

Guidelines for applying to the “Validation of technologies for contaminated water management project” in the FY2013 Supplementary Budget

Date: March 24, 2014

Management Office for the Project of decommissioning  
and contaminated water management

The Management Office for the Project of Decommissioning and Contaminated Water Management has now opened the RFP (Request for Proposal) call for entities to receive subsidies and implement the “Validation of technologies for contaminated water management project” in the FY2013 Supplementary Budget. All the applicants are also advised to read the relevant grant policy carefully.

#### 1. Purpose of this project

As for the countermeasures for contaminated water arising in Units 1 to 4 at the Fukushima Daiichi Nuclear Power Station of Tokyo Electric Power Company (hereinafter referred to as the “Fukushima Daiichi NPS”), the Committee on Countermeasures for Contaminated Water Treatment released “Preventative and Multilayered Measures for Contaminated Water Treatment at the Fukushima Daiichi Nuclear Power Station of Tokyo Electric Power Company - Through completeness of comprehensive risk management -” (Summary, Text) on December 10, 2013, and based on this report, the Government published the “Additional Measures for Decommissioning and Contaminated Water Issues at TEPCO’s Fukushima Daiichi NPS”(Summary).

“The Additional Measures” are expected to be highly effective but among the technologies which require confirmation and validation for their application, it was decided to carry out the validation of technologies which are expected to be highly effective, but with a high degree of technical difficulty. In this project, we intend to implement validation of the technologies listed in Section 2, “RFP Topics.” Additional RFP for other technologies is under consideration.

#### 2. RFP Topics

##### (1) Demonstration Project for Seawater Purification Technologies

At present, although the densities of radioactive substances outside of the port or at the port entrance of the Fukushima Daiichi NPS remain at a low level, in some areas in front of the water intakes of Units 1 to 4 in the port, the density has not decreased below a certain

level. Considering this situation, a validation test shall be carried out to validate the performance of purification technologies for removing mainly radioactive cesium, radioactive strontium, etc. from seawater.

#### (2) Demonstration Project for Technologies for Capturing Radioactive Substances from Soil

At the Fukushima Daiichi NPS, considering the leakage of contaminated water from the tanks in the past, a validation test shall be carried out to validate the performance of capturing technologies for removing radioactive substances (mainly radioactive strontium) from soil whose density of chloride ions exceeds a certain level (above 200 ppm).

#### (3) Demonstration Project of Technologies for the Decontamination of Contaminated Water Tanks

On the site of the Fukushima Daiichi NPS, flange-type tanks will be replaced with welded-joint tanks. In order to reduce the radiation exposure of workers engaged in dismantling work, it is necessary to validate the performance of the decontamination methods of flange-type tanks, whose inside structure is complex. In the decontamination of flange-type tanks, the contaminated water stored inside the tanks will be discharged, and the decontamination work will be done as a preparatory step of their dismantlement.

#### (4) Demonstration Project for Unmanned Boring Technologies

At the Fukushima Daiichi NPS, borings will be indispensable, as before. In order to reduce the radiation exposure of workers engaged in boring activities, a validation test shall be carried out to validate the performance of unmanned boring technologies under conditions of high-dose radiation.

### 3. Duration of the Project

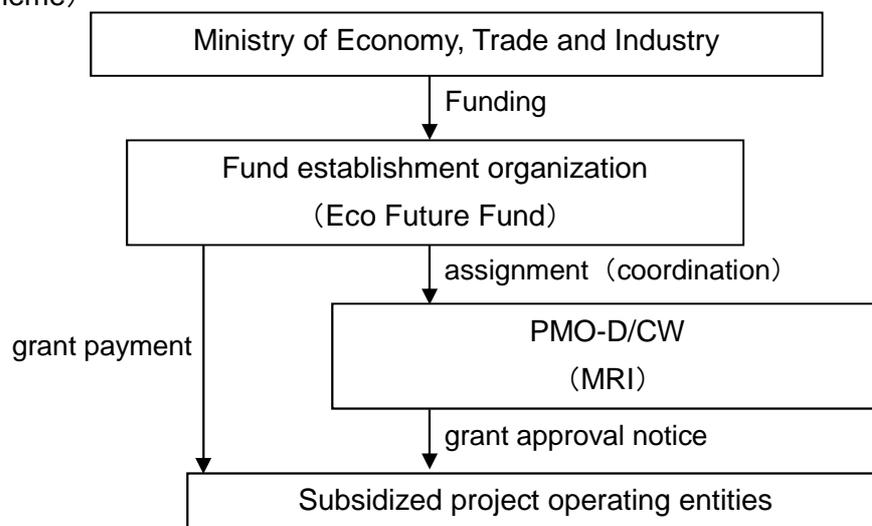
From the day on which the contract is concluded until March 31, 2015

### 4. Project background and project scheme

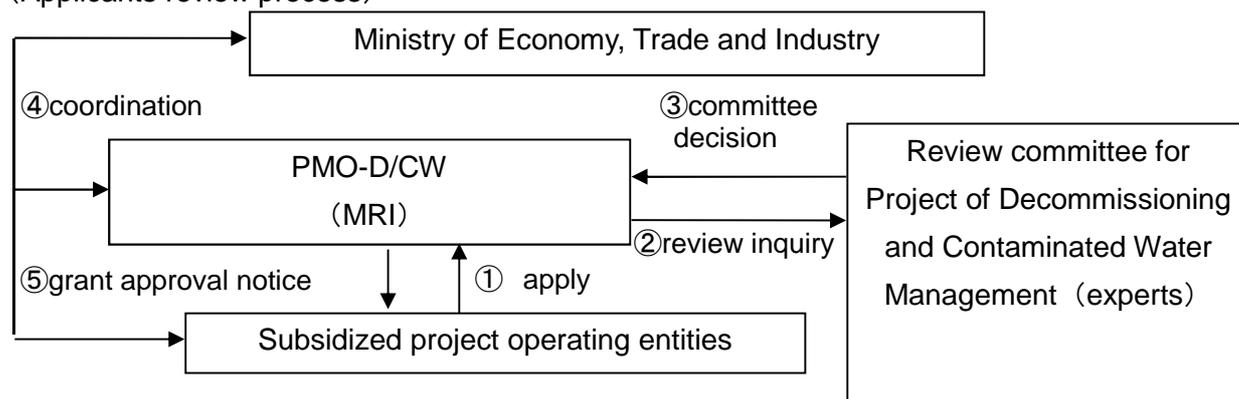
With the support of the gathering domestic and overseas wisdom to contaminated water issues, METI will strongly support the feasibility studies and technology development for decommissioning and contaminated water management, in order to respond quickly and appropriately to technical challenges which could not be foreseen at the outset.

Utilizing the FY2013 Supplementary budget, METI has created the “Fund for the project on Decommissioning and Contaminated Water Management” and has selected the Mitsubishi Research Institute Inc., (MRI) as Management Office for the Project of Decommissioning and Contaminated Water Management (abbreviated as “PMO-D/CW”). In this project, MRI is now executing the tasks related to confirming and validating technologies that will be useful for decommissioning and contaminated water management. Regarding the Fund scheme and the evaluation process, please see the diagrams and charts below.

(Fund Scheme)



(Applicants review process)



※The decisions on granting a subsidy, the content of the work to be carried out, and the amount of the subsidy shall be made after consultations between the subsidized project operating entity and the PMO-D/CW and/or METI.

## 5. Application requirements

The private companies, etc. satisfying all of conditions (1) to (7) shown below are qualified for applying for the subsidies. The applications of consortia are also acceptable. In that case, the managing legal entity has to be appointed out of each consortium and submit the project proposal. (Please note that no managing legal entity may reassign the entire work to other legal entity.)

- (1) Ensuring organizations for properly conducting the relevant subsidized project.
- (2) Having the capacity, knowledge and experience required for conducting the relevant subsidized project.
- (3) Having the management foundation required for smoothly conducting the relevant subsidized project and the sufficient ability to control the funds and other resources.
- (4) Being able to implement the project in accordance with all the applicable laws and regulations enacted in Japan, and follow the appropriate accounting procedure in accordance with the “Procedural Manual for conducting the projects subsidized by the Ministry of Economy, Trade and Industry<sup>(\*)</sup>” (The translation is in progress).

(\*) [http://www.meti.go.jp/information\\_2/downloadfiles/jimusyori\\_manual.pdf](http://www.meti.go.jp/information_2/downloadfiles/jimusyori_manual.pdf)

- (5) Not foreseen to be subject to Articles 70 and 71 of the Cabinet Order concerning the Budget, Auditing and Accounting<sup>(\*\*)</sup> (The translation of corresponding articles is in progress) .

(\*\*) <http://www.enecho.meti.go.jp/info/tender/tenddata/1304/130423c/3.pdf>

- (6) Not fulfilling to any of the conditions stipulated in the “Guidelines for the suspension of subsidies controlled by the Ministry of Economy, Trade and Industry and the suspension of designation relating to the contracts”(The translation is in progress).

- (7) Being able to prepare the evidenced documents in Japanese or English, and present them in Japan as requested by the government, the funds establishment organization or PMO-D/CW.

- (8) All Intellectual Property (IP) generated during the course of this subsidized research project belong to the subsidized project operating entity. However, the subsidized project operating entity is requested not to restrict the utilization of the IP without objectively reasonable justification, and to allow METI for the utilization of the IP for decommissioning and contaminated water management activities in the Fukushima Daiichi NPS. With regard to the conditions of using the IP, subsidized project operating entities are requested to

discuss with METI.

## 6. Requirements conditions

### (1) Number of proposals to be adopted

One proposal or more for each RFP Topics is designated for each project (Exhibits 1 (1) to (4)).

### (2) Subsidy rate and amount

The amounts of subsidies are fixed and the limit amount is defined for each project (Exhibits 1 (1) to (4)). The details of the work, the specific subsidy amounts, etc. are to be decided by conferring with the Management Office for the Project and the Ministry of Economy, Trade and Industry.

### (3) Time of payment

In principle, the subsidies are paid after the project is complete.

\* Please note that the cases where the payment (i.e. the payment by estimate) before the completion of the project is permitted are limited.

(e.g., in case the total income and expenditure of the subsidized project operating entity will go into the red during any month of the fiscal year.)

### (4) Confirmation of the amount of payment

The amount to be paid is decided based on the achievement report which is submitted by the operating entities after the project is complete as well as the results of the survey at the validation site and/or the office.

The amount to be paid will be the total of the expenses to be covered by the subsidies, which do not exceed the granted subsidy amount. For this reason, the account ledgers, receipts and other documents are necessary for supporting all the expenses. All the expenses will be strictly inspected and the expenses are strictly evaluated. Thus, the expenses not meeting the conditions mentioned above may be rejected.

## 7. Application procedure

### (1) Application period

From Monday, March 24 to Monday, May 19, 2014 (by noon, Japan time)

### (2) Information session

Time and date: The on-line (website) information session is going to be held in early April. The schedule will be officially announced in the website.

Those wishing to attend the information session are advised to contact the relevant person of PMO-D/CW shown in 12, "Contact information" by email.

The deadline for applying to attend the information session will be announced separately via the website. The instructions for viewing the information session online will be posted on the website separately. Any questions should be sent to: [hairo-jimu@mri.co.jp](mailto:hairo-jimu@mri.co.jp). In a short time, the PMO-D/CW will send answers to the questions by mail, and will publish their contents on the website.

When making contact, please title your email "Register for the attendance to the information session 'VTCW (i.e. Validation of Technologies for Contaminated Water management project)' (Please specify the name of the project you wish to participate in)" and include the "corporate or organization name", "name of the attendee", "department", "phone number", "fax number" and "email address" in the main text.

### (3) Application form and other documents to be submitted

[1] Please submit the following documents as one file. Please title your file "Application for "VTCW'(Please specify the name of the project you wish to participate in)".

- Application form (Form 1)
- Plan proposal (Form 2)
  - Details of the work, its method and the plan for the relevant subsidized project
  - Description of the achievements attained in subsidized projects similar to the relevant project or the technical capabilities (i.e. The availability of knowledge and capacity) necessary for implementing the relevant subsidized project
  - Description of the financial basis which is necessary for implementing the relevant subsidized project (i.e. The financial basis, the system for organizing and storing the evidential documents and other documents relating to the expenses, the financial conditions, etc.)
  - Estimated amount of the subsidies applied for (including the grounds for expense unit prices) and financial plan, if necessary.
- Other documents
  - Corporate and organization data (i.e. the name, address, foundation date, major business areas, organization chart and number of employees)
  - The financial results, and statement of revenues and expenses (for the past one year)
  - The articles of association or the act of endowment

— Other support documents

\* 10 copies of the application documents shall be issued and submitted by using A4-size or letter size documents, and all the information shall be indicated in Japanese or English.

[2] All the application documents submitted will not be used for any other purposes than the evaluation in the course of selection process. Only committee members involved in the selection, as well as members of the government and the project management office involved in this project, are allowed to read these documents.

Please note that the application documents submitted will not be returned. We take the utmost care to preserve the confidentiality. However, if your proposal is adopted, the information except the non-disclosure information (i.e. the personal information, the information detrimental to the legitimate interest to legal entities) may be disclosed under the “Act on Access to Information held by Administrative Organs” (Act No. 42 enacted on May 14, 1999).

If your proposal contains confidential information which should not be publicly shared, please clearly indicate such information in your proposal. If there are no relevant descriptions, you will be deemed to have agreed to disclose the entire text of the proposal.

[3] The cost spent for issuing the application documents and other documents will not be included in the expenses. Also, the cost spent for issuing those documents will not be compensated for regardless of whether the proposal is adopted or not.

[4] The matters described in your proposal are considered to be the fundamental policies which should be observed during the project. Consequently, please be sure to describe only the matters which are feasible within the budget. Also, please note that even when your proposal is adopted, it may be rejected later on if you make a significant change in it at your discretion or in case you cannot satisfy the conditions to be qualified for applying for the subsidies.

(4) Place of submission

Please bring or send by postal mail or e-mail the application documents to the following address.

2-10-3, Nagata-cho, Chiyoda Ward, Tokyo, 100-0014 Japan

Responsible personnel: Dr.Takizawa, Dr. Sato and Mr. D.Walter

E-mail: cw-apply@mri.co.jp

Management Office for the Project of Decommissioning and Contaminated Water Management

Science and Safety Policy Research Division

Mitsubishi Research Institute, Inc.

\* Please DO NOT send the application documents via fax. The incomplete documents are rejected and not subject to evaluation. Therefore, please carefully read and follow the procedure for application to correctly fill out the documents.

\* Any application documents submitted after the closing date will not be accepted. If you send the documents by postal mail, they may not be delivered by the designated time on the closing date. Consequently, you are advised to mail them sufficiently before the closing date.

## 8. Evaluation and Adoption

### (1) Method of Evaluation

The applicants shall be evaluated based on the application documents by the Management Office of the Project. The applicants who made remarkable proposals may be requested to make a presentation at "the Review Committee for Project of Decommissioning and Contaminated Water Management". (The schedule shall be announced after the proposal deadline.) All the expenses incurred in connection with the presentation such as travel expense shall be borne by the applicants. Also, hearings and inspection shall be conducted as required, and submission of additional documents may be requested.

### (2) Evaluation Criteria

The applicants shall be evaluated comprehensively based on the following evaluation criteria. However, projects that do not meet all the "basic requirements" listed as (1) to (4) in Appendix 1 and the evaluation criteria [3] and [4] shall not be adopted regardless of the evaluation results of other items.

#### [1] Adequacy and Efficiency of Project Plan

- The plan shall be evaluated if it is appropriately viable in accordance with the requirements for the Subsidy..

#### [2] Adequacy of Subsidy Amount

- Accounting of the costs (quote details) shall be evaluated if it is reasonable and precise, and whether it is sufficiently economical.

#### [3] Technical Competence (Knowledge and Skill)

- The applicants shall be evaluated if they have skills, knowledge and experience required to

implement the subsidized project, for instance if they have been proven successful in the field concerned.

[4] Financial basis and Management system

- Subsidized project operating entities has sufficient financial basis and management to implement the subsidy project smoothly.

(3) Allocation of marks in each RFP Topics

For details, refer to (1) to (4) in Exhibit 1.

(4) Decision and Announcement of Results

Contract winner shall be informed of the result, and their names shall be announced on the website of PMO-D/CW. ([http://www.mri.co.jp/news/press/public\\_offering/](http://www.mri.co.jp/news/press/public_offering/))

9. Granting of Subsidy

The project shall be initiated after the contract winners have submitted a grant application for the subsidy to PMO-D/CW and the office has sent a notice of granting in return. It should be noted that there may be changes in the details, composition and scale of the project as well as its budget between the determination of adoption and grant, as a result of consultation with METI. Also, please be aware that the subsidy may not be granted if the granting requirements are not met. Although subsidized project operating entities may be provided with information required to implement the project after the determination of grant, they may be requested to observe the confidentiality depending on the nature of the information.

10. Allocation of Expenses Covered by Subsidy

(1) Classification of Expenses Covered by Subsidy

The expenses covered by the subsidy shall be those directly required for the implementation of the project. The specific items are listed below. Note that the definitive expenses covered by the subsidy shall be determined after the coordination with METI.

Items of Expense	Description
Labor Costs	Expenses for personnel required to implement the subsidized project.
Operating Costs	Expenses for raw materials, consumables, design/fabrication/processing, facility/equipment, goods purchase, research, outsourcing, travel, reward, rent/depreciation and other necessities.

(2) Expenses not to be Included Directly

- Office supply equipment (furniture such as desks, chairs and bookshelves, office machinery and so forth) with which the applicants should already be provided when considering the nature of the project.
- Expenses for handling accidents and disasters that occurred during the project.(However, cancellation fees incurred by reasons not attributable to subsidized project operating entities may be directly included as an expense. Please consult the person in charge on this matter.)
- Expenses unrelated to the project

(3) Exclusion of Consumption Tax from Expenses Covered by Subsidy

If general and local consumption taxes (hereafter referred to as “consumption tax”) are included in the subsidy amount, the applicants shall be requested to submit a report after the settlement of tax amount, according to the granting guidelines.

This is so specified as to demand, at the time of filing an income tax return, that subsidized project operating entities should report and return the amount to which the subsidy has been applied, out of the amount of deduction for taxable purchase, so that the amount for which the subsidy has been allocated out of the amount of deduction for taxable purchase shall not be detained.

However, because the report mentioned above is based on an income tax return that will be filed after the settlement of the subsidy, occasional delinquency in reporting due to lapse of memory has been found. Also, in order to avoid the complicated office procedures that need to be followed by subsidized project operating entities, the consumption tax shall be handled as follows.

When determining the amount of subsidy applied for in the grant application, the consumption tax must be excluded from the expenses covered by the subsidy before calculating the subsidy amount and submitting the application.

However, to avoid hindrance to the implementation of the subsidized project, such subsidized project operating entities as those listed below shall be permitted to include the consumption tax in the expenses covered by the subsidy when calculating the amount of subsidy.

[1] Subsidized project operating entities who are not classified as taxpayers under the Consumption Tax Act

[2] Subsidized project operating entities who are tax-exempt business entities

[3] Subsidized project operating entities who are business providers subject to simplified tax

[4] National or local governments (limited to cases when project is conducted with a special account), or subsidized project operating entities who are corporations listed in the attached table 3.

[5] Subsidized project operating entities who are using the general account of a national or local government

[6] Subsidized project operating entities who are taxable business providers that choose a refund of consumption tax, following confirmation of consumption tax and purchase tax deductions, for instance due to a low amount of taxable sales

#### 11. Miscellaneous

(1) Any expenses incurred before the date when the decision on grant of the subsidy is made (including expenses for order placement) shall not be covered by the subsidy program.

(2) In the event that the subsidized project operating entity desires to make a purchase or other contract related to material procurement or involving an occurrence of cost, it shall invite open competitive bidding, as a general rule, from the viewpoint of cost effectiveness. If the subsidized project operating entity desires to outsource part of the subsidized project to a third party or conduct the project in partnership with a third party, it shall in advance make a contract on the implementation and report to PMO-D/CW .

(3) Once informed of that the decision on grant of the subsidy is made, the subsidized project operating entity shall not change the subsidy budget distribution or the details of the subsidized project nor interrupt or terminate the project without prior approval from PMO-D/CW.

(4) The subsidized project operating entity shall promptly report the progress of the subsidized project whenever required to do so by PMO-D/CW.

(5) After the subsidized project is completed (or the project termination is approved), the subsidized project operating entity shall submit a project result report to Management Office for the Project of Decommissioning and Contaminated Water Management when 30 days have elapsed from the date of completion (or the date of approval for termination) of the subsidized project or April 10, 2015, whichever is earlier.

(6) The subsidized project operating entity shall keep accounts on any expenditure for the subsidized project with dedicated account books accompanied by all written evidences in a way that is clearly differentiated from the other accounting to ensure that all incomes and expenditures be meticulously accounted for. The entity shall maintain the account books at least five years after the fiscal year in which the date of completion (or the date of approval for termination) of the subsidized project is included so that they can be accessible whenever requested by PMO-D/CW .

- (7) With respect to the assets acquired or the utility of which has increased through the subsidized project (hereinafter referred to as "the Acquired Assets, etc."), the subsidized project operating entity shall manage them with due care of a prudent manager even after the completion of the subsidized project, and strive to effectively make use of them in accordance with the purpose of the grant of the subsidy. All applicable Acquired Assets, etc. shall be properly controlled using an Acquired Asset Ledger during the asset disposal restriction period, which will be separately set forth.
- (8) The subsidized project operating entity cannot dispose of (i.e., use, transfer, loan or offer as collateral assets contrary to the purpose of the grant of the subsidy) any Acquired Asset having a unit price equal to or higher than 500 thousand yen (tax excluded) during the period separately set forth. However, the entity could dispose of an Acquired Asset only when it needs to do so and obtains prior approval. In this case, the entity shall pay part or the entire subsidy amount as a general rule. (The maximum payment does not exceed the subsidy amount for the appropriate asset to be disposed of).
- (9) After the completion of the subsidized project, the Board of Audit may visit the premises of the subsidized project operating entity for inspection.

## 12. Contact

2-10-3, Nagata-cho, Chiyoda Ward, Tokyo, 100-0014 Japan

Responsible personnel: Dr.Takizawa and Dr.Sato

Management Office for the Project of Decommissioning and Contaminated Water Management

Science and Safety Policy Research Division

Mitsubishi Research Institute, Inc.

Tel: 03-6705-6041 Fax: 03-5157-2145

E-mail: [hairo-jimu@mri.co.jp](mailto:hairo-jimu@mri.co.jp)

Contact us through e-mail or fax. Please note that contact by phone is not accepted.

Thank you

(Form 1)

Entry No. * Not to be filled in by the applicant	
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Management Office for the Project of Decommissioning and Contaminated Water Management

Application for the subsidies the “Validation of technologies for contaminated water management project” in the FY2013 Supplementary Budget

(Please specify the name of the project you wish to participate in)

Applicant	Company/Organization Name		
	Representative (Full Name and Title)		Seal or Signature
	Address		
Contact	Contact Person (Full Name)		
	Section/Department		
	Title		
	Telephone (Extension, if any)		
	E-mail		

(Form 2)

Entry No. * Not to be filled in by the applicant	
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Plan Proposal for the subsidies the "Validation of technologies for contaminated water management project" in the FY2013 Supplementary Budget

(Please specify the name of the project you wish to participate in)

<b>1. Project purpose, details and implementation method</b>
<ul style="list-style-type: none"><li>* State your understanding about the background of this project and the purpose of the project.</li><li>* State your concrete proposal for enhancing the performance of the project.</li><li>* State the concrete implementation method and its details for each of the items listed in Section 2 "RFP Topics" of the subsidy application procedure according to the description in Exhibit 1 (1) to Exhibit 1 (4).</li><li>* State the conformity to the basic conditions and to the items with additional points described in Exhibit 1 (1) to Exhibit 1 (4) respectively so that they are easier to understand.</li></ul> <p>In preparing necessary documents, please refer to the Technology Readiness Level (TRL) of NASA, as a reference. <a href="http://www.nasa.gov/content/technology-readiness-level/#.UyIYoON_u3J">http://www.nasa.gov/content/technology-readiness-level/#.UyIYoON_u3J</a></p>
<b>2. Project Implementation Plan</b>
<ul style="list-style-type: none"><li>* State your implementation schedule (with monthly basis) for each of the items listed in Section 2 "Project Description" of the subsidy application procedure.</li><li>* State the concrete implementation procedure.</li><li>* Establish and state concrete milestone targets to achieve the purpose of the project implementation.</li><li>* You will be required reporting and presentation at quasi-quarterly progress meetings held by PMO-D/CW.</li></ul>
<b>3. Project Implementation Scheme</b>
<ul style="list-style-type: none"><li>* Provide a diagram of your project implementation scheme and state the number of persons engaged in the scheme and their roles.</li><li>* List the top project manager and those involved in the leadership of the project including their brief personal history, specialized field and track record of similar projects.</li><li>* Description of outsourcing, if scheduled</li></ul>

4. Track Record of Other Projects
<p>* State your organization's track record of similar projects. Include the following items:</p> <ul style="list-style-type: none"> <li>• Project name, project overview, fiscal year(s) of the project, project owner (if it is your own project, state so).</li> </ul> <p>* List major full-time personnel solely committed to this project including their specialized field and track record of similar projects (those listed in item 3 above to be excluded).</p>
5. Financial basis and Management System
<p>* State your fiscal condition as a necessary financial basis for smoothly implementing this project, and your adequate system (persons in charge of and their role) for financial management (filing and storing of written evidences for expenditures).</p>
6. Total Project Cost (thousand yen)
<p>*State necessary expenses according to 10. (1) "Expenditure Classification" of the subsidy application procedure. Note that the expense items listed below are only provided as examples.</p>
I. Labor cost
II. Operating cost
[1] Design, manufacturing and processing
[2] Consumables
[3] Travel
[4] Reward
[5] Outsourcing
Total    thousand yen (※ The total amount must not exceed the upper limit of the subsidy).

(Note) Each expense item shall show the amount with consumption tax or local consumption tax not included.

(Other documents)

[1] Corporate and organization data (i.e. the name, address, foundation date, major business areas, organization chart and number of employees)

[2] The financial results, and statement of revenues and expenses (for the past one year).

[3] The articles of association or the act of endowment

[4] Other support documents (as required)