

AGRI Biofuel Blending Infrastructure Grant

2019 Request for Proposals

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Grant Summary

Application and Award Details

Grant funds are available for infrastructure that will provide additional access and/or markets, or facilitate the sale of biofuel blended liquid fuels. The Minnesota Department of Agriculture (MDA) anticipates awarding up to \$650,000 in this round using a competitive review process. No more than \$199,000, which would represent 35 percent or less of the entire project cost, will be awarded per proposal. Eligibility and award restrictions are detailed in this request for proposals.

Your application must be received by 4:00 p.m. CST on Friday, April 12, 2019, to be included in this grant cycle. Once we receive your completed application through our online system, we will send you an email confirmation.

Applicants must submit proposals through our [online application system](#).

Contact Information

Direct questions about the grant program, completing the application, or additional accommodations to:

Kevin Hennessy
Kevin.Hennessy@state.mn.us
Minnesota Department of Agriculture
625 Robert St N
St. Paul, MN 55155-2538

AGRI Background and Program Goals

The Agricultural Growth, Research, and Innovation Program (AGRI) was established to advance Minnesota's agricultural and renewable energy industries ([Minn. Stat. 41A.12](#)). This program focuses on areas of greatest opportunity and potential economic impact to create agricultural jobs and profitable businesses.

The primary goals of the AGRI Biofuel Blending Infrastructure Grant are to promote economic growth and environmentally friendly practices in Minnesota's biofuel industries. Projects should aim to develop new or enhanced markets that improve biofuel blending outcomes (increasing sales, greater access to fuels, etc.).

Eligibility

Eligible Applicants

Applicants must:

- Be a Minnesota-based biofuel producer, petroleum fuel blender and/or distributor, including for-profit businesses, local units of government, and Native American Tribal communities.
- Be in good standing with the State of Minnesota (no back taxes). Subcontractors must also be in good standing.
- Not be an MDA employee or spouse of an employee.

Examples of applicants:

Ethanol or biodiesel plants, gasoline or diesel fuel suppliers, vehicle fleets or businesses that supply vehicle fleet fuel, and businesses where blending and supplying fuel is integral to their operation.

Eligible Projects and Expenses

Eligible grant projects are the purchase and installation of equipment and the costs incurred to make those physical improvements. Up to 50 percent of the total project cost may be reimbursed with grant funds, with a minimum grant awards of \$2,500 and a maximum grant award of \$199,000.

Expenses may not be incurred until after a grant contract has been fully executed. Successful applicants should anticipate having contracts available to them around June 7, 2019. All expenses must be incurred and paid for during the effective date of the grant contract. Applicants should anticipate that grant contracts will have an end date of June 30, 2021.

Funding must be used for:

- Equipment needed to achieve the blending goals of the grantee's project. All equipment must be:
 - Installed in Minnesota; and

- Compatible with the biofuel-petroleum blends to be mixed, stored, or dispensed. Compatibility can be demonstrated by an independent laboratory certification (such as a UL listing) or a manufacturer's specification of compatibility.
- Labor, electrical, software, and anything else specific to the above eligible expenses necessary to allow the compatible equipment to function and perform the tasks of the grant project.
- Construction associated with and necessary for blending applicable biofuel-petroleum blends (foundations, aprons, etc.)

Projects must continue to operate, including submission of required periodic reporting, until the expiration of the grant contract.

Examples of ineligible expenses:

- Marketing
- Branding, including price signs and canopies
- Software that is not essential to the blending task of the equipment that is part of the project
- Labor that is not specifically associated with the initial construction/implementation costs of the blending equipment
- Blending, storage, or dispensing equipment that is not specifically used for biofuel blending, or is used for biofuel blending but is not new and hence not a part of the work plan for this project
- Donated or volunteer (in-kind) services. While the project can receive unpaid services, the value of these services is not reimbursable either as a direct or indirect cost, nor can it be counted as a match
- Donations or in-kind contributions made by the applicant, including property and services, regardless of the recipient
- Fines, penalties, or other settlement expenses resulting from violations (or alleged violations) of, or failure of the applicant to comply with, Federal, State, local, or Indian tribal laws and regulations
- Investment management costs, including costs of investment counsel and staff, and similar expenses incurred to enhance income from investments
- Bad debts, late payment fees, finance charges, or contingency funds
- Taxes, except sales tax on goods and services
- Entertainment, amusement, diversion, social activities, gifts, or any costs directly associated with such purchases (such as tickets to shows or sports events, meals, lodging, rentals, transportation, alcohol, and gratuities)
- Fundraising expenditures (financial campaigns, solicitation of gifts or bequests, etc.) to raise capital or obtain contributions, regardless of the purpose for which the funds will be used
- Lobbying, including costs of membership in organizations substantially engaged in lobbying
- Political activities

Application Instructions and Review

Instructions

Grant applicants are required to submit proposals through our [online application system](#). Questions that you will answer in the online application system are shown beginning on page 11.

All applications must be received by 4:00 p.m. CST, on April 12, 2019. Late applications will not be considered. The MDA is not responsible for any technical or logistical problems resulting in the MDA not receiving the application on time. It is the responsibility of the applicant to ensure that submission is received by the MDA before the deadline.

Application Guidelines

- Write for reviewers who are generally knowledgeable but may not have a thorough or deep understanding of your proposed biofuel blending project area. Use plain, easily understood language.
- Answer all questions completely within the character limits specified in the grant application. Use 12 point font, single spacing for uploaded documents.
- The Project Evaluation Profile included in this document will be used to compare and score the grant applications.

Preferred Projects

Preference will be given to projects that:

- Provide economic benefit to communities of color, economically disadvantaged, or Native American communities.
- Are minority- or veteran-owned.

Application Review Process and Timeline

A review committee, composed of MDA staff and external reviewers, evaluates all eligible applications. Reviewers may recommend whole or partial funding of a project. The Commissioner of Agriculture reviews the committee recommendations and is responsible for award decisions. The review committee and Commissioner may use rural/urban and geographic diversity when making their recommendations and decisions. We will notify applicants, both successful and unsuccessful, in writing by ten weeks after the proposal deadline. Applicants may request a summary of reviewer comments.

RFP posted on the MDA website.....	February 1, 2019
Questions due no later than 4:00 pm CST.....	April 5, 2019
Applications due no later than 4:00 pm CST.....	April 12, 2019
Committee begins review of applications.....	April 17, 2019
Committee recommendations submitted to Commissioner for review.....	May 6, 2019
Applicants notified of decisions; grant agreement negotiations begin.....	May 13, 2019

Public Data

Per [Minn. Stat. 13.599](#):

- Names and addresses of grant applicants will be public data once application responses are opened.
- All remaining data in application responses (except trade secret data as defined and classified in [Minn. Stat. 13.37](#)) will be public data after the evaluation process is completed (for the purposes of this grant, when all grant agreements have been fully executed).
- All data created or maintained by the MDA as part of the evaluation process (except trade secret data as defined and classified in [Minn. Stat. 13.37](#)) will be public data after the evaluation process is completed.

Conflicts of Interest

The State will take steps to prevent individual and organizational conflicts of interest, both in reference to applicants and reviewers per [Minn. Stat. 16B.98](#) and [Conflict of Interest Policy for State Grant-Making \(PDF\)](#).

Organizational conflicts of interest occur when:

- A grantee or applicant is unable or potentially unable to render impartial assistance or advice to the MDA due to competing duties or loyalties.
- A grantee's or applicant's objectivity in carrying out the grant is or might be otherwise impaired due to competing duties or loyalties.

In cases where a conflict of interest is suspected, disclosed, or discovered, the applicants or grantees will be notified and actions may be pursued, including but not limited to disqualification from eligibility for the grant award or termination of the grant agreement.

Questions

Questions may be submitted by email using Kevin.Hennessy@state.mn.us. Questions must be submitted by 4:00 p.m. CST on April 5, 2019. Answers will be posted on the [Questions and Answers](#) portion of the AGRI Biofuel Blending Infrastructure Grant webpage.

Requirements for Projects Receiving Grant Funds

Pre-Award Financial Review

All Non-Governmental Organizations (NGOs) applying for grants from the State of Minnesota must undergo a financial review prior to a grant award made of \$25,000 and higher. The University of Minnesota is excluded from this requirement.

One of the following documents will be requested, based on the following criteria:

- Grant applicants with annual income of under \$50,000, or who have not been in existence long enough to have a completed IRS Form 990 or audit should submit their most recent board-reviewed financial statements.
- Grant applicants with total annual revenue of \$50,000 or more and less than \$750,000 should submit their most recent IRS Form 990.
- Grant applicants with total annual revenue of over \$750,000 should submit their most recent certified financial audit.

Applicant Fund (Cash Match) Requirement

Applicants must provide documentation for at least 65 percent of the total project cost as a cash match (no in-kind matches are allowed).

Sources of the applicant funds can include: cash, loans, or other grants. Other funds from the State of Minnesota cannot be used as cash match. The sources will need to be stated in the budget section of the application. If the applicant has applied for Federal funding (grant or loan) for this or related projects, please specify the grantor, the funding amount, and the purpose of that grant or loan funding.

Grant Award Agreement and Payments

Upon approval of an application and prior to beginning work on the Biofuel Blending Grant project and receiving reimbursements of up to 35 percent of eligible grant expenditures, the applicant is required to do the following:

- Complete an IRS W-9 form or register as a vendor in SWIFT, the State's accounting system.
- For individuals, complete an Affidavit for Individuals responding to State of Minnesota Grant Request for Proposal form.
- Sign a Grant Award Agreement indicating their intention to complete the proposed tasks. The agreement also authorizes the MDA to monitor the progress of the project.

Grant Award Agreements must be signed by the applicant's Authorized Representative and returned to MDA within 30 days of receipt. Failure to submit the signed agreement may result in loss of the grant award.

Reporting Requirements

To receive grant payments, grantees must provide a progress report, proof that grant project work has been done by submitting details of each purchase on receipts or invoices, and proof that the vendors have been paid. Upon completion of the grant project, submission and approval of a final progress report will be required to receive the final payment. The MDA will also perform monitoring visits of all grantees with awards of at least \$25,000 before final payment is approved. Other grantees may receive monitoring visits at the discretion of the MDA.

The MDA reserves the right to modify reporting requirements during the course of the project. Information submitted in any report is a public record. If the grant recipient considers any information in the report to be trade-secret protected, the grant recipient may request that trade-secret information be kept

confidential and must specifically label that information. The MDA shall notify the grant recipient if a public records request is made for the information claimed as protected by the grant recipient.

Site Visits and Evaluation

The grant agreement allows the MDA to monitor the progress of the project. The MDA will perform a monitoring visit for all grantees with awards of \$25,000 or more before a final payment is approved. Other grantees may receive monitoring visits at the discretion of the MDA.

Bidding Requirements

All funded applicants will be required to abide by the state's bidding requirements for larger purchases. See a detailed list of the state's [bidding requirements](#) for details.

Affirmative Action and Non-Discrimination Policy

The grantee agrees not to discriminate against any employee or applicant for employment because of race, color, creed, religion, national origin, sex, marital status, status in regard to public assistance, membership or activity in a local commission, disability, sexual orientation, or age in regard to any position for which the employee or applicant for employment is qualified. [Minn. Stat. 363A.02](#). The grantee agrees to take affirmative steps to employ, advance in employment, upgrade, train, and recruit minority persons, women, and persons with disabilities.

The grantee must not discriminate against any employee or applicant for employment because of physical or mental disability in regard to any position for which the employee or applicant for employment is qualified. The grantee agrees to take affirmative action to employ, advance in employment, and otherwise treat qualified disabled persons without discrimination based upon their physical or mental disability in all employment practices such as the following: employment, upgrading, demotion or transfer, recruitment, advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. [Minnesota Rules, part 5000.3500](#).

The grantee agrees to comply with the rules and relevant orders of the Minnesota Department of Human Rights issued pursuant to the [Minnesota Human Rights Act](#).

Audits of Project

Per [Minn. Stat. 16B.98, subdivision 8](#), the grantee's books, records, documents, and accounting procedures and practices of the grantee or other party that are relevant to the grant or transaction are subject to examination by the granting agency and either the legislative auditor or the state auditor, as appropriate. This requirement will last for a minimum of six years from the grant agreement end date, receipt, and approval of all final reports, or the required period of time to satisfy all state and program retention requirements, whichever is later.

Voter Registration Requirement

The grantee will comply with [Minn. Stat. 201.162](#) by providing voter registration services for its employees.

Project Evaluation Profile

Evaluation Criteria	Maximum Score
<p>Potential economic impact of project</p> <ul style="list-style-type: none"> • Beneficiaries of blending project are clearly stated (3 pts) • Project aims to develop new or enhanced markets for improving biofuel blending outcomes (increasing sales, greater access to fuels, etc.) (10 pts) • Application makes a convincing case, backed up by credible data and information, that: <ul style="list-style-type: none"> ○ That there are unmet needs for blended biofuels in the market that the project will serve (10 pts) ○ Project will improve access to biofuel blends in certain areas or markets (3 pts) ○ Project will add or retain permanent or part-time jobs (2 pts) ○ Substantial benefits will likely be realized by Minnesota farmers, biofuel producers, and industries in the supply chain other than the grantee (2 pts) 	30
<p>Measurable objectives and outcomes</p> <ul style="list-style-type: none"> • Plan to measure outcomes is detailed and easy to accomplish (5 pts) • Measured outcomes are appropriate to evaluate progress and success (5 pts) • Plan clearly states how the project will assist in the state’s biodiesel mandate (Minn. Stat. 239.77) and/or the state’s petroleum replacement goals (Minn. Stat. 239.7911) (5 pts) 	15
<p>Soundness and rigor of business plan for biofuel blending project</p> <ul style="list-style-type: none"> • Project business plan is appropriate to meet proposed objectives (3 pts) • Project plans are clear, descriptive, and address each objective (3 pts) • A detailed marketing plan shows how customers will know about the new service offered for supplying blended biofuels (3 pts) • Project is achievable in the project’s timeline (3 pts) 	12
<p>Qualifications of project team</p> <ul style="list-style-type: none"> • Members of project team are identified and their roles are defined and necessary (3 pts) • Skills and experience of individuals match their proposed involvement (3 pts) • Project team is sufficient to accomplish the proposed equipment implementation, business plan objectives, assessment of outcomes, and analysis of project results. (3 pts) 	9
<p>Budget detail and justification</p> <ul style="list-style-type: none"> • Budget narrative clearly details and justifies all project costs (6 pts) • Budget fully addresses the needs of each objective (6 pts) • Equipment and associated costs are well specified with all costs included and estimated (6 pts) • Budget contains necessary costs for project implementation and avoids extraneous costs that fall outside the blending project objectives (6 pts) 	24
<p>Preferred projects</p> <ul style="list-style-type: none"> • Project will provide economic benefit to protected classes. Project serves communities of color or Native American Tribal Communities (5 pts) • The applicant is a minority and/or a veteran owned business (5 pts) 	10
<p>Total</p>	100

Application Questions

These questions are provided for your convenience and planning. Use the [Online Application System](#) to record your answers.

Contact Information

Applicant Information

- Applicant Name
- Organization Name
- Mailing Address
- Telephone
- Email

Authorized Signatory

(Required if the authorized signatory for the contract is **not** the applicant)

- Name of Authorized Signatory
- Organization Name
- Mailing Address
- Telephone
- Email

Eligibility

Please confirm that the following statements apply to your organization. You must respond “Yes” to all of the statements to be eligible to apply for this grant.

- The organization applying is based in Minnesota and has or will have biofuel blending capabilities.
- The organization applying is in good standing with the State of Minnesota (no back taxes).
- No one involved in the project or the application for the grant is an employee of the MDA.

Program Publicity

How did you hear about the AGRI Biofuel Blending Infrastructure Grant? (Mark all that apply.)

- MDA website
- Word of mouth
- Previously applied

- Notification from organization other than the MDA
- Press release
- Email notification from the MDA
- Other (please list)

Project Proposal

Grant Request Summary

- Project Title
- Project Start Date
- Project End Date
- Total Project Costs
- Amount of Grant Request and Total Project Cost (request must be 35 percent or less than the total project cost, and no more than \$199,000)
- Applicant’s Matching Funds – Matching funds will be the project costs that are not covered by the grant award. Explain the source of matching funds. If the proposed project has been submitted to or funded by another grant program, please specify the grantor, the funding amount, and the purpose of that grant funding. Your matching funds must amount to at least 65 percent of your total project costs. *(Limit: 500 characters, including spaces)*

Project Description

(Limit: 500 characters, including spaces)

Summarize your project. Include a description of your business idea and the equipment necessary to implement the idea, a succinct account of the project’s objectives, and the anticipated products and outcomes of the biofuel blending project.

Rationale and Those Who Benefit

(Limit: 3,000 characters, including spaces)

Provide the background and need for the proposed project. Explain why the project is important and timely.

Explain who stands to benefit, directly or indirectly, from your project. If applicable, describe how the project stands to address inequities and/or disparities experienced by minority and Native American Tribal Communities.

Business Readiness and Financial Sustainability

- **Need for the Grant Project** *(Limit: 2,800 characters, including spaces)*
 - Describe the need for this project and/or the biofuel blending need it will address.

- Summarize the project equipment and explain how the project will address your needs for completing this project.
- Explain how the project will enhance biofuel blending challenges in the geographic region of the project.
- **Business Plan** (*Limit: 2,800 characters, including spaces*)
 - Explain how this project fits into your business plan – short term objectives and long term goals.
 - Include estimated date when your business will begin to execute the project’s work plan after making this investment.
 - Explain how your business will benefit or be better off after completion of this project.
 - Submit your business plan; Identify and mark confidential information and trade secrets contained in your business plan.

Work Plan and Timeline

Complete the following table (one is provided with the online grant application). For *Timeline*, you might include target dates for (tasks described in *Description of Task*) such as getting quotes on equipment, selecting an equipment vendor, ordering equipment and installation time, and follow-through with your blending project with marketing and sales of fuel. Also include which member of your project team will have primary responsibility for each task listed.

Timeline	Description of Task	Who is Responsible?

Expected Outcomes and Project Evaluation

(*Limit: 2,800 characters, including spaces*)

Address the following questions:

- How will you evaluate the success of the project? What will you measure? What changes will you document?
- How will your project increase sales, increase market access and/or diversify your markets? Name the potential markets and extent of the plans.
- How will your project protect or create jobs?
- Describe the geographic region or community you will be serving with this project. How will your project improve access to biofuel blended fuel? Include current economic analysis of the region/community to be served and metrics on how your project will improve access to the fuels you will provide.

Qualifications of Applicant and Other Key Participants

(Limit: 3,400 characters, including spaces)

Provide the qualifications of all individuals who will participate in the project, including project lead person and any collaborators. Do not include extensive resumes or biographies, but rather a short description of their relevant abilities and qualifications.

- Participant Name
- Organization Affiliation
- Occupation
- Email Address
- Brief Summary: Relevant abilities and qualifications

Letters of Commitment and Support

We require letters of commitment from each key participant (except the applicant). Letters should indicate that each person listed understands her or his role and is willing to participate and commit adequate time to the project. Letters of support from organizations or individuals that are not directly involved in the project are not required, but they may be helpful in justifying the need for your project.

Budget Summary

Upload a budget summary chart that uses the following format (one is provided with the online grant application). Equipment used for this grant should be owned by the grantee with grant funds contributing toward the purchase price. Associated installation costs may be included and should be listed separately. Reference what equipment the expense is for. Only equipment and its installation costs may be reimbursed and used as match for this grant.

Itemized Cost	Grant (\$)	Match (\$)	Total (\$)
Total Expenses			

Note: Award request must be equal to or less than 35 percent of the total expenses.

Budget Narrative

(Limit: 6,800 characters, including spaces)

Provide a budget narrative. The narrative should:

- Provide detail and justify expenditures in each budget category.
- Explain how the budget items connect to the projects expected outcomes.
- Explain how you arrived at the budget estimates.
- Identify the dollar value and source of cash match.