

Defense Community Infrastructure Pilot Program Notice of Funding Opportunity

Fiscal Year 2023 Frequently Asked Questions

These questions are commonly asked of the Defense Community Infrastructure Pilot Program. They are intended to provide clarification and further understanding of the Notice of Funding Opportunity.

A. Program Overview and Eligibility

1. What is the Defense Community Infrastructure Pilot Program?

Answer: It is a competitive grant program administered by the Office of Local Defense Community Cooperation on behalf of the Department of Defense to enable state and local projects to address deficiencies in community infrastructure supportive of a local military installation. These projects may enhance military value, the training of cadets at a covered educational institution, installation resilience, and/or family quality of life at a military installation.

2. What type of agreement must be in place for an ineligible entity to “partner” with a State or local government?

Answer: It depends on the nature of the partnership. If a partner is to be a sub-recipient, an executed binding sub-award agreement will be required prior to the disbursement of any federal funding within 12 months of a grant being awarded. The proposal should explicitly state what the partner is responsible for and identify the type of arrangement being sought with the proposer. Projects awarded funding under the program must be owned by a State or local government, or a not-for-profit member-owned utility service.

3. Are communities supporting military installations outside the United States eligible to apply for Defense Community Infrastructure Pilot Program grants?

Answer: Proposed projects must be located within any of the fifty States, the District of Columbia, the Commonwealth of Puerto Rico, American Samoa, the Virgin Islands, the Commonwealth of the Northern Mariana Islands, or Guam.

4. My project is located on or partially on a military installation owned by the Federal government. Is this project eligible for a Defense Community Infrastructure Pilot Program grant?

Answer: Yes. A project may now be located on property under the jurisdiction of a Secretary of a military department that are subject to a real estate agreement (including a lease or easement).

5. Can an applicant submit multiple Defense Community Infrastructure Pilot Program grant proposals for different Defense Community Infrastructure Pilot Program projects, or is there a limit on the number of proposals an eligible entity can submit (assuming they have the installation endorsement)?

Answer: Yes, there is no limit. However, installation commanders must state their priorities in the required local commander endorsement letter that must accompany each submitted proposal.

6. Can we combine projects into one proposal?

Answer: Only if they are intrinsically interdependent with each other. Otherwise, no.

7. Is a project eligible if site clearing or construction work has begun? What if we could demonstrate that it has undergone appropriate environmental and cultural resource review?

Answer: No. Even if the proposer believes the appropriate environmental and cultural resource reviews have been completed.

8. Is cybersecurity considered infrastructure and an eligible project?

Answer: Yes. Infrastructure supporting a cybersecurity function could be considered an eligible project if the project results in a complete and usable facility.

9. Are community infrastructure projects that support National Guard and Reserve component installations eligible for Defense Community Infrastructure Pilot Program grants?

Answer: Yes.

B. Cost Contribution / Match Requirements

10. How do I determine if the rural match exemption applies to my project?

Answer: The location (county, city, town, or unincorporated area) of the proposed project must have a population of not more than 100,000.

11. Will proposals that include a higher cost contribution from the State or local government be scored higher than proposals that include the minimum match (or no match, in cases where a match is not required)?

Answer: No. The amount of proposed matching funds will not factor in the selection process.

12. Regarding what counts towards the 30% match: will the waiving of rent money for the built-out space count as a portion of the 30% matching requirement? This would be for the entire 5-year time period for the space.

Answer: No. Match must be sourced and available for the explicit use in the construction of the proposed project.

13. Must local match be appropriated by September 23 after notification of being invited to apply for a Defense Community Infrastructure Pilot Program grant? This can be challenging based on public process timelines.

Answer: Evidence provided in proposals affirming the immediate availability of the non-Federal local cost share (match) funding is a scoring consideration under criterion b). In addition to all other terms and conditions of the grant at award, grantees are required to evidence the availability of the non-Federal local cost share prior to disbursements following a grant award, but not at the time of award. Any proposal relying on contributions sourced from other Federal funds must present a counter-signed financial award at the time of proposal submission to be considered.

14. If funding for a project (e.g., local cost share contribution (match)) will rely on debt financing, by when must that debt financing be available for the project—and are there specific conditions that will apply to the grant that may impact debt financing (loan term) agreements?

Answer: All sources of funds for the construction of the enhancement must be firmly committed and liquid to a Grantor within 12 months of the grant award for grant disbursement to occur. Proposals relying on debt financing for any portion of their project must demonstrate how any Federal Interest that is created through the proposed project will be preserved through any subsequent refinancing, foreclosure, or other actions that may change the purpose, life, and/or benefactors of the enhancement that was the basis for the Federal Interest.

15. If a project qualifies as rural for 100% grant funds and no matching funds are needed, are soft costs paid for by the grant funds?

Answer: No. Soft costs (planning and design costs, the cost to prepare NEPA documentation, environmental permit applications and similar pre-construction engineering costs) are not eligible.

16. Are the 2004 - 2005 Base Realignment and Closure (BRAC) table data being used to assign scores for military value for Defense Community Infrastructure Pilot Program projects this year?

Answer: No. While the scoring approach for military value continues to tie back to the military value criteria published in 2004 for the 2005 BRAC round, since the 2021 DCIP competition, the BRAC 2005 military value tables are no longer used to assess military value.

17. Would a project which hasn't entered design phase by the proposal deadline be considered construction-ready?

Answer: A proposal must include a third party cost validation based on the level of design completed to date. The proposal will be evaluated based on its evidence to commence construction within twelve (12) months of funding, and a proposal for a project that has not yet entered the design phase will likely receive a lower construction readiness score.

18. How far along in the planning process must an applicant be before submitting a proposal? Would construction/building schematics/site plans and environmental analysis/review be required as part of the submission process? Can projects be design-build projects or do they need to be designed and construction ready projects?

Answer: They must be far enough along so an independent a third party cost validation can be provided.

19. If an existing structure is on the building site and is slated to be demolished within the 12-month shovel ready time frame, does that demolition count as the project being shovel ready?

Answer: Yes. The demolition must be part of the originally ranked proposal.

20. Is there any flexibility on the 12-month timeline or the definition of under construction? We have seen some delays in construction execution due to supply chain issues.

Answer: A project must be able to commence ground disturbing activity to be “construction ready.”

C. Proposal Content (See Section D. of the Notice of Funding Opportunity)

21. In our experience, military command is reluctant to "endorse" outside-the-wire projects even when they acknowledge the benefits. Program guidelines specify that proposals must include a letter of support. Is this a potential roadblock for applicants?

Answer: A proposal won't be considered without a letter of endorsement (or support) from the Commander of the local installation, to include the elements described in Section D. paragraph C. of the Notice of Funding Opportunity.

22. To whom should the installation endorsement letter be addressed?

Answer: The installation endorsement letter should be provided to the State or local government entity proposing the project. Please address the letter to: Director, Office of Local Defense Community Cooperation, 2231 Crystal Drive, Suite 520, Arlington, VA 22202. Note that the letter MUST be included in the proposal package submitted in grants.gov and should not be mailed separately to the Office of Local Defense Community Cooperation.

23. What is acceptable proof/demonstration of Section D. paragraph E. “Project Engineering Information: A demonstration of the technical feasibility of the construction project”?

Answer: A proper demonstration of technical feasibility includes a narrative or other supporting information to allow the Defense Community Infrastructure Pilot Program Review Panel to conclude the project is technically constructible, sufficiently scoped, and can be accomplished in accordance with the cost and schedule presented.

24. Regarding Section D. paragraph H. “Uses of Construction Project Funds”, it says soft planning costs such as planning and design cannot be funded by the Defense Community Infrastructure Pilot Program grant but can be used for the local project cost contribution as matching funds, but what about engineering services provided during construction?

Answer: Engineering inspection and oversight costs during construction are allowable construction costs that can be paid for.

25. Can you elaborate on the requirement that a third party validate costs of work? E.g., we have a bid for part of the job done competitively through the state's procurement system - would that

count? If so, for the site prep costs which are not covered by that bid can we just use the competitively solicited bids from other similar jobs? How long are cost estimates or bids good for if generated in the past? Can we use the Unified Facilities Criteria (UFC) DoD Pricing Guide as the "third party estimate"?

Answer: An independent third party should review any bids received for partial project activity, along with the final design and anticipated environmental reviews, and provide an estimate of the cost for the total proposed project to be undertaken, taking into account inflation, current supply chain and labor availability conditions, etc. The third party providing the estimate may use the Unified Facilities Criteria DoD Facilities Pricing Guide as a reference.

26. Are Operations and Maintenance costs included as part of the eligible costs for Defense Community Infrastructure Pilot Program?

Answer: No.

27. Regarding the Operations and Maintenance (O&M) costs, one of our cooperatives is thinking of proposing a large generation asset, as part of their Defense Community Infrastructure Pilot Program bid, and is interested in including a warranty for this component, but the warranty requires a 10-year maintenance contract and as we understand it, O&M is not an allowable cost. Would a warranty cost be allowed? If so, if O&M costs associated with the warranty were paid up front, could that be considered an allowable cost under Defense Community Infrastructure Pilot Program?

Answer: Yes.

28. Regarding Section D. paragraph J. "Environmental Compliance", What does OLDCC expect the grantee and the associated installation to do to assure National Environmental Policy Act (NEPA) compliance?

Answer: The Office of Local Defense Community Cooperation is responsible for complying with NEPA for construction projects for which its Federal funds are granted. To accomplish this, the grant recipient (Grantee) is expected to conduct the appropriate level of environmental review and analysis to support the Office of Local Defense Community Cooperation making a final NEPA determination. The benefitting military installation is requested to support this effort to the maximum extent practicable. For example,

- For projects to which a categorical exclusion applies, the Grantee may provide the benefitting military installation with sufficient information and analysis for the installation to generate a record of categorical exclusion. If the installation is willing to sign a categorical exclusion, the Office of Local Defense Community Cooperation may adopt the installation's categorical exclusion determination for its own final determination in accordance with 40 CFR § 1506.3.
- If the installation is not willing to sign a categorical exclusion but can provide a record of categorical exclusion for a project substantially the same as the proposed project, the Office of Local Defense Community Cooperation may adopt that for its own final determination in accordance with 40 CFR § 1506.3.

- For projects that require an Environmental Assessment (EA), that is, a categorical exclusion is not applicable to the project, the Grantee must conduct and complete an EA. The draft EA will be provided to the benefitting military installation for review, and the Grantee will incorporate any comments from the benefitting installation after reviewing it with the Office of Local Defense Community Cooperation and submit a final EA. The benefitting military installation is then requested to provide a letter from an installation environmental subject matter expert stating that they have reviewed the EA and found it to be technically sufficient. This informs the Office of Local Defense Community Cooperation to consider the possible issuance of a Finding of No significant Impact for the project, as appropriate as its determination for the project.
- In some cases, another Federal agency will be involved in the proposed project and will prepare and complete a categorical exclusion or an EA for the project. The Office of Local Defense Community Cooperation may adopt another agency's categorical exclusion or EA for its own final NEPA determination in accordance with 40 CFR § 1506.3.
- Please note that performing an environmental review and documenting a categorical exclusion can take 1-2 or more months, while conducting an environmental assessment from start to finish can take 4 to 6 months or more.

29. Can Defense Community Infrastructure Pilot Program grant funds be used to pay for work needed to comply with NEPA?

Answer: No. The cost to prepare NEPA documentation, environmental permit applications and similar pre-construction engineering costs cannot be funded with Federal funds, but may be used as a source for match.

D. Supplement, Supplant and Use of Other Funding

30. Can funds from other (non-OLDCC) Federal sources be used as match for Defense Community Infrastructure Pilot Program projects?

Answer: It depends. They must be awarded and accepted by the Proposer through a counter-signed award prior to the time of the proposal's submission, and the Federal source must be able to indicate the allowability of as match. All proposals including the participation of other Federal funds as a funding source must include with the proposal a copy of a counter-signed funding agreement with the awarding Federal agency—and the cover page (section D.2.A.) specifically must identify the participation of other Federal funding.

31. Can Defense Community Infrastructure Pilot Program Federal funding be used to match other partially Federally-funded projects?

Answer: No.

32. The language in the Notice of Funding Opportunity prohibiting funds being supplanted - does that only pertain to Federal funds or does this program also prohibit supplanting local funds?

Answer: This funding may not supplant other Federal funds that are available for the proposed project. It is not applicable to local or other non-Federal funding. Supplanting of funds occurs when Defense Community Infrastructure Pilot Program Federal funding is provided instead of other eligible Federal funding for the project.

33. If a project (access road) is currently being submitted under Defense Access Roads (DAR) ,does it still qualify for the Defense Community Infrastructure Pilot Program?

Answer: No. This is supplanting the DAR program funding.

E. General

34. When will the actual grant funds be available for use?

Answer: Following their obligation (not later than September 30, 2023) and compliance with any special conditions of the award.

35. Can existing facilities that require interior finishing qualify for Defense Community Infrastructure Pilot Program? And if so, how would National Environmental Policy Act apply?

Answer: Any “finishing” activities would need to meet the definition of “construction” as used in the Notice of Funding Opportunity and comply with NEPA and Section 106 of the National Historic Preservation Act prior to commencing any ground-disturbing and building renovation.

36. If an eligible entity planned to use their own workforce for roughly 50% of the project and contract 50% of the project, would the current labor pay rate for the eligible entity be acceptable to Office of Local Defense Community Cooperation?

Answer: A Grantee is responsible for complying with any state- or Federal-based prevailing rate requirements. Office of Local Defense Community Cooperation grant funding alone is not subject to prevailing Federal wage rates. Where Office of Local Defense Community Cooperation grant funding is mingled with another funding source that may trigger Federal prevailing rates, the entire project would then be subject to the common Federal prevailing wage rate. Grantees are required to clearly document direct and fringe benefit rates.

37. What are the procurement standard thresholds for non-Federal entities?

Answer: Grantees will need to be familiar with Federal procurement processes in Title 2 of the Code of Federal Regulations, part 200 (2 CFR § 200). Communities are expected to conduct any procurement in accordance with these informal and formal procurement methods (2 CFR § 200.320) as well as compliance with state procurement guidance (2 CFR § 200.317) where applicable. The thresholds are:

- 1) Micro-purchase threshold (less than to \$10,000),
- 2) Federal simplified acquisition threshold (formerly known as the Federal small purchase threshold) (less than \$250,000),
- 3) Sealed bids purchases (more than \$250,000),
- 4) Proposals (more than \$250,000), and

5) Non-competitive procurement; however, non-competitive procurement is not permitted under Office of Local Defense Community Cooperation grants.

38. The proposer anticipates utilizing a local Governmental organization to assist with National Environmental Policy Act Environmental review compliance, Labor standards compliance, procurement compliance, administrative compliance, and report generation. Does the local Governmental organization need to be procured if Defense Community Infrastructure Pilot Program grant funds are being used to pay for those services? Could the Local Government organization be added as a sub-recipient on the project and not need procurement?

Answer: Local governmental organizations may be brought in through an intergovernmental agreement. If the applicant decides to include this as part of the grant for the purpose of match, then these services can be obtained in accordance with 2 CFR § 200.

39. Most of the engineering will be completed in house; however, some aspects of final design will be contracted out to licensed Engineers. Can engineering procurement take place after the grant application is submitted? Does the procurement need to be completed before application submission?

Answer: Yes, procurements can take place after grant award. However, “soft costs” such as engineering, planning and design cost are only eligible towards the project match. Also, the proposal would need to include a third-party cost validation and demonstrate the ability to break ground within one year.

40. Does the Military Installation Resilience (MIR) Program still exist or has MIR grant funding been absorbed under this program?

Answer: The Office of Local Defense Community Cooperation MIR program is now the Installation Resilience program, and is separate and distinct from Defense Community Infrastructure Pilot Program.

41. Can you speak to Office of Local Defense Community Cooperation's coordination with other Federal Agencies and whether Defense Community Infrastructure Pilot Program applicants should pursue joint proposals along with their NGO/state partners?

Answer: The Defense Community Infrastructure Pilot Program may consult with other Federal agencies in the consideration of a proposal as necessary, to include review of supplementing of the program funds if it is deemed efficient or economical to do so. OLDCC does not have a position on Proposers pursuing joint proposals with other NGO/state partners.

42. Is the grant funding firm and fixed to include construction as well as planning and design?

Answer: Yes. Any cost increases are the responsibility of the Grantee. Note that grant funds may only be used for costs approved based on the budget submitted, validated through an independent third party, and approved at the time of grant award. Soft planning costs required for the planning, design and execution of the proposed project are allowable as a source for non-Federal local cost share (match) only.

43. Is the total funding amount divided between the four categories in any specific percentages? How will the results of the three different categories be compared for funding priority?

Answer: No. All proposals will be scored based on the merits of each proposal, with scores weighted to prioritize the projects in accordance with legal authority. Proposals will be invited based on gross score ranking and the availability of funding.

44. Regarding Section G. “Funding Sources” of the Notice of Funding Opportunity, it states the proposing entity must also state its capability to secure a surety bond prior to construction. Does requiring the contractor to secure the bond suffice? Or does the grant require the applicant to secure the bond?

Answer: Typically, the contractor obtains a surety bond, which is adequate to meet the requirement.

45. If we plan to resubmit the same project from a previous year, is it recommended to use the same proposal but add supporting material or submit an entirely new proposal?

Answer: Since the Notice of Funding Opportunity is different this year, the Office of Local Defense Community Cooperation recommends submitting a new proposal.

46. Can we submit a draft to the POC at OLDCC for their review prior to the formal submittal?

Answer: No. This is a competitive grant program and we are unable review proposals prior to the proposal submission due date.

47. I will submit a proposal that will include a narrative and supporting documents that combined will not exceed 21 pages – do you want the narrative and documents compiled into a single PDF or do you want the supporting documents uploaded separate from the narrative? Is the narrative uploaded using ADD ATTACHMENTS? Typically, I see other forms under APPLICATION PACKAGE FORMS, though what you are seeking at this time is a proposal rather than application, it may be that this is correct: Is the SF-424 Form the only form required at this time?

Answer: Proposers may combine all documents into one document (Microsoft Word or PDF) at their discretion. If proposers wish to attach separate files (subject to the file types accepted by Grants.gov), please use Section 15 of the Grants.gov SF-424 or use the Attachments Form to add attachments. Yes, the SF-424 is the only standard form requested. Please be advised, while the SF-424 is the only form required, other supporting documentation is required as well as described in Section D of the Notice of Funding Opportunity. Also, our use of the term ‘proposal’ equates to the term “application” in Grants.gov for the purposes of this program.

48. In reference to a requirement for a project to include a “Federal Interest” for the life of the improvements, how is this interest memorialized? Can a project be sold at some point in the future and the Federal interest be assigned to a new owner (and that owner may not be a unit of local government)?

Answer: Federal Interest is typically memorialized in a document (i.e., a Notice of Federal Interest) attached to the deed of the property on which the project is constructed or documented

on the title of a piece of equipment as appropriate. Please refer to 2 CFR §200.311 “Real Property” and §200.313 “Equipment” for the requirements associated with Federal Interest associated with a Federal award.

49. We are applying for a Defense Community Infrastructure Pilot Program grant while also currently managing the Compatible Use (CU) grant with OLDCC. Does the fact they would be managing two grants present a problem?

Answer: No.

50. Does the local township/county usually end up covering cost to draft up the grant?

Answer: Yes. The costs incurred to prepare a proposal or application are not allowable.

51. Are land acquisition costs eligible under the Defense Community Infrastructure Pilot Program?

Answer: No. Land may be donated provided it is acquired independent of the proposed project. The value of this donation must be supported through a Fair Market Value appraisal.

52. If the proposal involves the use of land owned by the applicant, can the value of the land be used as any portion of the cost share?

Answer: Potentially, yes. Land acquired prior to the award of a DCIP grant that is integral to a proposed project may be an eligible source for the local cost share contribution. Please refer to 2 CFR §200.402-409, and 2 CFR §200.465 for specific cost principles as well as direction on how to assess Fair Market Value for the purposes of the project.

53. What are the responsibilities of a local government entity partnering with a member-owned not-for-profit utility on a project owned by the utility and working with the utility as a sub-recipient?

Answer: The local government, as a Federal grant recipient or Grantee, must maintain compliance with grant terms and conditions as well as applicable regulations, including 2 CFR § 200. The grant recipient should be familiar with the subrecipient sections of 2 CFR § 200; specifically, § 200.331 through § 200.333.

54. If awarded Defense Community Infrastructure Pilot Program grant funds, will an applicant receive the full amount of funding requested or could they be awarded only a portion of the requested funds?

Answer: Generally. The amount of funds provided in the award, and accepted through a counter-signature by the Grantee to the award, will be the amount provided.