



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

Notice of Funding Opportunity

Natural Gas Distribution Infrastructure Safety and Modernization (NGDISM) Grant Program

Fiscal Year (FY) 2026

NOFO Posted Date: March 23, 2026
Applications Due Date: May 22, 2026, 11:59 p.m. PST
Questions Due Date: May 15, 2026, 11:59 p.m. PST

Applicants must be registered at 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. In addition, applicants must maintain an active registration in the System for Award Management at www.SAM.gov.

SECTION E – Submission Requirements and Deadlines, contains more information on Grants.gov and SAM.gov systems.

Assistance Listing (formerly CFDA)

20.708 “[Natural Gas Distribution Infrastructure Safety and Modernization Grant Program](#)¹”

PHMSA Notice of Funding Opportunity Number
693JK326NF0013

¹ <https://www.phmsa.dot.gov/grants/pipeline/natural-gas-distribution-infrastructure-safety-and-modernization-grants>

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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: FY 2026 Natural Gas Distribution Infrastructure Safety and
Modernization Grant Program

Announcement Type: Initial Announcement

Funding Opportunity Number: 693JK326NF0013

Assistance Listing Number: 20.708

NOFO Posted Date: March 23, 2026

Application Due Date: May 22, 2026, 11:59 p.m. PST

SECTION A – BASIC INFORMATION

A.1 Statement of Purpose

The Natural Gas Distribution Infrastructure Safety and Modernization (NGDISM) Grant Program’s eligible entities are municipality- or community-owned utilities, not including for-profit entities, seeking assistance in repairing, rehabilitating, or replacing high-risk, leak-prone natural gas distribution infrastructure, or in acquiring equipment to reduce incidents and fatalities and avoid economic losses. The NGDISM Grant Program improves public safety and helps to unleash American energy in alignment with Executive Order 14154, “Unleashing American Energy”.

A.2 Statute and Program Authority

Division J of the Infrastructure Investment and Jobs Act (IIJA) (Pub. L. 117-58) provides funding for the NGDISM Grant Program.

A.3 Background

The IIJA appropriates \$200 million per year in grant funding, with a total of \$1 billion in grant funding over five years, to improve the safety of high-risk, actively leaking, or leak-prone natural gas distribution infrastructure. The legislation also authorizes PHMSA to use up to two percent for each fiscal year for administrative expenses. PHMSA will make \$98 million in Fiscal Year 2026 funding available under this NOFO.

A.4 Program Goals and Objectives

The goals of the NGDISM Grant Program are to:

1. Reduce the risk of incidents and avoid economic losses by replacing aging, leaking, and leak-prone municipal- and community-owned natural gas distribution infrastructure.
2. Prioritize projects that deliver the greatest safety benefits to communities most in need, particularly those vulnerable to pipeline-related hazards.

SECTION B – ELIGIBILITY

B.1 Eligible Applicants and Activities

The FY 2026 NGDISM Grant Program NOFO is open to entities who operate a natural gas distribution system and include:

1. City, township, or county governments
2. Municipal utilities (owned by a local government)
3. Community-owned utilities (owned by the customers they serve)

4. Federally recognized Tribal governments

For-profit entities, or any pipeline assets owned by a for-profit entity, are not eligible for NGDISM grant funding.

NGDISM funds support efforts to repair, rehabilitate, or replace existing pipeline distribution infrastructure. Installing or extending new natural gas capabilities is not an eligible use of funds. For example, a project that proposes to install or extend new pipe for the purposes of providing services to new customers is not eligible.

Examples of **eligible** grant projects:

- Construction projects that involve repairing, rehabilitating, or replacing leak prone natural gas pipeline distribution infrastructure. This includes projects related to main lines, service lines, and related components.
- Acquisition of equipment to reduce incidents and fatalities, or to avoid economic losses. This includes projects involving the acquisition of leak detection and line locating equipment.

Examples of **ineligible** grant projects:

- Projects involving transmission lines, including proposals to lower a transmission line to meet the existing code requirements.
- Projects or construction components that are temporary in nature.
- Projects that will require a PHMSA special permit or approval via PHMSA waiver.
- Projects that extend gas services to areas previously not served.
- Electrification.
- Removal of propane tanks and installing a natural gas piping system.
- Standalone equipment-only projects for construction equipment purchases (e.g., backhoes, excavators). Such expenses must be part of a construction project budget, not submitted independently.

B.2 Cost Sharing or Matching

There are no cost-sharing or matching requirements in the NGDISM Grant Program.

B.3 Funding Restrictions

The following costs are not eligible for reimbursement under the FY 2026 NGDISM Grant Program:

1. Pre-construction costs incurred prior to the effective date of the award for which PHMSA has not extended pre-construction authority in writing.
2. Entertainment, alcohol, or morale costs.
3. Expenses claimed 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 Part 20, U.S. DOT “New Restrictions on Lobbying.”

SECTION C – PROGRAM DESCRIPTION

C.1 Funding

Congress appropriated \$1 billion over five years to implement and administer the NGDISM Grant Program, with \$200 million appropriated annually, of which up to two percent of the annual appropriations may be used for PHMSA’s administrative costs. PHMSA will make available up to \$98 million utilizing FY 2026 funding for NGDISM grants under this NOFO. Any selections and awards under this NOFO are subject to the availability of appropriated NGDISM funds.

There is no award minimum amount.

Applicants may submit applications with multiple projects. PHMSA anticipates making multiple awards with the available funding. Due to limited funding and the competitive nature of this program, PHMSA may not be able to award grants to all eligible applications even if they score highly during the evaluation. PHMSA strongly encourages applicants to propose projects that have operational independence or a component of such a project.

Award(s) to a single entity may not be more than 12.5 percent of the total available funds for the grant program (\$1 billion). Therefore, during this five-year grant program, a single entity cannot receive more than \$125 million in NGDISM funding.

The IJA makes FY 2026 NGDISM grant funds available for obligation through September 30, 2036. At the time project selections are announced, PHMSA may extend pre-construction authority for the selected projects. Unless authorized by PHMSA in writing, costs incurred prior

to award of grant funding under this NOFO via a signed grant agreement (“pre-construction costs”) are ineligible for reimbursement.²

C.2 Period of Performance

The initial period of performance is up to 60 months. PHMSA may grant performance period extensions on a case-by-case basis.

C.3 Type of Award

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

SECTION D – APPLICATION CONTENTS AND FORMAT

D.1 Address to Request Application Package

The application package can be accessed at www.Grants.gov. Applicants are to download the application package associated with this funding opportunity by following the directions provided on www.Grants.gov.

To request a hard copy of the application package (via postal mail, FedEx, or e-mail), please contact:

Pipeline and Hazardous Materials Safety Administration
Attn: Shakira Mack
E24-312 (PHP-3)
1200 New Jersey Avenue, SE
Washington, D.C. 20590
E-mail: PHMSAPipelineBILGrant@dot.gov
Phone: 202-366-7652

If you are hearing-impaired, please contact the FR/TTY at 1-800-877-8339 or e-mail PHMSA-Accessibility@dot.gov.

D.2 Content and Form of Application Submission

Applications for the FY 2026 NGDISM Grant Program should be submitted in electronic format via Grants.gov. See Section E.4 for additional information on Grants.gov.

There are two sections:

² 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 Part 200 and determined by DOT. See 2 CFR § 200.458 for more information.

1. Standard Forms an applicant downloads and completes from [Grants.gov](https://www.grants.gov) under the FY 2026 NGDISM Grant Program funding opportunity; and
2. Attachments an applicant creates and uploads per the NOFO requirements.

Standard Forms

The following forms, which are found on [Grants.gov](https://www.grants.gov) under the FY 2026 NGDISM Grant Program funding opportunity, must be completed by the applicant and included as part of the application. The Authorized Representative (AR) named on the SF-424 must sign all forms.

Please note, a required form(s) identified below may be listed on Grants.gov, in the Package tab, as an optional form; or listed on [Grants.gov](https://www.grants.gov) in the Related Documents tab. Applicants need to submit the completed required forms as listed in this section, regardless of where forms/documents are located in [Grants.gov](https://www.grants.gov).

1. Standard Form (SF)-424 – Application for Federal Assistance

A. Points of Contact (POCs)

- Two POCs are mandatory. The individual listed in Section 8f must not be the same as the Authorized Representative (AR) listed in Section 21.
- POCs must be employees of the eligible applicant entity, not consultants.

B. Authorized Representative (AR) Requirements

- The AR must sign the SF-424, and have the legal authority to:
 - Sign documents on behalf of the entity;
 - Make assurances and commitments;
 - Enter into contracts; and
 - Execute documents related to the application.
- By signing, the AR certifies that all commitments made in the application will be honored, and the recipient agrees to comply with Federal grant regulations at 2 CFR Part 200.

2. Additional SF Forms Based on Project Type

Choose one set of the following depending on your application type:

A. Equipment-Only Projects (no construction):

- SF-424A – Budget Information: Non-Construction Programs

- SF-424B – Assurances: Non-Construction Programs
- The AR listed on the SF-424 must also sign the SF-424B

OR

B. Construction or Pipeline Infrastructure Applications (with or without equipment projects):

- SF-424C – Budget Information: Construction Programs
- SF-424D – Assurances: Construction Programs
- The AR listed on the SF-424 must also sign the SF-424D

3. Budget Narrative Attachment Form

4. Project Narrative Attachment Form

5. Lobbying Forms

- Grants.gov Lobbying Form
- SF-LLL – Disclosure of Lobbying Activities, if applicable
 - The AR listed on the SF-424 must also be listed on and sign all lobbying forms.

6. USDOT Standard Title VI/Non-Discrimination Assurances

- Only the U.S. DOT standard form is acceptable (non-U.S. DOT versions will not be accepted).
- The AR listed on the SF-424 must sign this form.

Attachments

The following applicant attachments are created by the applicant and uploaded to [Grants.gov](https://www.grants.gov) under the FY 2026 NGDISM Grant Program funding opportunity to be included as part of the applicant’s grant application package.

1. Project Narrative
2. Budget Narrative
3. Indirect cost rate agreement, or statement claiming a 15-percent de minimis rate (if applicable)
4. Most current Distribution Integrity Management Plan (DIMP)

5. Most current U.S. DOT/PHMSA Gas Distribution System Annual Report (GDAR) (Form PHMSA F 7100)
6. Additional optional attachments (if applicable)

Electronic Format: All application/attachment files are to be in Word, Excel, PowerPoint, Adobe, and/or picture/image (GIF, JPEG, PNG) formats. For any other file formats, PHMSA does not have the application/software to open/view these files; therefore, any information in other file formats will not be considered during the application review.

Sharing of Application Information: The Department may share application information within the Department or with other Federal agencies if the Department determines that sharing is relevant to the respective program's objectives. If PHMSA identifies any safety issues during the application review process, the Agency may forward relevant application details of a non-confidential nature with other PHMSA divisions for technical assistance and capacity building support.

Project Narrative

The following Project Narrative, sections 1–8, is required. Applicants should identify clearly the sections in the Project Narrative and follow the prescribed order in this NOFO.

Note: Adhere to the information in this NOFO for your application package.

1. Cover Letter
2. Applicant Eligibility and Statement of Authority and Pipeline Infrastructure Safety and Modernization Capabilities
3. Project Summary
4. Project Prioritization Table
5. Detailed Project Description
6. Projected Outputs and Objectives
7. Project Implementation and Management
8. Domestic Preference/Buy America

The Project Narrative should be prepared with standard formatting preferences (a single-spaced document, using a standard 12-point font such as Times New Roman, with one-inch margins, and narrative text in one column only). The Project Narrative may not exceed 25 pages in length (excluding cover pages, table of contents, and supporting documents/attachments).

Applicants may submit supporting documents via website links rather than hard copies. It is important to ensure the website links are currently active, accessible, and working. If supporting documents are submitted, applicants must clearly identify the page number(s) of the

relevant portion in the Project Narrative supporting documentation. PHMSA recommends using appropriately descriptive file names (e.g., “Project Narrative,” “Maps,” “Budget Narrative”) for all attachments. PHMSA will not review or consider Project Narrative pages beyond the 25-page limitation, non-working weblinks, and/or attachment file formats that do not meet Electronic Format guidance.

1. Cover Letter

Name and Title of this NOFO

Organization/Natural Gas System’s Name

This should include: (1) your entity’s name; (2) a brief overview of the governance structure of your entity and/or your entity’s leadership; and (3) your entity’s experience and capacity to manage Federal grant projects.

Primary Points of Contact

Identify the individual name(s) and position title(s), address, e-mail address, and telephone number of the following primary roles:

1. Project Representative(s): Responsible for coordinating project activities; and
2. Authorized Representative(s) (AR): Individual with the legal authority to sign documents for an entity, provide assurances, make commitments, enter contracts, and execute such documents on behalf of the applicant/entity.

The primary points of contact must be two distinct individuals employed by the entity seeking grant funding, not consultants or external grant writers. Additional contacts may be provided at the entity’s discretion.

2. Applicant Eligibility and Statement of Authority and Pipeline Infrastructure Safety and Modernization Capabilities

A short statement by the applicant verifying/affirming they are a municipal- or community-owned gas distribution utility and have the legal authority and capability to perform pipeline infrastructure repairs, rehabilitation, or replacement, in accordance with 49 CFR Part 192, and to purchase equipment.

3. Project Summary

One project summary per project. The project summary should be no longer than two to three sentences. The project summary provides a high-level overview of the overall project.

4. Project Prioritization

Applications may contain multiple projects. Proposed construction projects should define reasonable pipeline boundaries that can be completed within the period of performance.

Replacing or rehabilitating similar pipeline materials in the same general area should be treated as a single project. Each project should be ranked numerically by priority. Alphabetical order or other sequential orders will not be accepted. Please ensure all pipe lengths are measured and described in miles. Project Prioritization numbering and budget totals must be consistent throughout the application. For equipment-only projects, please use the age of the oldest pipe material in the system under the Infrastructure Age column.

An example table is provided below. A standalone Word template of this table is included in the NOFO package for applicant use:

Sample Project Prioritization Table					
Priority Number	Project Name	Pipe Material	Miles	Infrastructure Age	Total Project Cost (all project costs must equal the Federal funding requested in the SF-424)
1	Southeast Cast-Iron Replacement Project	Cast-iron	9.0	1920s	\$9,500,000
2	Northwest PVC Replacement Project	PVC	2.5	1940s	\$2,300,000
3	Regulator Replacement Project	N/A	0.0	1970s	\$850,000
				<u>Total:</u>	\$12,650,000.00

5. Detailed Project Description

- Identify the scope and budget (including total cost per mile of mains replaced and total cost per service replaced) for each project proposal. If applicable, the projects should be listed according to the risk/safety priority order described in the Project Prioritization table.
- Describe materials being replaced, repaired, or rehabilitated, and a general description of the construction methods to be used (i.e., horizontal directional drilling (HDD), cut and cover, insertion, etc.).
- Describe the area where the project proposal will occur, if the project includes the repair, rehabilitation, or replacement of assets throughout your system. Applicants should include a statement that real property, right(s)-of-way acquisition, utility

easements, and/or applicable legal requirements are already secured. PHMSA is unable to fund projects that will require real property acquisition.

- Describe any relocations, abandonments, and upsizing.
- Provide sufficient documentation to support the project, such as: engineering drawings; cathodic protection data; incident reports; preliminary project planning or design, including site design; maps; site photos; materials lists; cost estimates received; an aerial photograph of the site depicting the proposed location; anticipated environmental and community impacts; and other pre-construction activities of eligible pipeline infrastructure projects.
- Provide a Safety Risk Profile for each project proposal describing the condition of the current infrastructure in the project area for which funding is being requested. The project's Safety Risk Profile must align with the information provided to PHMSA in the GDAR and must cite the operator's DIMP, which should include identified threats, leak statistics, and risk analysis. The Safety Risk Profile should state how the project will mitigate the identified threat(s) and list the safety benefits the project will bring to the community.
- Identify any potential immediate danger that the existing infrastructure poses that may result in fatalities, injuries, or environmental hazards.
- Provide plans for creating jobs that provide economic impact and growth.
- Identify whether partial funding would be accepted to complete the project and the level of minimum funding needed.
- Identify whether the 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.
- Describe project schedule, or best available estimates/projections. The project schedule identifies all major project milestones from start to completion.

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. Outputs should include:

- The quantity (e.g., mileage, age, and diameter) of pipeline affected.
- The number of jobs the project may create.
- The economic impact or growth over the length of the project, such as reduced gas bills to consumers.

- The reduction in leak rates attributable to the project, including the method of calculation.

In addition, 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.

Applicants may use the following table to approximate the leak rates based on pipeline material that will be replaced by the program. It is adapted from Table 1 EPA Inventory – Annex 3.6, Table 3.6-2.

Pipeline Material Type	Average Rate (kg/mile/year)
Cast Iron	2,877.35
Unprotected Steel	1,491.80
Protected Steel	77.90
Plastic	109.85

7. Project Implementation and Management

Provide a description of the monitoring and quality assurance plan to ensure successful project completion within the period of performance. Describe how the applicant will ensure the applicable Federal pipeline safety regulations will be followed and grant funds are used appropriately. These may include, but are not limited to, ensuring the DIMP is up to date; implementing safety and performance checks and inspections; and conducting audits of the project.

8. Domestic Preference/Buy America

Applicants must include a statement certifying they will comply with Domestic Preference/Buy America and, if applicable, include an assessment of materials, products, or manufactured products that would require an exception or waiver of the Buy America provisions.

Budget Narrative

The Budget Narrative must justify each cost clearly and accurately and align with the SF-424A (for equipment only applications) or SF-424C line-item (for construction applications) categories. It should be specific, detailed, and mathematically sound, rounding all amounts to whole dollars. Applicants should include all anticipated expenses, such as price fluctuations, permitting and restoration costs, environmental compliance, Federal grants management training, and audit-related costs. A well-prepared Budget Narrative is critical for funding consideration and long-term financial monitoring. Once a grant agreement is executed, PHMSA cannot increase funding to cover additional costs.

SF-424A Use for Equipment-Only Applications

Projects to acquire equipment to: (1) reduce incidents and fatalities and (2) avoid economic losses is an allowable program cost. Each item of equipment must be identified with the corresponding cost. Applicants should obtain quotes or use online resources to ensure that the estimated cost is recent and reasonably priced compared to other similar models. Applicants should analyze the cost benefits of purchasing versus leasing equipment for high-cost items and those subject to rapid technical advances. The following table outlines the SF-424A line items.

Category/Line Item	Enter Amount
Personnel	Not applicable for equipment-only applications.
Fringe Benefits	Not applicable for equipment-only applications.
Travel	Not applicable for equipment-only applications.
Equipment	Equipment is tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost that equals or exceeds \$10,000. Note: Heavy construction equipment such as backhoes, trucks, and excavators should not be included in this line item as a standalone project.
Supplies	Equipment purchases less than \$10,000 per unit should be listed under Supplies.
Contractual	List rented or leased equipment costs in the Contractual or Other category, depending upon the procurement method.
Construction	Not applicable for NGDISM equipment only applications.
Other	Includes costs that do not fall under Personnel, Fringe, Travel, Equipment, Supplies, or Contractual, but are still necessary, reasonable, and allowable for the acquisition of equipment.
Indirect Charges	Not applicable for equipment-only applications.

SF-424C Use for Construction Applications (with or without equipment projects)

Projects related to repairing, rehabilitating, or replacing high-risk, leak-prone natural gas distribution infrastructure, and equipment necessary to carry out the projects, are allowable under this program. The following table outlines the SF-424C line items.

Category/Line Item	Enter Amount
Administrative and legal expenses	If applicable.
Land, structures, rights-of-way, appraisals, etc.	If applicable.
Relocation expenses and payments	If applicable.
Architectural, environmental, and engineering fees	If applicable.
Other architectural and engineering fees	If applicable.
Project inspection fees	If applicable.
Site work	If applicable.
Demolition and removal	If applicable.
Construction	If applicable.
Equipment	Equipment is tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost that equals or exceeds \$10,000. Note: Heavy construction equipment such as backhoes, trucks, and excavators should be included in this line item and not as a standalone project.
Miscellaneous	If applicable. Equipment purchases of less than \$10,000 per unit and Indirect Costs should be listed as Miscellaneous.
Contingencies	If applicable and not to exceed 10 percent of total project costs.
Project (program) income	Not allowable.

Indirect Costs: Indirect costs generally do not apply to most construction grants. If claiming the 15 percent de minimis rate, applicants must use the Modified Total Direct Cost (MTDC) method, which excludes capital expenditures and equipment. The budget narrative should clearly explain the indirect cost calculation. A statement must be included if the de minimis rate is used. If a higher rate is claimed, attach the most recent negotiated indirect cost rate proposal. See 2 CFR § 200.1 for details.

SECTION E – SUBMISSION REQUIREMENTS AND DEADLINES

E.1 Submission and Times

The Assistance Listing number for this program is 20.708. Complete application packages are due via Grants.gov no later than 11:59 p.m., PST, May 22, 2026.

E.2 Unique Entity Identifier (UEI) and System for Award Management (SAM)

Each applicant is required to:

- Register in SAM (SAM.gov) before submitting an application.
- Provide a valid UEI in the application.
- Continue to maintain an active SAM registration with current information at all times during which they have an active Federal award or an application under consideration.

PHMSA recommends that applicants review the SAM database to ensure that their UEI number is updated and “active.” The SAM database is available at <https://sam.gov/content/home>. For issues with SAM.gov, applicants have the following options:

- Contact the Federal Service Desk (FSD) at 866-606-8220
- Create an incident ticket via https://www.fsd.gov/gsafsd_sp
- Use SAM.gov self-help options to search help articles to find an answer.

E.3 Other Submission Requirements

Applications will only be accepted via Grants.gov using required username(s) and password(s) needed to access the Grants.gov website. There is no limitation on the number of applications that may be submitted by an eligible applicant. All projects submitted as part of an application must be complete and able to stand on their own merits.

Electronic File/Attachments Format: All application/attachment file formats are to be Word, Excel, PowerPoint, Adobe, and/or picture/image (GIF, JPEG, PNG) formats. For any other file formats, PHMSA does not have the application/software to open/view these files and any information in other file formats will not be considered during the application review(s).

To begin the application process, applicants must be registered with Grants.gov to submit an application. See Grants.gov section below. Failure to comply with the prescribed application requirements may result in the failure of an application to be reviewed.

E.4 Accessing Grants.gov

To apply for NGDISM grant funding under this announcement, all applicants are to be registered as an organization with Grants.gov. For new users, it is highly recommended that applicants begin the registration process and become familiar with the Grants.gov website as soon as

possible to avoid delays in submission. For new users, go to <https://www.grants.gov/applicants> or go to the main page at Grants.gov, select “Get Started,” and then “Register.” NOTE: New user registrations for Grants.gov may take up to two weeks to complete.

Options for additional questions on how to register and/or to resolve Grants.gov issues are:

- Utilize Grants.gov Online Self-Help (https://gditshared.servicenowservices.com/hhs_grants).
- Utilize Grants.gov “Create a Ticket” feature (https://gditshared.servicenowservices.com/hhs_grants).
- Contact Grants.gov Support Desk, 24 hours a day, seven days a week, excluding Federal holidays, by phone at 800-518-4726 or by e-mail at support@grants.gov.

PHMSA encourages applicants to utilize the Grants.gov Workspace feature. This feature allows applicants to assign roles so that multiple individuals can work on an application. For more information about the workspace, please review this [short Grants.gov video](#).

SECTION F – APPLICATION REVIEW INFORMATION

F.1 Merit Criteria

The criteria that follow are for evaluation purposes only. Applicants should ensure that the applicable criteria below are addressed in the relevant portions of your application. PHMSA uses technical and programmatic criteria to evaluate and rate applications. Each project proposal (not application) will receive a rating based on two technical reviews and one programmatic review. The overall evaluation will be based on two components: technical review (weighted at 66 percent) and programmatic review (weighted at 33 percent).

Technical Review Criteria for Construction Project Proposals:

1. Whether the project proposal directly relates to repairing, rehabilitating, or replacing a natural gas distribution pipeline system or portions thereof. (High, Medium, Low)
2. Whether the project proposal will mitigate risks identified in the operator’s most recent Distribution Integrity Management Plan (DIMP). (High, Medium, Low)
3. Whether the project proposal addresses the highest ranked threat(s) noted within the operator’s most recent DIMP. (High, Medium, Low)
4. Whether the project proposal demonstrates benefits and value that can be tied to a reduction in incidents and associated costs. (High, Medium, Low)
5. Whether the project proposal involves pipe prone to leakage. (High, Medium, Low)
6. Whether there is a direct and immediate need for funding. (High, Medium, Low)

7. Whether the project proposal includes a reasonable and sufficiently detailed project timeline. (High, Medium, Low)
8. Whether the project proposal provides adequate descriptions and specifics of the design and construction activities and tasks proposed. (High, Medium, Low)

Technical Review Criteria for Equipment Only Project Proposals:

1. Whether the equipment has the potential to reduce incidents and fatalities and/or help avoid economic losses. (High, Medium, Low)
2. Whether the equipment is expected to have a multi-year lifespan with manageable maintenance costs. (High, Medium, Low)
3. Whether the proposed acquisition of equipment will mitigate risks identified in the operator's most recent DIMP. (High, Medium, Low)
4. Whether there is a direct and immediate need for funding. High, Medium, Low
5. Whether the project proposal provides supporting documents, such as quotes, and a cost-breakdown that appears reasonable. (High, Medium, Low)
6. Whether the percentage of unaccounted for gas reported in the most recent GDAR is higher or lower than the national average for Local Distribution Companies (LDCs). (High, Medium, Low)
7. Whether the project proposal includes outputs. (High, Medium, Low)
8. Whether the equipment is a standalone project without a construction component. (High, Medium, Low)

Programmatic Review Criteria for Construction Project Proposals:

1. Whether the project is included in the project prioritization table. (Y/N)
2. Whether the budget narrative aligns with the project total in the SF-424C (construction). (High, Medium, Low)
3. Whether the project outlines measurable economic impact or growth benefits. (High, Medium, Low)
4. Whether the project proposal includes quotes, invoices, or online estimates (current or past are acceptable) to justify costs. (High, Medium, Low)
5. Whether the applicant currently has control or ownership of the project proposal site. (High, Medium, Low)
6. Whether the pipe age reflects elevated risk due to age, as evidenced by industry standards. (High, Medium, Low)

7. Whether the project will create jobs. (Y/N)
8. Whether a risk assessment conducted under 2 CFR § 200.206 identifies the entity as high-risk. (High, Medium, Low)

Programmatic Review Criteria for Equipment Only Project Proposals:

1. Whether the project is included in the project prioritization table. (Y/N)
2. Whether the budget narrative aligns with the SF-424A (non-construction). (High, Medium, Low)
3. Whether the project total aligns with the total Federal funding requested in the SF-424 and the budget narrative. (Y/N)
4. Whether there are clearly defined outputs and objectives. (High, Medium, Low)
5. Whether the project proposal describes how the equipment will reduce economic losses and incidents and fatalities. (High, Medium, Low)
6. Whether the pipe age reflects elevated risk due to age, as evidenced by industry standards. (High, Medium, Low)
7. Whether the project proposal includes quotes, invoices, or online estimates (current or past are acceptable) to justify costs. (High, Medium, Low)
8. Whether a risk assessment conducted under 2 CFR § 200.206 identifies the entity as high-risk. (High, Medium, Low)

F.2 Review Process

The Department intends to apply principles from DOT Order 2100.7, “Ensuring Reliance Upon Sound Economic Analysis in DOT’s Policies, Programs and Activities”, and DOT Order 2100.9, “Ensuring Nondiscrimination and Equal Opportunity in Department of Transportation Policies, Programs, and Activities” when evaluating applications and making award selections. To the maximum extent permitted by law, PHMSA will prioritize projects that align with the principles outlined in DOT Orders 2100.7 and 2100.9.

Review of the applications will be based on the administrative, technical, and programmatic criteria, and the goals and priorities of the DOT. During the administrative review, PHMSA will review each application to verify eligibility and to ensure it includes all the required elements to qualify for the award. The technical and programmatic reviews will assess the project’s proposed scope of work and the extent to which each project meets the established merit criteria.

Additional Priorities and Selection Considerations

After completing the merit review, among projects of similar merit, PHMSA may prioritize projects according to the following key Administration and DOT objectives:

Safety: PHMSA will assess the project’s ability to commit to advancing safe and efficient transportation. Applicants must address how their project provides substantial safety benefits. Projects that have the potential to provide the greatest safety benefits, such as those which seek to address active leaks, may be prioritized.

Disadvantaged Rural and Urban Communities: PHMSA will assess the project’s ability to benefit disadvantaged rural and urban communities.

Sound Economic Analysis: PHMSA will prioritize projects that advance the goals of the DOT Order, “Ensuring Reliance Upon Sound Economic Analysis in DOT Policies, Programs, and Activities” during the review and selection process.

PHMSA will prioritize projects that align with the Administration's focus on the American family and ensuring reliable delivery of goods and services for American families.

Workforce Development, Job Quality, and Wealth Creation: The Department will assess whether and how the project will include union participation or project labor agreements, which promote cost-effectiveness and open competition.

Geographic Diversity: When selecting awardees, PHMSA may consider the geographic diversity of projects.

Ratings Guidelines

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

Highly Recommended: The application demonstrates the NOFO requirements are very well understood, and that the approach likely results in high-quality performance. The application clearly addresses and exceeds requirements with no weaknesses. The application contains outstanding features that meet or exceed on multiple dimensions the expectations of the government. 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 that the approach 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 that the approach likely result in satisfactory performance for part of the requirements. The application addresses some of the requirements with some weaknesses. The application demonstrates some experience, qualifications, and 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 multiple requirements. The applicant may be ineligible to apply for the grant. The application could not satisfy critical requirements without a major revision or 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.

Selection Process

PHMSA will recommend applications for award based on the final overall rating as described above. Final award recommendations will be made by the PHMSAPHMSA Administrator after taking into consideration the administrative, technical, and programmatic evaluations, and how well the applications address PHMSA's and DOT's safety priorities. The Secretary will make final award selection decisions.

F.3 SAM.gov Review

Prior to making a Federal award with a total amount of the 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 the [SAM.gov](https://www.sam.gov) Responsibility/Qualification information (formerly called Federal Awardee Performance and Integrity Information System (FAPIIS)) (see 41 U.S.C. § 2313). An applicant, at its option, may review the Responsibility/Qualification information through [SAM.gov](https://www.sam.gov) and comment on any information about itself that a Federal-awarding agency previously entered and is currently in the Responsibility/Qualification information. PHMSA will consider any comments by the applicant, in addition to the other Responsibility/Qualification information, 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.

F.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 representative/official must sign and return the award within the timeframe prescribed by PHMSA.

SECTION G –AWARD NOTICES

G.1 Federal Award Notices

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. Selected grant award recipients will be announced by the Secretary of Transportation via the U.S. DOT Office of the Secretary's Newsroom webpage (<https://www.transportation.gov/newsroom>).

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:

1. 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.
11. Other information or provisions deemed necessary by PHMSA.

Recipients of an award will not receive lump-sum cash disbursements at the time of award announcement or obligation of funds. PHMSA will reimburse recipients only after (1) the project proponent has fully complied with the required environmental review process; (2) the grant agreement has been executed; (3) allowable expenses have been incurred; and (4) a valid request for reimbursement has been submitted and approved by PHMSA.

SECTION H – POST-AWARD REQUIREMENTS AND ADMINISTRATION

H.1 Federal Statutory and Regulatory Requirements

The administration of this award by PHMSA and the recipient 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. **New Restrictions on Lobbying.** 49 CFR Part 20, “New Restrictions on Lobbying,” will be incorporated by reference into any award under this program and is available at <https://www.ecfr.gov/> by clicking on “Title 49, Subtitle A, Part 20.”

4. **Drug-Free Workplace.** 49 CFR Part 32, “Government wide Requirements for Drug-Free Workplace (Financial Assistance),” which implements the requirements of Public Law 100-690, Title V, 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, then “Subtitle A”, and then “Part 32.”
6. **National Environmental Policy Act (1970).** Includes applicable environmental and historic preservation laws, as well as compliance with mitigation actions described in the completed Tier 2 – Site Specific environmental documentation during construction or repair activities.
7. **Freedom of Information Act.** DOT regulations implementing the Freedom of Information Act (FOIA) are found at 49 CFR Part 7. The regulations require PHMSA to make requested materials, information, and records publicly available under FOIA. Unless prohibited by law and to the extent permitted under FOIA, contents of NGDISM applications may be released in response to FOIA requests.

H.2 Administrative and National Policy Requirements

1. **Compliance with Federal Laws and Policies.** Except where prohibited by court order, the applicant assures and certifies, with respect to any applications and awarded project under this NOFO, that it will comply with all applicable Federal laws, regulations, executive orders, policies, guidelines, and requirements as they relate to the application, acceptance, and use of Federal funds.
2. **Domestic Preference Requirements.** As expressed in Executive Order 14005, “Ensuring the Future Is Made in All of America by All of America’s Workers” (86 FR 7475))²³, the Executive Branch should maximize, consistent with law, the use of goods, products, and materials produced in, and services offered in the United States. NGDISM Grant projects that are considered “projects for infrastructure” will be subject to the domestic preference requirements at § 70914(a) of the Build America, Buy America (BABA) Act, Pub. L. No. 117-58, div. G, tit. IX, subtit. A, 135 Stat. 429, 12 (2021) and Office of Management and Budget (OMB) Memorandum M-22-11, “Initial Implementation Guidance on Application of Buy America Preference in Federal Financial Assistance Programs for Infrastructure”
3. Projects that are not considered “projects for infrastructure” will be subject to requirements of the Buy American Act, Pub. L. No. 72–428, as codified at 41 U.S.C. §§ 8301–8303. Note that when using NGDISM Grant funds, Buy America (49 U.S.C. 5323(j)) (formerly sec. 165 of the Surface Transportation Assistance Act of 1982 (Pub. L. 97-424)) provisions do not apply. After funding decisions are made by the Department, the NGDISM Grants Program Office will coordinate with grant recipients on whether their projects are designated as “projects for infrastructure.”

4. **Program Requirements: Critical Infrastructure Security, Cybersecurity, and Resilience.** It is the policy of the United States to strengthen the security and resilience of its critical infrastructure against all hazards, including both physical and cyber threats, consistent with the National Security Memorandum on Critical Infrastructure Security and Resilience (NSM-22). Each applicant selected for Federal funding under this notice must demonstrate, prior to the signing of the grant agreement, efforts to consider and address physical and cyber security risks relevant to the transportation mode and 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 Homeland Security, will be required to do so before receiving funds.
5. **Executive Order 14173, Ending Illegal Discrimination and Restoring Merit-Based Opportunity.**
 - a. Except where prohibited by court order, pursuant to Section 3(b)(iv)(A) of Executive Order 14173, Ending Illegal Discrimination and Restoring Merit-Based Opportunity, the recipient agrees that its compliance in all respects with all applicable Federal anti-discrimination laws is material to the government's payment decisions for purposes of section 3729(b)(4) of title 31, United States Code.
 - b. Except where prohibited by court order, pursuant to Section 3(b)(iv)(B) of Executive Order 14173, Ending Illegal Discrimination and Restoring Merit-Based Opportunity, with respect to any application and awarded project under this NOFO, the recipient certifies that it does not operate any programs promoting diversity, equity, and inclusion (DEI) initiatives that violate any applicable Federal anti-discrimination laws.
6. **Protection of Confidential Business 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 applicant submits information that the applicant considers to be a trade secret or confidential commercial or financial information, the applicant must provide that information in a separate document, which the applicant may cross-reference from the application narrative or other portions of the application.

For the separate document containing confidential information, the applicant must:

1. State on the cover of that document that it "Contains Confidential Business Information" (CBI).
2. Mark each page that contains confidential information with "CBI."

3. Highlight or otherwise denote the confidential content on each page.
4. At the end of the document, explain how disclosure of the confidential information would cause substantial competitive harm.

DOT will protect confidential information complying with these requirements to the extent required under applicable law. If DOT receives a FOIA request for the information that the applicant has marked in accordance with this section, or that DOT has some other reason to believe may contain confidential commercial information, DOT will follow the procedures described in its FOIA regulations at 49 CFR § 7.29.

7. **Uninterrupted Service Delivery Provisions in Federal Financial Assistance Awards and Subawards:** Contractual terms requiring that federally funded services not be subject to disruption due to labor disputes are known as “uninterrupted service delivery” provisions. 2 CFR Part 200 does not prohibit recipients of Federal financial assistance from including uninterrupted service delivery requirements in their subawards or contracts when, in the recipient’s sound business judgment, the requirement will contribute to the economy and efficiency of the project and when otherwise consistent with Federal law applicable to the program.
8. **Civil Rights and Title VI:** As a condition of a grant award, grant recipients should demonstrate that the recipient has a plan for compliance with civil rights obligations and nondiscrimination laws, including Title VI of the Civil Rights Act of 1964 and implementing regulations (49 CFR Part 21) (including any amendments thereto), the Americans with Disabilities Act of 1990 (ADA), and Section 504 of the Rehabilitation Act, all other civil rights requirements, and accompanying regulations. This should include a current Title VI plan, completed Community Participation Plan, and a plan to address any legacy infrastructure or facilities that are not compliant with ADA standards. DOT’s and the applicable Operating Administrations’ Office of Civil Rights may work with awarded grant recipients to ensure full compliance with Federal civil rights requirements.
9. **Prohibited Enforcement:** To the extent a court order bars the implementation or enforcement of one or more of the preceding provisions with respect to a particular applicant or recipient, the Department will not implement or enforce the relevant provision(s) against that applicant or recipient for as long as the court order remains in place.

H.3 Reporting Requirements

Reporting of Matters Related to Recipient Integrity and Performance

If the total value of an applicant’s currently active grants, cooperative agreements, and procurement contracts from all Federal awarding agencies exceeds \$10,000,000 for any period of time during the period of performance of this Federal award, then the recipient during that period of time must maintain the currency of information reported to SAM that is made available in the

designated integrity and performance system, Responsibility/Qualification information (formerly called Federal Awardee Performance and Integrity Information System (FAPIIS)), about civil, criminal, or administrative proceedings described in paragraph 2 of 2 CFR Appendix XII to Part 200. This is a statutory requirement under section 872 of [Public Law 110-417](#), as amended (41 U.S.C. 2313). As required by section 3010 of [Public Law 111-212](#), all information posted in the designated integrity and performance system on or after April 15, 2011, except past performance reviews required for Federal procurement contracts, will be publicly available.

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, 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 of the Transparency Act should they receive Federal funding.

Quarterly Reporting

Each recipient is required to submit a quarterly progress report (Interim SF-425). Quarterly financial reports are submitted by e-mail to PHMSAPipelineBILGrant@dot.gov. Quarterly progress reports are submitted through Microsoft Forms. The quarterly reports are due no later than 30 days after the end of each reporting period.

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

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 e-mail 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.

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

SECTION I – FEDERAL AWARDING AGENCY CONTACTS

PHMSA NGDISM Program Team

Phone: 202-366-7652

E-mail: PHMSAPipelineBILGrant@dot.gov

Grants.gov Contact Center

Phone: 800-518-4726

E-mail: support@grants.gov

Federal Service Desk (FSD) – SAM.gov Support

Phone: 866-606-8220

Website: <https://www.fsd.gov/>

DEFINITIONS

Areas of Persistent Poverty (APP)³ – For purposes of this NOFO, APP encompasses disadvantaged communities and is defined as:

- Any county that has consistently had greater than or equal to 20 percent of the population living in poverty as measured by the 1990 and 2000 decennial census and the most recent annual Small Area Income Poverty Estimates as estimated by the Bureau of the census.
- Any census tract with a poverty rate of at least 20 percent as measured by the 2014–2018 five-year data series available from the American Community Survey of the Bureau of the Census.
- Any territory or possession of the United States.

Distribution Integrity Management Plan (DIMP) - A documented and implemented risk-based plan that enables gas distribution pipeline operators to identify threats, evaluate risks, and implement measures to ensure the safe and reliable operation of their distribution system. The DIMP is required by PHMSA for operators of natural gas distribution pipelines.

Gas Distribution Annual Report (GDAR) – A mandatory report submitted annually to PHMSA by operators of natural gas distribution systems. The report captures detailed information about an operator’s natural gas distribution system including mileage, material types, incident data, leak repairs etc. for the preceding calendar year.

Governmentwide Debarment and Suspension (Non-procurement) – Executive departments and agencies shall participate in a government-wide system for non-procurement debarment and suspension. In this context, PHMSA asks recipients to review the “list of parties excluded from Federal procurement or non-procurement programs” located on the SAM website before entering a sub-award or procurement contract. No sub-award or procurement contract may be issued to an entity or person identified on the “list of parties excluded from Federal procurement or non-procurement programs.” 2 CFR Part 1200 - “Non-procurement Suspension and Debarment” is incorporated by reference into this notification.

³ The NGDISM grant program statute establishes award selection criteria, including the potential for a project to benefit disadvantaged rural and urban communities. Departmental mapping tools were used for the identification of these communities in previous NOFOs; those tools have been retired. The Area of Persistent Poverty (APP) framework will be used for the identification of these communities in this NOFO. Area of Persistent Poverty is defined in Section 6702(a)(1) of the Infrastructure Investment and Jobs Act (Public Law 117-58).

Pipe Prone to Leakage – 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 § 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.

Pipeline Distribution System – A network of pipelines and associated components used to deliver natural gas from high-pressure transmission lines to lower pressure users, such as homes and businesses.

Pre-Construction Authority Costs – Costs incurred after the effective date of the award announcement and before the start of construction activities. These costs require prior approval from PHMSA and typically include engineering design services and Tier 2 environmental assessment costs. Such costs should be included in the budget narrative.