicant must submit its full budget, including projected income, for the current fiscal year, using a format at least as detailed as that presented in Appendix 4. Also, the Applicant should submit a comparison of budgeted versus actual income and expenses of the fiscal year to date.

# (f) Applicant's Financial Statements

If the Applicant has undergone an audit or financial review, it must provide the most recent audited financial statements or reviews. If audited financial statements or reviews are not available, the Applicant must provide its most recent complete year's unaudited financial statements.

# (g) Separation of Duties Policy

The Applicant must state how the organization separates financial transactions and duties among people within the organization in order to prevent fraud or waste. This may be a statement that already exists as a formal policy of the organization, or the Applicant may create the statement for purposes of the application. The applicant should state which of these situations apply.

This statement should:

- Describe how financial transactions are handled and recorded;
- Provide the names and titles of personnel involved in handling money;
- Identify how many signatures the financial institution(s) require on the organization's checks and withdrawal slips; and,
- Address other limits on staff and board members' handling of the organization's money.

# SECTION 4. REVIEW PANEL AND APPLICATION SCORING

# 4.1 Review Panel

This is a competitive grant. The review panel for the RFA will be composed of individuals with knowledge in the areas directly related to the RFA. The review panel will review, score, and rank each Applicant's proposal.

The panel will recommend the top scorer for award of the grant.

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Review panels vary in size, but typically are made up of three to five people. At least two members of the review panel will be from DOEE staff. Whenever practicable, each panel will include at least one person from outside of DOEE.

# 4.2 Scoring Criteria

The reviewers score each proposal according to a list of criteria, with specific points assigned to each item in the list. Applications are rated on a 115-point scale. The criteria and the points are identified in the following table. An Applicant should read this list carefully, ensuring that the proposal addresses each of the criteria.

Scoring Criteria	Points
Demonstrates experience administering market-based environmental programs.	25
Shows ability to cost-effectively administer all aspects of the SRC Purchase Agreement	25
Program, including ability to conduct outreach to prioritized areas, develop a standard	
contract, enter into contracts, track project milestones, and process payments.	
Demonstrates experience awarding and administering grants, including identifying and	15
notifying potential SRC generators and ensuring grant deliverables are met.	
Demonstrates knowledge of and experience with urban stormwater, watershed health,	15
and green infrastructure practices.	
Shows ability to cost-effectively establish and administer funding opportunity for	15
technical and outreach capacity building among SRC generators.	
Provides an excellent, detailed plan of work with quantifiable measures and milestones	10
that states targets to be achieved.	
Provides a detailed and reasonable justification for the funds requested that is presented	10
in a narrative and as a line-item budget.	

# SECTION 5. GRANTEE DOCUMENT REQUIREMENTS

# 5.1 Submissions If Applicant Will Receive the Grant

Upon acceptance of a grant award, the Grantee must provide the following documents.

## (a) Certificate of Insurance

The Grantee shall submit a certificate of insurance giving evidence of the required coverage outlined in Appendix 1, General Terms and Conditions. DOEE will presume that the budget covers the cost of this required insurance and will not later adjust the grant award for this amount.

## (b) Assurance of Continued Truth and Accuracy

The Grantee shall reaffirm upon acceptance of the grant award that the statements it signed in support of its application are still true and correct, or, if not, what has changed. See also Section 1.6.

## SECTION 6. GRANT ADMINISTRATION

## **6.1 Reporting Requirements**

The grantee must submit the following reports as a condition of continuing eligibility for funding.

## (a) Quarterly Status Reports

DOEE will provide a quarterly status report template with the grant award. These reports, which discuss grant activities for the preceding quarter, will be due on each of the following dates.

 $\begin{array}{ll} 1^{st} \ Q \ (Jan-Mar): \ April \ 15 \\ 2^{nd} \ Q \ (Apr-Jun): & July \ 15 \\ 3^{rd} \ Q \ (Jul-Sep): \ October \ 15 \\ 4^{th} \ Q \ (Oct-Dec): & January \ 15 \end{array}$ 

If a report's due date falls on a weekend or District holiday, the report will be due the next business day.

The report must detail actions taken in the quarter preceding the report date, highlight outputs achieved, provide a financial update, and report unforeseen changes to project timetable, staffing, or partnerships, as well as any other changes that may affect project outcomes.

## (b) Final Report

DOEE will provide a final report template with the grant award. This report includes quantification by the grantee of the project's outputs and describes the extent to which project outcomes met or will meet the objectives of the funded proposal. The template requires submission of data and analysis of the data.

## 6.2 Reimbursement of Project Expenditures and Disbursement of Funds

DOEE will not reimburse the Grantee for any work undertaken before DOEE notifies the recipient of the final award of the grant.

DOEE will reimburse the Grantee only for expenditures incurred to perform work under the grant. In limited cases, DOEE may advance funds at the beginning of the grant period for good cause approved by

DOEE at its sole discretion. If the Applicant seeks an advance payment, it must request such payment in its proposal and explain why an advance payment is being requested.

For grant funds to be disbursed under a SRC Purchase Agreement, as outlined in Section 7 of this RFA, DOEE will deposit the grant funds with an independent escrow agent ("Escrow Agent") pursuant to an escrow agreement among the District, the Grantee, and the Escrow Agent, according to the terms outlined in this RFA and Appendix 1, "General Terms and Conditions." Grant funds to be disbursed under a SRC Purchase Agreement will be released pursuant to the escrow agreement.

DOEE operates on the District's fiscal year, which starts October 1 of a calendar year and ends September 30 of the next calendar year. The grantee may submit a reimbursement request or an invoice at any time during the fiscal year for work performed within that same fiscal year. Each request/invoice must include supporting documentation.

Reimbursements will be mailed to the address on file for the grantee. DOEE may make electronic payments in lieu of mailing checks. DOEE generally pays grant invoices 30 days after DOEE receives them.

DOEE will withhold the final 10% invoiced under a grant until all required activities have been completed, including receipt of the final report.

# SECTION 7. PROJECT PROPOSED FOR GRANT FUNDING

# 7.1 Summary: Project Title and Available Funds

## Project Name

Stormwater Retention Credit Purchase Agreement Program and Program for Award of Funds to Identify Green Infrastructure Sites

#### **Introduction**

Forty-three percent of the land area in the District is impervious, and the stormwater runoff from this area severely degrades District waterbodies. Green Infrastructure (GI) is a technical solution to retrofit and reduce runoff from these impervious areas. GI is critical to making the Anacostia and Potomac Rivers and Rock Creek swimmable and fishable for District residents, visitors, and businesses.

DOEE's Stormwater Management Division (SWMD) manages the agency's Stormwater Retention Credit (SRC) Trading Program. SWMD is establishing a SRC Purchase Agreement Program to jumpstart and

expand the nascent SRC market and to incentivize the installation of runoff-reducing GI in priority MS4 areas, including those that drain by overland flow to the District's waterbodies. Under the SRC Purchase Agreement Program, the Grantee would agree to purchase SRCs at a price specified in an agreement with an SRC generator. The SRC generator would then have the option to sell to the Grantee or to another buyer.

The Grantee will enter into SRC purchase agreements for newly installed GI in prioritized MS4 areas such as those draining to non-tidal tributaries. Any SRCs purchased by the Grantee will be retired to achieve additional benefit to District waterbodies, beyond that achieved by projects complying with the District's stormwater management regulations. In addition, the Grantee would establish a two-year program to make funding awards to support technical and outreach work to identify and evaluate potential GI project locations in priority MS4 areas. More information on the District's stormwater management regulations is available at http://doee.dc.gov/swregs. More information on the SRC Trading Program is available at http://doee.dc.gov/src.

## **Project Period**

The project period is six years, depending upon the availability of funds. This period can be extended and additional funding provided, depending upon the performance of the Grantee and the availability of funds.

## **Available Funding**

DOEE expects to make an award to a single grantee for up to \$12,750,000. This includes:

- 1. Up to \$750,000 for the grantee's costs to administer the SRC Purchase Agreement Program and administer awards to support GI site identification. All else equal, DOEE will give preference to proposals that reduce administrative costs in order to increase awards for GI site identification.
- 2. At least \$500,000 in the first two years for awards to support GI site identification and evaluation and program outreach.
- 3. Up to \$11,500,000 for SRC purchases through an escrow account dedicated to the purposes of the grant. DOEE expects to establish and fully fund the escrow account in the first year of the grant.

# 7.2 Project Description

DOEE seeks proposals to assist DOEE with the administration of an SRC Purchase Agreement Program and a program to award funds for outreach and technical work to identify and vet GI locations.

#### Administration of the Stormwater Retention Credit (SRC) Purchase Agreement Program

Developing and implementing the SRC Purchase Agreement program will include:

- Developing a purchase agreement that allows an SRC generator (property owner or SRC aggregator) to secure the option to sell SRCs to the Grantee at a price and for a period of time determined by DOEE and set in the purchase agreement. The purchase agreement must be structured to stay in effect and be assignable to DOEE or a subsequent DOEE grantee, should the grant with the Grantee be ended;
- Conducting outreach to potential SRC generators who may be interested in participating in the SRC Purchase Agreement Program, with a focus on properties in priority areas within the District's MS4 area;
- Entering into an SRC purchase agreement with a property owner or SRC aggregator who plans to construct runoff-reducing GI, defined as stormwater retention Best Management Practices or land cover changes specified in DOEE's 2013 Stormwater Management Guidebook (SWMG), as amended (or the most recently approved guide);
- Tracking project milestones of SRC generators who have entered into purchase agreements to ensure that milestones are met. When projects are unsuccessful in meeting applicable milestones, the Grantee will redistribute funds from unsuccessful projects to other projects interested in entering a purchase agreement; and
- Purchasing SRCs, in accordance with the SRC purchase agreement, when a property owner or SRC aggregator exercises the option to sell.

The successful applicant will work with SRC generators participating in the SRC Purchase Agreement Program over multiple years. For example, assume there is a potential SRC-generating project with conceptual plans to install GI with 1,000 gallons of SRC-eligible retention capacity. In year one, the project would apply to participate in the Purchase Agreement Program. DOEE would verify that the project is in a priority location and has satisfied the eligibility requirements to enter into a Purchase Agreement contract. Subsequently, the project would enter into a purchase agreement with the Grantee, pending the availability of funds. For this example, assume that the SRC purchase agreement covers six years' of SRC purchases at \$1.50 per SRC. Following project completion in year two, the project receives 3,000 SRCs. At this point, the project could sell all or some of the 3,000 SRCs on the market, or, if the project chooses to sell to the Grantee, the Grantee would purchase the unsold SRCs from the project, which would then be retired by DOEE. In year five, assuming the project GI has been properly maintained and passes DOEE inspection, the project could receive a second batch of 3,000 SRCs. The project could then again choose to sell the SRCs to the Grantee, for retirement by DOEE. In this example, the Grantee would have facilitated the retirement of a total of 6,000 SRCs at a total purchase price of \$9,000. DOEE is interested in maximizing SRC purchases in the initial years of the grant to accelerate the installation of green infrastructure in priority MS4 areas and reduce stormwater runoff. Up to \$11,500,000 is expected to be available for SRC purchases. Based on an SRC purchase price ranging from \$1.00 to \$2.00 per SRC, \$11,500,000 would be sufficient for the purchase of approximately 5,750,000 to 11,500,000 SRCs from newly installed GI in priority areas. Assuming SRCs were purchased for 6 years from each GI project, this would result in GI retrofits to retain runoff of the 1.2" storm from 1,350,000 to 2,700,000 square feet of impervious surface in priority MS4 areas.

The purchase price and the number of years of SRC purchases for each project will be specified in each SRC purchase agreement. DOEE will work with the Grantee to evaluate market conditions and periodically modify the SRC purchase price and years of purchases offered in purchase agreements. Modifications to these terms would not change the terms of purchase agreements that the Grantee has already entered into with SRC generators. The Grantee may make different terms available for different types of projects, based on the fact that some types of projects will provide greater environmental benefit than other projects. For example, a higher SRC purchase price may be available for SRC-generating projects in MS4 areas draining to non-tidal tributaries than for projects in MS4 areas draining directly to the District's tidal rivers. At any given time, the same purchase agreement terms would be available for any eligible SRC-generating projects of a given project type.

#### Program for Award of Funds to Identify Green Infrastructure Sites

DOEE recognizes that the SRC market is early in its formation and that potential SRC generators may not have the resources for initial identification of potential project sites, outreach to those sites, and technical analysis of site conditions to determine the retention capacity of potential GI and its cost effectiveness.

To overcome these obstacles and ensure that cost effective GI sites are identified, DOEE is providing funding through this grant to support this technical analysis and outreach work during the first two years of the grant award period. After this initial period, DOEE expects that SRC generators will fund their ongoing outreach and technical work to identify GI sites with revenue from SRC sales.

Under this sub-award program, the Grantee will establish a program to offer a funding opportunity, including the establishment of eligibility and selection criteria. Eligibility criteria will include the geographical areas within which awardees can search for projects, as well as other factors determined by DOEE and the Grantee. Selection criteria will include:

- Cost effectiveness of the proposed budget,
- The quality of the rationale supporting it,
- The number of properties to which outreach will be conducted,

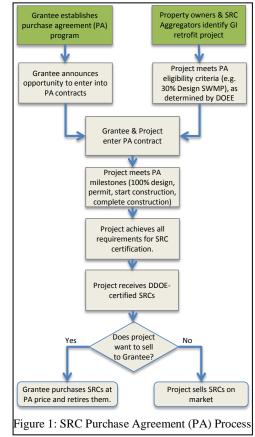
- The number of properties for which initial technical analysis will be conducted, and
- The number of properties for which more in-depth technical analysis and initial design will be conducted.

The Grantee will review proposals, make multiple awards, track awardees and their deliverables, and report to DOEE. DOEE expects to provide funding up to \$75,000 for each award, with no more than one award made to each SRC generator.

## 7.3 Work Plan

The Applicant must provide a work plan that describes the business process, timeline, and budget for establishment of the SRC Purchase Agreement Program and the program to identify and vet GI sites. The business process should generally follow the outline in Figure 1, though modifications can be provided as appropriate. The work plan should include the following activities:

- 1. Assist DOEE with administration of SRC Purchase Agreement Program;
- 2. Develop a standard SRC purchase contract that provides for the purchase of the SRCs generated by a project at a specified price and for a specified period of time approved by DOEE; is assignable to DOEE or any subsequent grantee, and is structured so that SRC purchases can be transacted in years after the grant period ends (e.g., the contract should provide that DOEE will purchase SRCs in accordance with the terms of a 6year purchase agreement for a project that entered into the agreement in year 4 of the grant);
- 3. Provide input to DOEE on SRC Purchase Agreement terms and eligibility requirements, including differing terms for different types of projects;
- 4. Provide input to DOEE on criteria for project prioritization to maximize benefits to District waterbodies and other environmental benefits;
- Provide input to DOEE on key project milestones that must be met to prevent the expiration of a signed purchase agreement;
- 6. Identify key potential SRC generators and obtain feedback on SRC purchase contract and other program elements, as requested by DOEE;



- 7. Identify prioritized areas and properties, based on DOEE criteria for project prioritization;
- 8. Conduct outreach to potential SRC generators with a focus on prioritized areas and properties;

- 9. Enter into SRC purchase contract with selected projects on an ongoing basis and as needed to replace projects that fail to achieve key milestones;
- 10. Track progress of participating SRC generators relative to key milestones;
- 11. Exercise SRC purchase contract cancellation provisions for projects that fail to achieve key milestones;
- 12. Administer and send SRC payments to SRC generators who have completed their project and opted to sell SRCs to the Grantee;
- 13. Coordinate with DOEE to retire purchased SRCs;
- 14. Establish and administer program for providing funds for technical and outreach work to identify GI sites, including sending the funding to recipients;
- 15. Establish criteria to evaluate applications and award funds for technical and outreach work to identify GI sites, maximizing cost effectiveness and the number of viable GI locations that will be identified;
- 16. Coordinate with DOEE on development, implementation, and administration of the SRC purchase agreement and GI site identification programs; and
- 17. Report to DOEE.

## 7.4 Project Outcomes, Outputs, and Deliverables

## **Project Outcomes**

- 1. Increase in newly installed GI to retain runoff from more than 1,000,000 square feet of impervious surface in priority MS4 areas;
- 2. Increase in number of SRCs from priority locations available in the SRC market;
- 3. Increase in number of SRC generators participating in SRC market;
- 4. Increase in SRC market activity;
- 5. Increase in ability of SRC generators to effectively conduct outreach and technical work required to identify GI sites; and
- 6. Increase in knowledge of property owners and others about the SRC trading program and environmental benefits of GI.

## **Project Outputs and Deliverables**

- 1. Finalized SRC Purchase Agreements;
- 2. Signed SRC Purchase Agreements sufficient to maximize the number of SRCs generated in priority MS4 areas;
- 3. SRC Purchase Agreement outreach material;
- 4. Report on properties considered for GI, with description of outreach activities undertaken;
- 5. Report on technical analysis conducted to determine expected retention capacity of GI for each property evaluated;

- 6. Results of technical analysis conducted for each property considered for GI, including expected SRC-eligible retention capacity (as defined in DOEE's 2013 Stormwater Management Guidebook, as amended) and estimated cost for GI;
- 7. List of projects applying for participation in SRC Purchase Agreement Program;
- 8. SRCs retired in an amount equal to the number of SRCs purchased through the Purchase Agreement Program;
- 9. Data on projects submitted for participation, in a format approved by DOEE;
- 10. Photographs of selected projects, before, during, and after completion;
- 11. Eligibility criteria for technical and outreach capacity building funding;
- 12. Evaluation and scoring criteria for applications for technical and outreach capacity building funding;
- 13. Meetings with DOEE, as requested by DOEE; and
- 14. Quarterly reports and a final report on work conducted under the grant.

# APPENDICES

- Appendix 1 General Terms and Conditions
- Appendix 2 Promises, Certifications, and Assurances
- Appendix 3 Cover Sheet
- Appendix 4 Example of Grant Budget