

Iowa Attorney General's Office
Innovative Swine Industry Enhancement Grant Program
Request for Applications
January 15, 2011

1. Background. On September 16, 2005, the Iowa Attorney General's Office ("AG's Office") and Smithfield Foods, Inc. ("Smithfield"), Murphy Farms, LLC, and Prestage-Stoecker Farms, Inc. agreed to the entry of a Consent Decree by the United States District Court for the Southern District of Iowa. The Consent Decree included the following provision:

Smithfield agrees to pay \$100,000 per year for 10 years to fund a program for the awarding of annual grants to Iowa citizens or entities that demonstrate both a need for funding and an innovative program to advance swine production in the State. The grants will be awarded to applicants selected by the office of the Attorney General in collaboration with Smithfield and at least two Republican legislators and two Democratic legislators or their designees. The first grants will be awarded following the establishment of protocol to attract applications and select grantees no later than December 31, 2005.

Pursuant to this provision, the AG's Office, in collaboration with Smithfield and two Republican and two Democratic members of the Iowa General Assembly, established the Innovative Swine Industry Enhancement Grant Program ("ISIEGP"). The ISIEGP fulfills the requirements established in the Consent Decree to establish a grant program to assist in the funding of "innovative programs to advance swine production in Iowa."

The AG's Office is issuing this Request for Applications ("RFA") to identify and support innovative programs to advance swine production in Iowa as contemplated by the Consent Decree.

Applicants should review each section of this RFA carefully. This RFA is solely a request of expressions of interest and statement of qualifications. It is not an invitation for tenders, an offer to contract, or an invitation capable of acceptance to create a contract. The AG's Office reserves the right to cancel or modify this RFA at anytime and issue a revised RFA without liability for any loss, damage, costs, or expense incurred or suffered by any applicant as a result of a modification or cancellation.

2. Grant Application Instructions.

2.1 Eligibility Requirements.

2.1.1 Applicants must be individuals who reside in Iowa or are entities which have their principal place of business in Iowa or have their headquarters in Iowa.

2.1.2 Applications may be submitted for proposals to be developed jointly by more than one entity and proposals may include co-participants, subgrantees, or subcontractors, provided that the application identifies a single lead entity as the official applicant and all entities, co-participants, subgrantees, or subcontractors are individuals who reside in Iowa or are entities which have their principal place of business in Iowa or have their headquarters in Iowa.

2.1.3 Applicants must adhere to the principle that no discrimination will be practiced as to race, religion, sex, or national origin.

2.1.4 Applicants must demonstrate the ability and capacity to implement programs and services which will achieve the purpose and goals of the project.

2.2 Application Process and Timetable.

2.2.1 Copies of this RFA are available on the website of the AG's Office, www.iowaattorneygeneral.org, or may be requested by letter or e-mail at the address listed below.

2.2.2 A copy of the application should be submitted via e-mail and received no later than 4:30 p.m. Central Time on February 28, 2011, and by mailing a letter enclosing an original and three copies of the application (and attachments), which should be postmarked no later than February 28, 2011, and sent to:

Iowa Attorney General's Office
ISIEGP c/o Assistant Attorney General Steve Moline
Lucas Building, Ground Floor
321 E. 12th Street, Room 018
Des Moines, IA 50319
Phone: (515) 281-5351
E-mail: smoline@ag.state.ia.us

2.2.3 Each application will be given thorough consideration by the AG's Office. The AG's Office will forward copies of all applications to Smithfield and to two Republican legislators and two Democratic legislators or their designees ("legislators"). The AG's Office will consult with Smithfield and the legislators before selecting applicants who will receive grant awards.

2.2.4 The AG's Office will make the final decision on the awarding of grants by March 15, 2011. All applicants will be sent notification of this decision by mail.

2.2.5 Applicants may be required to respond to questions from the AG's Office concerning their proposal during the grant review process, but, in no way, may change their original application.

2.2.6 Grant recipients will be required to sign a grant agreement containing fiscal responsibility, reporting requirements, and other provisions deemed necessary by the AG's Office.

2.3 Application Requirements.

2.3.1 Grant applications should be formatted so that they are double-spaced with 12 point font and one inch margins on all sides of the page. Each page of the application should be numbered and indicate the name of the principal applicant.

2.3.2 Grant applications must include the following components, arranged in the following order:

- * Cover sheet in the form outlined in Appendix A
- * Formal narrative proposal (not to exceed five pages) in the form outlined in Appendix B
- * Budget summary in the form outlined in Appendix C and described in section 3.1
- * Line item budget in the form outlined in Appendix D and described in section 3.2
- * Other Sources of Support in the form outlined in Appendix E
- * Supporting Documents in the form outlined in Appendix F and described in section 4

3. **Budget Requirements.**

3.1 Budget Summary. Each application must include a budget summary in the form outlined in Appendix C. The summary should list grant amounts requested by category.

3.2 Line Item Budget. Each application must include a line item budget in the form outlined in Appendix D. Budget line items should be described as follows:

3.2.1 *Salaries/Benefits.* Identify anyone to be paid as a salary position on this grant. List name, title, percent of time to be devoted to grant work, and the amount of salary requested. Also list the type and amount of any personnel benefits associated with the salaries.

3.2.2 *Travel.* Itemize all in-state and out-of-state travel related to the grant. Include costs for meals, lodging, and mileage and the purpose of the travel. Grant recipients will be bound by the State of Iowa rates for travel. State of

Iowa rules on travel may be accessed on the website of the Department of Administrative Services - State Accounting Enterprise (http://das.sae.iowa.gov/internal_services/210_travel.html). Grant funds cannot be used for out-of-state travel unless such travel has been specifically approved by the AG's Office during or after the negotiation period of this grant award process.

3.2.3 *Office Operations.* Itemize expenses for office operations, such as rent, telephones, postage, copying, supplies. Include expense, title, vendor, and monthly charge.

3.2.4 *Other Direct Costs.* Itemize other direct costs such as printing, equipment, space rental. List expense, vendor, and monthly charge. Grant funds may not be used to purchase fixed assets such as automobiles, computer equipment, or fixtures unless such purchases have been specifically approved by the AG's Office.

3.2.5 *Consultants.* Itemize any consultant agreements that will be entered into as part of this grant. Include the consultant's name, organizational affiliation, and a brief explanation of the consultant's activity in the project. Also include the hourly or daily rate for the services of the consultant and the total costs of the consultant.

3.2.6 *Contractors.* Itemize any subcontractor agreements that will be entered into as part of this grant. Include the organization's name, contact name, and a brief explanation of the subcontractor's activity in the project. Also list the total amount to be paid to the subcontractor.

3.2.7 *Other Costs.* Itemize any other proposed expenses that do not fit within any of the above listed categories. Other costs may include stipends, incentives, and administrative or indirect costs. Include an explanation of the justification for these costs. Indirect costs cannot exceed 10% of the amount of direct costs.

3.3. Prohibitions on Use of Funds. Grant funds may be used only to support the budget categories described above. In addition to restrictions on the use of funds stated elsewhere in this RFA, the following restrictions apply to grant funds:

3.3.1 *Supplanting.* Grant funds may not be used to supplant other federal, state, local, or private funds supporting existing programs and activities.

3.3.2 *Miscellaneous.* Grant funds may not be expended for the payment of real estate mortgages or taxes; dues to organizations or federations; costs for social activities not related to the purpose of this project; costs related to

political activity; interest costs; fines, penalties, lawsuits, or legal fees; contingencies such as pending litigation or possible liabilities; and contributions or donations.

4. Supporting Documents.

4.1 Organization Information. Each application must include a description of the applicant's organization in a form outlined in Appendix F.

4.2 Other Supporting Information. An application may include other information that will help clarify the credibility of the applicant's organization or the intent of the project, such as letters of support, brochures, annual reports, letters of commitment or agreement, and memoranda of understanding.

5. Evaluation and Selection of Proposals to Fund.

5.1 Grounds for Rejection. The AG's Office will reject all applications that are not received in a timely manner as required under section 2.2.2. The AG's Office may reject any application that does not materially comply with the application requirements delineated in section 2.3.2.

5.2 Number of Grants. The total amount of all grants to be awarded in 2011 will be \$100,000.00. The number of grants awarded and the amount of each grant is solely in the discretion of the AG's Office, in collaboration with Smithfield and the legislators.

5.3 Evaluation Criteria. Two criteria to evaluate proposals are set out in the Consent Decree:

5.3.1 *Need for Funding.* Applicants must demonstrate a need for funding. Extra consideration will be given to proposals that demonstrate the ability to obtain additional funding for the project based directly on receiving grants from ISIEGP. Extra consideration will also be given to proposals that contemplate collaboration with other entities to advance the project's goals.

5.3.2 *Innovative Programs.* Applicants must demonstrate that the project is an innovative program to advance swine production in Iowa. ISIEGP is interested in funding innovative programs that will advance swine production in Iowa in the following areas:

- **Environment.** Projects are encouraged that will address the environmental impacts of swine production, including impacts on air quality and water quality.

- * Profitability. Projects are encouraged that will address the profitability of swine production, including projects that will lower the costs of swine production, address swine disease problems, increase efficiency in swine production, create new pork products or create new markets for pork.
- * Contract Feeding. Projects are encouraged that will address issues in contract feeding, including competition, fairness, and efficiency.
- * Independent Producers. Projects are encouraged that will address the ability of independent hog producers to compete, including projects relating to market access, price transparency, niche marketing of pork, producer networking, and financing.

5.4 Discretion of AG's Office. The selection of grant recipients and the amounts awarded are solely in the discretion of the AG's Office after it considers the criteria set out in section 5.3 and has consulted with Smithfield and the legislators.

5.5 Appeal Process. Applicants have the right to appeal a funding decision made by the AG's Office.

5.5.1 *Basis of Appeal.* Appeals may only be based upon a claim that the procedures governing the grant selection process as set out in this RFA have not been properly followed.

5.5.2 *Timing.* Appeals must be in writing and received by the AG's Office no later than 4:30 p.m. Central Time on the tenth working day following the date of the written notification to the applicant of the funding decision of the AG's Office. Appeals should be sent to the contact person and address listed in section 2.2.2. Appeals received after 4:30 p.m. Central Time on the tenth day will not be reviewed.

5.5.3 *Content of Appeal.* All appeals must clearly state how the policies and procedures of the grant process as set out in this RFA were not followed. The request must also describe the remedy sought.

5.5.4 *Review Process.* The AG's Office will review the appeal and gather information regarding any infractions of the process in consultation with Smithfield and the legislators. The AG's Office will make a report and a recommendation to the Iowa Attorney General. The Attorney General will determine if there has been a violation of the procedures of the grant process as set out in this RFA and will rule on the appeal and, if necessary, will decide upon an appropriate remedy.