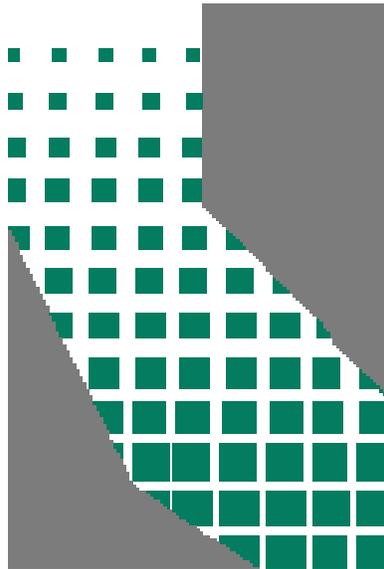


California Integrated Waste Management Board

**GRANT SOLICITATION AND APPLICATION PACKAGE
LIQUEFIED NATURAL GAS (LNG) FROM LANDFILL GAS
DEMONSTRATION GRANT**

Release Date: March 1, 2007

Proposal Due Date: April 2, 2007



California Integrated Waste Management Board
Remediation, Closure, and Technical Services Branch
Attention: Scott Walker, MS 10A
1001 I Street
P.O. Box 4025
Sacramento, California 95812
(916) 341-6319

California Integrated Waste Management Board

GRANT SOLICITATION AND APPLICATION PACKAGE LIQUEFIED NATURAL GAS (LNG) FROM LANDFILL GAS DEMONSTRATION GRANT

Release Date: March 1, 2007

Proposal Due Date: April 2, 2007

Purpose:

This is a competitive grant solicitation sponsored by the California Integrated Waste Management Board (CIWMB) to fund a grant project (Grant Project) designed to contribute to the implementation of a landfill gas to liquefied natural gas (LNG) commercial-scale demonstration project at a permitted solid waste landfill in California, such that at least 10,000 gallons per day of LNG will be produced as a result (Demonstration Project).

This is a highly targeted, performance-based solicitation to help the development of renewable energy technologies utilizing available in-state biomass resources. Only those candidates who meet the eligibility requirements and pass the minimum technical score will be considered for funding.

Availability of Solicitation Documents and Information:

This solicitation and all supporting documents and forms for the Demonstration Project can be found under <http://www.ciwmb.ca.gov/Grants/>.

For those parties without Internet access, copies of solicitation documents and information can be obtained by contacting:

California Integrated Waste Management Board
Administration and Finance Division
Grants Administration Unit, MS-19A
Attention: Vicki Hanson
1001 I Street
P.O. Box 4025
Sacramento, CA 95812
Telephone: (916) 341-6119

In addition, you may request to be added to the mailing notification list to receive information about any changes or modifications made to this solicitation.

Background

Executive Order S-06-06 directs state agencies participating in the Bioenergy Interagency Working Group to enhance the sustainable management and development of biomass resources for electricity generation and production of alternative fuels (biofuels). Production of alternative fuels recovered from methane in landfill gas is one means of achieving these goals.

Recovery of landfill methane that is otherwise flared also reduces climate change emissions by offsetting emissions from the displaced energy produced by fossil fuel combustion. Increasing recovery of landfill methane is an integral part of CIWMB's responsibility for the Landfill Methane Capture Strategy under the Climate Action Team and Assembly Bill (AB) 32 (Nunez, Statutes of 2006, Chapter 488) implementation. An additional potential benefit of alternative fuels from landfill gas is reduction in other criteria and hazardous air pollutants.

The CIWMB and California Biomass Collaborative estimate significant potential for in-state production of biofuels such as liquid natural gas (LNG) from landfill gas that is currently collected and otherwise flared with no energy recovery. However, current production of biofuels from landfill gas is limited and substantial technical and financial barriers to wider use remain. Stakeholders have conveyed that public funding and commitment is necessary to surmount private sector risk in order for significant commercialization and production to occur.

To help develop technologies for production of alternative fuels from landfill gas, the CIWMB allocated seven hundred and forty thousand dollars (\$740,000) for funding in Fiscal Year 2006/07 to fund implementation of a commercial-scale demonstration project for production of LNG from landfill gas. This proposal would support the CIWMB's work under the auspices of both the Bioenergy Interagency Working Group and the Climate Action Team and demonstrates the State's commitment to foster the development of alternative fuels production.

The basis of this grant solicitation is the Fiscal Year 2006/07 Budget Act whereby the Legislature provided the following permissive funding authority from the Integrated Waste Management Account for the CIWMB:

"Of this appropriation, an amount not to exceed \$1,000,000 may be awarded in the form of a grant for demonstration projects that convert landfill gas to liquefied natural gas (LNG) for use as a clean transportation fuel, provided that the demonstration project meets all of the following conditions:

- (a) The project shall produce at least 10,000 gallons of LNG per day.
- (b) The project shall utilize landfill gas that is currently flared.
- (c) The project shall have obtained all applicable land use permits before award of the grant.

The grant amount shall not exceed 15 percent of the total project cost."

Funding Information:

The total funding available for this grant solicitation is \$740,000. It is anticipated that one or more Grant Project(s) will be selected for funding. The maximum amount of funding that may be requested under a single proposal is \$740,000.00.

The grant amount shall not exceed 15 percent of the total Demonstration Project cost. This grant is a reimbursement grant. The CIWMB will only reimburse for grant eligible expenditures. Reimbursement will be made at a rate of 15 percent of the ongoing Demonstration Project cost. For example, if the grantee requests grant reimbursement of \$15, the grantee must incur \$85 in other Demonstration Project expenses.

Eligible Projects:

Eligible Grant Projects must be a component of a Demonstration Project which complies with the following minimum criteria:

- (a) The Demonstration Project shall produce at least 10,000 gallons of LNG per day; and
- (b) The Demonstration Project shall utilize landfill gas that is currently flared; and
- (c) The Demonstration Project shall have obtained all applicable land use permits before award of the grant (tentatively scheduled for May 15, 2007).

The proposed Grant Project must be located in California at a permitted solid waste landfill. All Grant Project activities funded by this grant must be completed within the term of the grant agreement, which will commence upon receipt by the grantee of a Notice to Proceed (anticipated date June 30, 2007) and conclude on May 1, 2009.

Potential Grant Project activities specifically eligible for funding under this grant include, but are not limited to, one or more of the following:

- Construction of systems and required appurtenances to collect landfill gas that would otherwise be flared, and to treat and liquefy the landfill gas to produce an LNG product meeting applicable standards for its intended use.
- Construction of associated on-site fueling or fueling conveyance systems for the LNG product produced from landfill gas.
- Quality Assurance and Quality Control (QA/QC) measures to determine and verify system construction and product specifications are met.

Eligible Applicants:

Eligible applicants are businesses and California cities, counties, special districts, other political subdivisions and jurisdictions joined together by formal agreements. Partnerships between public entities and private entities are allowable. The applicant (business or public entity) is responsible for administering the grant and is accountable for how the grant and matching contributions are expended.

Multiple Proposals:

Applicants are allowed to submit multiple proposals. However, each proposal must be for a distinct and separate Grant Project, and must be submitted separately adhering to all requirements contained in this solicitation.

Matching Contributions:

Matching funds in an amount equal to or greater than a ratio of 85:15 of the grant amount are required. To evidence this commitment and ensure that the Demonstration Project will be adequately funded, the applicant, in the Scoring Criteria, *Budget*, item E (Attachment B), must fully explain and identify the source(s) of the Matching funds.

Eligible Grant Project Costs:

Grant monies only fund expenses incurred after receipt of the Notice to Proceed by the Grantee (anticipated date: June 30, 2007) and on or before the end of the grant term (May 1, 2009). All grant project costs must be clearly and directly related to the

implementation and operation of the Grant Project. Costs must be reasonable and cost-effective. Costs that do not meet these conditions will not be eligible.

Ineligible Costs:

No equipment shall be purchased using CIWMB grant funds. Equipment is defined as having a useful life of at least one year and having an acquisition unit cost of at least \$5,000. Equipment means any products, objects, machinery, apparatus, implements or tools purchased, used or constructed with the project.

Any expenses not directly related to the Grant Project are ineligible costs. These include, but are not limited to, the following:

- Costs incurred prior to receipt of the Notice to Proceed by Grantee or after the end of the grant term;
- Costs currently covered by another CIWMB loan, grant, or contract;
- Overtime costs;
- Travel (in or out of state);
- Any food or beverages;
- Profit or mark-up by Grantee or partner ;
- Cell phones, pagers, and other personal electronic and/or digital assistive devices;
- Overhead and indirect costs above five percent (5%) of the amount approved for payment;
- Any costs that are not consistent with local, state, and federal guidelines, regulations, and laws; and
- Any other costs not deemed reasonable or related to the purpose of the grant by the Grant Manager.

The Budget (Attachment C of your proposal) will form the bases of the approved Budget of Exhibit C of the Grant Agreement. Costs not included in the approved Budget (Exhibit C of the Grant Agreement) are ineligible for reimbursement.

Selection of Grant Projects:

The following process will be utilized to recommend project(s) for funding:

1. Based on the proposals submitted, a scoring committee will score the proposal using the scoring criteria set forth in Attachment B.
2. A minimum score of 60 (out of 100) is required for funding.
3. Projects receiving at least the minimum score will be ranked according to their overall score.
4. Project(s) will be recommended for funding starting with the highest ranked project until all funds are exhausted.
5. Project(s) recommended for funding will be scheduled and heard at a regularly scheduled CIWMB Meeting (tentatively scheduled for May 15, 2007).

If approved for award at the CIWMB Meeting:

6. The CIWMB will send the Grant Agreement to the proposed grantee(s) for signature.
 7. Once the signed Grant Agreement is returned to the CIWMB, the CIWMB will sign the Grant Agreement and return a copy to the grantee. Thereafter the CIWMB will issue a Notice to Proceed notifying the grantee that it may begin the grant project. Grant and matching costs may not be incurred until receipt of the Notice to Proceed.
 8. If the parties are unable to successfully execute the required Grant Agreement, the CIWMB reserves the right to fund the next highest ranked eligible grant project.
- ***A sample of the draft CIWMB Grant Agreement Terms and Conditions and Procedures and Requirements will be available for review at <http://www.ciwmb.ca.gov/Grants/>. Please note: the CIWMB reserves the right to modify the Grant Agreement prior to award of this Grant.***

Tentative Schedule of Proposal and Award Process:

Release of Solicitation	March 1, 2007
Deadline to Submit Questions	March 7, 2007, Wednesday 3:00 p.m.
Posting of Questions and Answers	March 14, 2007
Deadline to Submit Proposals	April 2, 2007, Monday 3:00 p.m.
Review and Score Proposals	April 3-May 1, 2007
Release of Notice of Intent to Award	May 7, 2007
Approval of Awards at CIWMB Business Meeting	May 15, 2007

It is anticipated that the Notice to Proceed will be issued approximately June 30, 2007. Completion of the grant project must occur no later than May 1, 2009.

If Awarded: Submission of Plans and Specifications and Manual and Report:

In addition to other required documents, the Grantee, at least two weeks prior to the implementation of construction activities, shall submit to the Grant Manager for review and approval two copies of the Grant Project final plans and specifications.

As part of its Final Report, Grantee shall provide the Grant Manager an operations and maintenance manual and final as-built construction report.

Questions and Answers:

All questions must be received in writing by 3:00 p.m. on March 7, 2007, via e-mail (<http://www.ciwmb.ca.gov/Grants/>), fax (916-319-7469), or mail to:

California Integrated Waste Management Board
Liquefied Natural Gas from Landfill Gas Demonstration Grant Program
Attention: Scott Walker, MS 10A
1001 I Street
P.O. Box 4025
Sacramento, California 95812

Questions received via phone or after March 7, 2007, will not be answered. Answers will be posted on the Liquefied Natural Gas (LNG) from Landfill Gas Demonstration Grant Program Question and Answer (Q&A) page (<http://www.ciwmb.ca.gov/Grants/>) throughout the Q&A period and after. The final compilation of Q&As may be mailed/e-mailed on March 14, 2007 upon request.

Proposal Requirements and Guidelines:

The following documents and information will comprise your proposal and will be the bases on which your proposal is scored and evaluated.

It is highly recommended that proposals adhere to all Application Package requirements and templates. All proposals should contain the following information, compete and signed as required. ***Failure to complete and/or include the following documents and information and any other documents required by the Application WILL result in your proposal receiving a lower overall score and MAY result in your proposal being rejected and ineligible for funding.***

1. Complete, certify and submit the Application Cover Sheet (Attachment A-1). The Application Cover Sheet must be signed and certified by the person authorized in Resolution (for a public entity) or Letter of Authorization (for a business) as discussed below.

An extension to obtain a Resolution or Letter of Authorization may be authorized by the CIWMB (see name and telephone number on front of this document) for compelling reasons. Approval of an extension must be in writing from the CIWMB. In no case may the Resolution or Letter of Authorization be submitted after April 19, 2007. If an extension is authorized, an executive officer of the applicant entity may sign the Application Cover Sheet.

Resolution: Public entity grant applicants must include with the Application an authorizing resolution, approved by its governing board, to accept funding, including identification of the person authorized to execute all necessary applications, contracts, agreements, amendments, and payment requests for the purpose of securing grant funds and receiving assistance under the Program, and to implement and carry out the purposes specified in the grant application. (Attachment A-1.1 is a sample resolution for public entity applicants).

Letter of Authorization: Business grant applicants must include with the Application a Letter of Authorization, on the applicant's letterhead and signed by an executive officer identifying the title of the person authorized to execute all necessary applications, contracts, agreements, amendments, and payment requests for the purpose of securing grant funds and receiving assistance

under the Program, and to implement and carry out the purposes specified in the grant application.

2. Complete (and sign if required) and submit the following standard forms, (Attachments A-2 through A-5):
 - A-2 General Checklist of Business Permits, Licenses, and Filings (CIWMB 669) (<http://www.ciwmb.ca.gov/Grants/Forms/>)
 - A-3 Reliable Contractor Declaration (CIWMB 168)
 - A-4 Environmental Justice Certification (modified CIWMB 235)
 - A-5 Recycled-Content Product Purchasing and Sustainable Practices Evaluation Form (modified CIWMB 236)
3. Submit an abstract/summary of the grant project (one page maximum), which includes the title; brief project description; the problem being addressed by the proposal; quantitative and measurable goals to be achieved by the end of the project; the project schedule and date of completion; amount of CIWMB funding requested; and total grant project budget.
4. Complete and submit the Evaluation and Scoring Criteria template (Attachment B) with all required documents.
5. Submit the landfill operator's written approval for the Grant Project.
6. Provide one (1) original, four (4) hard copies and one (1) electronic copy (CD Rom or a flash drive) of the proposal. The documents do not need to be bound; binder clips are acceptable. The original must be signed by the signature authority designated in the above described Resolution or Letter of Authorization.
7. Limit proposals to a maximum of 35 pages total, including Budget Forms (Attachment C).
8. Use a standard 12-point font and 1-inch or larger page margins. Insert one blank line between paragraphs. Number the pages.

Grounds for Disqualification:

Proposals ***WILL*** be disqualified and not considered for funding if:

1. The original Application Cover Sheet is not signed by the person authorized in the Resolution or Letter of Authorization, unless written approval is received from the CIWMB for an extension to submit the Resolution or Letter of Authorization. If an extension is approved in writing by the CIWMB, an executive officer may sign the Application Cover Sheet; however the Resolution or Letter of Authorization must be submitted no later than April 19, 2007.
2. The proposal is postmarked after April 2, 2007; or if hand delivered, received by the CIWMB's Grants Administration Unit after 3:00 p.m. (PST) April 2, 2007.
3. The proposal contains any confidential information.

4. The Demonstration Project is not located in California.
5. The Grant Project does not meet the requirements described in "Eligible Projects."
6. The applicant does not meet the requirements described in "Eligible Applicants."
7. Matching contributions are not identified or addressed in the Budget (Attachment C).

Confidential Information:

No confidential information will be accepted during the proposal and selection phase of this solicitation. If any confidential information is submitted, your entire proposal will be rejected and will not be eligible for funding. Proposals containing confidential information will be returned to the applicant. **Please note, all proposals are subject to public disclosure pursuant to the California Public Records Act, Government Code § 6250 et seq.**

If awarded, Grantees may propose to deliver confidential information and/or data during the course of the Grant Project. If necessary, instructions on submitting confidential information will be provided by the CIWMB. The CIWMB will maintain such information as confidential but only to the extent that such information is exempt from disclosure under the California Public Records Act.

Submission Requirements:

Proposals must be postmarked no later than Monday, April 2, 2007. Hand delivered applications must be *received* by the CIWMB's Grants Administrative Unit no later than 3:00 p.m. (PST) on Monday, April 2, 2007.

Proposals must be mailed or delivered to:

California Integrated Waste Management Board
Administration and Finance Division
Attn: Grants Administration Unit, MS-19A
1001 I Street
P.O. Box 4025
Sacramento, CA 95812-4025

Applications mailed or sent by U.S. Postal Service or a commercial delivery service should be sent by a means that allows for tracking by the sender and that provides an addressed and dated receipt. Failure to do so is at the risk of the applicant and if delivery is delayed or the application is lost by the Post Office or delivery service, the burden is on the applicant to demonstrate timely mailing or delivery of the application.

Electronic mail (e-mail) and facsimile (Fax) transmissions are not acceptable in whole or in part under any circumstances. The CIWMB will reject all proposals postmarked or received after the stated due date and time.

Amendment or Cancellation of this Solicitation:

The CIWMB reserves the right to do any of the following:

- Cancel this solicitation;
- Amend or revise this solicitation or applicable documents as needed; or
- Reject any or all proposals received in response to this solicitation.

Attachments:

- A. Standardized Application Forms:
 - A-1 Application Cover Sheet (modified CIWMB 233)
 - A-1.1 Sample Resolution For Public Agency Applicants
 - A-2 General Checklist of Business Permits, Licenses, and Filings (CIWMB 669) (<http://www.ciwmb.ca.gov/Grants/Forms/>)
 - A-3 Reliable Contractor Declaration (CIWMB 168)
 - A-4 Environmental Justice Certification (modified CIWMB 235)
 - A-5 Recycled-Content Product Purchasing and Sustainable Practices Evaluation Form (modified CIWMB 236)

- B. Evaluation and Scoring Criteria Template

- C. Budget Forms:
 - C-1 Task Budget
 - C-2 Category Budget