

U.S. Department of Transportation

Pipeline and Hazardous Materials Safety Administration

Pipeline Safety

Natural Gas Distribution Infrastructure Safety and Modernization Grant Program

Evaluation Plan

Fiscal Year 2024

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1. Introduction

This Fiscal Year 2024 Evaluation Plan identifies the major steps and provides guidance regarding PHMSA's evaluation and selection process for applicants of the Natural Gas Distribution Infrastructure Safety and Modernization (NGDISM) Grant Program.

Grant Management Roles

Grant Management – Pipeline Safety NGDISM Program	
Source(s) / Process Owner(s)	Grants Program Director, Agreement Officer Representative Budget Certifier Grant Attorney Grant Program Support Specialist Agreement Officer Agreement Specialist Program Office Representative (OPS) Office of Chief Counsel Chief Financial Officer (CFO)

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

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

2. Criteria

Administrative Review

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

Intake Review

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

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

- Form 424 - Application for Federal Assistance

and either:

Equipment Only without construction (pipeline infrastructure improvements):

- SF-424A - Budget Information - Non-Construction Programs
- SF-424B - Assurances for Non-Construction Programs

or:

Construction (with pipeline infrastructure improvements) with/without equipment:

- Form 424 C - Budget Information for Construction Programs
- Form 424 D - Assurance for Construction Programs

and:

- Budget Narrative Attachment Form
- Project Narrative Attachment Form – less than or equal to 25 pages in length
- Grants.gov Lobbying Form - Certification Regarding Lobbying
- USDOT/PHMSA Standard Title VI/Non-Discrimination Assurances
    - Non-USDOT/PHMSA Standard Title VI/Non-Discrimination Assurances forms are not acceptable.

PHMSA may request a one-time only (via e-mail) for an applicant to submit any missing and/or incomplete required document(s)/form(s) to complete their grant application package. This is not an opportunity to rewrite/change any application documents that were not requested by PHMSA. If an applicant doesn't reply to PHMSA's one-time request within the deadline stated in PHMSA's request, their applicant package may be incomplete/ineligible and not move forward in PHMSA's review process.

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

Eligibility Review

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

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

OR

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

AND

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

AND

4. Is the applicant's proposed project to repair an existing natural gas pipeline distribution system? (Transmission lines are not eligible.)

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

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

AND/OR

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

AND/OR

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

OR

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

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

Technical Review

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

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

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

The criteria used to determine the aggregate rating is set forth in Section E.1 of the NOFO (and listed below), to rank applications and begin to compile the recommendations for award.

Applications will be evaluated against the following technical criteria.

1. To what extent does the application's proposal relate to repairing, rehabilitating, or replacing a natural gas distribution pipeline system or portions of it, or acquiring equipment to (1) reduce incidents and fatalities; and (2) avoid economic losses of natural gas distribution systems?
2. Does the application's project scope establish clear goals and objectives?
3. What is the age of the pipeline proposed to be replaced, and the specific pipeline materials being replaced, rehabilitated, or repaired?
4. Does the application adequately justify the project cost and the project timeline?
5. Does the application provide adequate specifics and descriptions of design and construction activities/tasks proposed?
6. Does the application include a safety risk profile for the proposed project(s), and is it in line with the operator's most recent DIMP?
7. What is the likelihood that the project(s) outlined can be completed within the period of performance?
8. Does the most recent Gas Distribution Annual Report support the needs stated in the application and the description of the existing gas distribution infrastructure?
9. For applications requesting funds to acquire equipment, what is the potential of the equipment to reduce incidents and fatalities and help avoid economic losses of natural gas distribution systems?

Programmatic Review

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

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

1. To what extent is the applicant's pipeline actively leaking? (For example, actively leaking, prone to leaking, or preventing potential leaks from happening in the future?)
2. What are the total number of miles the applicant proposes to repair, replace, or rehabilitate?
3. What is the project's potential to reduce methane/greenhouse gas emissions?
4. What is the project's estimated ability to complete the National Environmental Policy Act (NEPA) process if it needs a right-of-way? (For example, does the applicant currently have control of the proposed project site?)
5. Is the US Census tract of the proposed project fully, partially, or not at all located in a transportation disadvantaged area?

6. Is there any potentially immediate danger that the existing infrastructure poses that may result in fatalities, injuries, or environmental hazards?
7. Does the budget narrative align with the SF-424A (non-construction) or SF-424C (construction)?
8. Does the total cost per project equal the federal amount requested on the SF-424?

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

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

Funding Restrictions

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

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

Upon completion and approval of the Title VI of the Civil Rights Act of 1964 and Section 504 of the Rehabilitation Act of 1973 Compliance, the Program Office Representative will use the overall ratings, as set forth in Section E.2 of the NOFO, to rank applications and begin to compile the recommendations for award.

3. Rating and Scoring Guidelines

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

Highly Recommended: The application demonstrates that the NOFO requirements are very well understood, and the approach will likely result in high-quality performance. The application

clearly addresses and exceeds requirements with no weaknesses. The application contains outstanding features that meet or exceed the expectations of DOT on multiple dimensions. The application scope aligns extremely well with DOT objectives and priorities. The risk of poor performance is very low.

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

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

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

Additional Priorities and Selection Considerations:

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

Safety: PHMSA will assess the project's ability to commit to advancing safe, 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. Prior to receiving funds, all projects are expected to, at a minimum, identify and mitigate to the extent practicable any significant safety risks that could result after project completion. Applicants should include how their project will not negatively impact the overall safety of the public.

Climate Change and Sustainability: PHMSA will assess how the applicant addresses the project's consideration of climate change and environmental justice in the planning stage and in project delivery. In particular, PHMSA will consider how the project incorporates evidence-based climate resilience measures and features. PHMSA will also consider whether the project avoids adverse environmental impacts to air or water quality, wetlands, and endangered species, as well as address disproportionate negative impacts of climate change and pollution on disadvantaged communities, including natural disasters, with a focus on prevention, response, and recovery. Additionally, PHMSA will consider estimated methane leakage reduction attributable to the project.

Workforce Development, Job Quality, and Wealth Creation: PHMSA will assess the project's ability to:

- expand strong labor standards,[19] including not only compliance with prevailing wage requirements but also construction labor provisions that are relevant to the project.
- include high-quality workforce development programs with supportive services to help train, place, and retain people in good-paying jobs or registered apprenticeship.
- demonstrate clear utilization of local and economic hiring preferences that ensure workers on the project come from disadvantaged communities.
- track and publish aggregate workforce data, including information on demonstrating that employment opportunities are available to historically underserved workers in their communities.
- include local inclusive economic development and entrepreneurship such as the utilization of Disadvantaged Business Enterprises, Minority-Owned Businesses, Women-Owned Businesses, or 8(a) firms.
- describe a state/regional/local comprehensive plan to promote equal opportunity, including removing barriers to hire, prevent harassment on work sites, and ensure that plan demonstrates action to create an inclusive environment with a commitment to equal opportunity.[20]

Equity: PHMSA will assess the project's ability to create proportional impacts to all populations in a project area, remove transportation related disparities to all populations in a project area, and increase equitable access to project benefits, consistent with Executive Order 13985, Advancing Racial Equity and Support for Underserved Communities Through the Federal Government (86 FR 7009). PHMSA will assess how the applicant addresses the project's consideration of climate change and environmental justice in the planning stage and in project delivery.

Domestic Preference/Buy America: PHMSA will consider whether an exception/waiver of the Buy America provisions will be necessary to complete the project. Among otherwise comparable applications, projects that depend on materials or manufactured products that do not comply with domestic preference requirements will be less competitive than projects that comply with those requirements. Among otherwise comparable applications that require exceptions or waivers, an application that presents an effective plan to maximize domestic content will be more competitive than one that does not. Applicants whose projects will likely require a waiver are highly encouraged to provide a plan that demonstrates efforts to maximize domestic content.

Geographic Diversity: When selecting awardees, PHMSA may consider geographic diversity, including the balance between urban, rural, and tribal communities.

4. Applicant Selection

PHMSA's Administrator, or designee, after taking into consideration recommendations made during the administrative, technical, and programmatic reviews and how well the applications

[19] See Definitions section, Good-paying jobs.
[20] See Definitions section, Equal Opportunity Plans.

address PHMSA's safety and environmental priorities, will make recommendations for award. These recommendations will take into consideration the application ratings as well as administration priorities. The Secretary, or designee, will make the final award selections, which may include applications of differing ratings.