



**U.S. Department  
of Transportation**  
Pipeline and  
Hazardous Materials  
Safety Administration  
(PHMSA)

## Notice of Funding Opportunity

### Natural Gas Distribution Infrastructure Safety and Modernization Grant Program

#### Fiscal Year (FY) 2022

NOFO Posted Date: May 24, 2022  
Applications Due Date: August 8, 2022, 11:59 pm ET  
Questions Due Date: July 15, 2022, 11:59 pm ET

Applicant must be registered at [www.grants.gov](http://www.grants.gov) to apply online. It is highly recommended that applicants begin the registration process as soon as possible to avoid delays in submission. Additionally, applicants must maintain an active registration in the System for Award Management (SAM) at [www.SAM.gov](http://www.SAM.gov).

Furthermore, applicants must register with FedConnect at <https://www.fedconnect.net> for an account before submitting an application. Your organization's Marketing Partner ID number (MPIN), which can be retrieved from SAM, is required to create an account. For instructions on how to register in FedConnect and how to use the portal, click on the link to access the [FedConnect: Ready, Set, Go! Tutorial](#) on the FedConnect home page.

#### Assistance Listing (formerly CFDA)

20.708 "[Natural Gas Distribution Infrastructure Safety and Modernization Grant Program](#)"<sup>1</sup>

<sup>1</sup> <https://www.phmsa.dot.gov/grants/pipeline/natural-gas-distribution-infrastructure-safety-and-modernization-grants?msclkid=21d59c0bd16511ecb49f87a5499f0fc3>

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**PROGRAM SUMMARY**

Federal Agency Name: U.S. Department of Transportation (DOT)  
Pipeline and Hazardous Materials Safety Administration  
(PHMSA)

Funding Opportunity Title: “Natural Gas Distribution Infrastructure Safety and  
Modernization Grant Program - FY 2022”

Announcement Type: Initial Announcement

Funding Opportunity Number: **693JK322NF0018**

Assistance Listing Number: 20.708

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# Natural Gas Distribution Infrastructure Safety and Modernization Grant Program – Notice of Funding Opportunity (NOFO) – Assistance Listing 20.708

## MISSION

The mission of the U.S. Department of Transportation (DOT or Department) is to deliver the world's leading transportation system, serving the American people and economy through the safe, efficient, sustainable, and equitable movement of people and goods. DOT's Pipeline and Hazardous Materials Safety Administration (PHMSA) protects people and the environment by advancing the safe transportation of energy and other hazardous materials that are essential to our daily lives. To do this, the Agency establishes national policy, sets, and enforces standards, educates, and conducts research to prevent incidents. PHMSA also prepares the public and first responders to reduce consequences if an incident does occur.

## SECTION A – PROGRAM DESCRIPTION

### A.1 Statement of Purpose

The Infrastructure Investment and Jobs Act (IIJA) (Pub. L. 117-58) provides funding for the Natural Gas Distribution Infrastructure Safety and Modernization (NGDISM) Grant Program. NGDISM funds are available for municipality- or community-owned utilities (not including for-profit entities) to repair, rehabilitate, or replace their natural gas distribution pipeline system or portions thereof, or to acquire equipment to (1) reduce incidents and fatalities and (2) avoid economic losses.

Through the NGDISM Grant Program, PHMSA seeks to reduce the risk profile of existing pipeline systems with pipe prone to leakage of methane, create related good-paying jobs<sup>2</sup> and promote economic growth, and benefit disadvantaged rural and urban communities with safe provision of natural gas.

### A.2 Statute and Program Authority

The Infrastructure Investment and Jobs Act, Public Law 117-58

### A.3 Background

PHMSA's NGDISM grants will provide funding to municipality- or community-owned utilities (not including for-profit entities) to repair, rehabilitate, or replace their natural gas distribution pipeline system or portions thereof, or to acquire equipment needed to (a) reduce incidents and fatalities and (b) avoid economic losses. The goals of this program are to (1) improve the safe delivery of energy to often underserved communities, reducing incidents and fatalities, as well as

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<sup>2</sup> To access prevailing wage rates by county and state for various classifications of work, visit <https://SAM.gov>'s homepage. Scroll down and use the drop-down option to choose *Wage Determinations*. Click on the category of wage, for example, Construction. Type in the state and county and click search to identify the necessary wages.

methane leaks, (2) avoid economic losses caused by pipeline failures, (3) to protect our environment and reduce climate impacts by remediating aged and failing pipelines and pipe prone to leakage, and 4) create good-paying jobs.

Methane emissions are a significant contributor to climate change, and accordingly, the focus is to reduce it to the greatest extent possible. Repair, rehabilitation, and/or replacement of pipe prone to leakage (e.g., cast iron, wrought iron, bare steel, and certain vintage plastic materials) will reduce the inventory of methane leaks, support the administration's goal of addressing climate change, and reduce the safety risks associated with potential exposure to gas from leaking pipes. Many of these assets serve disadvantaged rural and urban areas with a high proportion of underserved and low socio-economic populations.

Applicants must provide a Statement of Work (SOW) addressing the scope, schedule, and budget for the proposed project (see Section D). The SOW must also include:

- a. a risk profile describing the condition of the current infrastructure for which funding is requested—and potential safety benefits;
- b. a plan for creating good-paying jobs that provides economic impact, growth, and substantial benefits to disadvantaged rural or urban communities; and
- c. the proposal's capacity to provide a reduction in lifecycle greenhouse gas emissions and any other impacts that may be beneficial to the environment or public.

Prior to awards, an Environmental Questionnaire will need to be completed that details actions to comply with state and Federal environmental laws, environmental justice, and historic preservation requirements, and describes mitigation actions to reduce environmental impacts of the project(s). Performance measures and expected outcomes, including milestones for project completion, must also be provided.

Evaluation criteria will include the following: (1) the risk profile of the existing pipeline system operated by the applicant, including the presence of pipe prone to leakage; and (2) the extent to which disadvantaged rural and urban communities benefit from the remediation. See Section E for further detail.

## **SECTION B – FEDERAL AWARD INFORMATION**

### **B.1 Award Size**

Congress appropriated \$1 billion over five years to implement and administer the NGDISM Grant Program. In FY 2022, PHMSA was appropriated \$200 million for the program (with up to \$4 million to be used for PHMSA administrative costs). PHMSA will make available \$196 million for NGDISM grants under this NOFO. There is no award minimum. An award to a single municipality- or community-owned natural gas distribution system may not be more than 12.5 percent.

## **B.2 Period of Performance**

The period of performance is 36 months from the effective date of award. However, applicants may request a period of performance up to 60 months if they can justify that their projects will require additional time. Examples of possible reasons for needing a period of performance longer than 36 months may include time required to secure qualified contractors, time required to design the project, coordination with other utilities in the same rights of way, and limited construction season due to weather. As stated in the NOFO in Section E.1, applicants must include a timeline of activities that align with the period of performance.

## **B.3 Type of Award**

PHMSA will make discretionary awards via grant agreements for projects selected under this NOFO. FY 2022 NGDISM award disbursements to grantees will be for eligible costs incurred on a reimbursable basis. Consistent with 2 CFR Part 200, grantees must certify that their expenditures are allowable, allocable, reasonable, and necessary to the approved project(s) before seeking reimbursement.

## **B.4 Availability of Funds**

The IJA makes FY 2022 NGDISM grant funds available for award/obligation through September 30, 2032. Prior to award, applicants must satisfy all applicable Federal statutory, regulatory, and administrative requirements, including civil rights and environmental review requirements, as outlined in this NOFO. There is no pre-award authority to incur costs for these projects before the award announcement. At the time the project selections are announced, DOT may extend pre-award authority for the selected projects. Unless authorized by DOT in writing, costs incurred prior to award of FY 2022 NGDISM grant funding via a signed grant agreement (“pre-award costs”) are ineligible for reimbursement.<sup>3</sup>

## **SECTION C – ELIGIBILITY INFORMATION**

### **C.1 Eligible Applicants**

The FY 2022 NGDISM Grant Program is open to the following entities:

- a. Municipality-owned utilities operating a natural gas distribution system
- b. Community-owned utilities operating a natural gas distribution system

\*For profit entities are NOT eligible for NGDISM grant funding.

### **C.2 Cost Sharing or Matching**

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<sup>3</sup> Pre-award costs are only costs incurred directly pursuant to the negotiation and anticipation of the NGDISM grant award where such costs are necessary for efficient and timely performance of the scope of work, as consistent with 2 CFR 200 determined by DOT.

There are no cost-sharing or matching requirements under this NOFO. However, applicants may propose projects that involve non-Federal contributions and describe in their application the nature and impact of the non-Federal contribution on the proposed project(s) (e.g., pipe replaced/repaired; number of jobs created; and economic impact). Any such non-Federal contribution will not be used as a factor during the merit review of applications.

## SECTION D – APPLICATION AND SUBMISSION INFORMATION

### D.1 Address to Request Application

The application package can be accessed at [www.Grants.gov](http://www.Grants.gov), and PHMSA requires applicants for this funding opportunity to apply electronically through [www.Grants.gov](http://www.Grants.gov). Applicants must download the application package associated with this funding opportunity by following the directions provided on [www.Grants.gov](http://www.Grants.gov).

To request a hard copy of the application package, please contact:

Shakira Mack  
Pipeline and Hazardous Materials Safety Administration  
1200 New Jersey Ave. SE  
Washington, DC 20590  
Email: [PHMSAPipelineBILGrant@dot.gov](mailto:PHMSAPipelineBILGrant@dot.gov)  
Phone: (202) 366-7652

Applications will only be accepted via [www.Grants.gov](http://www.Grants.gov). Applicants who can demonstrate that they are unable to use [www.Grants.gov](http://www.Grants.gov) because of connectivity challenges in remote areas may contact Shakira Mack at [PHMSAPipelineBILGrant@dot.gov](mailto:PHMSAPipelineBILGrant@dot.gov) to request alternative means to submit their applications.

If you are hearing-impaired, please contact the FR/TTY at 1-800-877-8339 or email [PHMSA-Accessibility@dot.gov](mailto:PHMSA-Accessibility@dot.gov).

The application package contains the required electronic forms and the ability to upload attachments for the Budget Narrative, budget justification, Project Narrative, assurances, and certifications. The applicant must submit the information outlined in the Application Guide in addition to the program-specific information below.

To begin the process, applicants must be registered with [www.Grants.gov](http://www.Grants.gov) to submit an application. It is highly recommended that applicants begin the registration process as soon as possible to avoid delays with submission. Failure to comply with the prescribed application requirements as described in this section may result in the failure of an application to be reviewed.

### Accessing Grant Systems:

1. **Grants.gov** For new users, go to <http://www.grants.gov/web/grants/applicants.html>, or go to the main page at <http://www.grants.gov/> and select “Register.” NOTE: New user registrations for Grants.gov can take up to two weeks to complete. For additional questions on how to register, contact Grants.gov support by phone at (800) 518-4726 or via email at [support@grants.gov](mailto:support@grants.gov).
2. **FedConnect** Applicants must register with FedConnect at <https://www.fedconnect.net> before submitting an application. Your organization’s Marketing Partner Identification Number (MPIN), which can be retrieved from the System for Award Management (SAM), is required to create an account. For instructions on how to register in FedConnect and how to use the portal, click on the link to review the tutorial on the FedConnect home page. For other technical issues or questions, email [fcsupport@unisonglobal.com](mailto:fcsupport@unisonglobal.com) or call 1-800-899-6665, option 2. The FedConnect Support Center is staffed Monday - Friday 8 a.m. to 8 p.m., ET, except Federal holidays.

## **D.2 Content and Form of Application Submission**

Applications for the FY 2022 NGDISM Grant Program should be submitted in electronic format in Grants.gov. There are two overall sections: (1) standard forms that the applicant must download and complete from Grants.gov under the FY 2022 NGDISM Grant Program funding opportunity; and (2) attachments the applicant will need to create and upload per the NOFO requirements. PHMSA advises applicants to read this section carefully.

### **Standard Forms**

The following forms are found in Grants.gov under the FY 2022 NGDISM Grant Program funding opportunity and must be completed by the applicant.

1. Standard Form (SF)-424 – Application for Federal Assistance
2. SF-424C – Budget Information for Construction Programs
3. SF-424D – Assurances for Construction Program
4. Budget Narrative Attachment Form
5. Project Narrative Attachment Form
6. Certification Regarding Lobbying Form
7. Standard Title VI/Non-Discrimination Assurances – Civil Rights Assurances

Additionally, a National Environmental Policy Act (NEPA) Tier 2 Environmental Questionnaire will be provided to applicants prior to final selection for award.

### **Applicant Attachments**

The following applicant attachments must be created by the applicant and uploaded to Grants.gov under the FY 2022 NGDISM Grant Program funding opportunity. Guidance for submitting the Project Narrative and Budget Narrative is listed in the following section.

1. Project Narrative
2. Budget Narrative
3. Indirect cost rate agreement, and/or statement claiming a 10 percent de minimis rate (if applicable)
4. Letters of Support from partner organizations (if applicable)
5. Additional optional attachments (if applicable)

Applications should be well written and free of mathematical errors in the line-item budget and Budget Narrative. Project Narratives should have sections clearly identified and follow the structure requested in this NOFO. The application forms and templates are available on Grants.gov in the 'Related Documents' tab with detailed instructions on the application process.

### **Project Narrative**

The following Project Narrative sections are required to facilitate the application review and award process. Please submit the sections in the order prescribed below. Applicants should clearly identify the sections in the Project Narrative section of the application.

1. Cover Letter
  - a. Organization Name
  - b. Contact Information
2. Applicant Eligibility
3. Project Summary
  - a. Project Location
  - b. Project Eligibility
  - c. Project Funding
4. Detailed Project Description
5. Statement of Authority and Pipeline Infrastructure Safety and Modernization Capabilities
6. Projected Outputs and Objectives
7. Project Implementation and Management
8. Explanation of Evaluation and Selection Criteria Equivalence
9. Equity, as Defined in the Executive Order 13985
10. Buy America
11. Critical Infrastructure Security and Resilience
12. Environmental Analysis

The Project Narrative may not exceed 25 pages in length (excluding cover pages, table of contents, and supporting documentation). PHMSA will not review or consider Project Narrative pages beyond the 25-page limitation. If possible, applications should submit supporting documents via website links rather than hard copies. If supporting documents are submitted, applicants must clearly identify the page number(s) of the relevant portion in the Project Narrative supporting documentation. The Project Narrative must adhere to the following outline.

#### **1. Cover Letter.**

- a. **Organization Name.** This should include: (1) name and title of this NOFO; (2) your organization's name and mission; (3) a brief overview of the structure of

your organization, programs, leadership, and special expertise; and (4) your organization's experience and capacity to manage Federal grant programs. If your application proposes to partner with another nonprofit organization, a letter of support is required with your application.

- b. **Contact Information.** Identify the designated project director, including the name, position, address, email address, and telephone number of the individual(s) who will be responsible for coordinating the funded activities. Additionally, identify the Authorized Representative(s) who will accept the awarded grant document, as well as individuals responsible for the submission of required Federal financial reports and progress reports.
2. **Applicant Eligibility.** Explain how applicant meets the eligibility criteria outlined in Section C.1. of this NOFO.
3. **Project Summary.** Describe the identified need to repair, rehabilitate, or replace the natural gas distribution pipeline system or portions thereof, or the equipment needed to (a) reduce incidents and fatalities and (b) avoid economic losses. Briefly explain how the proposed activities will help to address the identified needs.

  - a. **Project Location:** Include geospatial data for the project, as well as a map and aerial photographs of the project's location. DOT has made the following tool available for applicants to identify disadvantaged communities in their area: <https://usdot.maps.arcgis.com/apps/dashboards/d6f90dfcc8b44525b04c7ce748a3674a>. All projects will be considered except those without location-specific infrastructure information.
  - b. **Project Schedule:** Include a detailed project schedule that identifies all major project milestones. Examples of such milestones include state and local planning approvals; start and completion of Tier 2 Environmental Questionnaire, which will detail compliance with Federal environmental and historic preservation requirements. The project schedule will also include required approvals such as: permitting; design completion; right-of-way acquisition; approval of plans, specifications, and estimates; procurement; state and local approvals; public involvement; project partnership and implementation agreements; and construction agreements. The project schedule should be sufficiently detailed to demonstrate that: 1) all necessary activities will be completed to allow NGDISM Grant Program funds to be expended within the period of performance; 2) all real property and right-of-way acquisition will be completed in a timely manner in accordance with 49 CFR Part 24, 23 CFR Part 710, and other applicable legal requirements or a statement that no right-of-way acquisition is necessary; and 3) the applicant has sought community input through public involvement, particularly engaging with environmental justice communities or disadvantaged rural and urban communities that may be affected by the project where applicable.

- c. **Project Eligibility:** Identify how this project is eligible for funding under this NOFO. Eligible grant project expenses include the following:
- Construction costs related to repairing, rehabilitating, or replacing natural gas pipeline distribution systems.
  - Labor costs related to planning, repairing, rehabilitating, or replacing natural gas pipeline distribution systems.
  - Equipment costs related to repairing, rehabilitating, or replacing natural gas pipeline distribution systems.
  - Equipment costs related to reducing incidents and fatalities and avoiding economic losses on natural gas distribution systems.
- d. **Project Funding:** Indicate in table format the amount of Federal funding requested and total project cost. Identify whether partial funding would be accepted in order to complete the project and the level of minimum funding needed. Identify whether the replacement, rehabilitation, or repair project was in process prior to the announcement of this award—and whether and by how much the grant would expedite the project or expand the scope or impacts of the project. (This will not prevent possible grant award). Identify if all or a majority of the project is located in a disadvantaged rural or urban area. (*See Definition of “Disadvantaged Community”*)
4. **Detailed Project Description.** Include a detailed project description that expands upon the brief project summary. The detailed description should provide, at a minimum, the following elements:
- a. A SOW against which PHMSA, and the applicant, can identify and measure expected outcomes of the proposed work and monitor progress toward completing project tasks and deliverables during the period of performance.
    - The SOW should address the scope, schedule, location, and budget for the proposed project.
    - The SOW must contain sufficient detail such as project planning, preparation, or design—including site design; maps; site photos, if available; an aerial photograph of the site depicting the proposed location; engineering drawings; environmental and community impacts; and other pre-construction activities—of eligible pipeline infrastructure projects.
    - The SOW must include a description of materials being replaced, repaired, or rehabilitated.
  - b. Safety risk profile and condition of the current infrastructure for which funding is being requested. This should include relevant data, leak statistics, and risk analysis that are present in the operators Distribution Integrity Management Plan (DIMP).
  - c. To assist PHMSA’s environmental review prior to award, potential awardees will provide a completed Tier 2 Environmental Questionnaire, as detailed in #12, Environmental Analysis, below.

- d. A description of whether the project addresses requirements under Title VI of the Civil Rights Act, Section 504 of the Rehabilitation Act, and their implementing regulations, including 28 CFR. Applicants should review these civil rights statutes carefully, including 28 CFR 401, et al. Applicants are encouraged to review these authorities to ensure full compliance with these obligations and to describe credible planning activities and actions. These requirements apply to grant recipients as well as subrecipients.

**5. Statement of Authority and Pipeline Infrastructure Safety and Modernization**

**Capabilities.** Describe the municipality- or community-owned utility's state authority and capability to perform pipeline infrastructure repairs, rehabilitation, or replacement, in accordance with 49 CFR Part 192, and to purchase equipment.

- 6. Projected Outputs and Objectives.** Provide quantifiable and measurable outputs planned for the grant's period of performance. Outputs are quantitative data that describe the proposed activities. For repair, rehabilitation, or replacement of natural gas distribution pipeline systems, or portions thereof, or acquisition of equipment, outputs should include: (1) the quantity (e.g., feet, yards, or mileage and diameter) of pipeline affected; (2) cost of equipment that may be purchased for the project, if appropriate; (3) an estimate of the number of jobs the project may create; (4) an estimate of the project's potential for benefiting disadvantaged rural and urban communities; (5) an estimate of the economic impact or growth over the length of the project; and (6) an estimate of the reduction in methane emissions attributable to the project. Please provide supporting analysis showing how the estimated outputs were calculated. Additionally, broader outcomes or goals may be provided to describe the intended impact of the proposed outputs. This can be either quantitative or qualitative and should reflect the projected impact of the grant activity outputs.

PHMSA will consider the extent to which the project addresses the following project output criteria, which are explained in greater detail below and reflect the key program objectives.

**Output Criteria #1: Safety** – The applicant should include information on, and to the extent possible quantify, how the project will improve the safe delivery of energy to often underserved communities, reducing incidents and fatalities as well as methane leaks within the project area.

**Output Criteria #2: Environment** – The applicant should describe how its project(s) contributes towards protecting our environment and climate by remediating leak-prone pipelines and by purchasing equipment to aid in detecting or potentially mitigating methane leaks.

**Output Criteria #3: Job Creation** – The applicant should describe how the project will contribute to at least one of these outputs: 1) result in high-quality job creation by supporting good-paying jobs with a free and fair choice to join a union in project construction and in on-going operations and maintenance, and

incorporate strong labor standards, such as paying prevailing wages and benefits, the use of project labor agreements, the use of community benefits agreements registered apprenticeship programs, pre-apprenticeships tied to registered apprenticeships, and other joint labor-management training programs<sup>4</sup>; 2) result in workforce opportunities for historically underrepresented groups, such as through the use of local hire provisions, the use of community benefits agreements, or other workforce strategies targeted at or jointly developed with historically underrepresented groups, to support project development; 3) outline partnerships with training providers such as labor-management partnership training programs (including registered apprenticeships) and community colleges; 4) foster economic growth and development, creating long-term, high-quality jobs, addressing acute challenges, such as energy sector job losses in energy communities as identified in the report released in April 2021 by the interagency working group established by section 218 of Executive Order 14008<sup>5</sup>.

**Output Criteria #4: Equity** – The applicant should include information about whether the project(s) benefits a disadvantaged community or population, or areas of persistent poverty. (*See Definitions.*)

7. **Project Implementation and Management.** Provide a description of the monitoring, and quality assurance plan to ensure successful project completion. Describe how you will ensure the applicable Federal pipeline safety regulations will be followed. These may include, but are not limited to, ensuring your Distribution Integrity Management Program (DIMP) is up to date, safety and performance checks, inspections, and audits of the project.
8. **Explanation of Evaluation and Selection Criteria Equivalence.** Include a thorough discussion of how the proposed project meets all the evaluation criteria and selection criteria as outlined in Section E of this NOFO. If an application does not sufficiently address the evaluation and selection criteria, it is unlikely to be a competitive application.
9. **Statement Certifying Compliance with Equity Requirement.** In accordance with Executive Order (EO) 13985, Advancing Racial Equity and Support for Underserved Communities Through the Federal Government, funds must be distributed equitably under this grant. Equity means the consistent and systematically fair, just, and impartial treatment of all individuals, including individuals who belong to underserved communities that have been denied such treatment, such as Black, Latino, and Indigenous persons, Asian Americans and Pacific Islanders; other persons of color; members of religious minorities; lesbian, gay, bisexual, transgender, and queer (LGBTQ+) persons; persons with disabilities; persons who live in rural areas; and persons otherwise adversely affected by persistent poverty or inequality. Applicants must include a statement certifying they will comply with EO 13985.

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<sup>4</sup> <https://www.apprenticeship.gov>

<sup>5</sup> [Initial Report to the President on Empowering Workers Through Revitalizing Energy Communities \(doe.gov\)](#)

- 10. Buy America.** Provide a description of whether materials and manufactured products to be used in the project are produced or manufactured domestically. PHMSA expects all applicants to comply with this requirement without needing a waiver. However, this section should also include an assessment of what, if any, materials, or manufactured products would require an exception or waiver of the Buy America provisions described in Section F.2 of this NOFO and the applicant's current efforts and planned future efforts to maximize domestic content.
- 11. Critical Infrastructure Security and Resilience.** Each applicant selected for NGDISM grant funding under this notice must demonstrate, prior to the signing of the grant agreement, effort to consider and address physical and cyber security risks relevant to their natural gas distribution system and the type and scale of the project. Projects that have not appropriately considered and addressed physical and cyber security and resilience in their planning, design, and project oversight, as determined by the Department of Transportation and the Department of Homeland Security, will be required to do so before receiving funds for construction, consistent with Presidential Policy Directive 21 - Critical Infrastructure Security and Resilience and the National Security Presidential Memorandum on Improving Cybersecurity for Critical Infrastructure Control Systems.
- 12. Environmental Analysis.** PHMSA will publish an "Environmental Assessment, Tier 1" in the Federal Register that will analyze the environmental impacts of this grant program on a nationwide basis and solicit public comment. PHMSA will consider the public comments on the "Environmental Assessment Tier 1" in developing the "Tier 2 Environmental Questionnaire," which will consider any additional site-specific environmental impacts.

Once provisionally selected for funding, PHMSA will provide the Tier 2 Environmental Questionnaire to applicants for completion. The Tier 2 Environmental Questionnaire will analyze the environmental effects caused by the proposed project(s) specific to each site. It will also detail (1) actions to comply with state and Federal environmental, environmental justice, and historic preservation requirements and (2) additional mitigation actions to ensure that environmental impacts, such as those from excavation or the use of heavy equipment, are minimal and insignificant. PHMSA has personnel available to answer questions and assist with the completion of this process, if needed.

To facilitate planning and so that applicants may begin collecting information, PHMSA is providing the following list of subjects that the Tier 2 Environmental Questionnaire will cover with respect to the project site and vicinity:

- a) **Project Description and Location** - Describe all project-related construction activities including: the number of route miles; how many miles are buried vs. aerial construction; number and types of pipelines with approximate dimensions; and whether all or part of the project is to be located on or within previously disturbed road rights-of-ways.
- b) **Maps** - Include a map (or maps) that show the location of all project construction

activities known at the time of application. U.S. Geological Survey (USGS) 7.5-minute quadrangle maps at a map scale of 1:24,000 are recommended; larger scale maps may be provided for site-specific proposals. USGS maps may be obtained and purchased at USGS's website. All project elements, if known at the time of the application, must be clearly depicted on any map provided. If appropriate, photographs or aerial photographs of site-specific proposals may be provided.

- c) **Property Changes** - Describe and indicate the amount of property to be cleared, excavated, fenced, or otherwise disturbed for each site affected by construction.
- d) **Wetlands** - Determine and describe whether wetlands are present on or near the project site(s) affected by construction. Maps of wetlands may be obtained from the U.S. Fish and Wildlife Service's National Wetland Inventory [website](#) or from soil maps obtained from the U.S. Department of Agriculture Natural Resource Conservation Service's [website](#) (NRCS maps provide delineations of hydric soil areas that are indicative of potential wetland areas). Wetland information may be obtained from state agencies in those states that have such resources.
- e) **Threatened and Endangered Species** - Determine and describe whether any project site(s) or activities will directly or indirectly affect any threatened, endangered or candidate species; or if they are within or near critical habitats. To document the analysis, applicants must provide species lists and appropriate species accounts obtained from the U.S. Fish and Wildlife Service's [website](#) for each county affected by construction of the project.
- f) **Floodplains** - Determine and describe whether any facilities or sites are located within a 100- year floodplain. Information related to floodplains and National Flood Insurance Maps may be obtained from the Federal Emergency Management Agency's (FEMA) [website](#). If any project-related construction activities are within floodplains, a copy of the FEMA, "FIR Mette" map with construction activities depicted on the map must be included. For information on obtaining FIR Mette maps, review the tutorial provided by FEMA. In addition, consideration may be paid to whether pipes located in floodplains are upgraded consistent with the Federal Flood Risk Management Standard in Executive Order 14030, Climate-Related Financial Risk (86 FR 27967) and 13690, Establishing a Federal Flood Risk Management Standard and a Process for Further Soliciting and Considering Stakeholder Input (80 FR 6425.)
- g) **Historic Properties** - Provide a list of historic properties that have been listed on the [National Register of Historic Properties \(NRHP\)](#) including National Historic Landmarks and any properties, if known, that have religious and cultural significance to Indian tribes located within a quarter mile radius of the project area. Information related to such resources can be obtained from the State Historic Preservation Office (SHPO) in your respective state. See the website of the [National Conference of SHPO](#), and describe how identified historic properties may be affected or impacted by the proposed construction activities (e.g., possible disturbance to archaeological sites, visual effects of tower construction). Identify Indian tribes that may have an interest in your project area. Information regarding historic properties located on tribal lands may be obtained from the [Tribal Historic Preservation Officer](#) (THPO) or the tribe's official representative for

historic preservation website. For further information see the following resources: the U.S. Department of Housing and Urban Development HUD Tribal Directory Assessment Tool, [2021 Tribal Directory](#), and the National Park Service ([NPS](#)) [Native American Consultation Database](#).

- h) Coastal Areas** - Determine whether the project is within the boundaries of a coastal zone management area (CZMA). For boundary and contact information related to CZMA, see the National Oceanic and Atmospheric Administration, Office of Ocean and Coastal Resource Management's [website](#).
- i) Brownfields** - If a proposed project is located within a brownfield site, then you should contact the appropriate Federal/state regulatory authority responsible for environmental contamination from releases of hazardous substances to determine whether there are any land use restrictions or regulations regarding development of the site. If there are restrictions, then you must provide that information in the application along with an analysis of how any such restriction could affect the proposed project whether short or long-term.

**For questions or assistance in understanding and complying with the environmental review process, feel free to contact PHMSAPipelineBILGrant@dot.gov.**

In the event that a completed Tier 2 Environmental Questionnaire identifies higher than anticipated impacts to environmental or other resources for a particular site, PHMSA and the applicant may need to identify further mitigation actions; and PHMSA may seek public comment in developing those actions.

### **Budget Narrative**

The Budget Narrative is an explanation of each budget component, which supports the cost of the proposed work. The Budget Narrative should focus on how each budget item is required to achieve the proposed project goals and objectives. It should also justify how budget costs were calculated. The Budget Narrative should be clear, specific, detailed, and mathematically correct; it should correspond to the SF-424C line-item categories.

To assist with your budget narrative, the Procurement of Property and Services Worksheet template is available on Grants.gov. You may use this form or similar to accompany the Budget Narrative justification with reference to the object class categories found on the SF-424C. For each proposed activity, explain why the requested amount is needed to implement the project as proposed in the Project Narrative. The Budget Narrative must correlate with the costs identified in the SF-424C line-item budget.

### **Procurement of Property and Services**

Include a list and description of the necessary project equipment and/or activities for the NGDISM Grant Program. Include a clear timeline of forecasted dates for projected activities. This section should include: (1) type of activities; (2) any necessary pipeline infrastructure components; and (3) a list of necessary equipment, if applicable.

### **Object Class Categories** *(For Applicants' Reference)*

A well-developed Budget Narrative is an effective monitoring tool for both the awarding agency and the grant recipient. However, a Budget Narrative that does not accurately represent a project's needs makes it difficult to recommend for funding and to assess financial performance over the life of the project. A description of the object class categories is provided below:

1. **Personnel Costs:** Employee salaries for those working directly on the grant project. Include the number, type of personnel, the percentage of time dedicated to the project, hourly wage (or salary), and total cost to the grant. Each applicant selected for NGDISM grant funding must demonstrate, to the full extent possible consistent with the law, an effort to create good-paying jobs with the free and fair choice to join a union and incorporation of high labor standards.

Applicants should describe whether laborers and mechanics performing construction work on projects funded under this NOFO are paid wages and fringe benefits at least equal to those paid for similar work in the community as determined by an applicable state or local prevailing wage law or ordinance or in accordance with a wage determination for the locality issued by the US Department of Labor under 40 U.S.C. 3141 *et seq* and 29 CFR Part 1. To access prevailing wage rates by county and state for various classifications of work, visit <https://SAM.gov>'s homepage. Scroll down and use the drop-down option to choose *Wage Determinations*. Click on the category of wage, for example, Construction. Type in the state and county and click search to identify the necessary wages.

2. **Fringe Benefit Costs:** The allowances and services provided by employers to their employees as compensation in addition to regular salaries and wages. Fringe costs are benefits paid to employees, including the cost of employer's share of FICA, health insurance, workers' compensation, and vacation. Include how the fringe benefit amount is calculated (i.e., actual fringe benefits estimate, approved rate, etc.). Include a description of specific benefits charged to a project and the benefit percentage.

Additional considerations:

- The personnel salaries should have corresponding fringe benefits identified. PHMSA cannot pay fringe benefits for a position that is not listed in the Personnel section.
- Explain what is included in the benefit package and at what percentage.
- Fringe benefits are only for the percentage of time devoted to the grant project.
- The applicant must not combine the fringe benefit costs with direct salaries and wages in the personnel class category.

3. **Travel Costs:** Those costs requested for field work, or for travel to professional meetings associated with grant activities. Provide the purpose, method of travel, number of persons traveling, number of days, and estimated cost for each trip. If the details of each trip are not known at the time of application submission, provide the basis for determining the amount requested.

4. **Equipment Costs:** Those items which are tangible, nonexpendable, personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per

unit, unless the applicant has a clear and consistent written policy that determines a different threshold. Include a description, quantity, and unit price for all equipment.

- Pipeline infrastructure components.
- Purchases of less than \$5,000 should be listed under “Supplies” or “Other.”
- Each item of equipment must be identified with the corresponding cost. General-purpose equipment must be justified as to how it will be used on the project.
- Analyze the cost benefits of purchasing versus leasing equipment, particularly high-cost items, and those subject to rapid technical advances. List rented or leased equipment costs in the “Contractual” or “Other” category, depending upon the procurement method.

5. **Supplies:** Tangible personal property other than equipment. Include the types of property in general terms. It is not necessary to document office supplies in detail (for example: reams of paper, boxes of paperclips, etc.). However, applicants should include a quantity and unit cost for larger cost supply items such as computers and printers.
6. **Contractual Costs:** Those services carried out by an individual or organization, other than the applicant, in the form of a procurement relationship.
7. **Other Costs:** Expenses that do not fit any of the categories, include rent for buildings used to conduct project activities, utilities, leased equipment, etc. “Other” direct costs must be itemized.
8. **Indirect Costs:** Must include an indirect cost rate agreement or statement claiming a de minimis rate. Indirect costs are allowable under the NGDISM Grant Program. Indirect costs are incurred for common or joint objectives that benefit more than one project. The applicant must include a current, and fully executed, indirect cost rate agreement or statement claiming a de minimis rate in the application, if claiming indirect costs. The rate must be applied to the appropriate base in the approved agreement. If the rate will not be approved by the application due date, attach the letter of renewal or letter of request sent to the cognizant agency for your application. If the applicant has never received or has an expired indirect cost rate agreement, the applicant may be eligible for the 10 percent de minimis rate provided by 2 CFR § 200.414. A nonprofit entity that has never received a negotiated indirect cost rate may elect to charge a de minimis rate of 10 percent of modified total direct costs, per 2 CFR § 200.414, which may be used indefinitely. Applicants intending to charge the de minimis rate must include a statement verifying that the organization has never received a negotiated indirect cost rate and that the organization has elected to charge the de minimis rate.

### D.3 Unique Entity Identifier (UEI) and SAM

PHMSA may not make an award to an applicant until the applicant has complied with all applicable UEI and SAM requirements. If an applicant has not fully complied with the requirements by the time PHMSA is ready to make an award, PHMSA may determine that the

applicant is not qualified to receive an award and use that determination as a basis for making an award to another applicant. PHMSA recommends that applicants review the SAM database to ensure that their UEI is updated and “active” at the following link:  
<https://www.sam.gov/portal/public/SAM/>.

Each applicant is required to:

- Register in SAM (SAM.gov) before submitting an application.
- Provide a valid UEI in the application.
- Always maintain an active SAM registration and UEI with current information during the time period in which they have an active Federal award or an application under consideration.

#### **D.4 Submission Dates and Times**

Applicants must submit applications to [www.Grants.gov](http://www.Grants.gov) no later than 11:59 p.m., ET, Aug. 8, 2022. PHMSA reviews [www.Grants.gov](http://www.Grants.gov) information on the dates and times of applications submitted to determine timeliness of submissions. Applications received after the deadline will not be considered. PHMSA may confer with applicants to clarify any questions it has with their application after submission.

If an applicant has technical difficulties submitting the application through Grants.gov, that applicant should contact the Grants Program Office by email at **PHMSAPipelineBILGrant@dot.gov**. In order to apply for funding under this announcement, all applicants are to be registered as an organization with Grants.gov. Applicants are strongly encouraged to apply early to ensure all materials are received before the deadline.

#### **D.5 Funding Restrictions**

The following costs are not eligible for reimbursement under the FY 2022 NGDISM Grant Program:

1. Activities initiated before PHMSA has announced the projects that have been selected and extended pre-award authority in writing.
2. Entertainment, alcohol, or morale costs.
3. Expenses claimed and/or reimbursed by another program.
4. Excessive costs for general office supplies, equipment, computer software, printing and copying.
5. Expenses that supplant existing operational funds.
6. Any costs disallowed or stated as ineligible in 2 CFR Part 200.
7. Restrictions on Use of Funds for Lobbying, Support of Litigation, or Direct Advocacy – The recipient and its contractors may not conduct political lobbying, as defined in the statutes, regulations, and 2 CFR 200.450– “Lobbying,” within the federally-supported project. The recipient and its contractors may not use federal funds for lobbying specifically to obtain grants and cooperative agreements. The recipient and its contractors must comply with 49 CFR 20, U.S. Department of Transportation “New Restrictions on

Lobbying.”<sup>49</sup> CFR 20 is incorporated by reference into this award. Funds may not be used, directly or indirectly, to support or oppose union organizing.

## SECTION E – APPLICATION REVIEW INFORMATION

### E.1 Criteria

PHMSA developed criteria to evaluate submitted applications. Submission of an application is not a guarantee of award. PHMSA may, at its discretion, award grant funds based on an application in its entirety, award grant funds for only portions of an application, or not award any grant funds at all.

#### 1. Technical Review Criteria

Applications will be evaluated against the following technical criteria.

- Does the applicant’s project scope establish clear goals and objectives that include the (1) detailed location; (2) materials being replaced, rehabilitated, or repaired; (3) project cost; and (4) project timeline?
- Does the applicant provide the number and a description of each activity proposed?
- Does the applicant identify measurable results and deliverables, that align with project goals and objectives?
- Does the proposed project outline the risk profile of the distribution pipeline infrastructure that is prone to leakage? This includes review of the relevant project data, leak statistics, and risk analysis that are present in the operator’s DIMP.
- If applicable, does the Procurement of Property and Services Worksheet list needed safety equipment purchases and clearly define the use of such equipment?
- Consistent with 2 CFR 200, are the applicant’s program activities allowable, allocable, necessary, and reasonable?
- Did the applicant describe how the proposed project(s) will create good-paying jobs with the free and fair choice to join a union and incorporate high labor standards? Did the applicant list what efforts they will take to meet these goals?
- Does the project have a project labor agreement?
  - If not, how does the project propose to ensure ready access to a sufficient supply of appropriately skilled labor to ensure high-quality construction throughout the life of the Project, such as a description of the operator qualification program<sup>6</sup>, any required professional certifications and/or in-house training, registered apprenticeships or labor-management partnership training programs, and partnerships like unions, community colleges, or community-based groups?

<sup>6</sup> <https://www.ecfr.gov/current/title-49/subtitle-B/chapter-I/subchapter-D/part-192?toc=1>

- What specific job titles will the project(s) fund?
- Does the applicant’s proposed project(s) provide substantial benefits to disadvantaged rural or urban communities?
- Does the applicant’s proposed project(s) provide substantial economic impact or growth?
- Does the applicant outline a monitoring and evaluation strategy to help ensure that the project(s) will be successful?
- Does the applicant comply with Title VI, non-discrimination assurances?
- Can the applicant successfully comply with required environmental assessment activities?

## 2. Programmatic Review Criteria

PHMSA will conduct a programmatic review to assess factors identified below.

- Does the applicant provide a timeline that clearly communicates when project activities will take place?
- Does the applicant list clear outputs, goals, and objectives that indicate the grant will have a projected impact on reducing risk and enhancing pipeline safety, environmental protection, and emissions reductions?
- Does the applicant direct funds or activities to serve underserved communities, consistent with Executive Order 13985<sup>7</sup>?
- Did applicant provide a completed SF-424 form and SF-424A budget form?
- Did the applicant submit a completed Title VI form?
- Does the budget (SF-424A) and Budget Narrative align?
- If there are funds under labor costs, does the Budget Narrative clearly describe how labor costs were derived?
- If there are costs under “Other” in the Budget Narrative, have the costs been reasonably explained?
- If indirect cost rates are requested, does the application include an approved, current indirect cost rate agreement or statement claiming the 10 percent de minimis rate?

### E.2 Review and Selection Process

- 1. Administrative Review:** PHMSA will conduct an administrative review to ensure the application meets the eligibility criteria outlined in Section C – Eligibility Information. Each application will be reviewed for completeness to ensure it includes all the required elements to qualify for the grant. If the application does not meet the required elements, then the application is likely to be rejected. PHMSA may confer with applicants to clarify any questions it has with their application after submission.
- 2. Technical Review:** PHMSA will conduct a technical review to assess how the proposed work is to be performed and whether the applications are responsive to the applicable program requirements as identified in Section E.1. Technical review members may

<sup>7</sup><https://www.whitehouse.gov/briefing-room/presidential-actions/2021/01/20/executive-order-advancing-racial-equity-and-support-for-underserved-communities-through-the-federal-government/>

consist of representatives from pipeline safety stakeholder groups who are not competing for this grant program, the public, and PHMSA pipeline staff.

**3. Programmatic Review:** PHMSA will conduct a programmatic review to assess programmatic factors identified in Section E.1. Programmatic factors are those relevant and essential to the process of selecting applications that best achieve the program objectives, in accordance with applicable statutes, regulations, policies, and guidelines. Other programmatic factors may include history of performance, program priorities, and other DOT needs.

**4. Additional Considerations for Review:** After applying the above selection criteria, PHMSA will *consider* the following key DOT objectives:

- Equitable Economic Strength and Improving Core Assets - PHMSA will assess the project's ability to contribute to economic progress stemming from infrastructure investment such as the creation of high-quality jobs, the free and fair choice to join a union, and the incorporation of strong labor standards. Such considerations will include, but are not limited to, the extent to which the project invests in core distribution pipeline infrastructure assets (e.g., those parts of the system that ensure the safe and environmentally sound delivery of natural gas).
- Ensuring Investments Meet Equity and Economic Inclusion Goals - PHMSA will assess the project's ability to encourage racial equity by investing in projects that proactively address racial equity and barriers to opportunities. Such considerations will include, but are not limited to, the extent to which the project expands high-quality workforce development programs and supportive services to help train, hire, and retain under-represented populations in good-paying jobs or registered apprenticeship in the natural gas distribution industry.
- PHMSA will consider the extent the applications address Title VI and Section 504 requirements to ensure PHMSA-funded activities serve and provide access to all communities equally. The successful applicant will be responsible for implementing an effective and compliant Title VI and Section 504 program under the technical assistance from PHMSA's Office of Civil Rights.
- Resilience and Addressing Climate Change - PHMSA will assess the project's ability to reduce the harmful effects of climate change and anticipate necessary improvements to pipeline infrastructure to enhance resilience and preparedness. Such considerations will include, but are not limited to, the extent to which the project reduces emissions, promotes energy efficiency, increases resiliency, and recycles or redevelops existing infrastructure.
- PHMSA will assess the likelihood the project outlined in the application can be completed within the period of performance.

- PHMSA will consider whether an exception/waiver of the Buy America provisions will be necessary to complete the project. Among otherwise comparable applications, projects that depend on materials or manufactured products that do not comply with domestic preference requirements will be less competitive than projects that comply with those requirements. Among otherwise comparable applications that require exceptions or waivers, an application that presents an effective plan to maximize domestic content will be more competitive than one that does not. Applicants whose projects will likely require a waiver are highly encouraged to provide a plan that demonstrates efforts to maximize domestic content.
- PHMSA will consider whether projects have appropriately considered and addressed physical and cyber security and resilience in their planning, design, and project oversight, as determined by the Department of Transportation and the Department of Homeland Security.

**\* Further, please note that in order to comply with the requirements of 2 CFR Part 200, Subpart E, and DOT's Guide to Financial Assistance, PHMSA's Agreement Officers and Grant Specialists may request additional information pertaining to your application during the application review and evaluation process.**

## 5. Ratings Guidelines:

Based on the results from each review, each application will receive an overall rating as one of the following:

**Highly Recommended:** The application demonstrates that the NOFO requirements are very well understood, and the approach will likely result in high-quality performance. The application clearly addresses and exceeds requirements with no weaknesses. The application contains outstanding features that meet or exceed the expectations of DOT on multiple dimensions. The application scope aligns extremely well with DOT objectives and priorities. The risk of poor performance is very low.

**Recommended:** The application demonstrates that the NOFO requirements are understood, and the approach will likely result in satisfactory performance. The application addresses and meets requirements with some minor but correctable weaknesses. The application demonstrates requisite experience, qualifications, and performance capabilities. The application scope aligns with DOT objectives and priorities. The risk of poor performance is low.

**Acceptable:** The application demonstrates that the NOFO requirements are mostly understood, and the approach will likely result in satisfactory performance of part of the requirements. The application addresses some of the requirements with some weaknesses. The application demonstrates some experience, qualifications, and/or performance capabilities. The application partially aligns with DOT objectives and priorities. The risk of poor performance is moderate.

Not Acceptable: The application does not meet the NOFO requirements. The application fails to address many requirements. The applicant may be ineligible to apply for the grant. The application could not satisfy critical requirements without a major revision and/or a rewrite of the application or a major redirection effort. The application scope does not align with DOT objectives and priorities. The risk of poor performance is high.

## **6. Selection Process:**

PHMSA will recommend applications for award based on the final overall rating as described above. Final award recommendations will be made by PHMSA's Associate Administrator for the Office of Pipeline Safety after taking into consideration recommendations made during the administrative, technical, and programmatic reviews and how well the applications address PHMSA's safety and environmental priorities. The PHMSA Administrator, or designee, will make final award selection decisions.

### **E.3 Federal Award Performance and Integrity (FAPIS)**

Prior to making a federal award with a total amount of Federal share greater than the simplified acquisition threshold, PHMSA is required to review and consider any information about the applicant that is in the designated integrity and performance system accessible through SAM (currently FAPIS) (see 41 U.S.C. § 2313). An applicant, at its option, may review information in the designated integrity and performance systems accessible through SAM and comment on any information about itself that a Federal awarding agency previously entered and is currently in the designated integrity and performance system accessible through SAM. PHMSA will consider any comments by the applicant, in addition to the other information in the designated integrity and performance system, in making a judgment about the applicant's integrity, business ethics, and record of performance under Federal awards when completing the review of risk posed by applicants as described in 2 CFR § 200.206.

### **E.4 Anticipated Announcement and Federal Award Dates**

Applicants chosen for funding will receive electronic notification of the Federal award. Upon notification, the applicant's authorized official must sign and return the award within the timeframe prescribed by PHMSA. PHMSA will announce awards prior to or on February 8, 2023.

## **SECTION F – FEDERAL AWARD ADMINISTRATION INFORMATION**

### **F.1 Federal Award Notice**

PHMSA's grant awarding official will award grants to responsible and eligible applicants, at its discretion, whose applications are judged meritorious under the procedures set forth in this NOFO. All funds provided by PHMSA must be expended solely for the purpose for which the funds are awarded in accordance with the approved application and budget, regulations, terms, and conditions of the award, applicable federal cost principles, environmental compliance as specified, and the DOT's financial assistance regulations. Funds may not be used for lobbying or litigation.

The grant award agreement, signed by both the PHMSA Agreement Officer and the recipient's Authorized Representative, is the authorizing document and will be provided through electronic means to the Authorized Representative. The award document will provide pertinent instructions and information including, at a minimum, the following:

1. The legal name and address of recipient;
2. Title of project;
3. Name(s) of key personnel chosen to direct and control approved activities;
4. Federal Award Identification Number assigned by PHMSA;
5. Period of Performance, specifying the duration of the project;
6. Total grant funding amount PHMSA approved for the project;
7. Legal authority(ies) under which the award is issued;
8. Assistance Listing Program Number (formerly CFDA);
9. Applicable award terms and conditions;
10. Approved budget plan for categorizing allocable project funds to accomplish the stated purpose of the award; and
11. Other information or provisions deemed necessary by PHMSA.

## **F.2 Administrative and National Policy Requirements**

In connection with any program or activity conducted with or benefiting from funds awarded under this NOFO, grantees must comply with all applicable requirements of federal law, including, without limitation, the Constitution of the United States; the conditions of performance, nondiscrimination requirements, and other assurances made applicable to the award of funds in accordance with DOT regulations; and applicable federal financial assistance and contracting principles promulgated by the Office of Management and Budget (OMB). In complying with these requirements, grantees must ensure that no concession agreements are denied, or other contracting decisions made on the basis of speech or other activities protected by the First Amendment. If the Department determines that a grantee has failed to comply with applicable federal requirements, the Department may terminate the award of funds and disallow previously incurred costs, requiring the grantee to reimburse any expended award funds.

The administration of this award by PHMSA and the grantee will be based on the following Federal statutory and regulatory requirements:

1. Infrastructure Investment and Jobs Act (Public Law 117-58).
2. 2 CFR Part 200 – Uniform Administrative Requirements, Cost Principles,

and Audit Requirements for Federal Awards.

3. 49 CFR Part 20, "New Restrictions on Lobbying." 49 CFR Part 20 will be incorporated by reference into any award under this program and is available at <https://www.ecfr.gov/> by clicking on "Title 49 CFR Part 20."
4. Title VI of the Civil Right Act of 1964, which provides that no person in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied benefits of, or be subject to discrimination under any program or activity receiving Federal financial assistance.
5. 49 CFR Part 21, "Nondiscrimination in Federally- Assisted Programs of the Department of Transportation—Effectuation of Title VI of the Civil Rights Act of 1964." 49 CFR Part 21 will be incorporated by reference into any award under this program. 49 CFR Part 21 is available at: <https://www.ecfr.gov/> by clicking on "Title 49 CFR Part 21."
6. 49 CFR Part 32, "Government wide Requirements for Drug-Free Workplace (Financial Assistance)," which implements the requirements of Public Law 100-690, Title Subtitle D, "Drug-Free Workplace Act of 1988." 49 CFR Part 32 will be incorporated by reference into any award under this program and is available at: <https://www.ecfr.gov/> by clicking on "Title 49 CFR Part 32."
7. Executive Orders: "Advancing Racial Equity and Support for Underserved Communities Throughout the Federal Government" (EO 13985); "Federal Actions to Address Environmental Justice in Minority Populations" (EO 12898); "Protecting Public Health and the Environment and Restoring Science to Tackle the Climate Crisis" (EO 13990); Implementing the Infrastructure Investment and Jobs Act (EO 14052); and "Tackling the Climate Crisis at Home and Abroad" (EO 14008).
8. National Environmental Policy Act and applicable environmental and historic preservation laws, as well as compliance with mitigation actions described in the completed Tier 2 – Environmental Questionnaire during construction or repair activities.
9. As expressed in Executive Order 14005, *Ensuring the Future is Made in All of America by All of America's Workers* (86 FR 7475), it is the policy of the executive branch to use terms and conditions of Federal financial assistance awards to maximize, consistent with law, the use of goods, products, and materials produced in, and services offered in, the United States.

The Buy America requirements of IIJA div. G §§ 70911-70917 and Executive Order 14005 apply to funds made available under this NOFO and other expenditures within the scope of the award, and all grant recipients must apply, comply with, and implement all provisions of IIJA div. G §§ 70911-70917 and

related provisions in the grant agreement when implementing grant projects. If selected for an award, grant recipients will be required to obtain approval from PHMSA before applying any Buy America waiver. To obtain that approval, grant recipients must be prepared to demonstrate how they will maximize the use of domestic goods, products, and materials in carrying out their project.

10. It is the policy of the United States to strengthen the security and resilience of its critical infrastructure against both physical and cyber threats. Each applicant selected for NGDISM grant funding under this notice must demonstrate, prior to the signing of the grant agreement, effort to consider and address physical and cyber security risks relevant to the transportation mode and the type and scale of the project. Projects that have not appropriately considered and addressed physical and cyber security and resilience in their planning, design, and project oversight, as determined by the Department of Transportation and the Department of Homeland Security, will be required to do so before receiving funds for construction, consistent with Presidential Policy Directive 21 - Critical Infrastructure Security and Resilience and the National Security Presidential Memorandum on Improving Cybersecurity for Critical Infrastructure Control Systems. Additional resources and support are available via the Cybersecurity Infrastructure and Security Agency (CISA) <https://www.cisa.gov/pipeline-cybersecurity-library> and the Transportation Security Administration (TSA) [https://www.tsa.gov/sites/default/files/pipeline\\_security\\_guidelines.pdf](https://www.tsa.gov/sites/default/files/pipeline_security_guidelines.pdf).
11. Each applicant selected for NGDISM grant funding should demonstrate, to the full extent possible consistent with the law, an effort to create good-paying jobs with the free and fair choice to join a union and incorporation of high labor standards.

### **F.3 Reporting Requirements**

#### **Progress Reporting on Grant Activities**

Grant recipients will be required to comply with all PHMSA reporting requirements, including quarterly progress reports, quarterly federal financial reports (SF-425), and final performance and financial reports. Grants recipients must also comply with applicable auditing, monitoring and close-out requirements. Unless otherwise instructed in the grant terms and conditions, reports must be submitted to PHMSAPipelineBILGrant@dot.gov. Pursuant to 2 CFR 170.210, non-federal entities applying under this NOFO must have the necessary processes and systems in place to comply with the reporting requirements should they receive federal funding.

**Quarterly Reporting**

Each applicant selected for funding must collect information and report on the project's performance using measures mutually agreed upon by PHMSA and the grantee to assess progress in achieving strategic goals and objectives.

Examples of performance measures are listed in the table below. This is offered as a sample only and is not a PHMSA required form/format.

<p><b>*** SAMPLE ***</b></p> <p><b>Pipeline and Hazardous Materials Safety Administration</b>                  Natural Gas Distribution Infrastructure Safety and Modernization (NGDISM) Grant Program                  Quarterly Progress Report</p>	
<b>Metrics</b>	
<b>Unit of Measurement</b>	<b>Project Name: Line 2 Repair</b>
Length of pipeline - repaired, rehabilitated, or replaced In Feet, Yards, Mileage and Diameter	East 4 <sup>th</sup> street pipeline replacement project 6” in diameter Replacing 8 miles of pipeline
Estimate of reduction in methane emissions attributable to project	Report methane emissions in MCF (may include estimated leaks and estimated emissions associated with an avoided rupture/incident, where appropriate).
<b>Equipment purchased</b>	
<b>Actual Cost</b>	
1. In-line cleaning tools	\$1,500.00
2. Pipe inspection camera	\$10,500.00
3. Multi-Frequency Pipe Locator	\$1,500.00
4. Pipe	\$175,000.00
<b>Total</b>	<b>\$188,500.00</b>
<b>Project Descriptions</b>	
Other Outcomes	
Description of how project benefitted disadvantaged rural and urban communities including pipeline serving Historically Disadvantaged Community	Line 2 Replacement provided economic benefits to the park south neighborhood/rate payers, as follows:  Retail, restaurants, small businesses benefitted from this project as follows:

Chart or graph of economic impact or growth over the length of the project.	
Other broader outcomes such as improved climate/environment: describe the intended impact	The project connected or upgraded a new affordable housing project in the park south neighborhood.

**Final Progress Reports**

Each recipient is required to submit a final progress report and final Federal Financial Report (Final SF-425). Final financial reports and progress reports are submitted by email to PHMSAPipelineBILGrant@dot.gov. The reports are due no later than 120 days after the performance period has ended. Final progress reports must follow the instructions outlined in the terms and conditions of the grant award, and must include:

1. A summary of the activities and outputs that took place during the period of performance—including estimated reduction in risk of fatalities and/or serious injuries, and estimated reduction in methane emissions. If the projected outputs listed in the approved Project Narrative were not met, an explanation should be provided.
2. Challenges the grantee faced, and strategies taken to mitigate such challenges.
3. A complete timeline of the activities that took place during the completed period of performance.
4. As available, impact statements or analyses regarding the impact that current period of performance grant activities have had on infrastructure improvement for communities, pipeline safety, and mitigation of environmental hazards.

*All applications and reports will be made available to the public upon request.*

**F.4 E-Invoicing**

Recipients of PHMSA grants must use the DOT Delphi eInvoicing System.

**a) Recipient Requirements:**

Recipients must:

- 1) Have internet access to register and submit payment requests through the Delphi eInvoicing system.
- 2) Submit payment requests electronically and receive payment electronically.

**b) System User Requirements:**

- 1) Contact the assigned grant specialist directly to sign up for the system. PHMSA will provide the recipient’s name and email address to the DOT Financial Management Office. The DOT Financial Management Office will then invite the recipient to sign up for the system.
- 2) DOT will send the recipient a User Account Application form to verify identity. The

recipient must complete the form and present it to a Notary Public for verification.

The recipient will return the notarized form as follows:

**Via U.S. Postal Service (certified):**

DOT Enterprise Services Center  
FAA Accounts Payable, AMZ-100  
PO Box 25710  
Oklahoma City, OK 73125

**Via FedEx or UPS:**

DOT Enterprise Services Center  
MMAC-FAA/ESC/AMZ-150  
6500 S. MacArthur Blvd.  
Oklahoma City, OK 73169

**SECTION G – FEDERAL AWARDING AGENCY CONTACTS**

Questions related to the content of this funding opportunity should be submitted via the Message Center in FedConnect. For technical issues or questions related to FedConnect, please email [fcsupport@unisonglobal.com](mailto:fcsupport@unisonglobal.com). Applicants can submit questions through the portal on their website or call 1-800-899-6665 option 2.

**PHMSA Agreement Administrator**

Cristina Keating  
[Cristina.Keating@dot.gov](mailto:Cristina.Keating@dot.gov)

**PHMSA Program Contact**

Shakira Mack  
Phone: (202) 366-7652  
Email: [PHMSAPipelineBILGrant@dot.gov](mailto:PHMSAPipelineBILGrant@dot.gov)

Grants.gov Contact Center  
Phone: (800) 518-4726  
E-mail: [support@grants.gov](mailto:support@grants.gov)

## SECTION H – OTHER INFORMATION

All information submitted as part of or in support of any application shall use publicly available data or data that can be made public and methodologies that are accepted by industry practice and standards, to the extent possible.

If the application includes information the applicant considers to be a trade secret or confidential commercial or financial information, the applicant should: (1) note on the front cover that the submission “Contains Confidential Business Information (CBI);” (2) mark each affected page “CBI;” and (3) highlight or otherwise denote the CBI portions.

DOT regulations implementing the Freedom of Information Act (FOIA) are found at 49 CFR Part 7 Subpart C—Availability of Reasonably Described Records under the Freedom of Information Act which requires PHMSA to make requested materials, information, and records publicly available under FOIA. Unless prohibited by law and to the extent permitted under the FOIA, contents of applications submitted by successful applicants may be released in response to FOIA requests.

### Definitions

**Areas of Persistent Poverty** – In this context, Areas of Persistent Poverty means: (1) any county that has consistently had greater than or equal to 20 percent of the population living in poverty during the 30-year period preceding November 15, 2021, as measured by the 1990 and 2000<sup>8</sup> decennial census and the most recent annual Small Area Income Poverty Estimates as estimated by the Bureau of the census<sup>9</sup>; (2) any census tract with a poverty rate of at least 20 percent as measured by the 2014-2018 5-year data series available from the American Community Survey of the Bureau of the Census<sup>10</sup>; or (3) any territory or possession of the United States. A county satisfies this definition only if 20 percent of its population was living in poverty in all three of the listed datasets: (a) the 1990 decennial census; (b) the 2000 decennial census; and (c) the 2020 Small Area Income Poverty Estimates. The Department lists all counties and census tracts that meet this definition for Areas of Persistent Poverty at <https://datahub.transportation.gov/stories/s/tsyd-k6jj>.

**Compliance with Award Terms and Conditions** – Submission of an application constitutes the recipient’s agreement to comply with and spend funds consistent with all the terms and conditions of this award. If PHMSA determines that noncompliance by the recipient cannot be remedied by imposing additional conditions, PHMSA may take one or more of the following actions, as PHMSA deems appropriate in the circumstances:

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<sup>8</sup> See <https://www.census.gov/data/tables/time-series/dec/census-poverty.html> for county dataset

<sup>9</sup> See <https://www.census.gov/data/datasets/2020/demo/saipe/2020-state-and-county.html> for December 2020 Small Area Income Poverty Dataset

<sup>10</sup> See

<https://data.census.gov/cedsci/table?q=ACSST1Y2018.S1701&tid=ACSST5Y2018.S1701&hidePreview=false> for 2014- 2018 five-year data series from the American Community Survey

- a) Temporarily withhold payments pending correction of the deficiency by the recipient;
- b) Disallow all, or part of, the cost of the activity or action not in compliance;
- c) Wholly or partly suspend or terminate the Federal award;
- d) Initiate suspension or debarment proceedings as authorized under 2 CFR Part 180;
- e) Withhold further Federal awards for the project or program; and
- f) Take other remedies that may be legally available.

**Disadvantaged Community** – Consistent with OMB's Interim Guidance for the Justice40 Initiative, a project is located in a Disadvantaged Community if:

- (1) the project is located in a Disadvantaged Community as identified in the Transportation Disadvantaged Community tool <https://usdot.maps.arcgis.com/apps/dashboards/d6f90dfcc8b44525b04c7ce748a3674a>;
- (2) the project is located on Tribal land; or
- (3) the project is located in any territory or possession of the United States.

Applicants should provide an image of the map tool outputs. The designation of project location and eligibility as a Disadvantaged Community will be verified by the Department upon receipt of the application.

**Government-wide Debarment and Suspension (Non-procurement)** – The recipient must review the “list of parties excluded from federal procurement or non- procurement programs” located on the SAM website before entering into a sub-award. No sub-award may be issued to an entity or person identified on the “list of parties excluded from federal procurement or non- procurement programs.” 2 CFR 1200 - “Non-procurement Suspension and Debarment” is incorporated by reference into this notification. The recipient must inform the PHMSA Program Contact if the recipient suspends or debars a sub-awardee.

**Historically Nondiscrimination** – The recipient must comply with Title VI of the Civil Right Act of 1964, which provides that no person in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied benefits of, be subject to discrimination under any program or activity receiving Federal financial assistance. The recipient must comply with 49 CFR 21, “Nondiscrimination in Federally-Assisted Programs of the Department of Transportation—Effectuation of Title VI of the Civil Rights Act of 1964.”

In an effort to ensure that all recipients of PHMSA funds are aware of their responsibilities under the various civil rights laws and regulations, the PHMSA Office of Civil Rights has developed an information tool and training. These documents are found on the PHMSA website at <https://www.phmsa.dot.gov/about-phmsa/civil-rights/grant-recipient-information>. If there are any questions concerning your responsibilities under

the External Civil Rights Program, please contact Rosanne Goodwill, PHMSA Civil Rights Director, at 202-366-6580 or by e-mail at [rosanne.goodwill@dot.gov](mailto:rosanne.goodwill@dot.gov).

**Order of Precedence** – Any inconsistency or conflict in the terms and conditions specified in this award will be resolved according to the following order of precedence:

- a) The Federal statute authorizing this award or any other Federal statutes, laws, regulations, or directives directly affecting performance of this award.
- b) Terms and conditions of this award.

**Pipe Prone to Leakage** – From the Protecting our Infrastructure of Pipelines and Enhancing Safety (PIPES) Act of 2020: “pipelines that are known to leak based on the material (including cast iron, unprotected steel, wrought iron, and historic plastics with known issues).”

**Pipeline** – From 49 CFR Part 192.3, pipeline means all parts of those physical facilities through which gas moves in transportation, including pipe, valves, and other appurtenance attached to pipe, compressor units, metering stations, regulator stations, delivery stations, holders, and fabricated assemblies.

**Recipient Responsibilities** – In accepting a PHMSA financial assistance award, the recipient assumes legal, financial, administrative, and programmatic responsibility for administering award funds in accordance with the laws, rules, regulations, and Executive Orders governing grants and cooperative agreements, and the award terms and conditions, including responsibility for complying with any applicable provisions included in the award.

**Rural** – Consistent with the Department's Rural Opportunities to Use Transportation for Economic Success (ROUTES) Initiative (<https://www.transportation.gov/rural>), the Department recognizes that rural transportation infrastructure faces unique challenges. To the extent that those challenges are reflected in the merit criteria listed, the Department will consider how the activities proposed in the application address those challenges, regardless of the geographic location of those activities.

**Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR 200)** – The recipient (and any subrecipients) must comply with these requirements including the cost principles which apply to the recipient, and the audit requirements the recipient must follow. A recipient who expends \$750,000 or more of Federal funds, in the recipient’s fiscal year, must have an audit conducted.

**Urban** – In, relating to, characteristic of, or constituting a town or city.



U.S. Department of Transportation

**Pipeline and Hazardous Materials Safety Administration**

**Pipeline Safety**  
Natural Gas Distribution Infrastructure  
Safety and Modernization  
Grant Program

**Evaluation Plan**

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# 1. Introduction

This Evaluation Plan identifies the major steps and provides guidance regarding PHMSA’s evaluation and selection process for applicants of the Natural Gas Distribution Infrastructure Safety and Modernization (NGDISM) Grant Program.

## Grant Management Roles

Grant Management – Pipeline Safety NGDISM Program	
<b>Source(s) / Process Owner(s)</b>	Grants Program Supervisor, Agreement Officer Representative Budget Certifier Grant Program Support Specialist Agreement Officer Agreement Specialist Program Office Representative (OPS) Office of Chief Counsel Director of Budget and Finance

Each application will be subject to the following review phases. Additional information regarding the specific criteria for each review is found below in **Section 2 Criteria**.

- 1. Retrieve the Applications** – Applications submitted through Grants.gov are received in PRISM Grants and downloaded for review.
- 2. Administrative Review** – The Agreement Specialist conducts the administrative review of each application. Each application will be reviewed for completeness to ensure it includes all required elements to qualify for the grant.
- 3. Eligibility Review** – As a second step in the administrative review process, the Program Office Representative conducts the eligibility review of each applicant. Ineligible applicants will not have their application package forwarded for additional review and will be notified of their ineligibility by the Agreement Officer.
- 4. Technical Review** – Applications are reviewed by a Technical Evaluation Panel (TEP), consisting of subject matter experts (SME), to verify the technical merit of the application and to identify strengths and weaknesses.
- 5. Programmatic Review** – The Office of Pipeline Safety (or Program Office) receives the TEP evaluations and conducts the programmatic review. The programmatic review determines if the applicant’s proposed budget is realistic, whether the contents of the application adhere to the program requirements set forth in the Notice of Funding Opportunity (NOFO) and is responsive to the program review checklist.
- 6. Title VI and Section 504 Review by PHMSA Office of Civil Rights (OCR)** – OCR will conduct the Title VI and Section 504 compliance review of each eligible application.

7. **Budget Review** – The Agreement Specialist reviews the budget and budget narrative according to the budget review checklist to determine if activities proposed are allocable, reasonable, and allowable.

## 2. Criteria

### **Administrative Review**

Administrative review consists of an intake review for completeness and an eligibility review for applicant eligibility.

#### ***Intake Review***

The administrative review will assess whether the applicant’s grant package is complete. The application package is reviewed for the presence, not the quality, of the required elements specified in the NOFO.

The documents listed below must be completed and included in application submission:

- Form 424, *Application for Federal Assistance*
- Form 424 C, *Budget Information for Construction Programs*
- Form 424 D, *Assurance for Construction Programs*
- Budget Narrative Attachment Form
- Project Narrative Attachment Form – less than or equal to 25 pages in length
- Signed Title VI Assurance
- Certification Regarding Lobbying Form

Packages that include each of the documents above will go through to the next review phase.

#### ***Eligibility Review***

The eligibility review will assess whether the applications pass the following eligibility criteria:

1. The applicant is a municipality-owned utility operating a natural gas distribution system.

**OR**

2. The applicant is a community-owned utility operating a natural gas distribution system.

**AND**

3. The applicant is a not-for-profit entity.

Applications that satisfy the above criteria will move to the next review phase. After reviewing the project and budget narratives, the Program Office Representative should ensure that:

1. Construction costs are related to repairing, rehabilitating, or replacing natural gas distribution systems.

**AND/OR**

2. Labor costs are related to repairing, rehabilitating, or replacing natural gas distribution systems.

**AND/OR**

3. Equipment costs are related to repairing, rehabilitating, or replacing natural gas distribution systems.

**OR**

4. Equipment acquisitions **unrelated** to repairing, rehabilitating, or replacing natural gas distribution system components (1) reduce incidents and fatalities; **and** (2) avoid economic losses of natural gas distribution systems.

If one or more of the items above applies, then the application is eligible for this grant opportunity and the application can continue to the next review phase.

## **Technical Review**

Technical Evaluation Panel (TEP) members may consist of representatives from pipeline safety stakeholder groups who are not competing for this grant program, the public, and PHMSA grant specialists. Each member of the TEP signs a non-disclosure and conflict of interest agreement prior to participating in the review. Each TEP member receives a technical review checklist describing how to score applications in the Excel spreadsheet calculation tool. Each technical review checklist will provide for the evaluation of materials supporting the grant application, including relevant and appropriate application data, leak statistics, and risk analysis data necessary to support the grant application.

The TEP will be given the eligible applications and checklist documents. They will also receive an instructional briefing on how to review the applications and fill out the scorecard. The TEP will be comprised of individuals with the background necessary to evaluate the applications relative to the questions below:

1. Is the proposal directly related to repairing, rehabilitating, or replacing a natural gas distribution pipeline system or portions of it?
2. Is the proposal directly related to acquiring equipment to (1) reduce incidents and fatalities; and (2) avoid economic losses of natural gas distribution systems?
3. Does the applicant's project scope establish clear goals and objectives that include the (1) detailed project location; (2) materials being replaced, rehabilitated, or repaired; (3) project cost; (4) equipment being purchased; and (5) timeline?
4. Does the applicant provide the number of proposed project task and a description of each task proposed?
5. Does the applicant's project scope identify measurable results, deliverables, timelines, and estimated project costs that align with project goals and objectives?
6. Does the proposed project outline the risk profile of the distribution pipeline infrastructure that is prone to leakage? This includes review of the relevant project data, leak statistics, and risk analysis that should be part of the operator's Distribution Integrity Management Program.
7. If applicable, does the Procurement of Property and Services worksheet list the necessary equipment purchases and clearly define the use of such equipment?
8. Are the applicant's program activities allowable, allocable, necessary, and reasonable?

9. Did the applicant describe how the proposed project(s) will create good-paying jobs with the free and fair choice to join a union and incorporate high labor standards? Did the applicant list what efforts they will take to meet these goals??
10. What specific job titles will the project(s) fund?
11. Does the applicant's proposed project(s) provide substantial benefits to disadvantaged rural or urban communities?
12. Does the applicant's proposed project(s) provide substantial economic impact or growth?
13. Does the applicant outline a monitoring and evaluation strategy to help ensure that the project(s) will be successful?
14. Can the applicant successfully comply with required environmental assessment activities?

The TEP will begin a review and schedule a meeting approximately 10-14 days later to obtain the aggregate rating for each application.

The criteria used to determine the aggregate rating is set forth in Section E.3 of the NOFO (and listed below), to rank applications and begin to compile the recommendations for award.

### **Programmatic Review**

The Program Office will conduct a review of rated applications to assess how the proposed work is to be performed and whether the applications are responsive to the grant program requirements. The Program Office will assess the applicant's ability to manage Federal grant funds and this grant program successfully. PHMSA will consider the completeness and clarity of responses to the following questions:

1. Does the cover letter include the name/title of the NOFO, the organization's name and mission, a brief overview of the organization structure/programs/leadership/expertise, and a brief description of the organization's experience and capacity to manage Federal grant programs?
2. Is sufficient contact information provided including designated project directors, activity coordinator, financial reports contact?
3. Did the applicant clearly explain their eligibility? (*2<sup>nd</sup> Check for Eligibility*)
4. Does the project narrative determine that the applicant has identified the need to repair, replace or rehabilitate the natural gas distribution pipeline system or portions thereof?
5. Does the project narrative address project location (geospatial data, maps, aerial photographs), and is there an indication of service based on a nondiscriminatory basis?
6. Does the applicant provide a timeline that clearly communicates when project activities will take place?
7. Does the project narrative address the eligibility for this project? (See NOFO Section D.6, 3(c))
8. Is there a table of the funding for the project? *Note: A detailed budget review is performed separately so this should be a general review of the funding request.*
9. Is the project in a disadvantaged rural or urban area?

10. Is there a safety risk profile provided?
11. Does the applicant list clear outputs, goals, and objectives that indicate the grant will have a projected impact on reducing risk and enhancing pipeline safety and environmental protection?
12. Did the applicant address Title VI requirements? *Note: The OCR team will conduct a detailed Title VI program review.*
13. Did the applicant identify projected outputs and objectives that are quantifiable and measurable?
14. Did the applicant identify monitory efforts, internal controls, and quality assurance plans to ensure the project's success?
15. Did the applicant include a discussion on how the proposed project meets all the evaluation and selection criteria in Section E of the NOFO?

***Title VI of the Civil Rights Act of 1964 and Section 504 of the Rehabilitation Act of 1973  
Compliance Review***

The Office of Civil Right (OCR) representative will conduct an evaluation of applications to ensure they comply with Title VI and Section 504 requirements. OCR may need to request additional information from applicants or assist in educating applicants on Title and Section 504 requirements.

OCR will provide its assessment results to the Program Office Representative for rating.

**Budget Review**

PHMSA will review the funding request and details to evaluate applicant performance and program management. This review ensures grantees are using Federal funds in compliance with 2 CFR Part 200.403-Factors affecting allowability of costs. The series of questions and requirements noted below are to assist PHMSA in determining whether the projects proposed are allocable, reasonable, necessary, and allowable. PHMSA will consider the completeness and clarity of responses to the following questions:

1. Did the applicant provide a line-item budget that is consistent and properly completed?
2. Did the budget narrative provide an explanation or breakout of the personnel costs?
  - a. Are the costs included in the personnel line item allowable?
  - b. Are labor cost estimates fair and accurate according to the prevailing wage rates for the state and the county within the project(s) area?
3. Did the budget narrative provide an explanation or breakout of the staff fringe benefits?
  - a. Are the costs included in the fringe benefit line item allowable?
4. If there are funds entered under the travel line item, does the budget narrative provide a clear and reasonable explanation that relates to these costs?
  - a. Are the costs included in the travel line item allowable?
5. Did the budget narrative clearly identify equipment purchases and separate them from supply purchases (i.e., <\$5,000/unit)?
  - a. Are these costs adequately explained?
  - b. Are the equipment line-item costs allowable?

6. If these are funds under the contractual line item, does the budget narrative clearly describe how contractual costs were derived for each contract and/or sub-contract?
  - a. Are the costs included in the contractual line item allowable?
7. If there are funds under “other,” have the costs been reasonably explained?
  - a. Are the costs included in the “other” line item allowable?
8. Have the costs been reasonably explained for any funds under “other?”
  - a. Is the amount included in the budget properly calculated as provided in the ICR?
9. Is the applicant requesting pre-award costs?
10. Review the Federal Awardee Performance and Integrity Information System (FAPIIS)
11. Any Federal tax delinquency or felony conviction?
12. Is the applicant on the Terrorist Watchlist?
13. Check Single Audit Clearinghouse for a current audit and review any findings or financial concerns.

### Funding Restrictions

The following costs are not eligible for reimbursement under the NGDISM Grant Program:

1. Activities initiated prior to the execution of a grant or without written approval.
2. Entertainment, alcohol, or morale costs.
3. Expenses claimed and/or reimbursed by another Federal program.
4. Excessive costs for general office supplies, equipment, computer software, printing, and copying.
5. Expenses that supplant existing operational funds/programs.
6. Any costs disallowed or stated as ineligible in Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.
7. Restrictions on Use of Funds for Lobbying, Support of Litigation, or Direct Advocacy – The recipient and its contractors may not conduct political lobbying, as defined in the statutes, regulations, and 2 CFR 200.450– “Lobbying,” within the federally-supported project. The recipient and its contractors may not use federal funds for lobbying specifically to obtain grants and cooperative agreements. The recipient and its contractors must comply with 49 CFR 20, U.S. Department of Transportation “New Restrictions on Lobbying.” 49 CFR 20 is incorporated by reference into this award.

Upon completion and approval of the Title VI of the Civil Rights Act of 1964 and Section 504 of the Rehabilitation Act of 1973 Compliance and Budget Reviews, the Program Office Representative will use the overall ratings, as set forth in Section E.3 of the NOFO (and listed below), to rank applications and begin to compile the recommendations for award.

### 3. Rating and Scoring Guidelines

Based on the results of the administrative, technical, and programmatic reviews, each application will receive one of the following overall ratings:

**Highly Recommended:** The application demonstrates that the NOFO requirements are very well understood, and the approach will likely result in high-quality performance. The application clearly addresses and exceeds requirements with no weaknesses. The application contains outstanding features that meet or exceed the expectations of DOT on multiple dimensions. The application scope aligns extremely well with DOT objectives and priorities. The risk of poor performance is very low.

**Recommended:** The application demonstrates that the NOFO requirements are understood, and the approach will likely result in satisfactory performance. The application addresses and meets requirements with some minor but correctable weaknesses. The application demonstrates requisite experience, qualifications, and performance capabilities. The application scope aligns with DOT objectives and priorities. The risk of poor performance is low.

**Acceptable:** The application demonstrates that the NOFO requirements are mostly understood, and the approach will likely result in satisfactory performance of part of the requirements. The application addresses some of the requirements with some weaknesses. The application demonstrates some experience, qualifications, and/or performance capabilities. The application partially aligns with DOT objectives and priorities. The risk of poor performance is moderate.

**Not Acceptable:** The application does not meet the NOFO requirements. The application fails to address many requirements. The applicant may be ineligible to apply for the grant. The application could not satisfy critical requirements without a major revision and/or a rewrite of the application or a major redirection effort. The application scope does not align with DOT objectives and priorities. The risk of poor performance is high.

#### 4. Applicant Selection

PHMSA's Associate Administrator for the Office of Pipeline Safety will make award recommendations to the PHMSA Administrator, or designee, after taking into consideration recommendations made during the administrative, technical, and programmatic reviews and how well the applications address PHMSA's safety and environmental priorities. The PHMSA Administrator, or designee, will make the award selection decisions.