

NOTE: The official Questions period for RFA 201102030 closed at midnight, Thurs., March 10, 2011. All questions received and all answers are posted here.

Questions and Answers

Submit Questions To: wood2energy@maine.gov

REQUEST FOR APPLICATIONS – ROUND 3 PUBLIC BUILDING WOOD TO ENERGY PROGRAM

Request Number: 201102030

Date Issued: February 28, 2011

Published deadline for submitting questions: March 10, 2011

Published deadline for posting answers: March 17, 2001

Application deadline: March 24, 2011 at 2:00 PM

LAST UP-DATE: 3/11/2011 10:50 AM

1. **Q** - Where is the ARRA guidance "...included as appendix 1 at the end of this document...?"

A - As of now Appendix 1 is posted.

2. **Q** - Will Round 3 grants will be capped at \$500,000 or \$750,000?

A - \$500,000.00

3. **Q** - What is the final amount to give out in round 3?

A - \$2.7 million

4. **Q** - Is the release date of Monday the 28th and due date of March 25th still good?

A – The release date is Monday, February 28, 2011 and the due date is Thursday, March 24, 2011 with a closing time of 2:00 PM.

5. **Q** - Although there are still references to standard and custom projects in the application, there do not seem to be any distinctions between them in the RFP.

A - "Standard and custom projects" appeared in Rounds 1 and 2 and in the draft Request for Applications (RFA) for Round 3, but are NOT in the final RFA.

6. **Q** - Are all applicant supplied match sources of equivalent value?

A - See the RFA 8.0.D Cost Effectiveness:

"...higher cash match will result in significantly higher scores in this category as well as higher overall scores."

The application requires the listing of, "...Percent of public funding in the applicant's budget."
The application requires the listing of, "...Amount of funds allocated to indirect costs."

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7. **Q** - Applicant intends to use EECBG Phase 2 funds as part of its match – these don't appear to be treated any differently in scoring value than town funds – correct?

A - Public funds are public funds and are treated as such. However, federal funds, even if they flow through a state agency, cannot be used to match other federal funds.

8. **Q** - The Town may or may not appropriate funds on March 19 for a new town office and selectmen may have to return for a June bonding vote after a firmer bid price and the extent of materials and labor is known. (not for the wood stove install – Davis Bacon applies there).

A - See the RFA 8.0.C Project Design, Fuel & Feasibility and Application Checklist at the beginning of Appendix B.

“Assessment and description of “project-readiness”, including a timeline and evidence that additional funding, designs, permits and approvals are in place and construction will begin within 120 days of the award.”

And,

“For the purposes of this program “project readiness” is consistent with the intent of all American Reinvestment and Recovery Act funds and programs. Projects will be assessed on their ability to create jobs in the near term. Applicants must demonstrate their ability to commence the project within 120 days and furnish a detailed project schedule, including a chart showing project milestones and anticipated reimbursement schedule. In addition, applicants must submit copies of all applicable permits, design information and evidence of community support. (Note: The award payment schedule will be based on completion of major milestones as outlined in this schedule.)”

And,

“APPLICATION CHECKLIST

Is the project “shovel ready?”

Approvals complete ___

Engineering complete ___

Bid Process complete ___

System Selection complete ___

Will the program of work be complete in 1 year? ___”

A.1 - Davis-Bacon? All parts of the project listed and connected (match) to the application are subject to Davis-Bacon.

9. **Q** - With all the March town meetings, I would think applying in mid-April with construction to be commenced no later than September 1 would allow for most pending town votes while catching the construction & heating seasons.

A - See question above.

10. **Q** - Would it be possible to change the requirement for the (1) electronic copy to be in PDF format instead of Word or in place of Word. Many of our appendixes, attachments, etc. come in many different formats so it the electronic copy would arrive in much better shape if we could take our final RFA version, scan the entire document into a PDF and then copy that onto a disc. Then when the document is received all formatting and pages will still be in tact.

A - “...Six (6) sealed hard copies of the application proposal, plus one electronic copy in Microsoft Word format (*attachments, drawings and illustrations may be in .pdf format*)...”

11. **Q** - In several comments about jobs, I read, "Jobs related to wood harvesting, production and delivery will be rated using industry standards and will be applied across-the-board based on the projected annual use of fuel by tons, and by type, as stated in each application."

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Do the expressions "to be "rated" and "applied across the board" refer to the formula used to decide how many FTEs the project generates?

A - In the first two rounds of requests for applications, individual applicants attempted to illustrate how many jobs would be preserved or created in the wood supply business and in the manufacture of a boiler. In round 3 it is not necessary for the applicants to attempt to quantify the number of jobs associated with the production and delivery to their location of the wood product (cord wood, chips, pellets). We have identified industry norms or standards based on the volume (or weight) of product delivered. For Round 3 applicants need only state the expected annual usage of what product their project is projected to use. The Maine Forest Service will then apply the industry standard to that volume (or weight) of product to estimate the number of jobs associated. The same is true for the manufacture of boiler. An exception may be where the applicant plans to harvest wood from their own land then process it and deliver it to the boiler site themselves. In such a case, the applicant should so state and give their own jobs estimate for the project. In such cases the applicant's computation would be used provided that there is not a huge difference between the applicant's estimate and the industry standards.

This only applies to the supply side of the project. All jobs created or maintained by the construction, installation, commissioning, maintenance, operation, and jobs created and or maintained by the funds from fuel savings all need to be documented by the applicant. The logic in this is to identify those jobs over which the applicant has or may have control. The applicant may contract for work, do their own work, etc... The applicant really doesn't have control over the pellets or chips market place and is free to select products by quality, availability, cost, origin, sustainability of source, etc. but other than purchasing power, has minimal control over the process (with the exception of self-owned as noted above). In summary, don't count jobs in the supply side, we will do that across-the-board for all applicants by fuel type and amount (with the exception of self-owned as noted above) and DO count all jobs associated with the installation and operation of the project plus those jobs preserved or created from fuel savings.

12. Q - Is Round 3 the last RFA for the ARRA Wood to Energy Grants Program?

A - Yes.

13. Q - Could the Maine Forest Service provide a summary of any changes if any that have been made to this third round? This would help potential applicants determine whether they should consider applying.

A - Yes. That document can be found at:

http://www.maine.gov/doc/mfs/arra/pages/rd_3_pre_application_info.html

At the bottom click on:

[DRAFT REQUEST FOR APPLICATIONS - COMMENTS AND EDITS VISIBLE \(pdf | 527KB\)](#)

14. Q - Is there any funding to convert the Northern Maine Regional Office from fuel oil to a wood fired system? The office is occupied by the Department of Environmental Protection and is owned by the Northern Maine Community College.

A - Please see the ARRA Wood to Energy Grants Program Request for Applications at:

http://www.maine.gov/doc/mfs/arra/downloads/rd_3_rfa.pdf

15. Q - Option 1 is to write the grant for the 2 school buildings. Option 2 is for the 2 school buildings and the municipal building for the town. Will we be significantly reducing our chances for grant success by scaling back the project to do only the schools? I believe my contribution rate for the entire project will still be over 50%.

A - Please see the ARRA Wood to Energy Grants Program Request for Applications at:

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http://www.maine.gov/doc/mfs/arra/downloads/rd_3_rfa.pdf

Pay close attention to 8.0.C - Project design, fuel and feasibility; Overall Technical Feasibility; Assessment and Description of Project Readiness; funding; 8.0.D – Cost Effectiveness; 10.0 Evaluation Process; and Table 10-1 – Scoring Rubric.

16. Q - The City of Presque Isle owns and leases buildings, located on Skyway Industrial Park, to private and non-profit entities. Two of the tenants are presently heating with a combination of oil and outdoor wood boilers that are old, inefficient and undersized to properly heat the production areas. Would private and non-profit entities leasing the City owned premises be eligible for grant funds through the City?

A - No, the lessees and not 'owner' within the meaning used in the RFA. Under the ARRA Wood to Energy Grants Program the wood fired boiler and associated equipment must be owned by the owner (of the building). It is possible for the City as the owner to apply for the grant and make the case for 'public building.'

17. Q - We are a small library in Pembroke and wonder if we are applicable for consideration of a wood boiler?

A - Yes. The scoring rubric is scaled to accommodate all projects. One might take a look at the Cooperative Extension Field Office proposal in Round 1 and the Blue Hill Library proposal in Round 2. The Extension office was funded by ARRA and the Blue Hill Library withdrew from Round 2 because they were able to secure funds from another source. Both are small projects worth studying. These and all applications are available on our website.

18. Q - We are shovel ready to convert from fuel oil to a wood boiler system. What is the operating definition on PUBLIC BUILDING for this RFA?

Q - What is the operational definition for PUBLIC BUILDING for this program?

A - RFA section "7.1 Eligible Entities" states:

The program is open to all Maine public entities or parties with public buildings, including schools, hospitals, state, county, local and tribal governments. Private Facilities with a clearly demonstrated public benefit may also be eligible."

An application for a public building leased to a private enterprise where there is no public access and no public benefit beyond the business revenues of the lease would not score well.

19. Q - We received a PUC grant to partially fund our project. Are we eligible to apply under this RFA? If so, are there any limitations?

A - Federal funds cannot be used to match federal funds, so be sure of the source of funds from PUC. There must be complete segregation of funds in the project as per advice given in the RFA. If an application is put forward, it should be very clear what funds pay for what parts, how the parts relate to each other, how the parts are dependent upon each other (if indeed they are), how to attribute fuel displacement to what source of funds, how to attribute FTE's to what source of funds, how double counting will be prevented, etc. Precision, clarity, and completeness are imperative.

20. Q – So where do we stand with EPA emissions standards for wood fired boilers rated at less than 10 million BTU's per hour (10mmBTU/hr)?

A - Both the US Forest Service and the Maine Department of Environmental Protection indicate that for boilers rated at less than 10mmBTU/hr will only need to file an initial notification and a Compliance Status form maintain the boilers with appropriate tune-ups on the correct schedule.

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[Note 1: This is a narrow answer to a narrow question. Designers, engineers, and or contractors with specific knowledge of a proposed project will be able to answer questions concerning possible rules, regulations, compliances, licenses, etc. that may apply to that specific project.]

[Note 2: Forms will be available shortly after the EPA officially posts the rules.]

21. **Q** - Our town is sincerely interested in responding to the Round 3 Wood to Energy RFA. However, we would need to rely upon the Annual Town Meeting approval and acceptance of this grant funding if we are fortunate to be selected as a candidate for the grant. That said, would you the funder be amenable to the following timeline?

The Town submits a grant proposal by March 24, 2011 deadline.

If awarded a grant, the Town issues an RFP for wood combustion system due by April 29, 2011.

The Board of Selectmen award the winning bid on or about May 2, 2011.

The Town's people accept the award and authorize the Town's share of the expense at Annual Town Meeting on or about June 11, 2011.

[Note: Both the RFP and Award contract will specifically state the contingency of Annual Town Meeting approval. So the bidder clearly understands the nature of the contingency clause.]

A – Please see 8.0.C – “...Assessment and description of “project-readiness”, including a timeline and evidence that additional funding, designs, permits and approvals are in place and construction will begin within 120 days of the award.”

And

The Application Form (page 57 of 65 of the RFA)

“APPLICATION CHECKLIST

The following is not a complete list, but all successful applicants should be able to answer yes to the following questions.

- ...
- *Have the remaining funds to complete the project been secured and evidence that they have been secured provided? ___*
- ...
- *Is the project “shovel ready?”*
 - *Approvals complete ___*
 - *Engineering complete ___*
 - *Bid Process complete ___*
 - *System Selection complete ___*
- ...”

The time table described above could, on the face of it, permit the commencement of construction within 120 days.

However, at the time of the scoring of the applications the scenario described above does not seem to answer the question of “*Have the remaining funds to complete the project been secured and evidence that they have been secured provided?*” Without some evidence that the applicant (represented by Selectmen, Manager, Mayor, City Council, Board of Supervisors, School Board, Superintendent, etc.) actually has funds, reserves, bond funds, revenues, access to loans, commitments from other funding sources, etc. that are to be committed to the project (contingent upon a Wood to Energy Grant award) then the answer would be no. If, however, such funds are available and evidence of that availability can be presented, then the necessity of voter approval in a timely fashion following announcement of awards would not automatically disqualify an application. Each application will need to be evaluated on a case by case basis.

Two hypothetical examples might be:

Strong: “The School District has \$1.4 million in building reserves earmarked for repairs and upgrades to the physical plant of the school (as you can see from the attached financial

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statement of 2/28/11). This proposed project would commit \$500,000 of those funds to match an award of a \$500,000 from the Wood to Energy Grants Program. However, voter approval is required to release these funds. Please note that letters of support from xxxx (Selectmen, School Board, PTA, Teacher's Association, civic groups, religious groups, straw pole votes at town (Selectmen's) meetings, etc., etc.) all demonstrate enthusiastic support."
Or

Not strong: "If we get an award we'll take it to town meeting and see what the voters think."

- 22. Q** - In your checklist, you ask the question, "Will the program of work be complete in 1 year? Of what start date? 1 July 2015? You should not have left it open ended.

A - You are correct, we should have been more clear in the check list. Within the context and meaning of the RFA; The question "Will the program of work be complete in 1 year?" means "within one year beginning with the date of the award."

- 23. Q** - We are a private 501(c)3 non-profit organization. I see in the RFP that non-profits "may" be eligible for these grants if there is "clearly demonstrated public benefit." In the fall of 2011 we will be opening two new programs for high school and college students who have dropped out school or are at risk of dropping out. There will be residential components to both programs. I am hoping that these programs would meet the requirement for "public benefit" but I wanted to check before we went further with this.

A - Within and context and meaning of RFA section "7.1 Eligible Entities" the entity that you describe above qualifies. A score would depend upon how clearly the public benefit is demonstrated and documented. A history of who is served by your institution and some sort of success rate over recent times may be elements of a demonstration.

- 24. Q** - We are considering re-applying but do not want to waste the time if small projects such as this don't score well against the larger projects.

A - You are correct. In Round 2, the larger projects out-scored smaller projects. The scoring rubric for Round 3 has been adjusted within the same scoring framework to enable smaller projects to score better. Jobs, leverage of grant funds, other fuel displaced by the proposed wood to energy project all have been adjusted to reflect the scale of the projects. Small and mid sized proposals are encouraged for Round 3. In addition, the maximum grant limit has been lowered from \$750,000 to \$500,000.

- 25. Q** - In the posted Q&A, it appears that applicants should no longer state job creation based on the manufacture of the boiler and related equipment. If this is the case, it seems like there is zero preference or priority under this ARRA grant for an American made product. Is this true, or can you point out a way we can differentiate our application based on the fact that we will be supporting an American boiler.

A - The manufacturer of the boiler must be stated in the body of the application, just as the type and source of the wood fiber must be stated in the application. When scoring the application the industry standards will be applied to determine jobs created and or maintained. Jobs created and or maintained in the US will be counted; jobs created and or maintained outside of the US will not be counted.

- 26. Q** - We have not put our wood boiler project out to public bid, but we have obtained two bids on the project. Is this sufficient for the Wood to Energy application We are considering re-applying but do not want to waste the time if small projects such as this don't score well against the larger projects.

A - Rider H in the specimen contract in the RFA states: (1) Grantees and subgrantees will use their own procurement procedures which reflect applicable State and local laws and

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regulations, provided that the procurements conform to applicable Federal law and the standards identified in this section.

Please see Rider H to see if your entity's procurement procedures are consistent with the Federal and State standards and then check the procedures you employed to obtain your bids to make sure that you are compliance with your own policies and procedures.

27. Q – We currently have a wood pellet boiler at our High School that is currently owned by a company that sells us BTU's like a utility. Would the grant permit the District to buy the boiler from this company and operate it ourselves?

A – No. The ARRA Wood to Energy Grants Program is a jobs program and the purchase of an existing unit that is currently installed in the school would not create jobs.

28. Q.1 - A school department has 2 schools close enough to connected to a common (central) heating plant. They each use 20,000 gallons of oil or 40,000 combined. Should they: apply in 2 separate applications, one for each school or apply as a single central plant project?

Q.2 - Which would score higher, 2 singles or 1 central plant?

Q.3 - Should they apply as 2 separate applications AND as 1 central plant to cover all options?

A.1 – Each application will be scored on its own merits. Jobs created and or maintained; owner's financial commitment leveraged against the grant funds; appropriateness; and effectiveness are all factors.

A.2 – A decision as to what strategy or tactic an applicant may choose most likely is contained in the engineering and financial options that the applicant has available. Please see A.1 above and the Scoring Rubric section of the RFA.

A.3 – Within the context and meaning of the published RFA an application is “an application” to do a project and not an application to do either this project or that project.

A.1 through A.3 - In the posted RFA, please see Table 10.1 (page 13) and Application Checklist (page 57).

It would be a great expense to have completed engineering, permitting, financing, etc. for more than one proposal as part of each proposal's demonstration of readiness, but whether or not to invest in all of the items in the checklist for each proposal is entirely up to the applicant.