




UNITED STATES DEPARTMENT OF COMMERCE
National Oceanic and Atmospheric Administration
ACQUISITION AND GRANTS OFFICE

April 19, 2014

MEMORANDUM FOR: Deputy Assistant Administrators
Staff Office Directors

FROM: Mitchell J. Ross 
Director

SUBJECT: Financial Assistance Instruction 14-01 NOAA Process for
Awarding Financial Assistance to Cooperative Ecosystem
Studies Units Members

The purpose of this memorandum is to provide the attached Financial Assistance Instruction 14-01, which establishes the National Oceanic and Atmospheric Administration (NOAA) process for awarding financial assistance to Cooperative Ecosystem Studies Unit (CESU) members.

CESUs provide research, technical assistance, and education to federal land management, environmental, and research agencies. NOAA financial assistance is currently limited to nine of the 17 established CESUs. The NOAA Acquisition and Grants Office (AGO) will follow the process described in the attachment to award financial assistance to CESU members.

Questions pertaining to this Financial Assistance Instruction may be addressed to Arlene Simpson Porter, Director of the NOAA Grants Management Division, at Arlene.S.Porter@noaa.gov, or by telephone at (301) 628-1314.

Attachment:
Financial Assistance Instruction 14-01

April 9, 2014

Financial Assistance Instruction 14-01

NOAA Process for Awarding Financial Assistance to Cooperative Ecosystem Studies Units Members

A. Purpose

This Financial Assistance Instruction establishes the National Oceanic and Atmospheric Administration (NOAA) process for awarding financial assistance to Cooperative Ecosystem Studies Units (CESU) members. The Financial Assistance Instruction is effective immediately and remains in effect until rescinded.

B. Background

CESUs provide research, technical assistance, and education to federal land management, environmental, and research agencies and their partners. NOAA participates in nine of the 17 established CESUs. Each CESU is provided CESU status on a competitive basis through the U.S. Department of the Interior, and maintains a website that lists ongoing and completed projects conducted by member universities and partner institutions located at <http://www.cesu.psu.edu>. The nine CESUs are listed in the attached process.

C. Applicability

Funding eligibility is limited to the nine CESUs and their partner institutions. For financial assistance eligibility, each NOAA Line Office will provide focused criteria and a specific statement of work for each of the nine CESUs. The process to award financial assistance agreements will follow one of the following approaches:

1. Competitive Awards

- Identify the project and the appropriate CESU
- Prepare a Federal Funding Opportunity announcement
- Post the Federal Funding Opportunity announcement
- Conduct a Merit Review and Request for Proposal
- Application Review Period
- Financial and Progress Reporting
- Options for Out-Year Funding

2. Non-Competitive Awards

A justification for a non-competitive award must be based on the existence of one or more of the following conditions and receive the approval of the Grants Officer:

- Only One Source Identified
- Unusual and Compelling Urgency
- International Agreement
- National Security
- Public Interest

3. Broad Agency Announcements

D. Point of Contact

Questions concerning this Financial Assistance Instruction should be directed to Arlene Simpson Porter, Director of the NOAA Grants Management Division, at Arlene.S.Porter@noaa.gov, or by telephone at (301) 628-1314.

Attachment:

NOAA Process for Awarding Financial Assistance to Cooperative Ecosystem Studies Units Members

**Acquisition and Grants Office
National Oceanic and Atmospheric Administration (NOAA)
U.S. Department of Commerce**

**NOAA Process for Awarding Financial Assistance to Cooperative
Ecosystem Studies Units Members**

The Unit Members/Host Universities are:

1. University of California System - California (NOAA, 2003)
2. University System of Maryland - Chesapeake Watershed (NOAA, 2001)
3. Northern Arizona University - Colorado Plateau
4. University of Arizona - Desert Southwest
5. University of Nevada - Great Basin
6. University of Minnesota - Great Lakes-Northern Forest
7. University of Nebraska - Great Plains
8. University of Missouri - Great Rivers
9. Texas A&M University; Gulf Coast (NOAA, 2002)
10. University of Hawaii System - Hawaii-Pacific Islands (NOAA, 2004)
11. University of Alaska System - North & West Alaska (NOAA, 2013)
12. University of Rhode Island - North Atlantic Coast (NOAA, 1999)
13. University of Georgia - Piedmont-South Atlantic Coast (NOAA, 2003)
14. University of Washington - Pacific Northwest (NOAA, 2001)
15. University of Montana - Rocky Mountains
16. University of Miami - South Florida-Caribbean (NOAA, 2000)
17. University of Tennessee - Southern Appalachian Mountains

As of fiscal year 2014, NOAA participates in nine of the established 17 Cooperative Ecosystem Studies Units (CESU). Each CESU has a specific charter and purpose and is competitively provided CESU status by the U.S. Department of the Interior. Each CESU maintains a website that lists ongoing and completed projects conducted by the member universities and partner institutions. The CESU National Network website is located at <http://www.cesu.psu.edu>.

For financial assistance eligibility, each NOAA Line Office will provide focused criteria and specific statements of work for each of the nine CESUs in which NOAA participates:

University of California System - California
University System of Maryland - Chesapeake Watershed
Texas A&M University - Gulf Coast
University of Hawaii System - Hawaii-Pacific Islands
University of Rhode Island - North Atlantic Coast
University of Georgia - Piedmont-South Atlantic Coast
University of Washington - Pacific Northwest
University of Miami - South Florida-Caribbean
University of Alaska System – North and West Alaska

Funding eligibility is limited to the above-listed nine CESUs and their partner institutions. The process used by NOAA to award financial assistance agreements will generally follow one of two approaches: competitive awards through a Federal Funding Opportunity, and noncompetitive awards. A third option, use of a Broad Agency Announcement, may also be exercised on a less frequent basis.

Competitive Awards

Step 1

Identify the Project and Appropriate Cooperative Ecosystems Studies Unit

The first step in the competitive process is to identify an appropriate applied research project for financial assistance. Cooperative Ecosystem Studies Units provide research, technical assistance, and education to federal land management, environmental, and research agencies and their partners. Each CESU host university holds a competitively awarded cooperative or joint venture agreement. The partners serve the biological, physical, social, cultural, and engineering disciplines needed to address natural and cultural resource management issues at multiple scales and in an ecosystem context. The multi-disciplinary structure of CESUs makes them well-suited to address federal agency needs for sustainability science. The CESU has the following objectives:

- provide usable knowledge to support informed decision making;
- ensure the independence and objectivity of research;
- create and maintain effective partnerships among the federal agencies and universities to share resources and expertise;
- take full advantage of university resources while benefiting faculty and students;
- encourage professional development of current and future federal scientists, resource managers, and environmental leaders; and
- manage federal resources effectively.

The principal purpose of the financial assistance agreement between NOAA and the CESU member shall be to carry out a public purpose of support or stimulation that has been authorized by law and includes substantial involvement by NOAA. Substantial involvement often includes collaboration, guidance, and direction during performance, and review and approval of milestones. The proper use of financial assistance is best determined on a case by case basis by the Grants Officer and legal counsel.

Step 2

Federal Funding Opportunity (FFO)

After identifying an agency objective, the Federal Program Officer shall prepare an FFO.

An FFO is an announcement of funds. The amount available for award may be uncertain and contingent upon an appropriation, but programs can have reasonable expectations that funds will be available for award. On that basis, Federal Program Officers can determine the number of awards they expect to make and the range of amounts of the awards. Federal Program Officers establish a deadline and compile evaluation criteria. The applications are reviewed and the scores are compared to each other as a basis for deciding which application will be funded. It is possible to award lower-scoring awards instead of higher-scoring ones based on program policy factors stated in the FFO. However, the vast majority of competitions are awarded in rank order as established by the technical reviews.

The decision to prepare an FFO shall be based on an agency objective. The FFO shall describe the nature of the project and the components of the required response. The FFO may be directed towards all CESUs or may be targeted towards a specific CESU. The FFO shall be reviewed and cleared by the Grants Officer and the Financial Assistance Law Division.

Step 3

Posting the FFO

The posting of the FFO to grants.gov for public notice is the responsibility of the Grants Management Division, and is accomplished after review and clearance by the Grants Officer and the Financial Assistance Law Division.

Step 4

Merit Review and Request for Proposal

Since the CESU process must allow full competition between CESU universities and partner institutions within the targeted CESU, the selecting official within the Line Office must review all applications in response to the FFO and provide a recommendation to the Grants Officer. The recommendation must be supported by at least three merit reviews from federal personnel with expertise in the field of the proposed work. The complete application is then reviewed by the Grants Officer, and the award is made after it is determined that the application has adhered to all requirements.

Step 5

Application Review Period

After the application is received by NOAA, the anticipated application review period by the Federal Program Officer is two to three months. The application review period is separate from the sixty-day review, analysis, and award period accomplished by the Grants Management Division.

Step 6

Reporting

The financial and progress reporting requirements are outlined in the FFO.

Step 7

Options for Out-Year Funding

The award period is as outlined in the FFO.

Non-Competitive Awards

If the application warrants review on a non-competitive basis, the Federal Program Officer shall provide a written justification for the non-competitive award to the Grants Officer for approval.

If more than five percent (5%) of the total number of awards made under a program within one fiscal year are made on the basis of recipient initiative, the Program Officer and the Grants Officer should examine the current Federal Register notice and FFO, if they exist, and make any corrections deemed necessary to future notices so that the solicitation better reflects the goals or needs of the program. This provision does not prevent non-competitive awards, even if the 5% level is exceeded. However, based on usage of the non-competitive approach, NOAA may elect to request a permanent waiver from the requirement to examine program solicitations for the CESU program as a whole.

The justification for the non-competitive award must be based on the existence of one or more of the conditions listed below, and must provide sufficient information for a decision by the Grants Officer.

(1) **Only One Source Identified.** There may be instances where only one responsible applicant can perform the work of the proposed awardee. The following are some of the circumstances in which this may occur:

(a) The applicant organization has proprietary information necessary for the conduct of the work. In the case of the applicant organization having proprietary information, the Program Officer must describe what the proprietary information is that is offered by the applicant and why it is that no others could possibly possess the information. The Program Officer provides this non-competitive justification documentation. An applicant's claim is not sufficient justification. The Program Officer must state in writing that, based on his or her own expertise or the expertise of others he or she has consulted, the applicant has proprietary information necessary for the conduct of the work.

(b) The applicant organization has made a substantial investment in the activity. In the case of the applicant organization having made a substantial investment in the activity, the nature and amount of that investment should be described. The applicant's receipt of previous federal awards for the activity does not constitute substantial investment. The applicant's own resources must be involved.

(c) The applicant organization is proposing a project that involves a unique idea, method, or approach. In the case of the applicant organization proposing a project with a unique idea, method, or approach, the nature of the idea, method, or approach and what makes it unique should be described.

(d) The applicant organization is the only organization known to possess the capability to perform the work. In the case of the applicant organization being the only one known to possess the capability to perform the work, the Program Officer has to describe how that was determined. The justification could be based on the specific situation involving the project (for example, the recipient needs to be a university that awards doctoral degrees, and the identified recipient is the only one in the targeted geographic area which does that) or the Program Officer's efforts to determine if other organizations can do the work (for example, by contacting other potential recipients to determine if they have the capability or interest in carrying out the proposed project).

(2) **Unusual and Compelling Urgency.** The work to be conducted is of such an unusual and compelling urgency that the public interest would be seriously compromised unless the Program Office is allowed to limit or suspend competition for the proposed award.

(3) **International Agreement.** Competition is precluded by the terms of an international agreement or a treaty between the United States and a foreign government or international organization.

(4) **National Security.** Full and open competition is not required when the Secretary of Commerce determines in writing that public disclosure of the proposed support to be provided under the award would compromise national security.

(5) **Public Interest.** Competition is not required when the Head of the Operating Unit determines in writing that it is not in the public interest in a particular case to seek full and open competition for an award. That determination is delegated to the Assistant Administrator of a Line Office. A rational basis must be set forth in the written determination. This is likely to be the primary basis for CESU usage. Legal counsel has opined that use of a CESU member organization is in the public interest when usage is limited to the scope of the CESU charter.

Broad Agency Announcements

A third approach could be used and that is through the issuance of a Broad Agency Announcement (BAA). This is not an announcement of the availability of any specific amount of funds. It generally states NOAA's or a program's mission, and allows organizations to submit an application to find out if NOAA might be interested. The BAA is usually kept open for two years: applications can be submitted for the duration of the BAA. Applications are reviewed as they come in and decisions to fund are made individually, not in comparison to other applications. A BAA is considered competitive. It provides the standards that will be used when an application is reviewed. A BAA could be issued restricting applications to one, some, or all of the CESUs in which NOAA participates.