Notice of Funding Opportunity
Summary Information

Federal Agency Name:	U.S. Department of Transportation (US DOT) Federal Motor Carrier Safety Administration (FMCSA) Grants Management Office (GMO); MC-BG 1200 New Jersey Avenue SE West Building Washington, DC 20590
Funding Opportunity Title:	High Priority Program – Innovative Technology Deployment (HP-ITD)
Announcement Type:	Initial
Funding Opportunity Number:	FM-MHP-21-2002
Assistance Listing:	20.237
Key Dates:	Application Due Date – March 15, 2021 5:00pm EST
Point of Contact:	Financial/Application: James Ross 202-366-0133 James.Ross@dot.gov Programmatic: Thomas Kelly 202-480-5240 Thomas.Kelly@dot.gov

SECTION A - PROGRAM DESCRIPTION

1. Overview and Authorizing Legislation

The U.S. Department of Transportation's Federal Motor Carrier Safety Administration (FMCSA) announces the Fiscal Year (FY) 2021 High Priority grant program Notice of Funding Opportunity (NOFO), Funding Opportunity Number FM-MHP-21-2002, to solicit applications from eligible entities to support the High Priority - Innovative Technology Deployment (HP-ITD) activities.

The Fixing America's Surface Transportation (FAST) Act Pub. L. No. 114-94, § 5101 (2015), as extended by P.L. 116-159, the Continuing Appropriations Act, 2021 and Other Extensions Act (2020) authorized FY 2021 HP-ITD program funding, and 49 U.S.C. §§ 31102(l) and 31104 and 49 CFR part 350 govern the HP-ITD financial assistance program.

2. HP-ITD Goals and Objectives

Relevant Assistance Listings include 20.237.

As the lead government agency responsible for the regulation and safety oversight of commercial motor vehicles (CMV), FMCSA awards HP-ITD funds to support innovative and impactful projects that advance its mission to reduce crashes, injuries, and fatalities involving large trucks and buses. Funding is available for the support of innovative projects that improve safety and compliance with CMV regulations, are national in scope, demonstrate new technologies, and reduce the number of CMV crashes.

The objective of the HP-ITD program is to advance the technological capability and promote the deployment of intelligent transportation system applications for commercial motor vehicle (CMV) operations, including CMV, commercial driver, and carrier-specific information systems and networks, and to support/maintain CMV information systems/networks to (i) link Federal motor carrier safety information systems with State commercial motor vehicle systems; (ii) to improve safety and productivity of CMVs and commercial drivers; (iii) and to reduce of costs associated with CMV operations and regulatory requirements.

HP-ITD awards may be used for the deployment and development of new and innovative advanced technology solutions that support commercial motor vehicle information systems and networks, for planning activities, including the development or updating of program or top level design plans in order to become eligible or maintain eligibility for the HP-ITD awards; and for the operation and maintenance costs associated with innovative technology.

HP-ITD awards are supported in alignment with the U.S. Department of Transportation's strategic goals of:

i. SAFETY: Reduce transportation-related fatalities and serious injuries across the transportation system.
ii. INFRASTRUCTURE: Invest in infrastructure to ensure safety, mobility and accessibility and to stimulate economic growth, productivity and competitiveness for American workers and businesses.
iii. INNOVATION: Lead in the development and deployment of innovative practices and technologies that improve the safety and performance of the Nation's transportation system.
iv. ACCOUNTABILITY: Serve the Nation with reduced regulatory burden and greater efficiency, effectiveness, and accountability.

This NOFO provides important information about the HP-ITD safety priorities, highlighting the critical information related to preparing and submitting an application.

3. HP-ITD Award Performance Goals

Applicants should include expected performance goals related to the national priorities under subsection 4.

i. Baseline Data

FMCSA will measure the success of a HP-ITD award's performance goals by examining data available in Aspen, roadside inspection application and Commercial Vehicle Information Exchange Window (CVIEW), or equivalent, that houses and exchanges State credential and safety data with the national Safety and Fitness Electronic Records (SAFER) database, the International Registration Plan (IRP) clearinghouse, the International Fuel Tax Agreement (IFTA) clearinghouse, crash and safety statistics reported by the applicant, and any other data reported by the applicant for consideration.

ii. Performance Indicators

FMCSA will also measure whether an HP-ITD award meets the performance goals outlined in the application by assessing performance indicators.

In general, performance indicators of successful HP-ITD award projects may include, but are not limited to:

a. **CMV Safety Improvement:** Activities conducted under the HP-ITD award improves CMV and non-CMV safety, including high-risk areas and for high-risk drivers.
b. **Improvement of Data Sharing**: HP-ITD award activities share data among safety, credentialing, and screening systems. FMCSA requires conformance tests as a performance indicator for all State to demonstrate that data is shared and transferred through the applicable systems to carry out the desired function.
c. **System Connectivity:** FMCSA requires certification before a State Commercial Vehicle Information Exchange Window (CVIEW) system is

permitted to connect to the Safety and Fitness Electronic Records (SAFER) system to ensure that the systems comply with all interface and security requirements, accuracy and quality of the data exchanged, efficient communications, and prevention of system corruption.

d. **Collaborative Process and Shared Results**: Activities developed or implemented under the HP-ITD award have the potential to be more widely adapted by public and private stakeholders, including government agencies and motor carriers.

e. **Electronic Credentials Administration**: States should be handling at least 10 percent of transaction volume electronically.

In addition to the performance indicators above, all States have specific performance indicators tailored to their State performance goals included in the State's Program Plan/Top Level Design (PP/TLD). FMCSA approves each of these PP/TLDs. The PP/TLD is a technical document that provides management framework and system architecture to guide program deployment and to advise policy and decision makers regarding the funding and technical resources required for successful program implementation. The PP/TLD describes the various systems and networks at the State level that must be refined, revised, upgraded, or built to accomplish Core or Expanded capabilities. This State submitted PP/TLD are tailored to each State's performance goals, projects to achieve those goals, performance indicators, and schedules and milestones. Grant applications should, where possible, relate their application performance goals to their currently approved PP/TLD.

Finally, performance indicators may vary based on the national priority related to the award under subsection 4. If applicable, such performance indicators are more specifically addressed under Section 4.

4. National Priorities Descriptions

Below are descriptions of the programmatic activities listed in order of priority. The national priorities support the HP-ITD goals and objectives.

Please note that additional information regarding cost eligibility may be found within the Motor Carrier Safety Assistance Program (MCSAP) Grant Comprehensive Policy (MCP). An electronic copy of the MCP may be found at:

https://www.fmcsa.dot.gov/mission/grants/motor-carrier-safety-assistance-program-grant-comprehensive-policy

Note: A project consists of one or more activities that work towards achieving a defined goal and objective(s). If an applicant chooses to propose multiple HP-ITD projects within a single application, each application must contain separate and distinct project narratives, budget narratives, line item budgets, and project subtitles for each subproject proposed in that application.

The applications received for HP-ITD projects will be given consideration for funding as follows:

i. Core Compliance HP-ITD Program Priorities

a. Applications received from State agencies to meet Core compliance (as defined within Section 6 of the MCSAP Comprehensive Policy), which includes, but is not limited to:

1) **Program Plan/Top Level Design (PP/TLD),** including the development or updating a PP/TLD that describes the various systems and networks that must be refined, revised, upgraded or built to accomplish Core capabilities as defined in the MCP. **Please note that any award for funds to develop or revise an ITD PP/TLD shall not exceed $100,000 of Federal funding.**

2) **Safety Information Exchange**, including the development of Commercial Vehicle Information Exchange Window (CVIEW), which houses the national Safety and Fitness Electronic Records (SAFER) database. CVIEW is a key mechanism to share CMV credential and safety information within the State and with other jurisdictions across the country. This interstate data exchange enables numerous critical safety programs to check for high risk motor carriers and Federal out-of-service orders. This also provides real-time electronic screening of interstate vehicles for safety, International Fuel Tax Agreement, International Registration Plan, oversize/overweight permits, and other compliance information critical to a State's safety program. **Note:** All Core ITD performance measures related to electronic safety information exchange must be maintained to remain Core certified.

3) **Electronic Credentials Administration, p**rojects that automate the application, processing, and issuance of commercial vehicle operating credentials, including International Registration Plan (IRP) license renewals and International Fuel Tax Agreement (IFTA) license renewals/IFTA quarterly taxes. **Note:** All Core ITD performance measures related to electronic credential administration must be maintained to remain Core certified.

4) **Electronic Screening (E-Screening),** including projects that electronically identify a commercial vehicle, verify its size, weight, and credentials information, and review its carrier's past safety performance while the vehicle is in motion and then communicate safely to the driver to either pull in or bypass the roadside inspection station.

ii. Expanded HP-ITD Program Priorities

a. Applications that deploy a work-zone, incident, or traffic queue electronic notification system that will safely notify the driver within the cab of the CMV of an active work zone, traffic congestion, or an incident ahead. The alert system must be able to be safely broadcasted through the CMVs' transponders, electronic on-board systems, cell phones, and/or motor carrier routing and dispatching systems.

b. Applications that deploy electronic screening technology used in detecting Federal Out-of-Service (OOS) orders.

c. Applications that deploy electronic screening technology used in detecting vehicle OOS issues, including, but not limited to; inoperable, defective, or deficient brakes, tires, exhaust systems, or any defect that may cause an unsafe condition. This electronic screening technology would be used while the vehicle is in motion and would provide the ability to alert or provide an indicator to an electronic screening system.

d. Applications that deploy a CMV parking project that safely demonstrates real-time dissemination to a CMV driver of parking space availability by using dynamic message signs, interactive voice recognition, smartphone app, or other proven technology.

e. Applications that improve credentialing data quality when information is uploaded from the State to FMCSA's Safety and Fitness Electronic Records (SAFER) system. Grant application should include projects that ensure CVIEW systems capture updates sent to and from the SAFER system in real-time, or near real-time. Such applications should describe the performance measures used to ensure the accuracy and quality of the data exchanged, promote efficient system communication, and prevent system corruption or performance degradation, and the ability to tie the electronic screening of CVIEW data to inspection results.

iii. <u>More ITD Program Priorities</u>

a. Other typical projects and costs associated with HP-ITD funded by FMCSA are outlined in section 6 and Appendix H of the MCP.

b. Any innovative technology solutions meeting the goals established within the ITD program, but not listed in the MCP, may be submitted for consideration if the particular project is in the approved PP/TLD.

c. A project in an approved PP/TLD is not an indication that any funding requested for that project within an application will be approved.

SECTION B – FEDERAL AWARD INFORMATION

1. Funding and Number of Awards

FMCSA anticipates making approximately 35 award(s) totaling $20,000,000, subject to the availability of funds, as a result of responses to this NOFO. FMCSA reserves the right to allocate additional funds for awards based on the number and quality of applications. Awards under the HP-ITD program are subject to the availability of funds under the Consolidated Appropriations Act of 2021.

The FMCSA will limit Federal funding to a total amount of $2,000,000 per award.

2. Type of Award

Awards under this NOFO will be issued as a grant or cooperative agreement. The FMCSA will determine the appropriate award type based on the proposed project and the degree of Federal involvement.

These award types are for new FMCSA awards only. Applications for renewal or supplementation of existing awards are not eligible.

3. Period of Performance

The period of performance is the Federal fiscal year in which the award is made plus four additional fiscal years.

4. Degree of Federal Involvement

i. Cooperative Agreement

In accordance with 31 U.S.C. § 6305, FMCSA will award a cooperative agreement when substantial involvement between FMCSA and the recipient is anticipated when carrying out the activity outlined in the Notice of Grant Agreement.

In general, substantial involvement includes, but is not limited to:

- **a.** Project initiation meeting to establish broad objectives and timetables to complete activities as provided in the original application.
- **b.** Quarterly scheduled calls to discuss project progress and potential road blocks;
- **c.** Joint development and prior approval of education materials, reports, etc. as listed in the original application and part of an approved project.
- **d.** Coordination of FMCSA involvement in outreach and other activities relating to the publication of materials (including but not limited to the reference and use of FMCSA/DOT logos).

Under a cooperative agreement, FMCSA agrees to assign professionally qualified staff to serve as a liaison between the recipient and FMCSA local offices when event coordination is needed; provide technical assistance to the Recipient; assist with the

exchange of ideas and information as necessary and permissible; and other actions relating to the monitoring of performance activities under this award.

The recipient also agrees to designate a project manager or key point of contact to work with FMCSA and act as a liaison between the awardee and the Federal Government; and comply with all terms and conditions set forth in this agreement.

The FMCSA will further outline the nature of Federal involvement at the time of award and include additional details, as relevant, in the award documentation.

ii. Grant

FMCSA will award a grant when substantial involvement is not expected between FMCSA and the recipient when carrying out the activity outlined in the agreement.

The FMCSA provides financial assistance, technical expertise, and oversight. Grant recipients provide the effort and expertise necessary to carry out the approved activities to improve CMV safety. The FMCSA grant recipients are responsible for achieving the work described in their grant award, complying with the grant requirements in the grant award's terms and conditions, the local administration of the grant, and monitoring and oversight of any sub-recipients and/or sub-contractors.

SECTION C – ELIGIBILITY INFORMATION

1. Eligible Applicants

The HP-ITD awards are available to States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, American Samoa, Guam, and the U.S. Virgin Islands. FMCSA may award HP-ITD funds to eligible applicants that have an approved program plan as outlined in the Fixing America's Surface Transportation (FAST) Act. Individuals and businesses are not eligible to apply for HP-ITD funding.

To be eligible for HP-ITD funding, the State applicant shall:

i. have a commercial motor vehicle information systems and networks program plan (the Program Plan/Top Level Design (PP/TLD) approved by the Secretary that describes the various systems and networks at the State level that need to be refined, revised, upgraded, or built to accomplish deployment of commercial motor vehicle information systems and networks capabilities;

ii. certify to the Secretary that its commercial motor vehicle information systems and networks deployment activities, including hardware procurement, software and system development, and infrastructure modifications:

a. are consistent with the national intelligent transportation systems and commercial motor vehicle information systems and networks architectures and available standards; and

b. promote interoperability and efficiency to the extent practicable;

iii. agree to execute interoperability tests developed by the Federal Motor Carrier Safety Administration to verify that its systems conform with the national intelligent transportation systems architecture, applicable standards, and protocols for commercial motor vehicle information systems and networks;

iv. for deployment activities applications, submit the ITD PP/TLD approval letter, which includes the projects in which funds are being requested; and

v. certify that the State agency is the lead agency responsible for the PP/TLD, or if it is not the State agency responsible for the PP/TLD, demonstrate that it has a Memorandum of Understanding or other agreement with the ITD lead agency and confirm that the applicant has coordinated with the ITD lead agency regarding all projects requested in the application to ensure State-wide effectiveness and efficiency and to avoid any duplication of effort or other wastefulness in Federal funding initiatives.

2. Cost-Sharing and Matching Requirements

FMCSA will reimburse approved costs at the rate of 100 percent (no match/cost-share required) in the deployment of an HP-ITD CVIEW for States that have not achieved Core ITD certification and have not been reimbursed for a CVIEW project previously by FMCSA.

All other approved projects will be reimbursed at the rate of 85 percent of eligible costs, requiring a match/cost share of 15 percent. Applicants should include in their application a budget including the 15 percent match to demonstrate the State's commitment to meet the 15 percent cost-sharing requirement.

Cash, in-kind, and third-party contributions are acceptable in meeting the matching share if they represent necessary, reasonable, allowable and allocable costs as established by 2 CFR part 200. The MCP, applying 2 CFR part 200, includes some specific costs allowed under the HP-ITD program.

SECTION D - APPLICATION AND SUBMISSION INFORMATION

1. Address to Request Application Package

Potential applicants may obtain all forms at www.Grants.gov.

Applicants may also request paper copies of materials at:

Telephone: **(**202) 366-0621 (Grant Management Help Desk)

Mail: U.S. Department of Transportation,
Federal Motor Carrier Safety Administration
Grants Management Office (MC-BG),
1200 New Jersey Ave, S.E.,
West Building
Washington, D.C. 20590.

2. Content and Form of Application Submission

Application packages must contain the below elements and all documentation described in Appendix A to be considered for an award. Appendix B contains example formats that may, but are not required to be used.

i. Formatting

The application must follow the format and limitation stated below:

a. Application must be prepared in 8 1/2 x 11-inch format;

b. Margins (Top, Bottom, Right and Left) no smaller the 1" on all pages (Header and Footer are allowed in the margins);

c. Time New Romans 12pt. must be used for all text, including tables and graphs;

d. Application must be submitted in a format readable by Microsoft (MS) Word, Excel, or in text searchable PDF formats (as applicable);

e. Attach an approval letter indicating the Program Plan (PP/TLD) was approved by the Secretary as outlined in FAST Act (Pub. L. No. 114-94); and

f. The application narrative is limited to 35 total pages. FMCSA will not read or consider any materials beyond the specified page limit in the application review process. NOTE: The 35-total page limit will apply to this section only. Submission of documentation and forms described in Appendix A will not count against the application page limit.

g. The application shall not include more than 4 projects.

ii. **Brief Introduction** 5-page maximum

Include a description of the goal(s) of the application and the applicable program priority(s) met by the application's projects. Include in this introduction specific information about the outputs the application proposes to achieve. For each goal identified, the applicant must provide a problem statement, performance objective, program activity plan, and performance measurement plan.

iii. **Problem Statement** 5-page maximum

Provide a quantitative description of the identified problem. Include details on the data used to identify the problem and to establish the baseline (include data source, date, and explain how the applicant collects, maintains, and analyzes the data). Data should support proposed project(s).

iv. **Performance Objective** 5-page maximum

Provide a description of the applicant's quantifiable goal(s) related to the above problem statement. This can be measured in numbers, percentages, or other forms that accurately measure the outputs and outcomes the applicant anticipates will result from implementing the strategies and activities proposed.

v. **Program Activity Plan** 5-page maximum

Provide a description of the activities the applicant believes will help mitigate the problem. The description should include details such as the number and frequency of activities.

vi. **Performance Measurement Plan** 5-page maximum

Provide a description of how the applicant will measure progress towards the performance objective goal, such as quantifiable and measurable outputs (hours, carrier contacts, inspections, etc.) and in terms of performance outcomes. The measure must include specific benchmarks that can be reported on in the quarterly progress report, if practicable, or as annual outcomes. A pre-deployment baseline performance metric shall be established for each project, with a post-deployment outcome included in final performance report.

vii. **Monitoring and Reporting Plan** 5-page maximum

Provide a description of the applicant's method for ongoing monitoring of the progress of the project. This should include who will conduct the monitoring, the frequency with which it will be carried out, and how and to whom reports will be made.

viii. **Budget Narrative** 5-page maximum

A budget narrative is a description, by budget category (object class), that details the costs necessary to complete the proposed projects. A well-written budget narrative ensures that the applicant has properly documented proposed costs. The level of detail must be sufficient to justify the funding requested. Applicants are strongly encouraged to use the sample budget narrative format included in Appendix B.

The budget narrative should reflect the allocability of project activities to the grant.

Budgets should reflect the appropriate Federal and non-Federal match amounts. Exceeding the required match will not favorably influence the evaluation of an application. FMCSA may adjust the applicant's budget or adjust funding to reflect the appropriate match.

For instructions on completing these forms, please go to Grants.gov

https://www.Grants.gov/web/grants/forms/sf-424-family.html

SF 424 Field 18 box (a) - Estimated Funding is required and must contain the 85% Federal funding request, box (b) must contain the 15 percent applicant program match, and box (g) the sum of boxes (a) and (b), total project amount. Value of in-kind contributions should be included on appropriate lines, as applicable.

SF 424a - Section A – Budget Summary shows the 85 percent Federal, 15 percent non-Federal and 100 percent total per project. **Section B – Budget Categories** captures 100 percent total amount per object class categories. In the column headings (1) through (4), enter the titles for each of the proposed projects. **If five or more projects are proposed, download an additional 424a from Grants.gov.** Please note, the 424a covers the life of the project costs, and not just the first year (as stipulated in the 424a instructions).

All costs in the budget narrative, SF-424 and SF-424-A must be rounded to the nearest whole dollar amount.

ix. **Requirements when One or More Projects are Proposed**

When there are multiple projects, each project must include the following sections in consecutive order: Brief Introduction, Problem Statement, Performance Objectives, Project Activity Plan, Performance Measurement Plan, Monitoring and Reporting Plan, and Budget Narrative. For example, with multiple projects, project 1 includes the above sections in consecutive order, followed by project 2 including the above sections in consecutive order.

3. SAM.Gov requirement

The applicant must:

i. Be registered in the System for Award Management (SAM) at https://www.sam.gov before submitting an application; and

ii. Provide a valid Data Universal Numbering System (DUNS) number on the SF-424. If you do not have a DUNS number, you can get one free through the D&B website: https://fedgov.dnbd.com/webform/displayHomePage.do.

The applicant must maintain an active SAM registration with current information at all times during which it has an active Federal award or an application under consideration. To remain registered in the SAM database after the initial registration, the applicant is required to review and update the registration at least every 12 months from the date of initial registration or subsequently update its information in the SAM database to ensure it is current, accurate, and complete.

If an applicant has not fully complied with these requirements by the time FMCSA is ready to make a Federal award, FMCSA may determine that the applicant is not qualified to receive a Federal award and use that determination as a basis for making a Federal award to another applicant.

4. Submission Dates and Times

i. Deadline

FULL AND COMPLETE APPLICATIONS FOR High Priority Program – ITD Financial Assistance ARE DUE ON March 15, **2021** by **5:00 pm EST.** Once Grants.gov has received your submission, you will receive email messages to advise you of the progress of your application through the system. Over the next two business days, you should receive two emails: 1) confirms application receipt by the Grants.gov system; and 2) indicates that the application has either been successfully validated by Grants.gov prior to transmission to FMCSA or has been rejected due to errors. The applicant assumes all responsibility for a timely and complete application submission. Click here for more information.

ii. Consideration of Applications

Only applicants who comply with all submission deadlines described in this NOFO and electronically submit valid applications through Grants.gov will be eligible for consideration of award. Applicants are strongly encouraged to make submissions well in advance of the deadline.

iii. Late Applications

FMCSA will not consider a late application except under extraordinary circumstances. A late application will only be accepted if there is a large scale

natural disaster or a Grants.gov system issue that threatens the timely submission of a grant application. Problems with computer systems at the applicant organization, failure to follow the application instructions or failure to submit or complete the program application or complete required registrations by the submission deadline are not considered system issues.

5. Intergovernmental Review

The Innovative Technology Deployment grant program and this funding opportunity are subject to Executive Order 12372, "Intergovernmental Review of Federal Programs." The States with a Single Point of Contact (SPOC) and therefore required to comply with E.O. 12372 are listed at the Office of Management and Budget's website. www.whitehouse.gov/omb/grants/spoc.html.

6. Funding Restrictions

HP-ITD funds are awarded through a competitive evaluation process and are not guaranteed. All funding decisions will be made based on FMCSA's priorities and the merits of the respective applications.

All cost elements of an application must be necessary, reasonable, allocable, and allowable to accomplish the goals of the project. Cost eligibility standards are described in the applicable cost principles and administrative requirements:

i. 2 CFR part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; and

ii. The FMCSA's MCP, as revised in March 2018, available from FMCSA's Division Offices, and on the FMCSA MCSAP Website at: https://www.fmcsa.dot.gov/mission/grants/motor-carrier-safety-assistance-program-grant-comprehensive-policy.

In accordance with the provisions of 49 CFR § 350.417 and the Federal Uniform Administrative Requirements Cost Principles, additional guidance on eligible expenses under MCSAP is included in the MCP. The eligibility of all expenditures is subject to review by FMCSA.

FMCSA is not obligated to approve costs incurred before the award period of performance. These costs are incurred at the risk of the applicant and impose no obligation on FMCSA to make an award or to increase the amount of the approved budget.

FMCSA will not approve reimbursement requests for indirect costs if an approved indirect cost rate (IDC) agreement was not in place for the period the indirect cost expenses were incurred. If claiming indirect cost charges, the grant recipient must include an active approved IDC agreement with the application submitted for funding. Should the grant recipient fail to provide an approved agreement during the pre-award phase and a grant is awarded, the grant recipient will have 90 days from the date of award acceptance to provide a copy of the IDC agreement. If FMCSA

does not receive the required documentation within the allocated time frame, the grant recipient will not be reimbursed for indirect charges for that fiscal year. Once an approved rate is provided to FMCSA, the grant recipient will then be allowed to claim indirect cost in the following fiscal year of the award. 2 CFR § 200.414 (c)

Any non–Federal entity that does not have a current negotiated (including provisional) rate, except for those non–Federal entities described in appendix VII of 2 CFR part 200, may elect to charge a de minimis rate of 10 percent of modified total direct costs, which may be used indefinitely. No documentation is required to justify the 10 percent de minimis indirect cost rate. 2 CFR § 200.414(f).

All FMCSA grant programs are cost reimbursable, which means that grant recipients must first expend their own money before submitting a request for reimbursement to FMCSA for approved costs associated with approved activities identified in the grant agreement. Recipients will be reimbursed by FMCSA for actual costs incurred, provided that the costs are reasonable, approved, allowable, and allocable in accordance with the OMB regulations and FMCSA policy, within the approved budget, and supported by documentation. Recipients must request reimbursement at least once each quarter.

Recipients must submit requests for reimbursement electronically through the Delphi eInvoicing System (iSupplier). Additional information is available at:

https://www.transportation.gov/cfo/delphi-einvoicing-system

FMCSA will not provide reimbursement for salary-related bonus payments, either as a direct or indirect cost. Bonus costs are not an allowable expense under FMCSA awards. 2 CFR part 200, Subpart E: 2 CFR §§ 200.403 – 200.405

7. Other Submission Requirements

Applications must only be submitted electronically via https://www.Grants.gov as described above in this section. In the event of system problems or technical difficulties with the application submittal, please call Grants.gov at 1-800-518-4726 or e-mail support@Grants.gov 24 hours a day, 7 days a week (closed on Federal holidays).

To submit an application through *Grants.gov*, applicants must:

i. Create a username and password.

ii. Establish an E-Business point of contact (POC) to respond to the registration emails.

iii. Establish at least one Authorized Organization Representative (AOR); more than one AOR can be established.

Please note the registration process in Grants.gov usually takes 2-4 business weeks to complete. FMCSA will not consider late applications due to failure to register or comply with Grant.gov requirements.

In addition, applicants should also state within their Project Activity Plan narrative whether the proposed project(s) is/are located in a qualified opportunity zone designated pursuant to 26 U.S.C. § 1400Z-1.

SECTION E - APPLICATION REVIEW INFORMATION

1. Criteria

i. Eligibility Criteria

FMCSA will first screen all applications received by the due date to determine if the application is eligible. In addition to the eligibility criteria under Section C, FMCSA will review the application for the following below criteria.

Application Requirement	Instructions
Deadline submission was met	Section D.4(i)
Applicant eligibility was met	Section C.1
SAM Registration	Section D.3
SF-424 Application for Federal Assistance	Section D.1
SF-424 includes a DUNS Number	Section D.3
SF-424 lists any cost sharing or match amounts on line 18b	Section C.2
SF-424A, Budget Information Form	Section D.1
Budget Narrative	Section D.2 (viii)
Application/Project Narrative	Section D.2 (i-vi)
Any other applicable Grant.gov document or attachment listed in Appendix A	Appendix A

ii. Merit Evaluation Criteria

FMCSA subject matter experts will review all eligible applications using the following Merit Evaluation Criteria: Technical Merit Criteria; Budget Cost Analysis Criteria; Program-Specific Criteria; Past Performance Criteria; and Other Review Information. These criteria are further explained below.

a. Technical Merit

The criteria are related to the technical//programmatic merit of an application. FMCSA will consider the extent to which the applications:

1) Describe a program that will meet the stated objectives of the NOFO funds to support innovative and impactful projects that advance its mission to reduce crashes, injuries, and fatalities involving large trucks and buses achieve the other listed goals of the program;

2) Include components that address specific program priorities;

3) Propose methodology that meets the stated objectives of the NOFO;

4) Propose work that identifies and/or makes progress on new/existing technological improvements;

5) Propose work based on sound principles to gauge performance and project success;

6) Include staffing resource allocation is sufficient to achieve the program objectives;

7) Demonstrate that the approach will ensure the maximum effectiveness of HP-ITD activities;

8) Demonstrate appropriateness, rationale, and completeness of the proposed statement of project objectives;

9) Include clearly identified performance goals and measurements;

10) Demonstrate ability to develop performance-based metrics that adhere to FMCSA monitoring and reporting requirements;

11) Demonstrate that the proposed project/program is reasonable in scope, adequate to address existing and emerging information technology;

12) Have an identified geographical or national scope that the project will affect; and

13) Demonstrate efforts that are complementary and not duplicative, which, when taken together, will best achieve the programs goals and objectives.

b. <u>Budget /Cost Analysis Criteria</u>

This category of criteria involves the budget: whether costs are allowable in accordance with Federal grant requirements, including the appropriateness and reasonableness of the budget estimate and the resources to be dedicated to the project; and the reasonableness and feasibility of the schedule relative to the application timeline. The budget should describe specific activities that support the objective(s) of the program. FMCSA will evaluate HP-ITD applications and other information, including, but not limited to:

1) Elements of work included in the application have associated budget costs and, conversely, all elements in the applicant's budget have corresponding work elements included in the application;

2) Budget costs are allowable, allocable, necessary, and reasonable per 2 CFR Part 200;

3) Costs in a particular cost category have been properly identified as allowable, with the necessary detail for its use, and are not duplicative to the other budget line items;

4) The appropriate match is documented, as applicable;

5) All equipment, training, and travel components are clearly linked to the project goal and are necessary to adequately compensate, equip, train, and enable personnel to conduct the activities included in the project plan;

6) A suspension and debarment review that included a review of the applicant's administrative capability self-certification form and a check against the records in SAM (currently the Federal Awardee Performance and Integrity Information System) ensures that the applicant is not suspended or debarred and does not have any unpaid Federal tax liability. Please note that 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;

7) Any applicant included comments, which FMCSA will review, 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 (Federal awarding agency review of risk posed by applicants);

8) An evaluation of the applicant's Single Audit in accordance with the Single Audit Act. FMCSA may, at its discretion, request further information and/or conduct an audit to confirm compliance as indicated on the SF-LLL – Disclosure of Lobbying Activities form, as provided for in the United States Code or the Code of Federal Regulations.

c. <u>Program Specific Criteria</u>

The application must include clearly identified performance goals and measurements that are supported by an appropriate and identified data source and that includes benchmarks and timelines that will facilitate evaluating the applicant's progress towards project completion.

FMCSA will also consider whether the application indicates how the recipient will continuously contribute to the success of the project by evaluating performance goals, objectives, activities, and outcomes and make adjustments as necessary.

d. Past Performance Criteria

Applicants that have previously received FMCSA grant funding will be evaluated in part on their ability to complete prior year awards on time, their compliance with those grant terms and conditions, including review of any financial and performance quarterly reports, and the results of any FMCSA grant monitoring activities to include budget execution, original budget vs. final budget, and unexpended balances.

Applicants that have not previously received grant funding from FMCSA are not subject to this review and their applications will not be eliminated from funding consideration.

FMCSA will evaluate applications and past performance to determine the extent to which:

1) The applicant used Generally Accepted Accounting Principles as a guide to review prior personnel and budgetary practices, and past performance to judge if the proposed expenditures are reasonable and necessary to conduct the proposed projects and if costs are allowable under applicable Federal regulations;

2) The applicant successfully performs and manages current project tasks (e.g., within budget and on schedule);

3) There are any issues or findings from monitoring activities (e.g., audit, program or process reviews) where the applicant violated the grant terms and conditions;

4) The applicant's previous performance and financial reports were submitted late, incomplete or incorrectly; and/or has the applicant consistently requested additional time to complete the reports; and

5) Whether the recipient has high undelivered order (UDO) balances from prior grants awarded for similar activities.

e. Other Review Information

After applying the above criteria, FMCSA will consider the following key Departmental objectives.

1) Consistent with the Department's R.O.U.T.E.S. Initiative (https://www.transportation.gov/rural), the Department recognizes that rural transportation networks face unique challenges. To the extent that those challenges are reflected in the merit criteria listed in this section, the Department will consider how the activities proposed in the application will address those challenges;

2) Supporting economic vitality at the national and regional level;

3) Utilizing alternative funding sources and innovative financing models to attract non-Federal sources of infrastructure investment;

4) Accounting for the life-cycle costs of the project to promote the state of good repair;

5) Using innovative approaches to improve safety and expedite project delivery;

6) Holding grant recipients accountable for their performance and achieving specific, measurable outcomes identified by grant applicants;

7) Whether a project is located in a qualified opportunity zone designated pursuant to 26 U.S.C. § 1400Z-1; and

8) The Department will review and consider applications for funding pursuant to this NOFO in accordance with the President's September 2, 2020 memorandum, entitled *Memorandum on Reviewing Funding to State and Local Government Recipients of Federal Funds that Are Permitting Anarchy, Violence, and Destruction in American Cities*, consistent with guidance from the Office of Management and Budget and the Attorney General and with all applicable laws.

2. Review and Selection Process

i. Review Process

FMCSA will review all eligible applications received before the application deadline. The review and selection process will consist of Intake/Eligibility Criteria review, a Technical Review Panel phase, a Program Office Review phase, and an awards Selection Process. During the Technical Review Panel phase, FMCSA technical experts evaluate and analyze applications applying the evaluation criteria. During the Program Office Review, the Program Office will consider the Technical Review Panel evaluation, review the application against the criteria, and apply ratings, consistent with the descriptions in this NOFO. The Program Office will recommend initial selection of projects for the FMCSA Administrator's review. Finally, the FMCSA Administrator will select recommended awards for the Secretary's review and approval.

ii. Ratings

FMCSA prioritizes applications using the ratings shown below based on the applicability of the merit criteria and other preferences to the application.

a. **Highly Responsive:** Applicant fully addresses all aspects of the criterion, convincingly demonstrates that it will meet the Government's performance requirements, and demonstrates minimal or no weaknesses.

b. **Responsive:** Applicant addresses most aspects of the criterion and demonstrates the ability to meet the Government's performance requirements but contains weaknesses. These weaknesses may be addressed by recommending the award and including a specific programmatic or administrative post-award term and condition or a reduction to requested funding. Applicant otherwise fully addresses all aspects of the criterion and demonstrates the likelihood of meeting the Government's expectations and requirements.

c. **Not Responsive:** Applicant does not sufficiently address the criterion and/or failed to submit required documentation. For example, the application is missing a budget, the project narrative lacks a clearly defined problem statement, omission of the PP/TLD Program Plan Approval Letter (if required), missing objectives/goals, etc. The information that the applicant has presented indicates a strong likelihood of failure to meet the Government's requirements and/or adherence to application submission requirements.

iii. Applicant Information

As determined necessary to support the evaluation and selection process, FMCSA may conduct discussions with Applicants to clarify elements of the technical and budget applications, seek additional information as to whether the project can be completed with a reduced award, and request additional detailed and itemized cost information.

3. Additional Information: Risk Assessment

Prior to award, each selected applicant will be subject to a risk assessment, as required by 2 CFR § 200.206. Depending on the level and severity of FMCSA's risk assessment findings, FMCSA may determine that the applicant is not qualified to receive the award. The FMCSA may also impose additional grant award terms and conditions above its customary general terms and conditions.

The risk assessment is conducted in several parts:

i. A debarment and suspension review that includes a check against the records in SAM (currently the Federal Awardee Performance and Integrity Information System).

a. 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;

ii. FMCSA 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 § 200.206 Federal awarding agency review of risk posed by applicants; and

iii. An evaluation of the applicant's Single Audit in accordance with the Single Audit Act, if applicable. The FMCSA may, at its discretion, request further information and/or conduct an audit to confirm compliance as indicated on the SF-LLL – Disclosure of Lobbying Activities form, as provided for in the United States Code or the Code of Federal Regulations.

SECTION F - FEDERAL AWARD ADMINISTRATION INFORMATION

1. Federal Award Notices

Following the evaluation outlined in Section E, the Notice of Grant Agreement (NGA), signed by the FMCSA Grant Officer, is the authorizing financial assistance document and the NGA will be sent through GrantSolutions. It must be accepted by the recipient before the end of FY 2021. FMCSA may approve all or partial funding of a grant application. The NGA issued to the recipient will specify whether the award is a grant or a cooperative agreement and will include any special award terms and conditions, if applicable.

Applicants chosen for funding are formally notified electronically by the FMCSA grant management system (GrantSolutions, www.grantsolutions.gov) before the grant's execution. Unsuccessful applicants will be notified by email. The FMCSA cannot award grants/cooperative agreements or release information concerning applications recommended for funding until approval is obtained from the Secretary of Transportation. Further, FMCSA cannot make awards until the enactment of authorizing legislation, an appropriations act, budget authority, and apportionment from the Office of Management and Budget (OMB). FMCSA may issue partial funding of awards up to the funding level authorized.

Acceptance of the award constitutes the recipient's agreement to comply with all applicable statutes, regulations, executive orders, OMB circulars, and terms and conditions of the award, including the reporting requirements shown below.

Applicants will not receive any communication until all funding recommendations have been approved. FMCSA will send a letter to notify those who were not funded with suggestions for how applications can be improved for the next grant cycle. FMCSA does not have an appeals process for unsuccessful applications for discretionary grant funds.

2. Administrative and National Policy Requirements

All awards will be administered pursuant to the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards found in 2 CFR part 200, as adopted by the Department at 2 CFR part 1201 and FMCSA statutes and regulations.

Additional provisions that apply to this NOFO and/or awards made under this NOFO, including but not limited to those related to DUNS, and SAM, can be found in the Grants.gov application package under the "Related Documents" tab. Applicants are strongly encouraged to review all documents when preparing applications. Contact the POC listed in the overview of the funding notification if you have questions on these provisions.

3. Reporting

The grant/cooperative agreement terms and conditions outline the reporting requirements that the recipient must meet after award. Reporting responsibilities include quarterly program performance reports using the Performance Progress Report (SF-PPR) and quarterly financial status using the Federal Financial Report (SF-425, also known as the FFR). Recipients must submit financial and performance reports electronically through Grant Solutions; contact the points of contacted listed in the overview of the funding notification for additional information. Additional quarterly report information and other required forms and templates are available at:

https://www.fmcsa.dot.gov/mission/grants/grantee-training#pre-award

If the Federal share of currently active Federal awards includes more than $10,000,000 for any period during the period of performance, financial assistance recipients must comply with the post award reporting requirements reflected in Appendix XII of 2 CFR part 200.

SECTION G - FEDERAL AWARDING AGENCY CONTACTS

For questions about this NOFO, please contact the FMCSA's Grants Management Office as listed below:

Telephone: (202) 366-0621 (Grant Management Help Desk)

Mail: U.S. Department of Transportation,
Federal Motor Carrier Safety
Administration Grants Management
Office (MC-BG),
1200 New Jersey Ave, S.E., West Building
Washington, D.C. 20590

Office hours: 9:00 a.m. to 5:00 p.m., Eastern Time, Monday through Friday, except Federal holidays.

SECTION H - OTHER INFORMATION

This NOFO is intended for informational purposes and reflects current planning. If there is any inconsistency between the information contained in this NOFO and the terms of any resulting funding agreement, the terms of the funding agreement are controlling. Additionally, FMCSA may make changes or additions to this NOFO. All changes will be announced through Grants.gov. We encourage you to sign up for Grants.gov emails to be notified of the changes at:

http://www.Grants.gov/web/grants/manage-subscriptions.html

FMCSA normally holds annual conferences for each grant program. Please check FMCSA's website for updates:

www.fmcsa.dot.gov.

The following attachments have been added to Grants.gov under this announcement. These attachments are available in Grants.gov under the "Related Documents" tab.

- **Appendix A:** Application Package Requirements Checklist
- **Appendix B:** Project Narrative Guidance

APPENDIX A: Application Package Requirement Checklist

Below is a non-exhaustive list of documents necessary for a responsive grant application announcement. This list is intended to assist applicants in compiling their application. However, because the required documents may differ slightly based on the nature of the grant application, applicants should not rely solely on this checklist and must still read the entire NOFO to ensure that they have included all required documents. FMCSA reserves the right to request additional documentation or information to confirm compliance with applicable laws.

Document Name	Document Description and Location Information	Submit in:
Brief Introduction	Include a description of the goal(s) of the application and the applicable program priority(s) met by the application's projects.	Grants.gov
Problem Statement	A quantitative description of the identified problem. Include details on the data used to identify the problem and to establish the baseline.	Grants.gov
Performance Objective	A description of the applicant's quantifiable goal related to the above problem statement.	Grants.gov
Program Activity Plan	A description of the activities the applicant believes will help mitigate the problem.	Grants.gov
Performance Measurement Plan	A description of how the applicant will measure progress towards the performance objective goal, such as quantifiable and measurable outputs.	Grants.gov
Monitoring and Reporting Plan	A description of the applicant's method for ongoing monitoring of the progress of the project. This should include who will conduct the monitoring, the frequency with which it will be carried out, and how and to whom reports will be made.	Grants.gov
Budget Narrative	A budget narrative is a description, by budget category (object class) that details the costs necessary to complete the proposed projects.	Grants.gov

SF-424 Application for Federal Assistance	Required standard application form for all requests for Federal assistance. Form requests contact information for: 1) Lead Principal Investigator or Program Director (program/project manager) [enter in Box 8f]; and 2) Authorized Representative (AR) Official (authorized signer) [enter in AR section following Box 21]. Available in the Grants.gov application.	Grants.gov
SF-424A Budget Information for Non-Construction Programs	Required standard budget form for requests for Federal assistance. Available in the Grants.gov application package.	Grants.gov
SF-424B Assurances for Non-Construction Programs	Standard assurances form associated with accepting Federal assistance funds. This document indicates that the organization is in substantial compliance with various programs, regulations, and Federal laws for a non-construction program. Available in the Grants.gov application package.	Grants.gov
Grants.gov Lobbying Form	Required form that allows organizations to indicate that they do not engage in lobbying activities. Available in the Grants.gov application package.	Grants.gov
SF-LLL Disclosure of Lobbying Activities (if applicable)	Standard form to report their lobbying activities if applicable. Available in the Grants.gov application package.	Grants.gov
Key Contacts Form	Required form requests contact information for: 1) Additional Persons for the role of Authorized Representative Official (authorized signer); 2) Additional Persons for the role of Principal Investigator or Program Director (program/project manager); and 3) the lead role of Financial Official (Grants Manager). NOTE: If more than one individual is designated in the same role, one individual must be identified as primary. Available in the Grants.gov application package.	Grants.gov

Attachment Form	Form used to submit supplemental attachments to support the grant application. Available in the Grants.gov application package.	Grants.gov
Indirect Cost Rate Agreement (If Indirect Costs are included in applicant budget)	Organization's signed current approved indirect cost rate from the cognizant Federal agency or letter of request to cognizant agency for rate establishment or adjustment. If claiming Indirect cost charges, the grant recipient must include an active approved Indirect Cost agreement with the application submitted for funding. Should the grant recipient fail to provide an approved agreement during the pre-award phase and a grant is awarded, the grant recipient will have 90 days from the date of award acceptance to provide a copy of the IDC agreement. If we do not receive the required documentation within the allocated time frame, the grant recipient will not be reimbursed for Indirect charges for that fiscal year. Once an approved rate is provided to FMCSA, the grant recipient will then, be allowed to claim Indirect cost in the following fiscal year of the award. 2 CFR § 200.414 (c) Any non–Federal entity that does not have a current negotiated (including provisional) rate, except for those non–Federal entities described in appendix VII of 2 CFR part 200, may elect to charge a de minimis rate of 10% of modified total direct costs, which may be used indefinitely. No documentation is required to justify the 10 percent de minimis indirect cost rate. 2 CFR § 200.414(f).	Gants.gov
ITD Program Plan / Top Level Design (PP/TLD) approval letter	The State's current Program Plan (PP/TLD) approval letter certifying it was approved by the Secretary as outlined in FAST Act (Pub. L. No. 114-94).	Grants.gov

APPENDIX B: Project Narrative Guidance

Application packages are limited to 35 total pages. Submission of all required SF-forms, Key Contact, Attachment Forms, and Indirect Cost Agreements do not count against the page limitation. Organizations must include a description of the goal(s) of the application and the applicable program priority(s) met by the application's projects and specific information about the outputs the application proposes to achieve. For each goal identified, the organization must provide a problem statement, performance objective, program activity plan, and performance measurement plan.

<table>
<tr><th colspan="2">Sample Problem Statement</th></tr>
<tr><td colspan="2">Definition
Description of the identified problem. Please include relevant details to identify the problem and to establish the baseline (include data source and how the State collects, maintains, and analyzes the data).</td></tr>
<tr><th>Sample #1</th><th>Sample #2</th></tr>
<tr><td>The organization has identified the systems needed to run the State's Motor Carrier Portal are either standalone Oracle or mainframe systems that can no longer be supported.</td><td>The organization has identified a data quality issue with inspection, IFTA, and IRP data when uploading from the current, unsupported, CVIEW to FMCSA.</td></tr>
<tr><td colspan="2">Evaluation Consideration
The FMCSA will consider the extent to which the organization has used available data to identify the cause of data quality issues affecting roadside screening systems.</td></tr>
</table>

Sample Performance Objective	
Definition Description of the goal related to the problem statement. This can be measured in the number or percentage reduction of crashes, fatalities, injuries, and/or specified incidents) that will result by implementing specific strategies and activities.	
Sample #1	**Sample #2**
The State will procure and deploy a new CVIEW through a competitive bid process which will require regular maintenance updates to ensure acquired technology remains current.	The State will rebuild the CVO portal website in partnership with the State office of information technology utilizing widely used web standards and regulations.
Evaluation Consideration The FMCSA will consider the extent to which the State lead agency describes sound program goals and objectives that are specific, measurable, and can likely be achieved during the grant period of performance. The FMCSA will also consider the extent to which the State lead agency thoroughly explains why it selected the project goals and objectives to address the need(s) established in the Problem Statement.	

Sample Program Activity Plan	
Definition Description of the activities the organization believes will help mitigate the problem. This section should only be a high-level description – detailed activities will be described later.	
Sample #1	**Sample #2**
The organization will develop an RFP, review submissions, make an award, and deploy a new CVIEW utilizing contracted performance metrics.	The organization will deploy the XYZ electronic screening system to efficiently utilize resources in detecting compliance and safety issues. Inspections conducted as part of this system will be tracked and analyzed to determine safety benefits versus locations without this technology.
Evaluation Consideration The FMCSA will consider the extent to which the organization describes tasks, activities, and timelines to achieve the project goals.	

Sample Performance Measurement Plan	
Definition Description of how the organization will measure progress towards the performance objective goal, such as quantifiable and measurable outputs (hours, carrier contacts, inspections, etc.) and in terms of performance outcomes. The measure must include specific benchmarks that can be reported on in the quarterly progress report if practicable (if quarterly reporting is not practicable, explain how the annual outcome will be reported).	
Sample #1	**Sample #2**
The organization will record inspections conducted at all fixed inspection facilities Statewide, to include Driver OOS, Vehicle OOS and total Violations detected. Using this information, the organization will adjust the number of officers assigned to future enforcement details to provide the most impact in detecting OOS conditions and reducing crashes along the interstate corridor by 5 percent.	The organization will deploy 5 virtual weigh stations along bypass routes and high crash corridors in the southern 3 counties where traditional weigh/inspection areas are not conducive to the geography. Roadside enforcement officers will be trained in using this technology remotely to effectively enhance their enforcement activities to reduce crashes and imminent threats to the safety of the motoring public.
Evaluation Consideration The FMCSA will consider the extent to which the organization thoroughly outlines how it will monitor the effective implementation of the strategies and document the project outcomes.	

What is a Budget Narrative?

The budget narrative explains the "what, "how" and "why" of each line item cost to carry out grant project goals and objectives. A budget narrative is a narrative explanation of each budget component which supports the costs 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. The FMCSA reviews the budget narrative to confirm if costs are allowable, allocable, necessary, and reasonable. A well-developed budget narrative is also an effective management tool; a budget that does not represent a project's needs makes it difficult to recommend funding and assess financial performance over the life of the project. The budget narrative serves several critical functions:

- Describes your need for or the necessity of an expense;
- Documents how reasonable the request is, conveys your judgment as well as the feasibility of the project in context of available and proposed resources.
- Helps FMCSA review high-risk cost items to determine funding.

Use this budget narrative guidance to help develop your budget. Note that each budget narrative must include a breakout of the Federal (XX percent) and organization (XX percent) matching share. The FMCSA evaluates costs based on the total project cost (Federal + organization). The breakout is provided for organization planning and tracking purposes.

What Types of Costs are in a Budget Narrative?

Personnel: Personnel costs are employee salaries working directly on a grant project. Only include costs for personnel employed by your organization. Costs should be consistent with what was paid for similar types of work within the organization. Individuals not employed by your organization will be classified as either a sub-recipient or contractor. See the contractual object class section for additional information.

Sample Personnel Budget Narrative							
Salary Information							
Position(s)	**# of Staff**	**% of Time**	**Work Year Hours**	**Hourly Rate**	**Total Cost**	**85% Federal Share**	**15% State Match**
Supervisor	1	100	2080	$28	$58,240	$49,504	$8,736
Trooper (part-time)	1	50	1040	$19	$19,760	$16,796	$2,964
Sub-Total Salary					***$78,000***	***$66,300***	***$11,700***

The ITD Supervisor manages activities of the project. S/he spends 100 percent of time implementing this project, supervising staff, and conducting activities to meet the objectives of this project. Activities include: supervising daily operation of projects and staff, providing staff training/technical assistance, coordinating staff work schedule/assignments, ensuring data entry, tracking and following up on procedures to meet quality assurance, and tracking policy to ensure compliance. There is 1 Trooper (1 PT) assigned to this project to ensure all field operations needs are met, and to coordinate a Field Operational Test.

Fringe Benefits: Fringe benefits are allowances and services provided by employers to their employees as compensation in addition to regular salaries and wages. Fringe benefits include, but are not limited to, the costs of leave (vacation, family-related, sick, or military), employee insurance, pensions, and unemployment benefit plans. The costs of fringe benefits are allowable under 2 CFR 200.431 provided that the benefits are reasonable and are required by law, a non-Federal entity-employee agreement, or written policy of the non-Federal entity. The FMCSA will reimburse fringe benefit costs only for personnel and only for the percentage of time they devote to the project. Some helpful tips:

- Explain how the fringe benefit amount is calculated (e.g., actual fringe benefits, rate approved by the Health and Human Services Statewide Cost Allocation Plan or cognizant agency). Explain what is included in the benefit package.
- Do not combine the fringe benefit costs with direct salaries and wages in the personnel category.

Below is a sample fringe benefit budget narrative.

Sample Fringe Benefits Budget Narrative						
Position(s)	**Fringe Rate**	**% of Time**	**Annual Salary**	**Total Cost**	**85% Federal Share**	**15% State Match**
Supervisor	16.72%	100	$58,240	$9,738	$8,277	$1,461
Trooper (part-time)	16.72%	50	$39,520	$3,304	$2,808	$496
Sub-Total Fringe Benefits				***$13,042***	***$11,085***	***$1,957***
Fringe benefits include cost of health insurance, retirement, workers' compensation, and unemployment benefit plans. It is calculated at the average rate of 16.72 percent as recognized by the cognizant agency. This rate is applied to the average hourly rate of $19 per trooper, with a projected 2,080 hours worked annually. The 1 part-time trooper will average 50 percent working on the program or an average of 1,040 hours.						

Travel: Travel costs include field work activities or for travel to professional meetings. The FMCSA reviews the travel budget to ensure that amounts are reasonable based on the level of effort described in the project plan and alignment with 2 CFR 200.475. FMCSA will accept in-State travel costs for routine operations as reasonable unless there is a specific reason to question them. The FMCSA evaluates out-of-State to ensure the trips planned are necessary to complete the scope of work (usually training or meeting attendance), and that the number of travelers is consistent with the trip purpose. Some helpful tips:

- Include estimates for unforeseen travel such as possible FMCSA required meetings, with estimated costs of attendance.

- Explain the reason for travel expenses for project personnel (staff training, field interviews, advisory group meeting, etc.) and, if known, identify the location/destination of travel.

- Do not include payroll, fringe, or other costs listed as part of the travel. For example, payroll/fringe is included in personnel and fuel costs are included in other.

Below is a sample travel budget narrative.

Sample Travel Cost Budget Narrative					
Purpose	**# of Staff**	**Days**	**Total Cost**	**85% Federal Share**	**15% State Match**
Statewide Travel – Project implementation	15		$300,000	$255,000	$45,000
Acceptance Training	15		$27,000	$22,950	$4,050
FMCSA MCSAP/ITD/PRISM Conference	10		$18,000	$15,300	$2,700
Sub-Total Travel			***$345,000***	***$293,250***	***$51,750***
In line with historical performance, our agency plans to use 15 officers to complete 1500 inspections throughout the State. The average costs are about $200/inspection, including the per diem, hotel, vehicle mileage, and related travel cost. Certification Training is expected to be conducted during the year. Fifteen staff members will attend certification training. Our experience has shown that the average cost for this training, which includes airfare, per diem, hotel, taxi, and related expenses, is $1,800 per employee. FMCSA expects to hold an annual national conference, but the conference's location and related costs cannot be determined at this time. We are budgeting based on last year's average cost at $1,800 per employee.					

Equipment: Equipment is tangible personal property with a useful life of more than one year and a unit acquisition cost of the lesser of the capitalization threshold established by the non-Federal entity or $5,000. The FMCSA evaluates the need for the equipment (e.g., ratio of employees to equipment) in the budget narrative and how it supports project activities. The FMCSA also evaluates the extent to which the equipment is being used to support more than one cost objective. If it does, FMCSA reviews the cost to ensure the expenses have been properly allocated. Additionally, FMCSA reviews past performance information to determine if the same equipment for the project/program was purchased in previous years. If the same equipment was previously purchased for the same project/program in previous years, the applicant must explain the need for the additional equipment. Failure to adequately explain the need for the additional equipment, FMCSA may result in funding reductions or denial of funding.

Some helpful tips:

- Indicate in the narrative if your equipment threshold is below $5,000 so FMCSA understands why lower costs items are included in this line. Otherwise, expenses under the threshold of $5,000 per item belong in supplies or other, depending on the item.

- Explain the purpose and use of each item of equipment. If the equipment will be used for more than one FMCSA grant project, prorate the costs.

- Common purchases like a computer system (when purchased as a package - keyboard, monitor and hard drive, etc.) are considered equipment if the total cost exceeds the threshold. If these same items are purchased individually (and not as a package) and each unit is below the threshold, list them under supplies.

When developing your budget, analyze the costs and 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 the other object class, depending upon your procurement method. See the guidance under the other object class for additional information.

Sample Equipment Cost Budget Narrative					
Item Name	**# of Items**	**Cost per Item**	**Total Cost**	**85% Federal Share**	**15% State Match**
Mobile LPR's	12	$36,000	**$432,000**	$367,200	$64,800
Sub-Total Equipment			***$432,000***	***$367,200***	***$64,800***
The State requests 12 Mobile License Plate Readers to replace units that have reached their useful life expectancy according to the State's replacement policy. These LPR's will be used for detecting vehicles associated with carriers operating in violation of a Federal OOS order, and selecting vehicles for inspection based on the CVIEW reply as outlined in the application.					

Supplies: Supplies are tangible personal property other than equipment. The FMCSA evaluates supplies costs to ensure a sufficient level of detail that would allow an informed reader to understand the standard office supplies are reasonable. For example, an applicant does not need to provide details on the number of paper clips that it will purchase. However, FMCSA cannot accept an amount for office supplies that would equal, for example, $8,000 a year per person without further clarification. Some helpful tips:

- Indicate the approximate expenditure of the unit (e.g., office supplies cost $XX per month).
- Include a quantity and unit cost for larger cost supply items such as computers and printers.

Sample Supplies Cost Budget Narrative						
Item Name	**# of Units/Items**	**Unit of Measurement**	**Cost per Unit**	**Total Cost**	**85% Federal Share**	**15% State Match**
General Office Supplies	12	Month	$39	$468	$398	$70
Mobile Printers	7	Item	$250	$1,750	$1,488	$262
Laptop Computers	12	Item	$2,000	$24,000	$20,400	$3,600
Sub-Total Supplies				***$26,218***	***$22,286***	***$3,932***
General office supplies are required for 26 officers in the program. Ten part-time troopers require new laptop computers and five full-time officers require new mobile printers to complete this grant's activities. These officers conduct roadside inspections to fulfill reporting requirements. The extra mobile printers and laptops are requested for replacement purposes.						

Contractual:
A contract is a legal instrument by which a recipient purchases property or services necessary to carry out the Federal project.

The FMCSA reviews the contractual budget narrative to ensure it contains sufficient descriptive information about what specific costs (products and/or services) would be charged to the grant, a rationale for how those costs were derived, and the applicability and necessity of each to the grant.

A helpful tip: Include the name of the vendor/subrecipient, if known. If not, indicate that the selection is pending and an estimated timeframe for when the vendor/subrecipient will be

selected. In the application, the most important component of the contractual budget narrative is the purpose of the contract/subgrant and how the cost was estimated.

Guidance for Contract Costs: A contractor is one who provides goods and services within normal business operations; provides similar goods or services to many different purchasers; normally operates in a competitive environment; provides goods or services that are ancillary (but necessary) to the operation of the Federal program. A contractor is not subject to Federal compliance requirements as a result of the grant, though similar requirements may apply for other reasons.

For example, contractual costs could include training, maintenance contracts, or other service contracts except those which belong in different object classes such as equipment or supplies (depending upon your organization's policy). The term "procurement" is used to identify the process of acquiring goods and services from sources outside of the recipient organization. When procuring goods and services under a Federal award, an organization must follow the procurement standards at 2 CFR 200.317 - 200.326 and the same policies and procedures it uses for procurements for its non-Federal funds. Non-competitive procurements should only be used in limited circumstances and should be a last resort.

Non-competitive procurements must comply with 2 CFR 200.320(c) and the State's sole source policy, and the grant application must demonstrate that the proposed procurement complies with that policy. Failure to demonstrate compliance with State's sole source policy may result in grant funding reductions.

Guidance for Subrecipient Costs: A subaward is an award provided by the recipient (also known as a pass-through entity or prime recipient) to a subrecipient. Characteristics of a subrecipient include that the subrecipient has its performance measured in relation to whether objectives of a Federal program were met; has responsibility for programmatic decision making; is responsible for adherence to applicable Federal program requirements specified in the Federal award; and (in accordance with its agreement) uses the Federal funds to carry out a program for a public purpose specified in authorizing statute, as opposed to providing goods or services for the benefit of the pass-through entity. For more information in determining subrecipients see 2 CFR 200.331.

A subaward may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract. Federal regulations require that all subrecipients obtain and maintain a Data Universal Numbering System (DUNS) number and continue to maintain an active System for Award Management registration at all times during an active Federal award.

If you intend to provide funding to another organization as a subaward, provide a new object class budget narrative and line item budget for each subrecipient organization.

Below is a sample contractual budget narrative for contractor costs.

Sample Contractual Cost Budget Narrative			
Description of Services	**Total Cost**	**85% Federal Share**	**15% State Match**
Contract services for CVIEW implementation	$200,000	$170,000	$30,000
Sub-Total Contractual	***$200,000***	***$170,000***	***$30,000***
Contract services for CVIEW implementation include an assessment of the quality of our data systems and the contractor oversees the development of plans to implement improvements to the system that support the State's ITD program. The contractor will conduct analyses of data used in the planning and development of the CVIEW, evaluating program and legislative initiatives, and monitoring the performance of the program.			

Other: Other costs do not fit within any of the other object class categories. Typical costs in this category include rent for buildings used to conduct project activities, utilities, and printing costs. The FMCSA reviews other costs to determine whether these costs are consistent with the proposed work plan and are necessary to complete the approved work plan. The FMCSA also evaluates the costs to ensure that no unallowable costs, such as entertainment expenses, are included. Below is a sample other budget narrative. Some helpful tips:

A lease is considered another cost when you are not the prime on the contract; rather, you are partnering with a different agency in your State or using a shared utility, facility or other services purchased through the State for one or more agencies. A lease is considered a contractual cost when you directly engage, and form a contract with, a vendor.

- Group other object class costs whenever possible (e.g., space, rental, communication, printing, maintenance) in the budget and explain how they support the grant activities.

Ensure that other costs such as professional services, audit, postage, printing, and/or facilities expenses are not already accounted for in either your indirect cost rate agreement or cost allocation plan.

Below is a sample budget narrative for other costs.

Sample Other Cost Budget Narrative						
Item Name	**# of Unit/ Items**	**Unit of Measurement**	**Cost Per Unit**	**Total Cost**	**85% Federal Share**	**15% State Match**
Copy machine rental	12	Item	$50	$600	$510	$90
Sub-Total Other				***$600***	***510***	***$90***
The rental of the copy machine is shared with the administration. The machine is used on a daily basis to print inspection reports and associated ITD program management documents. A code is punched in whenever it is used for grant purposes to allow for cost tracking. The estimated cost is based on the average prior grant year usage of the machine for grant activities.						

Indirect Costs: Indirect costs are costs incurred for common or joint objectives that benefit more than one project, but are not easily or accurately allocable to more than one project. They may be administrative and/or operational. The FMCSA reviews indirect cost rates to ensure the rate is valid, calculations are correct in the budget, and the rate is applied to the appropriate base.