

# Michigan Biofuels Infrastructure Partnership Program

## Request for Proposals (RFP) #1

The Corn Marketing Program of Michigan (CMPM) hereby requests proposals for the purchase and installation of ethanol-compatible infrastructure at fueling stations in Michigan. The following information provides details of grant funding available to eligible applicants. Submit a completed Grant Application form to CMPM.

### Introduction

#### Authority

On October 28, 2015, the United States Department of Agriculture (USDA) announced that the Michigan Department of Agriculture and Rural Development (MDARD) was awarded \$3 million through the Biofuels Infrastructure Program (BIP). The resulting contract with the USDA's Commodity Credit Corporation (CCC) provides funding for the following:

- Retrofit of existing pumps with dedicated E15/25 pumps;
- Installation of blender pumps capable of dispensing E85, E15, and potentially other mid-level ethanol blends;
- Installation of dedicated E85 pumps; and
- Installation of underground storage tanks for ethanol blends.

This \$3 million grant, along with matching and in-kind funds from the MDARD, CMPM, and private partners, makes up the fund available for this Request for Proposals (RFP). MDARD entered into an agreement with CMPM to be the grant recipient and administrator of these funds for the Michigan BIP (MICH-BIP).

#### Purpose

A primary component of the BIP is to make higher level blends of ethanol available to consumers in order to increase consumption of biofuels in the form of ethanol, thereby supporting farmers and domestic jobs while reducing the demand for foreign oil. In the BIP *Frequently Asked Questions*, the USDA described the justification for this funding as follows:

Infrastructure constraints and other barriers currently limit the market for biofuels and thereby the commodities used to produce them, contributing to lower commodity prices. In particular, the nation's fueling infrastructure is not sufficiently flexible to accommodate large quantities of higher ethanol blends that could enable biofuels to fill a significantly greater portion of the nation's fuel supply. Most vehicle fueling pumps can deliver only one type of fuel – E10, which contains a maximum of 10 percent ethanol. Higher ethanol blends, such as E15 and E85, offer significant potential for using more ethanol in the U.S. fuel supply chain.

The purpose in awarding funds under this RFP is to increase the number of retail motor fuel sites in Michigan for E85, registered E15, or other ethanol blends between E15 and E85, by installing new or upgraded motor fueling infrastructure dedicated to the purpose of offering biofuels for retail sale.

### Eligible Applicants, Eligible Projects, Award Limitations, and Reporting Requirements

Funding is limited. Awards are competitive and all applicants may not receive funding for proposals which exceed available funds. Applicants awarded funding will be required to execute a contract with CMPM.

#### Eligible Applicants

Eligible applicants must own or operate a retail motor fuel site in Michigan.

## **Eligible Projects**

All projects for which funding is awarded must be completed and operational by December 30, 2016 and maintained for their intended purpose through December 30, 2021.

## **Award Limitations**

All funds awarded are contingent upon compliance, availability of funds, and any required adjustment(s).

Funds awarded may not be used for any other purpose than the project awarded.

In no event shall the MICH-BIP total investment amount awarded to any applicant exceed the following limitations set forth for each dispenser or associated underground storage tank (UST):

- a. \$15,000 to retrofit an existing pump with a dedicated E15/E25 pump, of which CCC will provide federal cost share percentage not to exceed 74.1 percent;
- b. \$35,000 for installation of a dedicated E85 pump, of which CCC will provide federal cost share percentage not to exceed 75 percent;
- c. \$45,000 for installation of a new blender pump, of which CCC will provide federal cost share percentage not to exceed 75 percent; and
- d. \$100,000 for installation of a UST, of which CCC will provide federal cost share percentage not to exceed 25 percent.

Funding will not be awarded for the installation of dedicated E15/E25 pumps or for the installation of above-ground storage tanks (ASTs).

An award recipient shall not use the infrastructure at the project site to store and dispense motor fuel other than the type identified in the Grant Application and resulting contract with CMPM through December 30, 2021, unless one of the following applies:

- a. The award recipient is granted a written waiver by CMPM; or
- b. The award recipient pays back the money awarded plus a 25 percent penalty.

Costs associated with existing equipment and/or equipment purchased prior to the date the Grant Application is signed by the applicant are not eligible for funding. Other ineligible expenses are listed in the "Instructions to Complete and Submit a Grant Application."

All award recipients must enter into a contract with CMPM, effective through December 30, 2021.

## **Monitoring and Reporting**

Tanks, pumps, and related infrastructure must be continuously used for the specified purpose through December 30, 2021. Periodic inspection of infrastructure, financial documents, and related activities for the awarded project may be required. All award recipients are required to provide month-end data for each type of fuel dispensed at the project location including, but not limited to, average sales price and gallons sold through December 30, 2021. Performance reports must include site performance reports for each location where pumps and/or storage tanks have been installed. If the infrastructure stops being used for the stated purposes, the award recipient will be required to repay all or a portion of the funds awarded. Distribution of funds awarded is contingent on CMPM receiving all required reports and information by the established deadlines.

## **RFP #2**

### **For Marquee Displaying Renewable Fuels**

In addition to the RFP #1 for the purchase and installation of biofuel infrastructure, the CPM is making a second request for proposals for the installation of marquees at Michigan fueling stations. Michigan fuel retailers who install or convert to renewable fuels (E85, ethanol blender pumps, or biodiesel) are eligible to receive funding of up to \$2,500 for the installation of a marquee displaying pricing for renewable fuels at each retail location.

Complete and submit a Grant Application using the same Instructions and Application form for RFP #1.

## **Instructions to Complete and Submit a Grant Application for RFP#1 and RFP#2**

- The most recent Grant Application form may be found at [www.MiCorn.org](http://www.MiCorn.org) or by calling CMPM at (517)668-2676.
- Proposals will be reviewed; applicants will be notified of award offers soon after the submission deadline.

### **For applicants proposing installation of equipment:**

- Complete a Grant Application for **each location**. Applicants may apply for multiple project locations.
- Include project costs for ethanol compatible equipment to be installed and associated labor costs. Specifically list eligible equipment and expenses separately from ineligible expenses to facilitate the application process. See below for the list of “eligible equipment and expenses” and “ineligible expenses.”
- Applicants may attach an additional narrative that details other characteristics or factors that make them an ideal partner for this program that is not otherwise covered in the information submitted in the application form.

### **“Eligible equipment and expenses” include the following:**

- Blender pumps (and related required equipment) offering, at a minimum, E85 (flex fuel) and Mid-Level Ethanol blended gasoline. Additional flex fuel blends are recommended when possible.
- Dispensers (and related required equipment) offering E85.
- Conversion kits and replacement equipment required for the conversion of current dispensers to offer E15 gasoline. (E15 as a flex fuel is not eligible for this funding.)
- Underground storage tanks (and related required equipment) for storing E85 or E15. A tank purchased with Michigan BIP funding must be used to store the higher ethanol blend fuel.
- Labor, electrical, and concrete specific to the above eligible expenses. If dispensers/tanks are installed in addition to those described above, labor/electrical/concrete expenses will be prorated in proportion to the other eligible expenses.

### **“Ineligible expenses” include the following:**

- Fuel station canopies
- Price signs\*\*
- Branding
- Marketing, education, administration, research, testing, and other non-infrastructure expenses
- In-store equipment/software
- Dispensers not otherwise described above as “eligible expenses”
- Costs associated with existing equipment and/or equipment purchased prior to the date the Grant Application is signed by the applicant are not eligible for funding.

\*The time and date an application is received by CMPM will be considered the “received-by” date. CMPM is not liable for any problems or delays with submittal of documents. Applicants are solely responsible to make sure the entire Grant Application is received by the deadline.

\*\*Only applicants who apply for funding under the RFP#2 are eligible for funding a marquee.

## Award Process

To ensure awards are based on a clear understanding of an applicant's potential as a partner selling ethanol blended fuels, a review team of the MDARD and CPM staff members will evaluate each proposal for eligibility and for other factors that will make a proposed project an ideal investment of funds. A designated member of the review team may communicate with an applicant in person, by phone, or in writing as needed to obtain clarification.

### Steps of the process include:

1. Grant Applications reviewed by the review team consisting of members of the MDARD and CPM.
2. Proposed awards developed and approved by CPM.
3. CPM contacts awardees.
4. Awardee completes USDA FSA-850 and FSA-851 forms.
5. USDA approves FSA-850 forms prior to contract execution.
6. Contracts signed by the awardee and CPM.
7. Work on the project may begin only after grant contract has been executed. Any work done before contract execution will not be eligible for grant funds.
8. Grant funds can be accessed up to 50% of the award upon submission of an invoice from the awardee's service provider showing proof of equipment purchased; the remainder of the award will be available upon successful completion of the project and submission of required documentation.

## Awardees' Responsibilities

Applicants, upon meeting eligibility requirements and making a successful application for funds, will agree to:

- Have an FSA-850 *Environmental Evaluation Checklist* completed by a certified environmental/engineering professional for each project funded.
- Sign grant contracts with CPM effective through December 30, 2021.

*Note: Approval of the FSA-850 by the USDA, and execution of grant contracts with CPM, is required **before any work on the project begins**. Any work completed before grant contracts are in place will not be covered by grant funds.*

- Prior to signing contracts with CPM, all awardees are required to:
  - a. Have a Data Universal Numbering System (DUNS) number. A DUNS number is a nine-digit number established and assigned by Dun & Bradstreet, Inc. (D & B) to uniquely identify each physical location of your business. A DUNS number may be obtained or updated from D & B by telephone (currently 866-705-5711). Register for a DUNS number at <https://iupdate.dnb.com/iUpdate/viewiUpdateHome.htm>;  
AND
  - b. Register with the federal System for Award Management ([www.sam.gov](http://www.sam.gov)) and provide updates as needed. Registration with this site allows the organization to do business with the federal government and ensures that federal funds are not paid to organizations that have been suspended or disbarred.

- Provide and maintain public liability, property damage, and workers' compensation insurance ensuring the interests of all parties to the grant against any and all claims which may arise out of the awardees' operations.
- Complete installation of equipment and begin selling required higher ethanol fuel blends no later than December 30, 2016. Awardees who complete projects after this date will forfeit all funding for the project unless prior written approval is granted.
- Provide monthly fuel sales information to CMPM as required by the USDA.
- Continue to sell ethanol-blended fuels with the funded pumps through December 30, 2021.
- Throughout the duration of this period of obligation:
  - a. For a blender pump installation project, post E85, or other mid-level blend ethanol prices on the station's price sign marquee
  - b. For an E15/25 retrofit of an existing pump, post E15 price on the station's price sign marquee
  - c. For an E85 dispenser installation project, post E85 price on the station's price sign marquee
- Work with CMPM and fund partners to identify competitively priced sources for ethanol-blended fuels sold at the site.
- **Return funds to CMPM, in amounts determined by CMPM, if the pumps, storage tanks, and associated components are not installed and operational by December 30, 2016 or are not maintained for their intended purposes through December 30, 2021.**

#### Grant Application Checklist

Complete a Grant Application form and include your plans for a project using the guidelines in this document. Please make sure you complete all items requested.

Submit the completed Grant Application and all necessary paperwork to CMPM by 4:00 p.m., February 5, 2016, either by email (pdf format) to [thavard@micorn.org](mailto:thavard@micorn.org), or by mail or fax to the address/fax number indicated on page 1 of the Grant Application.

Should your application be judged as fitting with the goals of the MICH-BIP program, you will be contacted with notification of award soon after the submission closing date.

#### Terms and Conditions

- CMPM reserves the right to amend or cancel RFP#1 or RFP#2 at any time if the best interest of the MICH-BIP requires such action.
- CMPM reserves the right to reject any or all applications and to waive informalities and minor irregularities in applications received and to accept any portion of an application if deemed in the best interest of the MICH-BIP.
- CMPM assumes no liability in any fashion with respect to RFP#1, RFP#2, or any matters related thereto. All prospective service providers and their assigns or successors, by their participation in the RFP process, shall indemnify, save, and hold CMPM and its employees, agents, successors, and assigns free and harmless from all suits, causes of action, debts, rights, judgments, claims, demands, accounts, damages, costs, losses, and expenses of whatsoever kind, in law or equity, known and unknown, foreseen and unforeseen, arising from or out of RFP#1, RFP#2, and/or any subsequent acts related thereto, including, but not limited to, the

recommendation of a service provider and any action brought by an unsuccessful prospective service provider.

- Awards are contingent on available funding and each applicant's execution of a contract with CMPM within the specified timeframe.
- To ensure USDA funding, an applicant's FSA-850 form must be approved by the USDA before the project begins. The contract with the CMPM must also be executed before work begins.
- Awardees must complete installation of equipment and begin selling higher ethanol fuels no later than December 30, 2016.
- Dispensers must be installed under a canopy.
- Awardees must continue to sell ethanol-blended fuels through the funded pumps through December 30, 2021.
- Awardees will post the price of E15 and E85 (for blender pump installations or other mid-level blends) or the price of E15 (for E15/25 retrofit of an existing pump), or E85 (for E85 dispensers) on the station's price sign marquee during this same period of obligation to sell the ethanol-blended fuels.
- Awardees will work with CMPM and grant fund partners to identify competitively priced sources for ethanol-blended fuels sold at the project site.
- Awardees are required to provide monthly fuel sales information to the CMPM as required by the USDA.
- Funds must be returned to CMPM in an amount determined by CMPM if the pumps, storage tanks, and associated components are not installed and operational as of December 30, 2016, or not maintained for the intended purposes through December 30, 2021.
- All questions concerning this RFP should be submitted in writing to:  
Tera Havard, CMPM; [thavard@micorn.org](mailto:thavard@micorn.org)