



REQUEST FOR PROPOSALS BIODIESEL STORAGE AND DISTRIBUTION PROJECT

Solicitation Announcement: November 9, 2007

Total Funds Available: \$45,000

Cost Share Required: 50%

Deadline for Submitting Proposals: December 14, 2007

Background

Biodiesel is a renewable fuel primarily produced from vegetable oils or animal fats. It can be used as a stand alone fuel or as a fuel additive to conventional diesel, displacing imports of foreign oil. Biodiesel, because of its natural lubricity is beneficial to diesel engines fuel systems and has been proven to reduce harmful emissions.

The Kentucky Clean Fuels Coalition (KCFC) has spent the last 18 to 24 months targeting areas of the state that can serve as hubs for Biodiesel distribution – enabling all distributors large and small across Kentucky to offer Biodiesel without high freight prices attached.

The purpose of this RFP is to increase the number of Biodiesel hubs in Kentucky. The RFP is aimed at medium sized population areas along transportation corridors, although any eligible business may apply.

The Kentucky Clean Fuels Coalition, a non-profit education organization, will administer the program and convene a committee to review all proposals. Funding for the solicitation is provided by a grant from the Governor's Office of Energy Policy.

Eligibility

Eligible applicants are limited to any business licensed to produce, blend or sell Biodiesel in the Commonwealth of Kentucky.

Available Funding

\$45,000 in state funds is being made available through this grant funded by the Governor's Office of Energy Policy. KCFC anticipates funding 2 to 3 projects under this solicitation. Individual grant awards will be determined by the number and quality of proposals received. KCFC reserves the right to make any number of awards or to make no awards.

Cost Share

A 50 percent minimum cost share (cash and/or in-kind equivalent) is required. Preference will be given to proposals that offer cost share in cash form. Cost share is defined as the applicant's share of the total project cost.

Allowable Costs & Definitions

Funding is intended to support the creation of Biodiesel infrastructure hubs in Southeastern and Southwestern Kentucky. For the purposes of this solicitation:

1. Biodiesel is defined as an alternative fuel made from animal fats or vegetable oils that meet the ASTM D6751 Standard specification.
2. Biodiesel infrastructure is defined as the installation of equipment, the construction of facilities, or the conversion of existing infrastructure for the purpose of storing and or dispensing Biodiesel motor fuel.
3. Biodiesel infrastructure must allow public access or a direct means of getting Biodiesel to the general public (e.g. distribution facility).
4. Biodiesel infrastructure must store or have the means to provide a minimum blend containing 20% Biodiesel (i.e. a B20 blend).
5. Projects must be scheduled for completion by May 30, 2008.

Evaluation Criteria

1. The ability of the project to service a large geographic area with Biodiesel. **(20 points)**
2. The ability of the project to bring new fleets to the Biodiesel market. **(20 points)**
3. The technical ability and/or relevant experience of the personnel in charge of completing the project. **(20 points)**
4. The anticipated sales volume of pure Biodiesel (100%) in gallons per month. **(10 points)**
5. The percentage of cost share to the overall project provided by the applicant. Cash cost share will be given more weight than in-kind contributions. **(10 points)**
6. The visibility of the project to the general public and additional marketing proposed. **(10 points)**
7. Whether the applicant is a member of KCFC. The purpose of this criterion is to assure a strong statewide organization that can support clean fuels with longevity. KCFC membership is not mandatory and dues cannot be used as cost share. **(10 points)**

Application Process

Proposals are limited to four pages plus a cover page with the applicant's name, mailing address, email address, and phone number. Proposals should address all of the criteria above and specifically discuss the geographic area serviced by the infrastructure, current and future customers, and the projected monthly turnover of Biodiesel.

KCFC will coordinate a review committee to evaluate all proposals that meet the eligibility and allowable cost requirements. KCFC expects to notify applicants selected for funding by December 30, 2007.

Grant funds will be distributed by KCFC on a cost reimbursement basis. Applicants must clearly demonstrate that eligible expenses have incurred before applying for and receiving grant funding. KCFC will monitor the project and provide monthly reports to the Governor's Office of Energy Policy.

Contact Information

Proposal must be received by the KCFC no later than the deadline shown above. Proposals can be mailed to Kentucky Clean Fuels Coalition, P. O. Box 5174, Louisville, KY 40255. Electronic submittals may be sent to kycleanfuels@insightbb.com and should request a confirmation receipt.

Questions regarding the solicitation should be directed to Melissa M. Howell, executive director, KCFC at 502.452.9152 or kycleanfuels@insightbb.com.
