

**BIG-ISLAND RESOURCE CONSERVATION &
DEVELOPMENT COUNCIL, INC.**

Hawaii Agricultural Development Program (HADP)

Notice of availability of funds for Fiscal Year
2008

and

REQUEST FOR PROPOSALS

for
Profitable and Sustainable
Agricultural and Agricultural Marketing
Projects
Likely to Generate Significant
Community Benefits.

Due Date for Proposals: June 30, 2008

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Hawaii Agricultural Development Program

FY 2008

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A. Introduction/Purpose of Funds

As agent for the USDA funded **Hawaii Agricultural Development Program (HADP), Big Island Resource Conservation & Development Council, Inc.** is soliciting applications from individuals and private organizations wishing to receive funds to establish new or expand existing agriculturally related businesses.

An agriculture related business means any profit-driven, market-oriented enterprise that produces or processes agricultural products, or provides supporting services to diversified agriculture.

The program is intended to fund projects that are likely to:

- **positively impact** the Big Island's economy by supporting diversified agriculture,
- be **sustainable** after temporary infusion of these funds, and
- be **consistent with the values of the community**, as outlined below.

In fiscal year 2008 approximately \$128,000 are expected to be available to provide cost-share reimbursement payments to selected projects.

Individual projects have a **maximum award of \$20,000.00** and group and or organization (cooperatives, marketing groups or multiple participant projects) applications **can be funded to \$30,000.00**. The successful applicants will need to demonstrate that their proposed projects are likely to have significant community benefits on the Island of Hawaii. **NOTE: The Big Island RC&D Council has the authority to limit the amount of the awards based upon review of eligible expenditures.**

B. Application Deadline

Proposals may be hand delivered or mailed but must **not arrive later than Monday 3:00 PM (HST), June 30th, 2008**. Applications received after that time will not be considered. Applications **will not** be accepted by facsimile. Each applicant for this project must submit one duly signed original application to:

Big Island RC&D Council, Inc.,
Hilo Lagoon Centre
101 Aupuni Street, Suite 229-A
Hilo, HI 96720
Tel. - 933-6996

Applications are available at the RC&D Office
and NRCS Field Office locations;
Kealahou - 322-2484
Waimea - 885-6602
Hilo - 933-8381

Applications can be down loaded from the NRCS Hawaii website link @ <http://www.hi.nrcs.usda.gov/partnerships/bircd/index.html> and at www.kswcd.org and www.maunakeaswcd.org, websites for the Kona and Waimea NRCS Field Offices respectively.

C. Period of Support

The Full Proposal submission date is open from Friday May 23, 2008 and applicants should prepare their proposals accordingly. The project(s) will be awarded support depending upon the merit of the applications received and the availability of funding. The funds are available in Fiscal Year 2008 (October 1, 2007 through September 30, 2008) and must be expended by December 31st, 2009. **A 39 day period will be granted for full proposal submission.**

D. Background Summary

The **HADP** federally funded by the **US Department of Agriculture** following congressional legislation originally sponsored by **Senator Daniel Inouye** in 1993.

The program is supervised by the **Natural Resources Conservation Service (NRCS)** and administered by the **Big Island RC&D Council** with guidance from a locally appointed volunteer proposal evaluation committee composed of educators, agriculturalists, and local business and community leaders.

The goal of the program is to facilitate agricultural development on the island of Hawaii in ways consistent with:

- soil and water conservation needs
- the desires and capabilities of local farmers, ranchers and landowners and
- the values of the community.

E. Emphasis for FY 2008

HADP is dedicated to financing and facilitating the development of local agricultural enterprises by:

1. Providing Grant Assistance on an 90/10 cost-share basis for Diversified Ag Projects which are: Feasible, Profitable, Sustainable, and likely to generate significant Community Benefits in the following areas, among others:
 - a) Expansion or Development of marketable Ag Products or Services (Crops, Livestock, Poultry, etc.)
 - b) Expansion or Development of Value-Adding, Processing, Marketing or Distribution operations designed to stimulate production farming.
 - c) Establishment of marketing elements needed for Agricultural Development: Transportation, Skills Bank, Revolving Loan Fund, Marketing Plan.
 - d) Expansion or Development of Local Food Outlets and Community Supported Agriculture to encourage consumption of what is grown locally.
 - e) Expansion or Development of Agritourism activities designed to promote exports of “Big Island Grown” food products.
2. Helping subsidize Ag Entrepreneurship Training, in collaboration with UH-CTAHR.
3. Supporting any other agricultural related enterprise or program that will have a positive impact upon the **HADP**.

F. Allowable Projects

The successful applicants will be able to receive funding on a cost share basis to reimburse them for allowable expenses associated with projects related to:

- The development of processing, marketing and distribution operations so as to stimulate production farming.
- The expansion or development of marketable agricultural products and services to include, but not be limited to, commodity crops, livestock, poultry, orchards, floriculture, etc.
- The establishment of the necessary infrastructure for agricultural development.

Projects (cont).

- The installation of components of applied farming practices which are **ineligible** for **USDA, Farm Service Agency (FSA)** cost share funds.
- Accelerating technical assistance in developing soil and water conservation plans for the protection of our natural resources.
- Any other agricultural related enterprise or program that will have a positive impact upon the **HADP** as determined by the Evaluation Committee.

G. Cost-Sharing Reimbursement Program

It is important to note that this is a cost-share reimbursement program. **HADP** will reimburse up to 90% of the cost of the total project. Award recipients must first spend their required 10% minimum cash contribution before being eligible to receive any reimbursement.

H. Community Values

While community values are difficult to define, the Big Island community has placed priorities on expanding agriculture, maintaining and improving the natural environment, and maintaining a lifestyle consistent the many cultures that have made this place their home. The **Big Island RC&D** will work with the **Natural Resources Conservation Service (NRCS)** and the locally appointed review committee to ensure that the selected proposals are consistent with these community values, and are likely to have significant lasting community benefits.

I. Application/Approval Process

To ensure that the funded projects meet the program goals and requirements and are likely to generate significant community benefits, proposals will be reviewed by an evaluation committee, the **Big Island RC&D Council**, and the **NRCS State Conservatoinist** or his representative A 5 point preference will be given to applicants who have not previously received funding in order to provide fair access to the HADP funds.

The review process will consist of one phase as follows: Development of a Full Project Proposal is the first step in applying for **HADP** funds. This proposal should give the evaluation committee enough detail about the viability, technical feasibility and potential profitability of the proposed project to enable them to make their final funding decisions. The full proposal is expected to incorporate most of the elements of a standard business plan (see following outline).

J. FULL PROPOSAL OUTLINE

Applicants invited to submit a full proposal are encouraged to use the following outline:

1. COVER SHEET
 - A. Official Project Title
 - B. Project Leader/Contact Person
 - C. Project Funding Request
 - D. Project Location
2. PROJECT SUMMARY
 - A. Project/Business Purpose: Goals and Objectives

FULL PROPOSAL OUTLINE (cont.)

- B. Business Organization: Structure/Management Qualifications
- C. Planned Products and Operations: Production/Sales Projections
- D. Markets and Financial: Revenue and Expense Projections
- E. Policy and Regulatory Considerations
- F. Constraints: Problems to be Resolved
- G. Documents of Support from Community Members
- 2. POTENTIAL IMPACT/EXPECTED COMMUNITY BENEFITS
 - A. Job/Business Creation
 - B. Transferability of Project Concepts
 - C. Training Potential
 - D. Other Contributions to the Big Island Community
- 3. BUDGETS AND FINANCIAL PROJECTIONS
 - A. Detailed Monthly Expenditures for 1st year
 - B. Summary of HADP Expenditures by Category
 - C. Start-Up Costs
 - D. Estimated 1st year Revenue and Operating Costs
 - E. Profit and Loss Statement for 2 years

K. Other Considerations

- Past Performance: Unsatisfactory performance under prior grant awards may result in an application not being considered for funding.
- Financial Management Certifications: Successful applicants, at the discretion of the Responsible Official, may be required to have their financial management systems certified by an independent public accountant as being in compliance with Federal standards specified in applicable OMB Circulars prior to execution of award. Any applicant may be subject to a pre-award accounting survey by **Big Island RC&D** (or designee) prior to execution of the award.
- Delinquent Federal Debts: All payments due under any resulting award are subject to being used to repay any delinquent Federal debt, unless a negotiated repayment schedule is established and at least one payment has been received, or other arrangements are made to the satisfaction of **NRCS**.
- False Statements: A false statement on the application is grounds for denial or termination of funds and grounds for possible prosecution and punishment by a fine or imprisonment as provided in 18 U.S.C. 1001.

L. Pre-award Activities

If applicants incur any costs prior to an award being made, they do so solely at their own risk. No obligation exists for **Big Island RC&D** to cover any pre-award costs, notwithstanding any verbal or written assurance that may have been given.

M. Limitation on the Use of Funds

No member of or delegate to Congress or Resident Commissioner or member of the **Big Island RC&D** or the locally appointed review committee shall be admitted to any share or part of this project, or to any benefit that may arise thereof.

Limitations (cont.)

This request for proposal is subject to the provisions found in 7 CFR, Part 3015, and the **Uniform Federal Assistance Regulations** that set forth the procedures to be followed when submitting proposals and the rules governing the evaluation, award, and administration of grants and cooperative agreements. Other guidance documents include 7 CFR 3017, 3018, 3019, 3052 and 48 CFR 31.2.

N. Allowable Costs

The following cost items are examples of possible allowable uses of HADP funds:

- Salaries and wages (including fringe benefits)
- Non-expendable equipment (attach supporting data)
- Materials and supplies.
- Other items related to business incubation expenses such as infrastructure, consulting and other management fees.

O. Reimbursement Policy

This is a cost-share reimbursement program. Approved recipients must first spend their required 10% minimum cash contribution before being eligible to receive any reimbursement (10% /90% cost share).

Thereafter they will be reimbursed for 100% of the duly documented legitimate expenses related to the project, after submittal of original receipts and subsequent review and approval by the **HADP Project Manager**.

P. Responsibilities of the Parties

The selected applicant(s) will be expected to:

1. Within 30 days of receipt of their award letter, schedule a meeting with the **BIRC&DC** representative to review the modified goals and objectives of their project, in order to develop the terms of the cooperative agreement.
2. Enter into a Cooperative Agreement with **Big-Island RC&D** relative to implementation of their project.
3. Update the action plan and project schedule periodically as necessary to reflect accomplishments and incorporate any needed revisions.
4. Furnish **Big Island RC&D** monthly status report(s) of work in progress.
5. For on the ground projects, develop a Conservation Plan with NRCS and the local SWCD to insure proper agricultural stewardship is applied on the farm.

Big Island RC&D Council will:

1. Provide management and administrative training and fiscal oversight to assure successful development, implementation, monitoring and completion of these agricultural community development projects.
2. *Provide Project Management assistance by:*
 - Providing technical assistance to prospective applicants in the preparation of detailed proposals.
 - Assisting selected applicants in preparing the cooperative agreements.
 - Providing management assistance to selected applicants for successful implementation of their projects.
 - Providing oversight, evaluation, monitoring, inspection and quality control for each project.

Responsibilities (cont.)

NRCS will:

1. Provide technical support in assisting the applicants with conservation planning and implementation aspects of their projects.
2. Provide other technical assistance, as appropriate.

Q. Proposal Evaluation Criteria

The detailed proposals submitted will be evaluated using the following criteria among others:

1. ORGANIZATIONAL CAPABILITIES AND TRACK RECORD

The adequacy of organizational resources and personal experience to successfully manage and administer the proposed project.

- Relevant education, training or experience in managing a similar operation
- Other business management experience

2. EXPECTED COMMUNITY BENEFITS

Particular attention will be paid to the following:

- Job/Business Creation Potential
- Transferability of Project Concepts
- Potential Number of Farmers to be Impacted
- Other Contributions to the Community

3. TECHNICAL FEASIBILITY

Consideration will be given to the practical and physical aspects of implementing the project, including adequacy and appropriateness of the tasks, relative level of effort and the qualifications of professional, technical and support staff.

- Citation of documented cases of technical success of same type of enterprise in similar conditions:
- Adequate detail in business plan to show technical practicality of implementation under local conditions.

4. ADEQUACY OF BUSINESS PLAN

Attention will be given to the appropriateness of the following:

- Market analysis/Marketing strategy
- Financial Projections
- Justification of Request

5. CONSISTENCY WITH COMMUNITY VALUES

As evidenced by the applicant's recognition and understanding of the intent of this community-based and community-driven program.

R. Selection Process

Big Island RC&D will convene an evaluation committee to conduct reviews of applications.

The evaluation committee will consist of members of the **Big Island RC&D Council**, selected subject matter specialists from the academic and agri-business community and the NRCS State Conservationist or his representative. Big-Island RC&D may subject the applications to technical reviews as needed and appropriate, the results of which will serve as input during the deliberations of the review panel.

Selection (cont.)

Panelists will meet as a group to produce an overall ranking. After projects have been ranked for funding, the Responsible Official for **Big Island RC&D** will determine the project(s) to be funded based on the evaluations and availability of funds. The exact amount of funds to be awarded to successful recipient(s) will be determined in the pre-award negotiation between the recipient and the **Big Island RC&D**. **Applicants that have not been funded will be given priority over those who have previously received funds under the program.**

Each award recipient will enter into a Cooperative Agreement with **Big Island RC&D** that will spell out the negotiated terms and conditions of the award.

S. Required Certifications and Assurances

1. The cooperative agreement shall include the following:
 - a. **Certification of Drug-Free Workplace**, Appendix C to 7 Code of Federal Regulations (CFR) 3017
 - b. **Certification Regarding Lobbying**, 7 (CFR) 3018
 - c. **Certification Regarding Debarment, Suspension and Other Responsibility Matters-Primary Covered Transactions**, 7 CFR 3017
 - d. **Clean Air and Water Certification**, 42 U.S.C. 1857c-8 (c) (1) or the Federal Pollution Control Act (33U.S.C. 1319 (c) and is listed by EPA, or is not otherwise exempt.

Additionally, selected applicants shall give the **Big Island RC&D**, NRCS or the Comptroller General, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to this agreement.

2. The program or activities conducted under this agreement will be in compliance with the nondiscrimination provision contained in the **Titles VI and VII of the Civil Rights Act of 1964**, as amended; the **Civil Rights Restoration Act of 1987 (Public Law 100-259)**; and other nondiscrimination statutes; namely, Section 504 of the **Rehabilitation Act of 1973**, **Title IX of the Education Amendments of 1972**, and the **Age Discrimination Act of 1975**, and in accordance with regulations of the Secretary of Agriculture (7 CFR-15, Subparts A & B) that provide no person in the United States shall on the grounds of race, color, national origin, age, sex, religion, marital status, or handicap be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity receiving federal financial assistance from the Department of Agriculture or any agency thereof.
3. The agreement will be administered in accordance with 7 CFR, Part 3015, 3017, 3018, 3019, 3052 and 48 CFR 31.2.
4. Participants must have legal control, fee simple ownership, leasehold or right of entry to properties where HADP funded projects are being conducted.

NOTE: All references to the Code of Federal Regulations (CFR) under section T, above can be reviewed in detail on the World Wide Web at: <http://www.gpoaccess.gov/ecfr/>