

Zero Emission Research Opportunity (ZERO)

Frequently Asked Questions

1. *Is there a limit to the number of applications you will accept from a single organization, as member of a consortium?*

As a member of a consortium, there is no limit. The nonprofit organization that is the lead for the consortium should submit a single application. That lead organization should, in its application, provide the names of the consortium members. Only the lead organization for the consortium may apply on behalf of members, but members may be part of multiple consortia.

2. *What is the definition of a nonprofit organization?*

Nonprofit Organization: A corporation or association determined by the Secretary of the Treasury to be an organization described by 26 U.S.C. 501(c) which is exempt from taxation under 26 U.S.C. 501(a) or one which has been determined under state law to be nonprofit and for which the designated state agency has received documentation certifying the status of the nonprofit organization.

3. *Should my organization coordinate an internal selection process to ensure that only one application goes forward from us, as a participant in a consortium?*

Under ZERO, that is not required. Organizations that are consortium members, but not the lead organization, may be named in more than one application with more than one consortium. Consortium members should not submit an application to FTA.

4. *Would the FTA have any issue with a transit agency seeking to become involved in as many Proposal Consortia as possible so as to potentially compete to have a position to be able to represent a location where perhaps more than one FTA Research Consortia Team might be able to research, develop or demonstrate developing ZERO technologies and infrastructures?*

Under ZERO, FTA welcomes transit agency and other organizations involvement in more than one consortium, for this solicitation, and also for future solicitations and projects which may come under ZERO.

5. *If the FTA is strategically seeking to attract two or three non-profit Applicants, each representing consortia members who may already essentially present a defined zero-emission technology roadmap/strategy (or eminent commercial capability), that might present difficulties for a transit agency's consortia membership because such membership could require a preselected technology road map for this transit agency to follow.*

ZERO is different from FTA's National Fuel Cell Bus Program, which is focused on hydrogen fuel cell and related technology. With ZERO, FTA intends an approach to include all viable technologies, not just fuel cells, while retaining elements of the NFCBP structure, which work well from an administrative perspective. FTA hopes that by working with nonprofit consortia there will be less likelihood of being tied to one technology. If this isn't the case, the approach is flexible enough to enable transit agencies and vendors to move around and team with one or more groups that best represent their interests. If a transit agency were to conclude that the available consortia are all improperly tied to one or more

technologies and that valid approaches were being ignored, FTA would have to reconsider the structure of ZERO.

6. *Does the FTA consider the nonprofit applicant plus the transit agency as the “nonprofit consortia” where the nonprofit entity will be the solicitation applicant?*

Yes, that would meet the requirement published in the notice.

7. *Would a transit agency and any other parties seeking to participate with the applicant then subsequently need to execute a collaborative agreement with the nonprofit applicant to create the Research Consortia?*

There would need to be some sort of written agreement among the consortium members, a memorandum of understanding or similar. The agreement would need to be in place before any financial agreement could be made allocating funds from FTA to the consortium.

8. *Regarding other parties (including for-profit technology vendors) seeking to collaborate and participate in a consortia or as a collaborative research team...would all those other companies be required not to charge a profit or fee to participate in a consortia or as a collaborative research team member for research work under this solicitation?*

A consortia member would not be able to make a profit or charge a fee for work under this solicitation. In some cases the nonprofit will need to contract for services or components from a profit-making entity because no consortium members are willing or able to provide them at cost. In that case, the vendor supplying the services or components would have to be selected by the nonprofit through a competitive procurement process or, if justifiable, through a fully documented sole-source procurement.

9. *The funding level for each team will be \$2.75M asking for a cost share no less than 20%, or ~\$0.7M, which totals ~ \$3.5M or higher for three years, right?*

No, this is not entirely correct. The total amount available at this time is \$2.75M, to be split among all the successful projects. Some applicants may be selected for future funding eligibility but receive no funding from this notice. We hope to receive and allocate additional funds in 2017-2020, but it is possible no more funding will be available. Regarding cost share, a project that costs \$500,000 would propose \$400,000 in federal funds and \$100,000 in local share (20% of \$500,000 is \$100,000).

10. *We are considering a project that may cost about \$5 million; I am not sure whether it is too aggressive for ZERO.*

ZERO has significant constraints and risks for applicants:

- The ZERO notice makes available \$2.75M total at this time. There is no additional or future funding identified.
- FTA seeks three nonprofit organization partners. With a current budget of \$2.75M that means FTA could allocate a mean average of less than \$1M per non-profit organization under this notice. FTA wants to engage all three partners as fully as possible but with limited funding, some could get more, some could get no funding at all.
- Many fully funded projects may require over \$1M, many likely over \$2.75M.

- FTA created ZERO, a program that likely needs additional funding, but further funding may not be available. Proposals that aspire to amounts greater than \$500,000 are welcome, but they need to accommodate the real possibility that (1) the project may not be fully funded in this round and (2) no further funds will be available. From the perspective of stewardship of federal dollars, this means that whatever is funded under this notice needs to have some meaningful deliverable that can benefit the industry.

For example: If the total cost of a proposed ZERO project is \$1 million, the project could propose to receive \$800,000 in federal ZERO funds and provide \$200,000 in local share or match (100% = 80% + 20%). In this case, we would also recommend the applicant include an alternative Year 1 budget proposal for no more than \$625,000 (\$500,000 federal/ \$125,000 local), with at least \$375,000 (\$300,000 federal /\$75,000 local) of remaining activity to be performed in a later year under later funding. But the alternative budget would still have to deliver a meaningful deliverable using the \$625,000 budget in case the later \$300,000 in federal funds is never made available.