

REQUEST FOR APPLICATIONS

**Targeted Fisheries Assistance
Grant Program**

Grant Application Guide for:

Cook Inlet Salmon Fishery Chilling

ISSUED BY:

**STATE OF ALASKA
DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT
OFFICE OF ECONOMIC DEVELOPMENT**

APRIL 13, 2004



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Section I - General Information

Welcome to the Targeted Fisheries Assistance Program. This is the “Request for Applications” packet, also referred to as the Application Guide. Supplemental to this Application Guide is an Application Format. There are no application forms. In preparing an application under this program, follow the requirements of this Application Guide and the structure of the Application Format.

A. Issuing Agency & Contact Person

This Request for Applications is being issued by:

State of Alaska
Department of Community and Economic Development (DCED)
Office of Economic Development

P.O. Box 110809
Juneau, Alaska 99811-0809 (Mailing Address)

333 Willoughby Avenue, 9th Floor
Juneau, Alaska 99801 (Delivery Address)

Attention: Debbie McBride

Phone Number: (907) 465-2023
Fax Number: (907) 465-4761
E-mail: debbie_mcbride@dced.state.ak.us

B. Additional Information & Assistance Available

Potential applicants should carefully review this Request for Applications for errors, questionable or objectionable materials, and items requiring clarification. Applicants should either put their comments and/or questions in writing and mail them to the above address, or phone the above individual as soon as possible.

DCED may issue a written clarification to all those who initially receive a copy of the Request for Applications, or may respond only to the individual asking the question.

IMPORTANT - DCED will screen all applications to assure adherence to the Application Guide and Application Format. Applications that do not address the requirements of the guide and format will be deemed non-responsive, and will be disallowed.

C. Introduction of the Targeted Fisheries Assistance Program

In April 2003, Governor Frank Murkowski announced the Alaska Fisheries Revitalization Strategy. The Revitalization Strategy combines federal Fisheries Disaster funds authorized under Title V – Fisheries Disaster, Section 501(b) of the 2003 Federal Appropriations Bill and Southeast Sustainable Salmon Fund monies, authorized under the Pacific Coastal Salmon Recovery Fund, made available by the work of Alaska Senator Ted Stevens.

The Revitalization Strategy is a multi-level, multi-year plan designed to spur increased productivity and innovation in the Alaska fishing industry by investing considerable resources into critical commercial fisheries infrastructure, capital improvement projects, quality improvements, and marketing.

A key component within the Revitalization Strategy is the Targeted Fisheries Assistance Program (TFAP), to be administered by the Alaska Department of Community and Economic Development (DCED). This Program is intended to supplement prior grant programs by providing grant assistance toward solving key development problems facing distressed salmon fisheries. It is anticipated that a number of individual Requests of Grant Applications will be published covering a variety of development problems in various fisheries. Identification of distressed fisheries and targeted problems will be through findings by the Department pursuant to 3 AAC 148.030.

The actual amount of funds allocated under this Program, or any portion of the Program, will be determined after review of such findings; review of eligible grant applications received pursuant to published Requests for Grant Applications; and final determination of available funding. This Request for Grant Applications deals only with Cook Inlet Salmon Fishery Chilling. It is anticipated that between \$500,000 and \$1 million may be available pursuant to this Request, which is only for a portion of the total amount of funding which may ultimately be made available under TFAP.

DCED reserves the right to alter such allocations, including re-authorization of the available funds for other purposes under the Governor's Alaska Fisheries Revitalization Strategy, based on the overall quality and long-term value of the applications received. This grant application solicitation in no way requires DCED to expend or grant any funds for the purposes discussed herein.

D. Cook Inlet Salmon Fishery Chilling - Identification of Distressed Fishery & Target Problem

DCED finds that the commercial salmon fishery in the Cook Inlet region (Alaska Department of Fish and Game, Division of Commercial Fisheries, Fishery Area H) is a distressed fishery as evidenced by the decline in salmon prices and decrease in profitability of both the harvesting and processing sectors.

Chilling at the point of capture is widely acknowledged as the single most important step that can be taken to improve the overall quality and value of Alaska wild salmon. In 2003 the Quality Sub-Committee of the Legislative Salmon Task Force reported that

“In order for Alaska to be competitive in this global market, we must improve the quality of our salmon. Survey after survey has shown that the quality of the product is one of the most important, if not the most, important factor consumer’s use when choosing which product to buy. The subcommittee heard presentations from experts in the field and the common theme among them was that chilling is by far the most important factor in improving the quality of our salmon.”

Worldwide, the importance of quickly chilling fish has long been acknowledged. A UN Food and Agriculture Organization (FAO) technical paper notes that “(t)here are three important ways of preventing fish going bad...care, cleanliness and cooling. Care in handling is essential (and)...cleanliness is important...but most important of all...fish must be chilled quickly and kept chilled.”

Despite these wide acknowledgements an expert on quality control in Alaska fisheries noted that “(m)any fishermen believe that holding salmon from 12 to 24 hours at ambient temperature does little damage. *This is sheer nonsense!*”¹

A 2002 survey by ASMI indicated that progress toward achieving chilling at point of capture as standard practice across the State was clearly insufficient. While some regions and gear types made important gains – most notably seiners in Prince William Sound, Kodiak and Chignik – huge problems remain. They are most severe among gillnet fisheries in Cook Inlet, Western Alaska and Bristol Bay, but *all* fisheries and gear types remain significantly deficient.

PERCENT OF FISHING OPERATIONS NOT EMPLOYING ANY CHILLING – BY REGION

REGION	1991	1996	2001
Southeast	14%	7%	10%
Yakutat	14%	25%	7%
Prince William Sound	33%	11%	3%
Cook Inlet	66%	67%	51%
Kodiak	60%	33%	11%
Alaska Peninsula	74%	29%	37%
Chignik	83%	no data	10%
Bristol Bay	92%	81%	84%
Western Alaska	89%	89%	58%

¹ John P. Doyle Care and Handling of Salmon: The Key to Quality Marine Advisory Bulletin No. 45 Univ. of Alaska Marine Advisory Program, 1995.

PERCENT OF FISHING OPERATIONS NOT EMPLOYING ANY CHILLING – BY GEAR TYPE

GEAR TYPE	1991	1996	2001
Drift Gillnet	70%	60%	53%
Set Gillnet	75%	65%	64%
Seine	38%	10%	11%
Troll	19%	6%	14%

Of the available methods to achieve chilling, ice is generally viewed as the most effective and versatile. “Why cool fish with ice? Ice as a cooling medium for fish has a great deal in its favour; it has a very large cooling capacity for a given weight or volume, it is harmless, portable and relatively cheap. It is especially valuable for chilling fish, since rapid cooling is possible. Ice is its own thermostat and, since fish are mainly water, ice maintains fish at a temperature just slightly above the point at which they would begin to freeze; the point of equilibrium for sea fish, iced soon after catching, is near to minus 0.5°C...”²

Ice can be effectively used by a variety of fishing operations, including set net sites, and conversion of dry hold boats to the use of ice is comparatively inexpensive and uncomplicated relative to refrigerated seawater systems.

For these reasons the Department finds that substantially increasing the availability of ice in the Cook Inlet salmon fishery can significantly and quickly help alleviate economic distress in the fishery by:

- ? increasing the quality of salmon from the fishery;
- ? increasing the value of salmon from the fishery;
- ? increasing profitability in the harvesting or processing sector of the fishery; and
- ? increasing economic activity within the community or region in which the fishery is located.

² Graham, J.; Johnston, W.A.; Nicholson, F.J. Ice in Fisheries FAO Fisheries Technical Paper. No. 331. Rome, FAO. 1992.

E. Who May Apply

Eligibility (“eligible applicant”) is limited to entities able to purchase, install and operate chilling infrastructure in the Cook Inlet region, including:

- (i) Government units such as municipalities, tribal councils, or other recognized governing bodies of communities.
- (ii) Non-profit entities such as community and/or regional non-profit organizations representing community or regionally based salmon fishery interests in the Cook Inlet region. [Applicants claiming non-profit status must provide supporting documentation from the Internal Revenue Service.]
- (iii) For-profit small business such as fishermen, fish processors, or service businesses directly related to the fishing industry. [For-profit applicants must meet the U.S. Small Business Administration’s guideline size limit, defined as average monthly total employment not exceeding 500 persons. For businesses that are subsidiaries or close affiliates of other companies, the Department will assess the total employment of the entire entity or group of entities.]
- (iv) Applicants primarily located in the Cook Inlet region, or, if a subsidiary or affiliate of a larger organization or business, the functional unit that is applying for the grant must be located in the Cook Inlet region.

F. Eligible Communities

Projects are limited to those that will benefit communities within the Cook Inlet region that have been impacted by the downturn in the salmon fishing industry.

G. Type of Projects

Assistance will be provided in the form of one-time funding (grants) for new, expansion of, or improvements to commercial fisheries chilling infrastructure. Emphasis is on increasing the number of fishing operations that chill at the point of capture, and on improving the effectiveness of such chilling. Although use of ice as the chilling medium is usually cited as the most effective and efficient method, project proposals based on other methods will be accepted for review.

H. Ineligible Projects

Feasibility studies are not eligible. Operational and maintenance costs of existing projects are not eligible. Operational and maintenance costs of proposed projects, incurred after completion of the initial start-up, are also not eligible.

I. Project Duration & Match Requirements

Projects may range in duration from a few months to several years. Under current federal requirements funding received under this program must be expended by June 30, 2006.

If the applicant is a governmental unit or a non-profit entity, DCED may provide up to 75 percent of the project's entire cost. Applicants must provide at least 25 percent of the total project's cost (match) and are encouraged to provide more.

If the applicant is a for-profit small business, DCED may provide up to 50 percent of the project's entire cost. Applicant's must provide at least 50 percent of the funding (match) and are encouraged to provide more.

This is a catch match, cost reimbursable grant program. Prior to receiving funds, grantees are required to match all expenses. The applicant will be required to expend funds and then seek reimbursement from DCED. [Note that DCED, in its sole discretion, may allow for a project advance payment. Also see Section 2 F.]

H. Long-Term Value

Though this Program is intended to provide one-time grant funding the long-term sustainability and value of proposed projects is a major consideration.

I. Other Requirements

As of the release of this Application Guide, this Program is evolving. Therefore, DCED retains the right to change this Program as needed to comply with significant policy decisions.

Additionally, since this Program is being funded with federal money from the U.S. Department of Commerce, National Oceanographic and Atmospheric Administration provided to the State of Alaska, applicants must be aware that, in addition to state requirements, the following federal requirements may apply to DCED and to its sub-recipient grantees (applicants):

- ? Section 3016.22 incorporates the Cost Principles dictated by OMB Circular A-87 or similar document.
- ? Section 3016.37 requires DCED to give notice of all federal requirements to its sub-recipients.
- ? Applicants in the arrears with the federal government for any money owed may not be eligible for grants under this Program.
- ? State of Alaska's Single Audit Requirement established under Alaska Administrative Code 2 AAC 45.010.

Applicants should be aware that their application and all supporting documentation, as well as reports submitted pursuant to any grant received are public information.

Section II – Submission, Form of Application, Required Information

A. Due Date & Number of Copies

Applications must be postmarked no later than May 4, 2004.

Applicants should adhere to the format outlined in the Application Format [Appendix 1], the final two pages (pg. 14 and 15) of this document.

Applicants must submit three complete copies of their application to the address and individual listed on page one (1) of this Request for Applications.

The body of the application is to consist of no more than eight (8) pages, not including the Table of Contents or a cover page. Font size should be no smaller than size 12, unless handwritten. Margins must be at minimum 1 inch from each side of the paper.

Attachments to the body of the application, such as resumes, detailed designs, cost estimates, resolutions, etc. are in addition to the eight-page limit and are to be clearly identified.

An Applicant must provide the information in the format required in Sections B through H set out below. **Applications that do not meet the requirements of this Section II – B through H will be dismissed.**

If you are reading this in printed “hard copy” and would like to access the document in electronic form, you can access this Application Guide from DCED's website at <http://www.dced.state.ak.us/dca/seafood/revitalization/home.htm> located under the Targeted Fisheries Assistance Program section

B. Cover Sheet / Project Name

Please provide cover sheet for you application, with a concise, descriptive name for you project. Use that name consistently throughout your application.

C. Table of Contents

An application must include a Table of Contents, and all pages must be numbered and reflected accordingly in the Table of Contents.

D. Applicant Information

An applicant's proposal (grant application) must:

- ? Clearly identify the applicant's organization and provide documentation as to whether the applicant is a governmental unit [may be self-evident], a non-profit entity, or a for-profit small business [If the applicant is a for-profit entity, it must clearly demonstrate that it meets the qualification of a small business as defined by the U.S. Small Business Administration - see Section II E (iii) page 5].

- ? Describe the applicant's organization (government, non-profit, for-profit small business³), duration of existence, organizational diagram, lines of communication, etc.
- ? Provide the applicant's physical and mailing addresses, telephone and fax numbers, e-mail addresses, and other pertinent contact information.
- ? Provide the federal employer identification number [EIN].
- ? Discuss the applicant's experience with similar previous projects, the success of those projects, and current and/or on-going projects.
- ? Identify the key personnel, previous experience of each, and ability to successfully complete this project. Individual resumes may be included as part of the applicant's proposal.

If the Applicant intends to hire a contractor(s) to perform portions of this project, the following information must also be provided for each contractor if available:

- ? Complete name, mailing address, and physical address.
- ? Verification of business license and other licensing credentials required by Alaska law.
- ? Complete name, title, phone number, and e-mail address of the contractor's contact person.
- ? Identify the contractor's key personnel, previous experience, and responsibilities of each in the completion of the portion the project being contracted.
- ? Individual résumés may also be included.

E. Identify & Discuss the Community(ies) and / or Industry Sector(s)

- ? Applicant must identify the communities and/or fishing industry sector(s) that will benefit from the project.
- ? Applicant must describe the extent of the impact of the downturn in the communities and/or region by discussing recent economic indicators such as downturn in ex-vessel price, wholesale price paid to processors (if available), decline in permits fished, return to harvesters and processors, and declining economic activity for seafood related businesses, etc.
- ? If the applicant is a local government, the applicant must provide the governing body's proposed resolution of support. An approved resolution must be received by DCED no later than May 11, 2004.
- ? If the applicant is a non-profit entity, the applicant must provide a resolution of support from the local government(s), and/or evidence of cooperative agreements,

³ C Corporation, S Corporation, Partnership, Limited Partnership, Limited Liability Company or sole proprietorship.

or memoranda of agreement between the applicant and the local government. Approved documents must be received by DCED by May 11, 2004.

- ? If the applicant is a for-profit small business, the applicant must document how it has been impacted by the downturn in the fishing industry. Documentation of the community's support is not required but would be beneficial, as would evidence of active cooperation with, or support of local government and/or relevant non-profit entities. Any such documentation, if not submitted with the application, must be received by DCED no later than May 11, 2004.

F. Project Description

An applicant's proposal must provide a thorough narrative description of the project and should include, but not necessarily be limited to:

- ? Detailed discussion of the project purpose and how it will be implemented, including milestones, completion date of each milestone, specific activities for completion of each milestone, and expected completion date of entire project.
- ? Details of systems designs, including engineering and technical specifications;
- ? Accurate locational information, including maps if available.
- ? Description of construction, expansions, modifications to new and/or existing structures, facilities, equipment, etc.
- ? Detailed information on initial construction and installation and continuing maintenance.
- ? Detailed discussion on environmental and industry impacts, special requirements, permits, certifications, and/or other pertinent necessary approvals.
- ? Detailed discussion of the project's feasibility. Include all potential obstacles in the current business environment that may hinder or halt the success of the project; ideas or areas of change that would improve the viability of the project; and any other unique characteristics and assumptions that may affect the project.

G. Discuss the Project's Budget

An applicant's proposal must provide a detailed and comprehensive budget that clearly identifies all expenses and funding of the project, with independent estimates as available. Discussion should include, but by no means be limited to, the following items:

- ? Identify and project in detail any and all direct expenses. Examples include, but are not limited to, facility modifications, construction costs, equipment purchases, materials, supplies, freight, transportation, payroll and benefits, and etc.
- ? Identify and project in detail all funding sources. Examples include, but are not limited to, DCED grant funds, applicant's available cash, applicant's in-kind match, applicant's proposed loan(s), revenue generating ideas, revenue from another entity,

and etc. Also identify the percentage of funding provided by DCED, applicant, and other sources.

- ? If the applicant's contribution, e.g. match, includes an "in-kind" contribution such as the use of existing equipment, the monetary-value of the "in-kind" contribution must be based on industry-standards and documented in the applicant's proposal.
- ? An applicant's match must be directly related to the specific project in the application. Proposed match related to a business or government program in its entirety will be rejected. For instance, a processing business applying for ice making equipment cannot use its existing facility as match.
- ? Identify the dollar amount and/or percentage of the requested grant needed as advance payment [Note that the decision to provide an advance payment is entirely at the discretion of DCED.]

H. Discuss the Project's Long-Term Value

An applicant's proposal must describe the long-term value and sustainability of the project. Information must be consistent with information presented elsewhere in the applicant's proposal. Discussion should include but is not limited to:

- ? Discussion on how the project will facilitate any of the following in the long-term: (1) increase Alaska seafood/product quality, (2) increase Alaska seafood/product diversity and/or value in the consumer or food service market(s), (3) increase profitability for the harvesting and/or processing sector of the industry, (4) increase efficiencies and productivity in the industry, (5) lower costs within the industry, or (6) increase economic activity within the community and/or region.
- ? Discussion on how the project will become self-sustaining and the mechanisms, contractual or other, that assure increased productivity and capability of adapting to changes in the marketplace.
- ? Discussion on the continuing costs of the project including operation and maintenance, equipment upgrades and replacement, facility replacement and upgrades, and other improvements. Equipment depreciation and replacement schedules must be based on current industry rates and standards.
- ? Discussion on the continuing revenue sources and mechanisms to assure adequate revenue. Applicants are encouraged to include detailed, supported pro forma projections.

Section III - Review and Evaluation of Applications

A. Initial Review of Applications

Prior to evaluating the grant applications, DCED will perform an initial review to identify grant applications that do not meet the minimum requirements, and/or have not provided the minimum information, and/or are otherwise deemed unresponsive to the requirements set forth herein. DCED in its sole discretion may contact the applicant for additional information or DCED may declare the application as non-responsive and reject it in its entirety. If rejected, the grant application will be eliminated from the evaluation process and the applicant will be notified accordingly.

B. Evaluation of Applications

Upon completion of the initial review, remaining applications will be forwarded to an evaluation committee comprised of staff members from the Departments of Community and Economic Development, Fish and Game, and Labor and Workforce Development. Each member of the evaluation committee will independently evaluate each grant application based on the criteria, evaluation factors, and numerical values identified in this Application Guide and summarized below:

Eligible Applicant	15
Communities / Industry Sectors Served	15
Project Description	30
Project Amount (Budget)	20
Project's Long-term Value	20
Maximum Possible Points	100

- ? The Evaluation Committee, in its sole discretion, may decide if additional discussion with, or presentations by, applicants are required, and/or if site inspections are necessary. Following any such discussions, presentations or site visits, members of the Evaluation Committee may change their individual scores based on the additional information provided.
- ? The individual Evaluation Committee members may meet as a Committee to discuss the grant applications before and/or after their individual review and scoring. Members of the Evaluation Committee may change their individual scores based on these discussions.
- ? When the individual Evaluation Committee members have completed their scoring, the total points for each grant application will be determined and applications will be ranked numerically.
- ? Applications and ranking information will be forwarded to Cabinet level members of the Alaska Fisheries Revitalization Strategy Committee. Members will advise the Department, taking into consideration federal limitations, the economic condition of

the fishing region and the sectors and communities cited in the application, the numerical ranking determined by the Evaluation Committee, and such other factors they deem appropriate.

C. Notification of Applicants

All Applicants will be notified upon completion of the evaluation process.

The Department will make preliminary award determinations. Applicants receiving a preliminary award will work with Department on all outstanding requirements. Once all requirements have been met, the successful applicant will have the opportunity to enter into a Grant Agreement with the Department.

Unsuccessful applicants have a chance to seek reconsideration from the Department. The Department, at its sole discretion, may consider the reconsideration and will notify the applicant accordingly.

D. Disclaimer / No Requirement to Make Awards

Nothing in the Request for Grant Applications requires DCED to actually make an award. If no applications are received that the Department and reviewers deem adequate in addressing the target problem, the Department may elect to deny all applications.

Appendix 1 - Application Format

In preparing your application for consideration, please follow this format and refer back to the Application Guide for detailed instructions on each section. This format refers to the information required in Section II items B through H of the Application Guide.

- I. Cover Sheet / Project Name (use this name consistently throughout your application)
- II. Table of Contents
- III. Applicant Information
 - A. Organization
 1. Name
 2. Organization status - government, non-profit, for-profit small business
 3. History, organization diagram, lines of communication, etc.
 4. Physical and mailing addresses, phone and fax number, e-mail address (if available), other contact info
 5. Federal employer identification number (EIN)
 6. Project lead & other key personnel
 7. Relevant experience
 - B. Contractor Information (if applicable)
 1. Name(s)
 2. Contacts
 3. Verification of credentials
 4. Key personnel
 5. Relevant experience
- IV. Communities / Industry Sectors
 - A. Identify community(ies) and/or fishing industry sectors affected
 - B. Describe adverse impact on community(ies), industry sectors and applicant caused by the downturn in salmon industry
 - C. Resolutions of support, or similar supporting information
- V. Project Description (use attachments as needed)
 - A. Purpose and implementation of project
 - B. Systems design, engineering, specifications
 - C. Locational information
 - D. Details of construction, expansions, modifications, and equipment
 - E. Environmental and industry impacts / pertinent approvals needed
 - F. Discussion of project feasibility

VI. Project Budget

A. Budget sheet under the following format:

Expense Description	Amount Requested	Match	Total
Totals			

- B. Identification of expenses
- C. Identification of all funding sources
- D. Identification of in-kind match (if applicable)
- E. Advance payment requests (if applicable)

VII. Long Term Value

- A. How the project will increase: seafood/product quality; value to the consumer; profitability, efficiency and productivity for the industry; and increase economic activity within the community and/or region
- B. Discussion on how the project will become self-sustaining, including the continuing costs of the project, and future revenue sources

Attachments – Application Information

- Incorporation documentation
- Plan contributor resumes
- Detailed plan documents (If back-up plans, specifications, maps, etc. are voluminous, you can describe the information in the narrative body of you application and attached the detailed information as needed)
- Other