

DOE Advanced Technology Vehicle Manufacturing Program Office Credit Policies and Procedures

CHAPTER IV

EVALUATION OF TECHNICAL MERIT

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EVALUATION OF TECHNICAL MERIT

- IV.1 Evaluation of Technical Merit Overview**
- IV.2 Technical Merit Review Process**
- IV.3 Review of Technical Data Changes**

IV.1 EVALUATION OF TECHNICAL MERIT OVERVIEW

This chapter provides a detailed overview of the ATVM's Program Offices Policies and Procedures for evaluating the technical merits of the proposed ATV or qualifying component. As further described in the Rule, this evaluation will involve the following five criteria:

- Improved fuel economy of the proposed ATV or component;
- Contribution to improved fuel economy of the U.S. light duty fleet;
- Promotion of the use of advanced fuel;
- Reductions in petroleum use by U.S. light duty fleet; and
- Project management plan.

[REDACTED]

he process of evaluating the technical merits of the application will be executed pursuant to a Technical Evaluation and Selection Plan developed by the technical team (Energy Efficiency and Renewable Energy (EERE)) and approved by the CRB.

<i>Policy No. TM IV.2</i> <i>Evaluation of Technical Merit</i>	Technical Merit Review Process	<i>Page 2 of 23</i>
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IV.2

TECHNICAL MERIT REVIEW PROCESS

POLICY **Applications received under the ATVM Program will be reviewed pursuant to the Technical Evaluation and Selection Plan developed by EERE and approved by the CRB.**

Policy Perspective Under the Rule, applications that are determined to be eligible under the guidelines set forth in Chapter III, shall be subject to a substantive review by the ATVM Program Office based upon factors that include the technical merit of the proposed advanced technology vehicle’s qualifying components; technical program factors and the adequacy of the proposed financial provisions to protect the government.

The ATVM Program technical merit review process utilizes evaluation criteria set out in the Rule, draws heavily on the experience and success of other EERE merit review processes and utilizes expertise and experience from the DOE and National Laboratories for independent reviewers and the merit review committee.

Guidelines EERE has developed a Technical Evaluation and Selection Plan to ensure a comprehensive evaluation is performed on the technical merits of the proposed project. The process has been designed to ensure a thorough, independent and defensible review is performed on all applications that meet the minimum application qualifications.

PROCEDURES

The specific procedures for the technical merit review are detailed in the Technical Evaluation and Selection Plan (the “Plan”). All projects that have been deemed to be substantially complete and eligible from a technical standpoint will undergo a comprehensive technical evaluation as detailed in this Plan. Results of the Technical Evaluation Selection Plan will be prepared by EERE and presented to the ATVM Program Office.

The Plan developed by EERE and approved by the CRB is presented in the following pages.

March 30, 2009

MEMORANDUM FOR STEVEN G. CHALK
PRINCIPAL DEPUTY ASSISTANT SECRETARY
ENERGY EFFICIENCY AND RENEWABLE ENERGY

FROM: CAROL BATTERSHELL *CB*
SENIOR ADVISOR
ENERGY EFFICIENCY AND RENEWABLE ENERGY

SUBJECT: ACTION: Approve technical merit review process for use
with Advanced Technology Vehicle Manufacturing
Incentive Program (ATVM) Loan Applications.

ISSUE: EERE requests concurrence to proceed immediately with technical merit review of the ATVM loan applications using the review process attached.

To date, DOE has received [REDACTED] applications for loans under the ATVM Program. All of the applications have been initially reviewed by EERE personnel to determine if they are substantially complete. The next step involves conducting technical eligibility checks which will be followed by merit reviews of the applications. The Secretary and CFO have advised EERE that it is essential that technical eligibility checks and merit reviews be conducted promptly.

As eligibility checks proceed EERE is preparing for merit reviews so that no time is lost between eligibility and merit reviews. Currently, conflict of interest clearances are being conducted, merit reviewers are being notified to set aside time and the merit review process has now been finalized.

The ATVM technical merit review process submitted for approval:

- uses the evaluation criteria set out in the interim final rule,
- draws heavily on the experience and success of numerous other EERE merit review processes, and
- will utilize expertise and experience from the DOE and National Labs for independent reviewers and the merit review committee.

BACKGROUND: Section 136 of the Energy Independence and Security Act of 2007 (section 136) as amended by section 129 of the Consolidated Security, Disaster Assistance, and Continuing Appropriation Act, 2009 (Pub.L.No.110-329), (section 129) authorizes the Secretary of Energy to, among other things, offer direct loans to eligible entities for the cost of:

- (1) reequipping, expanding, or establishing a manufacturing facility in the United States to produce
 - A) qualifying advanced technology vehicles; or

- (B) qualifying components; and
- (2) engineering integration performed in the United States of qualifying vehicles and qualifying components.

Section 129 instructed that an interim final rule be completed within 60 days. It also appropriated \$7.51 billion dollars for the loan program and credit costs authorized by section 136 and authorized the Secretary "...to provide a total of not more than \$25,000,000,000 in such loans." The \$10 million of the appropriated amount was provided to the Department of Energy (DOE) for administrative costs of the ATVM program. The interim final rule, 10 CFR 611 published in the November 12, 2008, Federal Register.

The ATVM program is being administered by the DOE Chief Financial Officer (CFO). The CFO has requested technical assistance from EERE for the rulemaking and for review of the loan applications (technical completeness checks, eligibility checks, and merit reviews).

SENSITIVITIES: Oversight entities such as GAO are likely to review the implementation of this Program. Members of Congress and the media have criticized the Department's capacity to execute these loans in a time frame that matters.

URGENCY: EERE requests that approval of the technical merit review process be granted quickly, as ATVM applications have been received, technical eligibility checks are nearly complete and merit review should proceed as soon as resources are available.

RECOMMENDATION: Sign memo indicating approval of technical merit review process.

Attachments:
ATVM Technical Merit Review process

APPROVE: _____

DISAPPROVE: _____

DATE: _____

TECHNICAL EVALUATION AND SELECTION PLAN



Revision 7. 3-10-09

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P.02/02

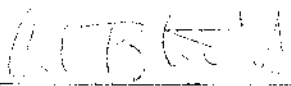
TECHNICAL EVALUATION AND SELECTION PLAN
ADVANCED TECHNOLOGY VEHICLES MANUFACTURING INCENTIVE PROGRAM

APPROVAL

Steven G. Duff
Principal Deputy Assistant Secretary, EERE

Date


CONCURRENCE



Carol J. Battershell
Senior Advisor, EERE

3/19/09

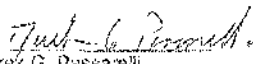
Date



James P. Darrin
Contracting Officer, EERE

3/19/09

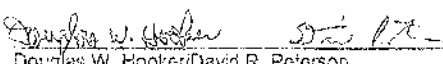
Date



Derek G. Passarelli
Legal Counsel, EERE

3/19/09

Date



Douglas W. Hooker/David R. Peterson
Chairpersons, Merit Review Committees, EERE

3/19/09

Date

Evaluation and Selection Plan

IV. EVALUATION OF APPLICATIONS

A. Appointments

A Committee of no less than [REDACTED] individuals will be appointed. DOE may use outside assistance, if necessary, in accordance with applicable regulations, including qualified personnel from other Federal agencies, other Government entities, and DOE Management and Operating (M&O) contractors. The format shown in Attachment 1 will be used to document the merit reviewers.

Contracting Officers reserve the right, at their discretion, to brief the Committee to address issues that may be sensitive or critical to the successful completion of the evaluation.

B. Certification

Prior to evaluating applications, each evaluator must read and sign an agreement indicating an understanding of the Evaluation and Selection Plan procedures and requirements. A signed form must be returned to the Chairperson prior to performing evaluations on any application. Once signed, strict adherence to the agreement is required.

C. Evaluation Process

Prior to applications being considered for a comprehensive technical evaluation, all applications will be subject to an initial compliance review. Each application will be reviewed to assure that a sufficient degree of completeness is included to allow a comprehensive technical evaluation.

In addition, for complete Advanced Technology Vehicle (ATV) manufacturing applications only, two additional initial compliance reviews will be performed: (1) a review to assure that the applicant's current light duty fleet fulfills the requirement to meet or exceed the applicant's model year 2005 adjusted average fuel economy; and (2) a review to assure that the proposed ATV has a combined average fuel economy of at least 125% of the average combined fuel economy for vehicles with substantially similar attributes for model year 2005.

1. Comprehensive Evaluation

All applications that have been determined to meet the minimum application qualifications, through the initial compliance reviews, will be eligible for comprehensive technical evaluation.

Evaluation and Selection Plan

Independent Review

Evaluators shall be notified of applications assigned to them to review by the Chairperson. A copy of each application shall be made available to each evaluator for independent review. In addition, each evaluator shall receive an explanation of the merit review process, a copy of the criteria, and an explanation of scoring. Any printed or electronic copies of applications shall be returned to the Chairperson or shall be destroyed following the convening of the Committee.

Each evaluator shall independently review each application against the published criteria and provide written documentation of the strengths and weaknesses for each criterion. Applications will be rated using the Individual reviewers will record their individual scores and strengths and weaknesses on the With the completion of the independent review, each evaluator shall submit their results to the designated person at the DOE Golden Field Office for compilation and use by the Merit Review Committee.

Committee Review(s)

Depending on the number and type of applications received, more than one Committee may be used to perform the evaluations. Each Committee will meet and discuss in detail the strengths and weaknesses of each criterion with each application and will provide written documentation of their consensus strengths and weaknesses on the The Committee(s) will then develop consensus scores for each criterion based on their deliberations and document the scores on the The consensus scores for each application shall also be recorded on the Technical

2. Chairperson's Report

A Chairperson's Report must be prepared presenting the findings of the Committee(s). The Chairperson shall provide the complete report for review and obtain concurrence from Legal Counsel prior to submitting the report to the Credit Review Board. Relevant attachments shall be included, as needed

Section 1 should include the following:

- a. A brief statement as to the purpose of the Chairperson's Report
- b. A brief summary of the number of applications received.

Section 2 should include the following:

Evaluation and Selection Plan

- a. The number of Committee members, their names (*Merit Review Panel Appointment Form*), a statement that all applications were independently evaluated in accordance with the Evaluation and Selection Plan, and a statement that all Committee members, including ex-officio members, signed the Evaluation and Selection Plan.
- b. A discussion of the independent review process for all applications
- c. Details of the Merit Review Committee meeting and the process followed, including a discussion of any deviations, such as issues with conflict of interest
- d. A discussion of the development of consensus scores for each application and a discussion of the development of the final scores for each application
- e. Recommendations to the Credit Review Board.

Attachments to the Chairperson's Report shall include the following:

- Evaluation and Selection Plan
- Signed Evaluation and Selection Plan forms
- Evaluation and Selection Plan
- Evaluation and Selection Plan for each application
- Technical Technical

D. Technical Program Factors

Each application may receive a technical program review. Input to this review may be performed by Merit Review Committee members and/or various DOE Headquarters personnel, depending on the applicable sector of the technology. The technical program reviewers may evaluate applications based on the following technical program factors:



Evaluation and Selection Plan
Attachment 7

[REDACTED]

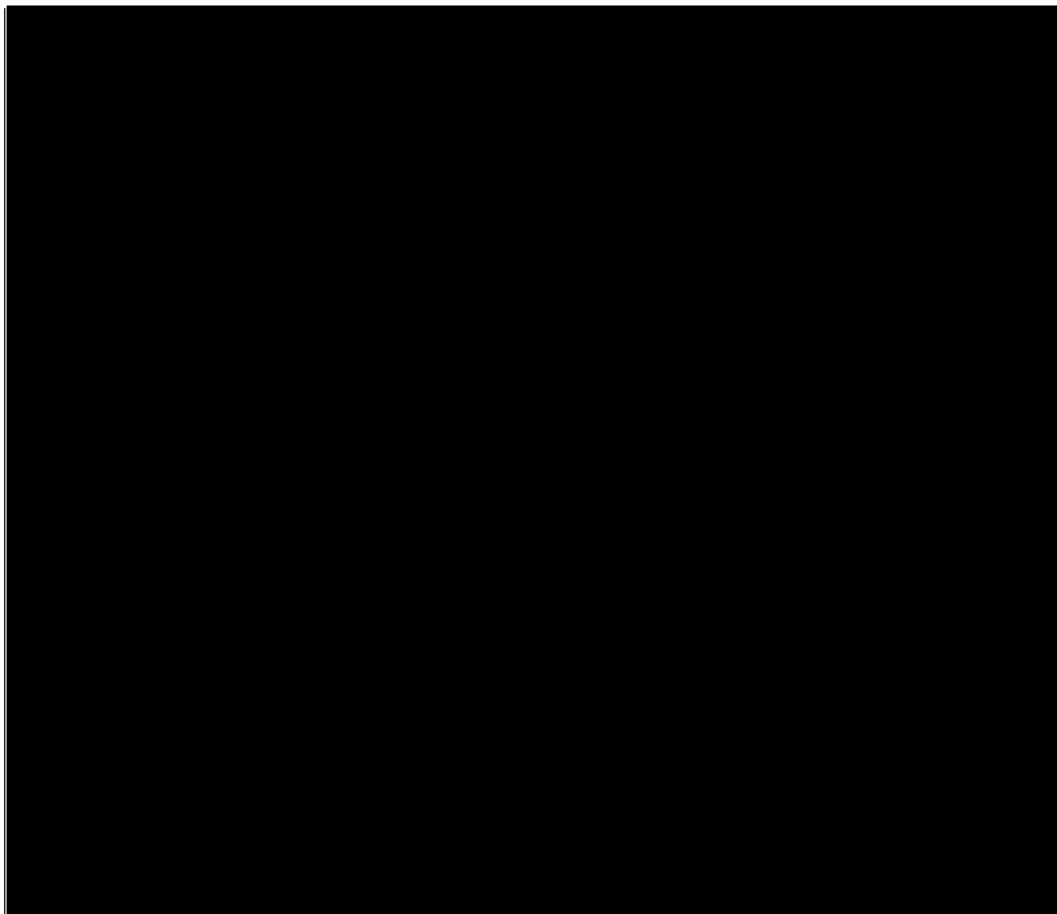
Any input provided by technical program reviewers will be documented using the Attachment 7 format.

Evaluation and Selection Plan:

ATTACHMENT 1

MERIT REVIEW COMMITTEE

U.S. DEPARTMENT OF ENERGY



Evaluation and Selection Plan

ATTACHMENT 2

**Advanced Technology Vehicles Manufacturing Incentive Program
EERE Technical Review**

**EVALUATOR CONFIDENTIALITY AND CONFLICT OF INTEREST
CERTIFICATION AND ACKNOWLEDGEMENT**

I have been asked to participate in the preparation of a technical review plan or to conduct technical reviews for Applications for loan assistance received by the Department of Energy pursuant to the Advanced Technology Vehicles Manufacturing (ATVM) Incentive Program.

I certify that I will not disclose, either during the performance of my assignment or at any subsequent time, any information concerning the content of Applications (unless such information is otherwise publicly made available), to anyone who is not authorized access to the information by the EERE Project Director, Carol Battershell, or by law or regulation, and then only to the extent that such information is required in connection with such person's official responsibilities, except pursuant to the order of a court of competent jurisdiction.

I certify that I will not disclose to any other party other than those who are authorized to participate in ATVM technical review that I have participated in such review. I understand that disclosure of my participation or the nature of my participation in the ATVM Incentive Program would undermine the integrity of the review process.

I agree to use the information contained in the Application only for the assigned purposes and to treat the information confidentially. I also agree to abide by any restrictive markings on the Application to protect technical data and other data including trade secrets and/or privileged or confidential commercial, financial or personnel information which the Applicant does not want disclosed to the public or to its competitors.

I certify that I am not aware of any matter which might reduce my ability to review, evaluate and provide technical assistance for the ATVM Incentive Program in an objective and unbiased manner or which might place me in a position of conflict, real or apparent, between my responsibilities as an ATVM Team member and other interests. In making this certification, I have considered all my stocks, bonds, other financial interests and employment arrangements (past, present, or under consideration) and, to the extent known by me, all the financial interests and employment arrangements of my spouse, my minor children, and other members of my immediate family. Furthermore, I agree to disclose to the EERE Project Director any actual or perceived conflicts of interest as soon as I become aware of them.

If, after the date of this certification, any person, firm, or organization with which, to my knowledge, I (including my spouse, minor children, and other members of my immediate family) have a financial interest, or with which I have (or had) an employment arrangement, submits an application to the ATVM Incentive Program or otherwise becomes involved in, or is discovered

Evaluation and Selection Plan

to be involved in, the ATVM application process. I will notify the EERE Project Director, and thereafter, until advised to the contrary. I will not participate further in any way (by rendering advice, making recommendations, or otherwise) in the ATVM application review process.

Upon completion of the assignment, I agree to destroy all paper copies of applications in my possession and to delete all electronic copies of the same. Finally, unless authorized by the EERE Project Director and Contracting Officer, I agree not to contact the originator of the Application concerning any aspect of its contents.

ATVM Technical Team members shall not accept any invitations or gratuities (i.e., meals, gifts, favors, etc.) from any applicant to the ATVM Incentive Program. If an ATVM Team member is offered any invitations, gratuities, or job offers by or on behalf of any Applicant, he or she shall immediately report it to the EERE Project Director.

ACKNOWLEDGEMENT

As a member of the ATVM Technical Review Team, I understand the procedures and requirements of the ATVM Technical Review Team members as indicated by my signature below.

Signature

Date

Printed Name

Evaluation and Selection Plan

**ATTACHMENT 3
 TECHNICAL RATING STANDARDS**

The Committee shall only evaluate an Application by comparing submitted information against the Evaluation Criteria. For each Application, a written narrative listing of the strengths and weaknesses must accompany the numerical point value assigned to each criterion.



Rating	Score	Scoring Definitions
		All aspects of the criterion are comprehensively addressed. The application has significant strengths, no notable weaknesses , and leaves no doubt regarding the applicant's capability to perform.
		All aspects of the criterion are comprehensively addressed. The application has significant strengths and no more than a few minor weaknesses that are easily correctable, where the number and level of significance of the strengths far outweigh those aspects of the weaknesses . The application leaves no doubt regarding the applicant's capability to perform.
		All aspects of the criterion are addressed. The application has strengths and no more than a few minor weaknesses that are easily correctable, where the number and level of significance of the strengths outweigh those aspects of the weaknesses . The application demonstrates the applicant's capability to perform.
		All aspects of the criterion are addressed. The application has minor strengths only and may contain several minor weaknesses that are correctable. The application leaves little doubt regarding the applicant's capability to perform.
		All aspects of the criterion are addressed to some degree. The application has several minor weaknesses that are correctable, but no significant weaknesses. The number and level of significance of the strengths slightly outweigh those aspects of the weaknesses . Scoring within the Satisfactory rating depends on the relative degree to which the strengths outweigh the weaknesses or vice versa. The application demonstrates a reasonable likelihood of the applicant's capability to perform.
		Some aspects of the criterion are not adequately addressed. The application has many minor weaknesses and possibly one or more significant weaknesses, where the number and level of significance of the weaknesses outweigh those aspects of the strengths . Scoring within the Marginal rating depends on the relative degree to which the weaknesses outweigh the strengths. The application leaves doubt regarding the applicant's capability to perform.
		Most aspects of the criterion are not adequately addressed. The application has several significant weaknesses , and correcting these weaknesses would require a major revision to the application. The application fails to demonstrate the applicant's capability to perform.
		The application is non-responsive with regard to the criterion or does not address the criterion at all.

Evaluation and Selection Plan

ATTACHMENT 4
 INDIVIDUAL RATING SHEET

Criterion	ATVM Criteria will be added here	Score	Strengths	Weaknesses
Criterion 1				
Criterion 2				
Weighted Score:				

All colored cells are intentionally protected. Enter scores and comments in the white cells only. Please enter whole number scores between [redacted] only. The total weighted score will be calculated automatically. The cells expand to fit the length of comments.

Criteria Descriptions

Evaluation and Selection Plan

ATTACHMENT 5
 RECORD OF CONSENSUS STRENGTHS AND WEAKNESSES

Announcement		
Applicant Name		
Project Title		
App. Number	Consensus	
1	0	
2	0	
Total Consensus Score		0
Criterion 1	Strengths	
	Weaknesses	
Consensus Score		
Criterion 2	Strengths	
	Weaknesses	
Consensus Score		

Evaluation and Selection Plan

ATTACHMENT 6

RECORD OF CONSENSUS SCORES FOR APPLICATIONS IN CURRENT TRANCHE

Appl. No.	Applicant Name	Project Title	Consensus Score
Total: <i>n</i> Applications			

Evaluation and Selection Plan:

ATTACHMENT 7
TECHNICAL PROGRAM FACTOR INFORMATION SHEET

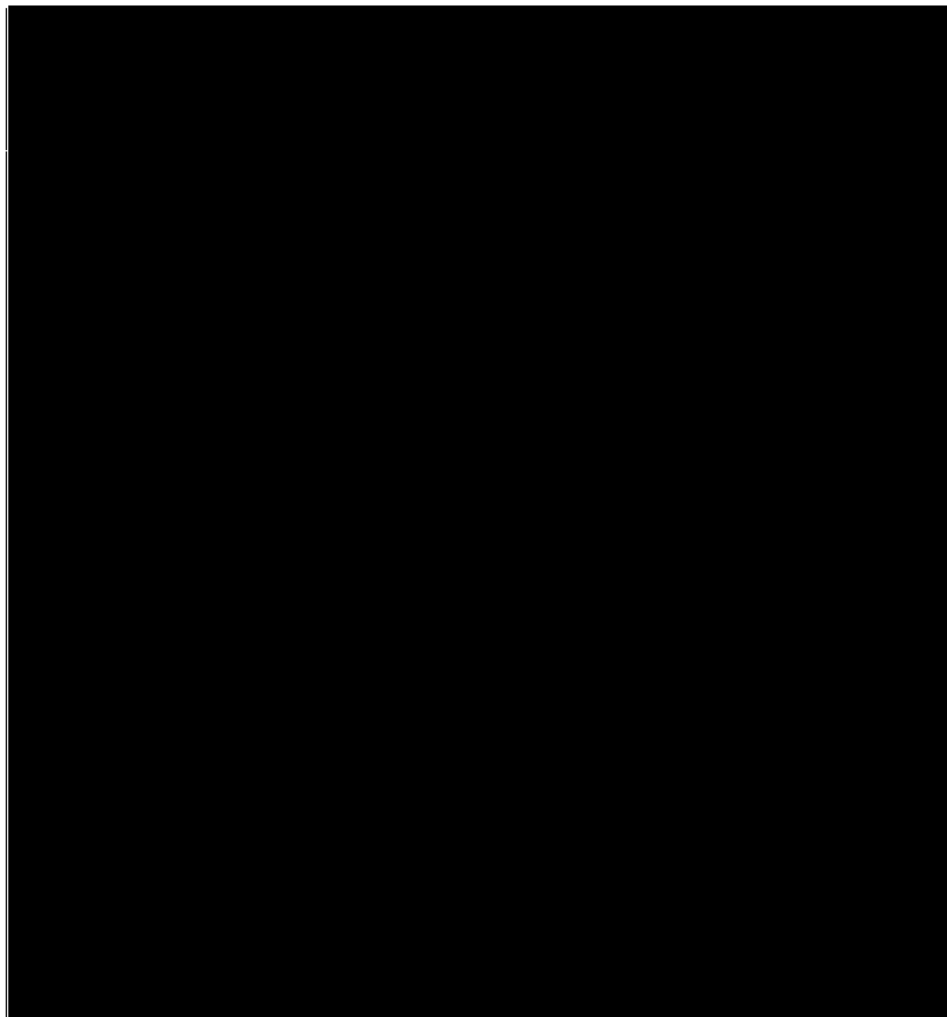
Application #	Applicant	Consensus Score	Requested Amount	Technical Program Factor 1.	Technical Program Factor 2.	Technical Program Factor 3.	Technical Program Factor 4.	Technical Program Factor 5.	Technical Program Factor 6.

City of Los Angeles
Department of Public Works
Evaluation and Selection Plan
for the ATVM Program

ATTACHMENT 8

TECHNICAL EVALUATION CRITERIA

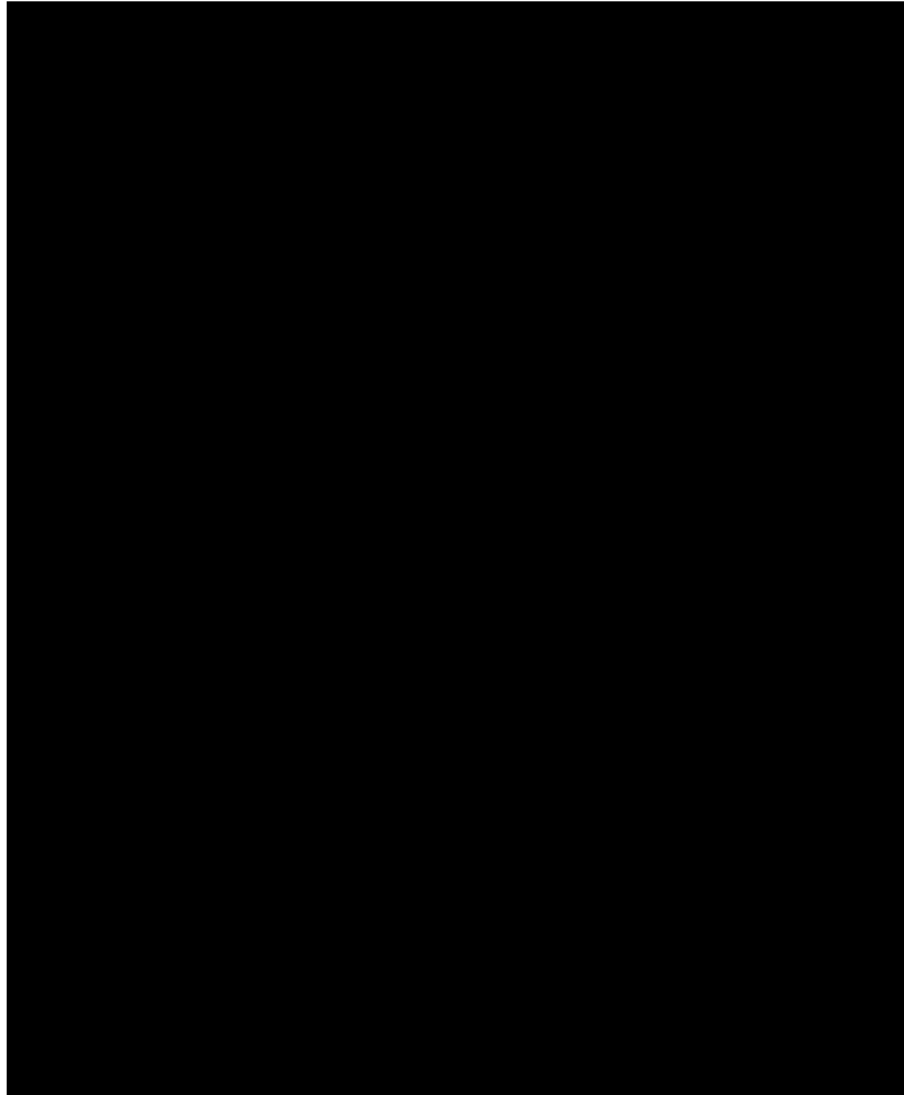
Technical Evaluation Criteria for Complete ATVs of Any Type



Evaluation and Selection Plan

Administrative and Technical Merit Review Process

Technical Evaluation Criteria for ATV Components



IV.3

REVIEW OF TECHNICAL DATA CHANGES

POLICY

Applications with projects that undergo technical data changes due to the financial and market review process after the project's initial Technical Merit Review shall be reviewed by EERE to determine if re-evaluation is required.

Policy Perspective

During the financial and market review process, applications may experience "data changes" that could impact the technical merit score. To deal with this issue, the technical team has implemented a system to record final data changes that are made post-Technical Merit Review. [REDACTED]

[REDACTED] The magnitude of these changes may lead to the determination that the application's technical merit score requires re-evaluation.

Guidelines

Final Data Change Form templates covering these [REDACTED] variables have been prepared for all projects reviewed in the first two rounds of Technical Merit Review (see Exhibit IV.3-1).

Once financial and market review processes reach a state in which all negotiations are firm, a Final Data Change Form should be completed and submitted to EERE.

Based on the review of this information, EERE will determine whether changes are within allowable tolerances and will not substantially impact the technical score or whether the application requires a re-evaluation of technical merits. If it requires a re-evaluation, the final data will then be reviewed to determine impact on the Applicant's Technical Merit Report.



Advanced Technology Vehicles Manufacturing Loan Program

Final Data Change Form

EERE Technical Team Reevaluation

Determination of major or minor change: minor data change results: 3 days
 Major data change results: 3 weeks:

Submitted by: _____
 Signature _____ Date _____

Company Name: _____
 Project Name: _____

ORIGINAL

Total cost (\$M)	Funding request (\$M)	Production Volume (Thousands)												Projected MPG					Other						
		09	10	11	12	13	14	15	16	17	18	19	20	09	10	11	12	13		14	15	Yr. Not Spec.			

FINAL

Total cost (\$M)	Funding request (\$M)	Production Volume (Thousands)												Projected MPG					Other						
		09	10	11	12	13	14	15	16	17	18	19	20	09	10	11	12	13		14	15	Yr. Not Spec.			

Other:

1. Has timeline changed more than 1 year?
2. Has technology changed?

Exhibit IV.3-1: Final Data Change Form

PROCEDURES

The Team Leader should coordinate the following activities as the financial and market review process reaches the final stages.

1. Review Technical Data
2. Complete Technical Data Change Form



3. Submit forms to EERE

[Redacted]

[Redacted]

- | [Redacted]
- | [Redacted]
- | [Redacted]
- | [Redacted]
- | [Redacted]
- | [Redacted]
- | [Redacted]

[Redacted]

- | [Redacted]
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- | [Redacted]
- | [Redacted]