**DEPARTMENT OF TRANSPORTATION**

**Pipeline and Hazardous Materials Safety Administration (PHMSA)**

**Notice of Funding Opportunity for the Department of Transportation's FY 2024 Natural Gas Distribution Infrastructure Safety and Modernization (NGDISM) Grant Program**

**AGENCY:** Pipeline and Hazardous Materials Safety Administration, U.S. Department of Transportation

**ACTION:** Notice of Funding Opportunity (NOFO)

**SUMMARY:**

| SUMMARY OVERVIEW OF KEY INFORMATION<br>NATURAL GAS DISTRIBUTION INFRASTRUCTURE SAFETY<br>AND MODERNIZATION (NGDISM) GRANT PROGRAM | |
|---|---|
| **Issuing Agency** | Pipeline and Hazardous Materials Safety Administration |
| **Program Overview** | The Natural Gas Distribution Infrastructure Safety and Modernization (NGDISM) grant's eligible entities are municipality- or community-owned utilities, not including for-profit entities, seeking assistance in repairing, rehabilitating, or replacing high-risk, leak-prone natural gas distribution infrastructure, or in acquiring equipment to reduce incidents and fatalities and avoid economic losses. The NGDISM Grant Program also strives to create good-paying jobs, promote economic growth, and benefit disadvantaged rural and urban communities with safe provision of natural gas. |
| **Objective** | The objectives of the NGDISM Grant Program are to:<br><br>1. advance the safe delivery of energy through reducing the risk profile of existing municipal- and community-owned natural gas distribution infrastructure that contains high-risk, leaking, and/or leak-prone pipe;<br>2. focus on projects that will have the greatest benefits for communities of all sizes needing the most support to make their natural gas distribution pipelines safer for their residents and businesses, and to protect our environment from dangerous incidents and/or leaks;<br>3. benefit disadvantaged communities, in both rural and urban areas, by reducing incidents and fatalities, and avoiding economic losses caused by natural gas distribution pipeline failures;<br>4. protect our environment and reduce climate impacts by remediating aged and failing natural gas distribution pipelines and distribution pipe prone to leakage;<br>5. provide positive economic impact and growth; and,<br>6. create and sustain good-paying infrastructure-related jobs. |

| | |
|---|---|
| **Eligible Applicants** | The FY 2024 NGDISM Grant Program is open to the following entities:<br><br>a. City or township governments owning and operating a natural gas distribution system<br>b. Community-owned utilities owning and operating a natural gas distribution system (owned by the customers it serves)<br>c. County governments owning and operating a natural gas distribution system<br>d. Municipality-owned utilities owning and operating a natural gas distribution system (owned by a local government)<br>e. Native American tribal governments (federally recognized) owning and operating a natural gas distribution system<br><br>For-profit entities, and/or any pipeline assets owned by a for-profit entity, are not eligible for NGDISM grant funding. |
| **Eligible Project Types** | Grant funds will be made available to eligible entities seeking assistance in repairing, rehabilitating, or replacing high-risk, actively leaking, or leak-prone natural gas distribution infrastructure.<br><br>Funds may also be used to acquire equipment that will assist in reducing natural gas distribution pipeline incidents and fatalities, as well as to avoid economic loss from leaks. |
| **Funding** | PHMSA will make available up to $196 million utilizing FY 2025 funding for NGDISM grants under this NOFO. |
| **Deadline** | Thursday, June 20, 2024, 11:59 p.m. PDT: Application Due. |

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

# Notice of Funding Opportunity

## Natural Gas Distribution Infrastructure Safety and Modernization Grant Program

## Fiscal Year (FY) 2024

| | |
|---|---|
| NOFO Posted Date: | Thursday, May 9, 2024 |
| Applications Due Date: | Thursday, June 20, 2024, 11:59 p.m. PDT |
| Questions Due Date: | Thursday, June 13, 2024, 11:59 p.m. PDT |

**Assistance Listing (formerly CFDA)**
20.708 "Natural Gas Distribution Infrastructure Safety and Modernization Grant Program[1]"

Applicants must be registered at www.Grants.gov to apply online.

Applicants must maintain an active registration in the System for Award Management (SAM) at www.SAM.gov.

Applicants are encouraged to register with FedConnect at https://www.fedconnect.net for an account before submitting an application.

Section D.6, Other Submission Requirements, contains more information on Grants.gov, Sam.gov, and FedConnect systems.

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

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**PROGRAM SUMMARY**

| | |
|---|---|
| Federal Agency Name: | U.S. Department of Transportation (DOT)<br>Pipeline and Hazardous Materials Safety Administration (PHMSA) |
| Funding Opportunity Title: | Natural Gas Distribution Infrastructure Safety and Modernization Grant Program - FY 2024 |
| Announcement Type: | Initial Announcement |
| Funding Opportunity Number: | 693JK324NF0013 |
| Assistance Listing Number: | 20.708 |
| NOFO Posted Date: | Thursday, May 9, 2024 |
| Application Due Date: | Thursday, June 20, 2024, 11:59 p.m. PDT |
| Question Due Date: | Thursday, June 13, 2024, 11:59 p.m. PDT |

# Natural Gas Distribution Infrastructure Safety and Modernization Grant Program FY 2024 Notice of Funding Opportunity (NOFO)

## MISSION

The mission of the U.S. Department of Transportation (DOT or Department) is to deliver the world's leading transportation system, serving the American people and economy through the safe, efficient, sustainable, and equitable movement of people and goods. The top priority of DOT's Pipeline and Hazardous Materials Safety Administration (PHMSA) is safety, with our mission being to protect people and the environment by advancing the safe transportation of energy and hazardous materials that are essential to our daily lives. As part of this mission, PHMSA administers a national regulatory safety program for the approximately 3.3 million miles of interstate and intrastate pipelines in the United States. PHMSA establishes national policy, sets and enforces standards, educates, and conducts research to prevent incidents. PHMSA also prepares the public and first responders to reduce consequences if an incident does occur and administers numerous federal grants to advance pipeline safety and protect the environment.

## SECTION A – PROGRAM DESCRIPTION

### A.1 Program Overview

The Natural Gas Distribution Infrastructure Safety and Modernization (NGDISM) Grant Program's eligible entities are municipality- or community-owned utilities, not including for-profit entities, seeking assistance in repairing, rehabilitating, or replacing high-risk, leak-prone natural gas distribution infrastructure, or in acquiring equipment to reduce incidents and fatalities and avoid economic losses. The NGDISM Grant Program also strives to create good-paying jobs,[2] promote economic growth, and benefit disadvantaged rural and urban communities with safe provision of natural gas.

The Department seeks to fund projects that advance the Departmental priorities of safety, equity, climate and sustainability, and workforce development, job quality, and wealth creation as described in the USDOT Strategic Plan, Research, Development and Technology Strategic Plan, and in executive orders.

Assistance Listing: 20.708

Complete application packages are due via Grants.gov no later than 11:59 p.m., EST, June 20, 2024. Also see Section D.4.

### A.2 Statute and Program Authority

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

[2] See Definitions section, Good-paying jobs.

### A.3 Background

On November 15, 2021, President Biden signed the IIJA, which is the most significant investment in our Nation's infrastructure in more than half a century. This includes PHMSA's first ever NGDISM Grant Program. The legislation designates $200 million per year in grant funding with a total of $1 billion in grant funding over five years to improve the safety of high-risk, actively leaking, or leak-prone natural gas distribution infrastructure and create good-paying jobs, with an emphasis on benefiting disadvantaged communities, in both rural and urban areas. The legislation also authorizes PHMSA to use up to $4 million for each fiscal year for administrative expenses. Subject to the availability of funds, PHMSA will make fiscal year 2025 funding available under this FY 2024 NOFO for a total of $196 million.

### A.4 Program Goals and Objectives

The goals of the NGDISM Grant Program are to:

(1) advance the safe delivery of energy through reducing the risk profile of existing municipal- and community-owned natural gas distribution infrastructure that contains high-risk, leaking, and/or leak-prone pipe;
(2) focus on projects that will have the greatest benefits for communities of all sizes needing the most support to make their natural gas distribution pipelines safer for their residents and businesses, and to protect our environment from dangerous incidents and/or leaks;
(3) benefit disadvantaged communities, in both rural and urban areas, by reducing incidents and fatalities, and avoiding economic losses caused by natural gas distribution pipeline failures;
(4) protect our environment and reduce climate impacts by remediating aged and failing natural gas distribution pipelines and distribution pipe prone to leakage;
(5) provide positive economic impact and growth; and,
(6) create and sustain good-paying infrastructure-related jobs.

## SECTION B – FEDERAL AWARD INFORMATION

### B.1 Award Size and Amount Available

Congress appropriated $1 billion over five years to implement and administer the NGDISM Grant Program, with $200 million appropriated annually and up to $4 million to be used for PHMSA's administrative costs. PHMSA will make available up to $196 million utilizing FY 2025 funding for NGDISM grants under this NOFO. Any selections and awards under this NOFO are subject to the availability of appropriated NGDISM funds.

There is no award minimum amount.

Applicants may submit applications for multiple projects. PHMSA anticipates making multiple awards with the available funding. PHMSA will try to fully fund as many Highly Recommended applications as possible. PHMSA may not be able to award grants to all eligible applications

even if they score highly during the evaluation. PHMSA strongly encourages applicants to propose projects that have operational independence or a component of such a project.

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

### B.2 Period of Performance

The period of performance is up to 60 months.

### B.3 Type of Award

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

### B.4 Availability of Funds

The IIJA makes FY 2025 NGDISM grant funds available for award/obligation through September 30, 2035. There is no pre-award authority to incur costs for these projects before the effective date of the federal award. At the time project selections are announced, DOT may extend pre-award authority for the selected projects. Unless authorized by DOT in writing, costs incurred prior to award of grant funding under this NOFO via a signed grant agreement ("pre-award costs") are ineligible for reimbursement.[3]

## SECTION C – ELIGIBILITY INFORMATION

### C.1 Eligible Applicants

The FY 2024 NGDISM Grant Program NOFO is open to the following entities:

a. City or township governments owning and operating a natural gas distribution system
b. Community-owned utilities owning and operating a natural gas distribution system (owned by the customers it serves)
c. County governments owning and operating a natural gas distribution system
d. Municipality-owned utilities owning and operating a natural gas distribution system (owned by a local government)
e. Native American tribal governments (federally recognized) owning and operating a natural gas distribution system

[3] Pre-award costs are only costs incurred directly pursuant to the negotiation and anticipation of the NGDISM grant award where such costs are necessary for efficient and timely performance of the scope of work, as consistent with 2 CFR Part 200 determined by DOT. See 2 C.F.R. 200.458 for more information.

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

### C.2 Cost Sharing or Matching

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

Applicants may propose projects that involve non-federal contributions and describe in their application the nature and impact of the non-federal contribution on the proposed project(s)/equipment. Cost share/matching (the amount of non-federal contribution) is not a merit criterion or a competitiveness factor.

### C.3 Other Criteria

See Section B for funding ceilings for projects and entities/applicants.

If an applicant was unsuccessful in obtaining grant funding for their project in a previous fiscal year NGDISM award period, the applicant may submit a new application for the same project for each fiscal year that NGDISM funding is made available.

If an applicant is successful in obtaining grant funding in a previous year NGDISM NOFO, the applicant may submit new application(s)/projects for each fiscal year that NGDISM grant funding is made available. Similarly, if an applicant previously received partial funding, a request for additional funding to complete the project is allowable.

The entity/applicant must be the owner of the natural gas distribution pipeline system at the time of application. Entities operating both transmission and distribution systems may apply for projects involving their distribution systems.

NGDISM funds are to repair, replace, or rehabilitate existing pipeline distribution infrastructure. Installing or extending new natural gas capabilities are not eligible for the NGDISM Grant Program. For example, a project that proposes to install or extend new pipe for the purposes of providing services to new customers would not be eligible.

## SECTION D – APPLICATION AND SUBMISSION INFORMATION

### D.1 Address to Request Application Package

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

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

NGDISM Grant Team
E23-301 (PHP-3)

Pipeline and Hazardous Materials Safety Administration
1200 New Jersey Ave. SE
Washington, DC 20590
E-mail: PHMSAPipelineBILGrant@dot.gov
Phone: 202-366-7652

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

## D.2 Content and Form of Application Submission

Applications for the FY 2024 NGDISM Grant Program should be submitted in electronic format in Grants.gov. See Section D.6 for additional information on Grants.gov.

To ensure application fairness for all, PHMSA will be unable to meet with applicants or discuss applications with applicants during the submission period. Refer to PHMSA's Frequently Asked Questions document (FAQs) posted on PHMSA's NGDISM website.

There are two sections:

1. Standard Forms that an applicant downloads and completes from Grants.gov under the FY 2024 NGDISM Grant Program funding opportunity; and,
2. Attachments the applicants create and upload per the NOFO requirements.

### Standard Forms

The following forms are found on Grants.gov under the FY 2024 NGDISM Grant Program funding opportunity and must be completed by the applicant and must be included as part of the application. The Authorized Representative (AR) named on the SF-424 must sign all forms.

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

1. Standard Form (SF)-424 – Application for Federal Assistance
    a. Mandatory: Two points of contact are required. Person named/contact information in Section 8f must not be the same person named as the Authorized Representative (AR) in Section 21.
    b. The AR must sign the 424. The AR must have the legal authority to sign documents for their entity, to give assurances, make commitments, enter into contracts, and/or execute such documents on behalf of the applicant/entity. The signature of the AR certifies that commitments made on grant proposals/applications will be honored and ensures that the applicant agrees to conform to the Federal grant 2 CFR 200 regulations.

**AND EITHER**:

Equipment Only without pipeline infrastructure improvements:

- SF-424A - Budget Information - Non-Construction Programs
- SF-424B - Assurances - Non-Construction Programs (AR named on the SF-424 must sign)

**OR**

Construction/pipeline infrastructure improvements with/without equipment:

- SF-424C - Budget Information - Construction Programs
- SF-424D - Assurances - Construction Programs (AR named on the SF-424 must sign the 424D)

**AND**

2. Budget Narrative Attachment Form
3. Project Narrative Attachment Form
4. Grants.gov Lobbying Form; and Disclosure of Lobbying Activities form (SF-LLL), if applicable. The AR named on the SF-424 must be named on and sign the Lobbying forms.
5. USDOT Standard Title VI/Non-Discrimination Assurances
    a. Non-USDOT Standard Title VI/Non-Discrimination Assurances forms are not acceptable.
    b. The AR named on the SF-424 must sign the Title VI/Non-Discrimination Assurances form.

**Attachments**

The following applicant attachments are created by the applicant and uploaded to Grants.gov under the FY 2024 NGDISM Grant Program funding opportunity to be included as part of the applicant's grant application package.

1. Project Narrative
2. Budget Narrative
3. Indirect cost rate agreement, and/or statement claiming a 10-percent de minimis rate (if applicable).
4. Most current Distribution Integrity Management Plan (DIMP) that supports your application.
5. Most current USDOT/PHMSA Gas Distribution System Annual Report (GDAR) (Form PHMSA F 7100).
6. Additional optional attachments (if applicable).

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

**Sharing of Application Information:** The Department may share application information within the Department or with other Federal agencies if the Department determines that sharing is relevant to the respective program's objectives.

**Project Narrative**

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

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

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

PHMSA recommends that the Project Narrative be prepared with standard formatting preferences (a single-spaced document, using a standard 12-point font such as Times New Roman, with 1-inch margins, and narrative text in one column only). The Project Narrative may not exceed 25 pages in length (excluding cover pages, table of contents, and supporting documents/attachments). Applicants may submit supporting documents via website links rather than hard copies. It is important to ensure the website links are currently active, accessible, and working. If supporting documents are submitted, applicants must clearly identify the page number(s) of the relevant portion in the Project Narrative supporting documentation. PHMSA recommends using appropriately descriptive file names (e.g., "Project Narrative," "Maps," "Budget Narrative") for all attachments. PHMSA will not review or consider Project Narrative pages beyond the 25-page limitation, non-working weblinks, and/or attachments' file formats that do not meet Electronic Format guidance in Section D.6.

1. **Cover Letter.**

   **Name and Title of this NOFO.**

   **Organization/Natural Gas System's Name.** This should include: (1) your organization's/natural gas system's name; (2) a brief overview of the governance structure of your organization/system and/or natural gas system's leadership; and (3) your organization's/system's experience and capacity, or the ability to obtain experience and capacity, to manage federal grant programs.

   **Contact Information.** Identify the individual name(s) and position title(s), address, email address, and telephone number of the person(s) who will be the:

   1. Project Representative(s) responsible for coordinating all the funded project activities; and

2. Authorized Representative(s) (AR) who will accept the awarded grant document(s). The AR must have the legal authority to sign documents for their entity, give assurances, make commitments, enter into contracts, and/or execute such documents on behalf of the applicant/entity. The signature of the AR certifies that commitments made on grant proposals will be honored and ensures that the applicant agrees to conform to the grant's regulations, guidelines, and policies.

2. **Applicant Eligibility and Statement of Authority and Pipeline Infrastructure Safety and Modernization Capabilities.** A short statement by the applicant verifying/affirming they are a municipal- or community-owned gas distribution utility and have the legal authority and capability to perform pipeline infrastructure repairs, rehabilitation, or replacement, in accordance with 49 CFR § 192, and to purchase equipment.

3. **Project Summary.**

**Summary:** One project summary per project. The project summary should be no longer than 2-3 sentences. The project summary provides a high-level overview of the overall project/equipment needed to repair, rehabilitate, or replace the natural gas distribution pipeline system and its major components.

**Project Prioritization:**
Natural gas distribution project means activities that will repair, rehabilitate, or replace existing distribution lines or components of distribution systems or purchases of equipment that will (1) reduce incidents and fatalities and (2) avoid economic losses. Each activity should be shown as a separate project. (i.e., Project 1 - purchase of equipment, Project 2 - replace 2 miles of 2-inch cast iron pipe etc.). Each project should be ranked numerically by priority. Alphabetical order or other sequential orders will not be accepted. Please ensure all pipe lengths are described in miles.

The proposed project should include reasonable boundaries of pipeline that can be replaced within the period of performance. Repairing, replacing, and/or rehabilitating pipeline of a similar material and/or in the same general area is considered a single project.

Applicants are encouraged to use the table provided below. Please ensure Project Prioritization numbering and budget totals are consistent throughout the application documents.

The values in the project prioritization table must be fully justified and explained in the Projected Outputs and Objectives section of the project narrative.

| Project Prioritization Table | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Priority Number | Project Type (construction, equipment-only, or other - please describe) | Project Name | Existing Pipe Material (if applicable) | Miles Replaced | Infrastructure Age (if applicable) | Estimated Reduction in Annual Methane Emissions (kg/year)[4] | Estimated number of jobs (if applicable) | Total Project Cost (all costs must equal the federal funding requested in the SF-424) |
| 1 | Construction | Southeast Cast-Iron Replacement Project | Cast-iron | 9.0 | 1920s | 25,637 | 100 | $9,500,000 |
| 2 | Equipment | Leak Detection Equipment | N/A | 0.0 | 1920s | 7,121 | 40 | $100,000 |
| 3 | Other – Regulator Station | Regulator Replacement Project | Bare steel | 0.0 | 1970s | 0.0 | N/A | $850,000 |
| Total | | | | | | | | $10,450,000.00 |
| | | SF-424 Federal Funding Requested | | | | | | $10,450,000.00 |

[4] See table of average methane emissions factors (kg/mile activity) for natural gas pipelines in 5. Projected Outputs and Objectives.

**Project Location:**
If available at the time of application, and/or if applicable, include geospatial data for the project. If project is not geospatially specific, include replacement of assets throughout a service area or the purchase of equipment. If the project includes the repair, rehabilitation, or replacement of assets throughout your system, please generally describe the area where the proposed project will occur. Identify if all, partial, or none of the project is located in a disadvantaged community, including in a rural or urban area.[5]

Applicants should use the Climate and Economic Justice Screening Tool (CEJST)[6] to identify disadvantaged communities as the primary tool.

Applicants are strongly encouraged to also use the DOT Equitable Transportation Community (ETC) Tool[7] to understand how their community or project area is experiencing disadvantage related to lack of transportation investments or opportunities and are encouraged to use this information in their application to demonstrate how their project will reduce, reverse or mitigate the burdens of disadvantage.

Applicants are encouraged to provide an image of the map tool outputs. For sensitive map data, please mark the document/images as confidential.

Please note that any project on Tribal land must include a letter expressing Tribal support for the project.

**Project Schedule:**
Please include the current project schedule. If not available at the time of application submission, provide best available project schedule estimates/projections.

- The project schedule identifies all major project milestones from start to completion.
- The project schedule should be sufficiently detailed to demonstrate that:
    a. all necessary activities will be completed to allow NGDISM Grant Program funds to be expended within the period of performance;
    b. all real property and right(s)-of-way acquisition and/or utility easements will be completed in a timely manner in accordance with 49 CFR Part 24 and other applicable legal requirements, or a statement that real property, right(s)-of-way acquisition, utility easements, and/or applicable legal requirements are not needed;

[5] See Definitions section, Disadvantaged Community.
[6] M-23-09 states that Federal agencies should use the CEJST to identify geographically defined disadvantaged communities for any covered programs under the Justice40 Initiative and for programs where a statute directs resources to disadvantaged communities, to the maximum extent possible and permitted by law. This includes Federally Recognized Tribes, regardless of whether they have land. Applicants should use the CEJST as the primary tool to identify disadvantaged communities. See https://screeningtool.geoplatform.gov/.
[7] https://experience.arcgis.com/experience/0920984aa80a4362b8778d779b090723/page/ETC-Explorer---National-Results/

c. community input has been or will be fostered through meaningful public involvement, particularly engaging with disadvantaged rural and urban communities that may be affected by the project where applicable; and,
d. applicable required project approvals have been completed, such as a high-level screening of fatal flaw environmental impacts (see below "Requirements if PHMSA notifies an applicant of its intent to make a Federal award"); design completion; approval of plans, specifications, and estimates; procurement; state and local approvals; project partnership and implementation agreements; environmental permits; and executed/projected construction agreements.

**Project Funding:**

- Indicate in a table format the total amount of federal funding requested and total project cost. If more than one project and/or the project(s) will be completed in phases, list funding and estimated timeline details per project(s)/phase(s).
- Identify whether partial funding would be accepted in order to complete the project and the level of minimum funding needed.
- Identify whether the replacement, rehabilitation, or repair project was in process prior to the announcement of this award; and whether and by how much the grant would expedite the project or expand the scope or impacts of the project. This will not affect grant award rating(s).

**Project Eligibility:**

Examples of **eligible** grant project expenses may include the following:

- Construction costs including equipment and labor costs related to repairing, rehabilitating, or replacing leak prone natural gas pipeline distribution infrastructure, which includes main lines, service lines, and related components.
- Equipment costs related to reducing incidents and fatalities, and avoiding economic losses.
- Equipment purchases to improve an operator's leak detection capabilities, to address a risk that could lead to the unsafe operation of a system, and/or to improve an operator's ability to locate difficult to find legacy pipelines.

Examples of **ineligible** grant project expenses include the following:

- Projects involving transmission lines, including proposals to lower a transmission line to meet the existing code requirements. See 49 CFR 192.3 Definitions for the definition of a Transmission Line.
- Projects that will require a PHMSA special permit and/or approval via PHMSA waiver.
- Extending gas services to areas previously not served.
- Electrification.
- Removal of propane tanks and installing a natural gas piping system.
- Propane community gas systems.
- Peak shaving liquefied natural gas facilities.

**4. Detailed Project Description that includes:**

- Each project must be mentioned in and supported by the most recent distribution integrity management plan (DIMP) assessment. The supporting DIMP assessment must be no older than two years from the date of the NGDISM application. The scope, schedule, location, and budget (including total cost per mile of mains replaced and total cost per service replaced.) for each proposed project. If applicable, the projects should be listed according to the risk/safety priority order described in the Project Prioritization section.
- Description of materials being replaced, repaired, or rehabilitated, and a general description of the construction methods to be used (i.e., Horizontal Directional Drill (HDD), cut and cover, insertion, etc.).
- Describe any relocations, abandonments, and upsizing.
- Sufficient documentation to support the project: such as engineering drawings preliminary project planning or design including site design; maps; site photos, materials lists, cost estimates received an aerial photograph of the site depicting the proposed location; anticipated environmental and community impacts; and other pre-construction activities of eligible pipeline infrastructure projects.
- Identify and measure expected outcomes of the proposed work and monitoring progress toward completing project tasks and deliverables during the period of performance.
- A Safety Risk Profile for each proposed project describing the condition of the current infrastructure in the project area for which funding is being requested. The project Safety Risk Profile should cite relevant data including identified threats, leak statistics, and risk analysis that are present in the operator's DIMP. The Safety Risk Profile should state how the project will mitigate the identified and list the safety benefits the project will bring to the community. All threats, leak statistics and risk analyses should be supported by and consistent with the DIMP and Gas Distribution Annual Report (GDAR).
- Identify any potentially immediate danger that the existing infrastructure poses that may result in fatalities, injuries, or environmental hazards.
- Plan for creating good-paying jobs[8] that provide economic impact, growth, and substantial benefits to disadvantaged rural or urban communities.
- Capacity to provide a reduction in lifecycle greenhouse gas emissions and any other impacts that are beneficial to the environment or public.
- Confirmation that a plan is in place or will be in place for compliance with civil rights obligations and nondiscrimination laws, including Title VI of the Civil Rights Act of 1964 and implementing regulations (49 CFR Part 21), the Americans with Disabilities Act of 1990 (ADA), and Section 504 of the Rehabilitation Act, all other civil rights requirements and accompanying regulations. If there are any questions concerning the responsibilities under the External Civil Rights Program, please contact Rosanne Goodwill, PHMSA Civil Rights Director, at 202-366-6580 or e-mail PHMSACivilRights@dot.gov.

5. **Projected Outputs and Objectives.** Provide quantifiable and measurable outputs planned for the grant's period of performance. Outputs are quantitative data that describe

[8] See Definitions, Good-paying jobs.

the proposed activities. For repair, rehabilitation, or replacement of natural gas distribution pipeline infrastructure, or portions thereof, or acquisition of equipment, outputs should include:

(1) the quantity (e.g., mileage, age, and diameter) of pipeline affected;
(2) if applicable, cost of equipment purchased for the project;
(3) an estimate of the number of jobs the project may create;
(4) an estimate of the project's potential for benefiting disadvantaged rural and urban communities;
(5) an estimate of the economic impact or growth over the length of the project; and,
(6) an estimate of the reduction in methane emissions attributable to the project, including the method of calculation.

Applicants may use the following table to approximate the methane leak rate based on pipeline material that will be replaced by the program. The table is based on Average Methane Emissions Factors (kg/mile activity) for Natural Gas Pipelines. It is adapted from Table 1 EPA GHG Inventory – Annex 3.6, Table 3.6-2.

| **Pipeline Material Type** | **Average Rate (kg/mile/year)** |
|---|---|
| Cast Iron | 2,877.35 |
| Unprotected Steel | 1,491.80 |
| Protected Steel | 77.90 |
| Plastic (installation date unknown) | 109.85 |
| Plastic (installation prior to 1990) | 190.90 |
| New polyethylene (PE) plastic pipe | 28.80 |

The sample applicant's project prioritization table above lists the first priority as the southeast cast iron replacement project, which will replace 9.0 miles of cast iron pipe. The average rate of methane emissions per year for cast iron pipe is 2,877.35 kg/mile/year. The sample applicant multiples that amount by 9 miles. The product is 25,896.15 kg/year.

The applicant will replace the cast iron pipe with polyethylene (PE) plastic pipe. The average rate of methane emissions per year for polyethylene (PE) plastic pipe is 28.80 kg/mile/year. The sample applicant multiples that amount by 9 miles. The product is 259.20 kg/year.

The sample applicant finds the difference by subtracting 259.20 kg/year from 25,896.15 kg/year. The difference is 25,636.95 kg/year. The sample applicant reports the difference in the project prioritization table for the southeast cast iron replacement project in the estimated reduction in annual methane emissions column. Rounding to the nearest whole number is acceptable.

Applicants should use the Climate and Economic Justice Screening Tool (CEJST)[9] as the primary tool to identify disadvantaged communities.

Applicants are strongly encouraged to also use the USDOT Equitable Transportation Community (ETC) Explorer[10] to understand how their community or project area is experiencing disadvantage related to lack of transportation investments or opportunities and are encouraged to use this information in their application to demonstrate how their project will reduce, reverse or mitigate the burdens of disadvantage.

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

7. **Statement Certifying Compliance with Equity Requirement.** Applicants must include a statement certifying they are currently complying (or will comply) with Executive Order (EO) 13985, Advancing Racial Equity and Support for Underserved Communities Through the Federal Government. Equity means the consistent and systematically fair, just, and impartial treatment of all individuals, including individuals who belong to underserved communities that have been denied such treatment, such as Black, Latino, and Indigenous persons, Asian Americans and Pacific Islanders; other persons of color; members of religious minorities; lesbian, gay, bisexual, transgender, and queer persons; persons with disabilities; persons who live in rural areas; and persons otherwise adversely affected by persistent poverty or inequality.

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

**Budget Narrative**

The Budget Narrative is a detailed explanation of each budget item, which supports the cost of the proposed project(s) and/or equipment. The Budget Narrative should itemize and justify how budget items' total is calculated. For example, for personnel salary include job title, job function(s), payrate, percentage or hours expected to work on the project to get the total of the line-item expense. The Budget Narrative should be clear, specific, detailed, and mathematically correct. The Budget Narrative needs to correspond to the SF-424A's or SF-424C's line-item categories. Please round cents to whole dollars in the Budget Narrative.

[9] See https://screeningtool.geoplatform.gov/.
[10] See https://experience.arcgis.com/experience/0920984aa80a4362b8778d779b090723/page/ETC-Explorer---National-Results/

**Grant Funds, Sources and Uses of Project Funds -** Project budgets should show how different funding sources will share in each activity and present the data in dollars and percentages. The budget should identify other Federal funds the applicant is applying for, has been awarded, or intends to use. Funding sources should be grouped into three categories: non-federal, NGDISM Grant Program, and other Federal with specific amounts for each funding source.

**Expense Categories -** A well-developed Budget Narrative is an effective monitoring tool for both the awarding agency and the grant recipient. However, a Budget Narrative that does not accurately represent a project's needs makes it difficult to recommend for funding and to assess financial performance over the life of the project. Once a grant agreement is executed, PHMSA is unable to add additional grant funding to cover additional costs. However, if the award is for more than the actual costs, PHMSA will reimburse for the actual costs.

**SF-424A Equipment only with no construction**

For more details, see category instructions/guidance on Grants.gov, Forms tab, 424-family.

| Category/Line Item | Enter Amount |
|---|---|
| Personnel | Not applicable for equipment only applications |
| Fringe Benefits | Not applicable for equipment only applications |
| Travel | Not applicable for equipment only applications |
| Equipment | Yes, if applicable.<br>Equipment is tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost that equals or exceeds $5,000. |
| Supplies | Yes, if applicable.<br>Equipment purchases of less than $5,000 per unit would be listed under Supplies or Other. |
| Contractual | Yes, if applicable.<br>Analyze the cost benefits of purchasing versus leasing equipment, particularly high-cost items, and those subject to rapid technical advances. List rented or leased equipment costs in the Contractual or Other category, depending upon the procurement method. |
| Construction | Not applicable for NGDISM equipment only applications. Use the SF-424C. |
| Other | Yes, if applicable.<br>Equipment purchases of less than $5,000 per unit would be listed under Supplies or Other.<br>Analyze the cost benefits of purchasing versus leasing equipment, particularly high-cost items, and those subject to rapid technical advances. List rented or leased equipment costs in the Contractual or Other category, depending upon the procurement method.<br>See SF-424A instructions for other acceptable expenses for Other. |
| Indirect Charges | Not applicable for equipment only applications |

The purchase of equipment to reduce methane emissions during rehabilitation, repair, or replacement activities is an allowable program cost and should be included in the project's budget. Each item of equipment must be identified with the corresponding cost; general purpose equipment must be justified as to how it will be used on the project. Applicants should analyze the cost benefits of purchasing versus leasing equipment, particularly high-cost items, and those subject to rapid technical advances.

PHMSA encourages all applicants to reference in their applications whether they plan to utilize pipeline blowdown mitigation practices, if applicable; for example:

- Diverting to lower pressure pipelines: Transfer gas to a parallel line.
- In-Line compression: Operate downstream compression after upstream valve is closed.
- Mobile compression: Use additional compressors to move gas or pull line down to lower pressure (e.g., incremental gain).

- Vacuum Purge Technology: Removal of air in a natural gas pipeline with vacuum equipment.

**SF-424C Construction with or without equipment purchase**
For more details, see category instructions/guidance on Grants.gov, Forms tab, 424-family.

| Category/Line Item | Enter Amount |
|---|---|
| Administrative and legal expenses | If applicable. |
| Land, structures, rights-of-way, appraisals, etc. | If applicable. |
| Relocation expenses and payments | If applicable. |
| Architectural, environmental, and engineering fees | If applicable. |
| Other architectural and engineering fees | If applicable. |
| Project inspection fees | If applicable. |
| Site work | If applicable. |
| Demolition and removal | If applicable. |
| Construction | If applicable. |
| Equipment | If applicable. Equipment is tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost that equals or exceeds $5,000. |
| Miscellaneous | If applicable. Equipment purchases of less than $5,000 per unit would be listed as Miscellaneous. |
| Contingencies | If applicable and not to exceed 10 percent of land, structures, rights-of-way, appraisals, etc. and construction categories only. |
| Project (program) income | If applicable. |

Applicants are encouraged to account for all anticipated costs, including price fluctuations, anticipated environmental costs, restoration costs, anticipated costs with federal grants management training, and costs associated with single audits and program audits when preparing project budgets.

If selected for an award, PHMSA highly encourages recipients who may have little to no experience managing federal awards to take federal grants management training for staff who will be working on the programmatic or financial aspects of the grant. This training is available in person or online and is offered by various vendors nationwide. Such training will ensure that recipients who are selected for awards fully understand and are prepared to manage the requirements associated with complying with a federal award. This training is recommended to be taken at the beginning of the award after the grant

agreement is executed. Such costs should go under the Administrative line item on the SF-424C.

SF-424C only: Contingency amounts, not to exceed 10 percent, may be included in the budget to the extent they are necessary to improve the precision of project estimates.

Pre-Award costs: There is no pre-award authority for any costs incurred before the effective date of the award announcement However, the applicant should provide a thorough and concise explanation of the project elements (e.g., design services) and include the projected pre-award costs as part of their application/budget estimate. Once provisional project selections are made, PHMSA may extend pre-award cost reimbursement authority for these provisionally selected projects for costs incurred after the project has been provisionally selected.

SF-424C only: Indirect Costs: In general, indirect costs are not applicable to most construction grant projects. If an applicant plans to charge the de minimis indirect cost rate, the Modified Total Direct Cost (MTDC) calculation must be used. The MTDC calculation excludes capital expenditures and equipment costs. The detailed budget justification template and the budget narrative should clearly explain how indirect costs are being applied/calculated. If applicants will claim the 10 percent de minimis rate for indirect costs, please ensure that a statement is included in the application and that the MTDC calculation is utilized. If claiming a higher indirect cost rate, the applicant must attach a copy of their most recent negotiated indirect cost rate agreement. See 2 CFR 200.1 for more information: https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200#p-200.1(Modified%20Total%20Direct%20Cost%20(MTDC)).

### D.3 Unique Entity Identifier (UEI) and System for Award Management

Each applicant is required to:

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

PHMSA may not make an award to an applicant until the applicant has complied with all applicable UEI and SAM requirements. If an applicant has not fully complied with the requirements by the time PHMSA is ready to make an award, PHMSA may determine that the applicant is not qualified to receive an award and use that determination as a basis for making an award to another applicant.

PHMSA recommends that applicants review the SAM database to ensure that their UEI number is updated and "active." Link: https://sam.gov/content/home.

For issues with SAM.gov, applicants may call the Federal Service Desk at 866-606-8220 or create an incident ticket via https://www.fsd.gov/gsafsd_sp.

## D.4 Submission Dates and Times

Applicants must submit complete application packages via Grants.gov no later than 11:59 p.m., PDT, June 20, 2024.

Applicants are strongly encouraged to verify their access to Federal Grant Systems (Section D.6) early, to ensure any technical issues can be resolved, and to apply early to ensure all materials will be received before the deadline.

PHMSA verifies the dates and times of applications submitted via Grants.gov to determine timeliness of submissions. Applications received after the deadline will not be considered.

## D.5 Funding Restrictions

The following costs are not eligible for reimbursement under the FY 2024 NGDISM Grant Program:

1. Pre-award costs incurred prior to the effective date of the award to which PHMSA has not extended pre-award authority in writing.
2. Entertainment, alcohol, or morale costs.
3. Expenses claimed and/or reimbursed by another program.
4. Excessive costs for general office supplies, equipment, computer software, printing and copying.
5. Expenses that supplant existing operational funds.
6. Any costs disallowed or stated as ineligible in 2 CFR Part 200.
7. Restrictions on Use of Funds for Lobbying, Support of Litigation, or Direct Advocacy. The recipient and its contractors may not conduct political lobbying, as defined in the statutes, regulations, and 2 CFR § 200.450 "Lobbying," within the federally-supported project. The recipient and its contractors may not use federal funds for lobbying specifically to obtain grants and cooperative agreements. The recipient and its contractors must comply with 49 CFR Part 20, U.S. DOT "New Restrictions on Lobbying." Funds may not be used, directly or indirectly, to support or oppose union organizing.

## D.6 Other Submission Requirements

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

If an applicant requires accommodations, or has difficulties submitting their application(s) via Grants.gov and is unable to resolve their Grants.gov issue(s) via the Grants.gov Online Help and/or Support Desk, that applicant should contact the NGDISM Grants Team prior to the deadline date via email at PHMSAPipelineBILGrant@dot.gov to request an alternative means to submit their application(s).

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

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

**Accessing Federal Grant Systems:**
PHMSA acknowledges applicants may experience technical issues with federal grant systems' sites, which are outside of PHMSA's control. PHMSA recommends applicants utilize the sites' respective help desks to resolve any technical issues well before the NOFO's closing date. Although PHMSA will provide any assistance it can, all applicants are ultimately responsible for working directly with Grants.gov and/or SAM.gov to resolve technical issues.

1. **Grants.gov.** In order to apply for NGDISM grant funding under this announcement, all applicants are to be registered as an organization with Grants.gov. For new users, it is highly recommended that applicants begin the registration process and become familiar with the Grants.gov website as soon as possible to avoid delays in submission. For new users, go to http://www.grants.gov/web/grants/applicants.html or go to the main page at Grants.gov and select "Get Started", and then "Register." NOTE: New user registrations for Grants.gov may take up to two weeks to complete. Options for additional questions on how to register and/or to resolve Grants.gov issues are:
    - utilize Grants.gov Online Self-Help (https://gditshared.servicenowservices.com/hhs_grants),
    - utilize Grants.gov "Create a Ticket" feature (https://gditshared.servicenowservices.com/hhs_grants),
    - contact Grants.gov Support Desk, 24 hours a day, 7 days a week, excluding federal holidays, by phone at 800-518-4726 or by e-mail at support@grants.gov.

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

2. **Sam.gov.** Applicants may:
    - Use SAM.gov self-help options to search help articles to find an answer; or,
    - Ask the Federal Service Desk by calling them at 866-606-8220, Monday - Friday 8 a.m. to 8 p.m. ET; or creating an incident ticket via https://www.fsd.gov/gsafsd_sp.

**3. FedConnect.** Applicants are encouraged to register for an account with FedConnect at https://www.fedconnect.net before submitting an application. Your organization's Marketing Partner Identification Number (MPIN), which can be retrieved from the System for Award Management (SAM), is required to create an account. Instructions on how to register in FedConnect and how to use the portal are on the FedConnect home page. For other technical issues or questions, e-mail fcsupport@unisonglobal.com or call 1-800-899-6665, option 2. The FedConnect Support Center is staffed Monday—Friday 8 a.m. to 8 p.m., EST, except federal holidays.

## SECTION E – APPLICATION REVIEW INFORMATION

### E.1 Criteria

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

Merit Criteria:
The criteria that follow are for evaluation purposes only. Do NOT submit responses to the questions below as part of an application package. PHMSA will use these criteria to evaluate and rate applications.

**Technical Review Criteria**

PHMSA will evaluate the extent to which the project will address 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 Criteria**

PHMSA will evaluate the extent to which the project will address the following programmatic criteria:

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 disadvantaged community or a community facing other relevant disadvantages or burdens, such as those related to lack of transportation investments or opportunities?
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?

## E.2 Review and Selection Process

1. **Administrative/Intake Review:** PHMSA will conduct an administrative/intake review to ensure the application meets the eligibility criteria. Each application will be reviewed for completeness to ensure it includes all the required elements to qualify for the grant.

   During the Administrative/Intake review, if applicable, PHMSA may request, one-time only (via e-mail), for an applicant to submit any missing 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.

   Once Administrative/Intake is completed, including the one-time request for missing documents, to ensure a fair and unbiased evaluation of all submitted applications, PHMSA will not request additional information from applicants regarding their grant applications. If the application does not meet the required elements in this NOFO, then the application is likely to be rejected/rated Not Acceptable.

2. **Technical Review:** PHMSA will conduct a technical review to assess how the proposed work is to be performed and whether the applications are responsive to the applicable program requirements as identified in Section E.1. Technical review members may consist of representatives from pipeline safety stakeholder groups who are not competing for this grant program, the public, and/or PHMSA pipeline staff. Review members will all be screened against conflicts of interests by a signed Non-Disclosure and Conflict of Interest certification.

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

Additional Priorities and Selection Considerations:

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

Safety: PHMSA will assess the project's ability to commit to advancing safe, efficient transportation. Applicants must address how their project provides substantial safety benefits. Projects that have the potential to provide the greatest safety benefits for both people and the environment, such as those which seek to address active leaks, may be prioritized. 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 estimated methane leakage reduction attributable to the project as methane is a potent greenhouse gas. 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 including, but not limited to air and water quality, wetlands, endangered species, cultural resources, Section 4(f) properties, Tribal treaty rights, and other aspects of the human environment, 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.

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

- expand strong labor standards,[11] 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.

[11] See Definitions section, Good-paying jobs.

- 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.[12]

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.

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

**Ratings Guidelines:**

After applying the merit criteria in Section E.1, each application will be assigned an overall rating of Highly Recommended, Recommended, Acceptable, or Not Acceptable. The technical criteria will be weighed more heavily than the programmatic criteria. PHMSA will then apply the selection considerations listed in Section E.2 before making award recommendations.

The following is a list of ratings and their corresponding definitions:

> **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.

[12] See Definitions section, Equal Opportunity Plans.

**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.

**Selection Process:**

PHMSA will recommend applications for provisional award based on the Rating Guidelines above. PHMSA may not be able to award grants to all eligible applications even if they meet or exceed the evaluation criteria.

Final award recommendations will be made by PHMSA's Deputy Administrator after taking into consideration recommendations made during the administrative/intake, technical, programmatic reviews, and how well the applications address PHMSA's selection considerations. The Secretary of Transportation, or designee, will make final award selection decisions.

Grant awards are considered provisional until PHMSA satisfies its responsibilities under the National Environmental Policy Act (NEPA) and a grant agreement is executed between the applicant and PHMSA.

### E.3 Database for Integrity and Performance of Awarded Federal Grants

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

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

Applicants chosen for funding will receive electronic notification of the federal award. Upon notification, the applicant's authorized representative/official must sign and return the award within the timeframe prescribed by PHMSA.

## SECTION F – FEDERAL AWARD ADMINISTRATION INFORMATION

### F.1 Federal Award Notice

PHMSA's grant awarding official will award grants to responsible and eligible applicants, at its discretion, whose applications are judged meritorious under the procedures set forth in this NOFO. Following the evaluation outlined in Section E, the selected grant award recipients will be announced by the Secretary of Transportation via the USDOT Office of the Secretary's Newsroom webpage (https://www.transportation.gov/newsroom).

Recipients of an award will not receive lump-sum cash disbursements at the time of award announcement or obligation of funds. If applicable, grant agreements will not be executed until the project has fully complied with the required NEPA process. PHMSA will reimburse recipients only after grant agreements have been executed, after allowable expenses have been incurred, and after valid requests for reimbursement have been submitted and approved by PHMSA. NGDISM grant recipients must adhere to applicable requirements and follow established procedures to receive reimbursement. PHMSA will provide webinars and one-on-one training for all new awardees to ensure that the proper tools and resources are provided to recipients. These webinars will be ongoing and will address how to comply with NEPA and Civil Rights requirements, how to submit reimbursement requests, how to prepare and submit federal financial reports, how to prepare and submit progress reports, and how to prepare for a program or single audit.

All funds provided by PHMSA must be expended solely for the purpose for which the funds are awarded in accordance with the approved application and budget, regulations, terms, and conditions of the award, applicable federal cost principles, environmental compliance as specified, and the DOT's financial assistance regulations. Funds may not be used for lobbying or litigation.

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

1. the legal name and address of recipient.
2. title of project.
3. name(s) of key personnel chosen to direct and control approved activities.
4. Federal Award Identification Number assigned by PHMSA.
5. Period of Performance, specifying the duration of the project.
6. total grant funding amount PHMSA approved for the project.
7. legal authority(ies) under which the award is issued.
8. Assistance Listing Program Number (formerly CFDA).

9. applicable award terms and conditions.
10. approved budget plan for categorizing allocable project funds to accomplish the stated purpose of the award.
11. other information or provisions deemed necessary by PHMSA.

## F.2 Administrative and National Policy Requirements

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

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

1. Infrastructure Investment and Jobs Act (Public Law 117-58).

2. 2 CFR Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

3. New Restrictions on Lobbying. 49 CFR Part 20, "New Restrictions on Lobbying," will be incorporated by reference into any award under this program and is available at https://www.ecfr.gov/ by clicking on "Title 49, Subtitle A, Part 20."

4. Civil Rights and Title VI. As a condition of a grant award, grant recipients will demonstrate that the recipient has a plan for compliance with civil rights obligations and nondiscrimination laws, including Title VI of the Civil Rights Act of 1964 and implementing regulations (49 CFR Part 21), the Americans with Disabilities Act of 1990 (ADA), and Section 504 of the Rehabilitation Act, and all other civil rights requirements, and accompanying regulations. This should include a current Title VI plan, completed Community Participation Plan, and a plan to address any legacy infrastructure or facilities that are not compliant with ADA standards. DOT's and the applicable Operating Administrations' Office of Civil Rights will work with awarded grant recipients to ensure full compliance with Federal civil rights requirements.

5. Drug-Free Workplace. 49 CFR Part 32, "Government wide Requirements for Drug-Free Workplace (Financial Assistance)," which implements the requirements of Public Law 100-690, Title V, Subtitle D, "Drug-Free Workplace Act of 1988." 49 CFR Part 32 will be incorporated by reference into any award under this program and is available at: https://www.ecfr.gov/ by clicking on "Title 49, then "Subtitle A", and then "Part 32."

6. Executive Orders: "Advancing Racial Equity and Support for Underserved Communities Throughout the Federal Government" (EO 13985); "Revitalizing Our Nation's Commitment to Environmental Justice for All" (EO 14096); "Federal Actions to Address Environmental Justice in Minority Populations" (EO 12898); "Protecting Public Health and the Environment and Restoring Science to Tackle the Climate Crisis" (EO 13990); Implementing the Infrastructure Investment and Jobs Act (EO 14052); and "Tackling the Climate Crisis at Home and Abroad" (EO 14008).

7. National Environmental Policy Act and applicable environmental and historic preservation laws, as well as compliance with mitigation actions described in the completed Tier 2 – Site Specific Environmental Assessment during construction or repair activities.

8. Domestic Preference Requirements: As expressed in Executive Order 14005, 'Ensuring the Future is Made in All of America by All of America's Workers' (86 FR 7475), the executive branch should maximize, consistent with law, the use of goods, products, and materials produced in, and services offered in, the United States. Funds made available under this notice are subject to the domestic preference requirement of the Build America, Buy America ("BABA") Act, located in the Infrastructure Investment and Jobs Act, Div. G §§ 70911-70917. The Department expects all applicants to comply with that requirement.

9. Critical Infrastructure Security, Cybersecurity and Resilience: It is the policy of the United States to strengthen the security and resilience of its critical infrastructure against all hazards, including physical and cyber risks, consistent with Presidential Policy Directive 21 - Critical Infrastructure Security and Resilience, and the National Security Memorandum on Improving Cybersecurity for Critical Infrastructure Control Systems. Each applicant selected for Federal funding must demonstrate, prior to the signing of the grant agreement, effort to consider and address physical and cyber security risks relevant to the transportation mode and type and scale of the project. Projects that have not appropriately considered and addressed physical and cyber security and resilience in their planning, design, and project oversight, as determined by the Department and the Department of Homeland Security, will be required to do so before receiving funds.

10. Federal Contract Compliance: As a condition of grant award and consistent with EO 11246, Equal Employment Opportunity (30 FR 12319, and as amended), all

federally assisted construction contractors are required to make good faith efforts to meet the goals of 6.9 percent of construction project hours being performed by women, in addition to goals that vary based on geography for construction work hours and for work being performed by people of color. Under Section 503 of the Rehabilitation Act and its implementing regulations, affirmative action obligations for certain contractors include an aspirational employment goal of 7 percent workers with disabilities.

The U.S. Department of Labor's Office of Federal Contract Compliance Programs (OFCCP) is charged with enforcing Executive Order 11246, Section 503 of the Rehabilitation Act of 1973, and the Vietnam Era Veterans' Readjustment Assistance Act of 1974. OFCCP has a Mega Construction Project Program through which it engages with project sponsors as early as the design phase to help promote compliance with non-discrimination and affirmative action obligations. OFCCP will identify projects that receive an award under this notice and are required to participate in OFCCP's Mega Construction Project Program from a wide range of federally assisted projects over which OFCCP has jurisdiction and that have a project cost above $35 million. PHMSA will require project sponsors with costs above $35 million that receive awards under this funding opportunity to partner with OFCCP, if selected by OFCCP, as a condition of this award.

11. Performance and Program Evaluation: As a condition of grant award, grant recipients may be required to participate in an evaluation undertaken by DOT or another agency or partner. The evaluation may take different forms such as an implementation assessment across grant recipients, an impact and/or outcomes analysis of all or selected sites within or across grant recipients, or a benefit/cost analysis or assessment of return on investment. DOT may require applicants to collect data elements to aid the evaluation and/or use information available through other reporting. As a part of the evaluation, as a condition of award, grant recipients must agree to: (1) make records available to the evaluation contractor or DOT staff; (2) provide access to program records, and any other relevant documents to calculate costs and benefits; (3) in the case of an impact analysis, facilitate the access to relevant information as requested; and (4) follow evaluation procedures as specified by the evaluation contractor or DOT staff.

    Recipients and subrecipients are also encouraged to incorporate program evaluation including associated data collection activities from the outset of their program design and implementation to meaningfully document and measure their progress towards meeting an agency priority goal(s). Title I of the Foundations for Evidence-Based Policymaking Act of 2018 (Evidence Act), Pub. L. No. 115-435 (2019) urges Federal awarding agencies and Federal assistance recipients and subrecipients to use program evaluation as a critical tool to learn, to improve equitable delivery, and to elevate program service and delivery across the program lifecycle. Evaluation means "an assessment using systematic data collection and analysis of one or more programs, policies, and organizations

intended to assess their effectiveness and efficiency." 5 U.S.C. § 311. Credible program evaluation activities are implemented with relevance and utility, rigor, independence and objectivity, transparency, and ethics (OMB Circular A-11, Part 6 Section 290).

For grant recipients receiving an award, evaluation costs are allowable costs (either as direct or indirect), unless prohibited by statute or regulation, and such costs may include the personnel and equipment needed for data infrastructure and expertise in data analysis, performance, and evaluation. (2 CFR Part 200). This paragraph does not authorize pre-award costs and grant recipients must separately obtain PHMSA's written approval to fund pre-award costs consistent with 2 CFR § 200.458.

12. Project Signage and Public Acknowledgements: Recipients are encouraged for construction and non-construction projects to post project signage and to include public acknowledgments in published and other collateral materials (e.g., press releases, marketing materials, website, etc.) satisfactory in form and substance to DOT, that identifies the nature of the project and indicates that "the project is funded by the Bipartisan Infrastructure Law". In addition, recipients employing project signage are required to use the official Investing in America emblem in accordance with the Official Investing in America Emblem Style Guide. Costs associated with signage and public acknowledgments must be reasonable and limited. Signs or public acknowledgments should not be produced, displayed, or published if doing so results in unreasonable cost, expense, or recipient burden. The Recipient is encouraged to use recycled or recovered materials when procuring signs.

**Requirements if PHMSA notifies an applicant of its intent to make a federal award.** Not required as part of the application package. Only required if provisionally selected for a NGDISM award.

Environmental. Each provisionally selected applicant must assist PHMSA in completing site-specific documentation to comply with the National Environmental Policy Act (NEPA), and associated environmental laws, by providing project specific information, including but not limited to, the scope of the work, location of the work, and environmental resources within the project area. PHMSA prepared a Tier 1 Environmental Assessment (EA) (https://www.regulations.gov/document/PHMSA-2022-0123-0001 (click on download)) for the NGDISM Grant Program to inform the site specific environmental analyses.

A NEPA environmental document should not be completed with the grant application. However, the applicant should conduct a high-level screening of environmental impacts (i.e., presence of endangered species, potential adverse impacts to historic properties , Section 4(f) properties, construction within the

high-water marks of a stream, etc.) to inform the project schedule, budget, alternatives, and mitigation in the early planning stages of project development.

PHMSA will serve as the lead federal agency for the NEPA process . PHMSA is committed to providing technical assistance to applicants during the preparation of the environmental analysis and documentation.

PHMSA and the applicant may develop additional mitigation measures if the environmental analysis identifies effects not disclosed in the Tier 1 Environmental Assessment (EA). PHMSA may seek public comment during the environmental analysis based on the potential effects from the proposed project. PHMSA will make a NEPA class of action determination based on the significance of the impacts the project will likely have on the human and natural environment. If significant impacts are identified, an environmental impact statement will be required. If the NEPA process cannot be satisfactorily completed, PHMSA reserves the right to rescind the provisional award.

**Payment Requests and Receipt of Reimbursements via E-Invoicing**

Recipients of PHMSA grants must use the DOT Delphi e-Invoicing System to submit and receive their reimbursements.

- Recipient must have internet access to register, submit payment requests, and receive payments electronically.
- Once a DOT agency has established your grant, the agency submits an access request for recipient to access the Delphi eInvoicing System.
- Recipient will receive an e-mail invitation to register from the DOT.
- During registration process, recipient must have the Proof of Identity form validated by a Notary Public and mail the notarized form to the DOT via certified mail (USPS, FedEx, UPS) to the address provided on the form.

All recipients have up to 120 days after the period of performance has ended to submit reimbursement requests to PHMSA for incurred project-related costs.

## F.3 Reporting Requirements

**Reporting of Matters Related to Recipient Integrity and Performance**

If the total value of an applicant's currently active grants, cooperative agreements, and procurement contracts from all federal awarding agencies exceeds $10,000,000 for any period of time during the period of performance of this federal award, then the recipient during that period of time must maintain the currency of information reported to SAM that is made available in the designated integrity and performance system, Responsibility/Qualification information (formerly called Federal Awardee Performance and Integrity Information System (FAPIIS)) about civil, criminal, or administrative proceedings described in paragraph 2 of 2 CFR Appendix XII to Part 200. This is a statutory requirement under section 872 of Public Law 110-417, as amended (41 U.S.C. 2313). As required by section 3010 of Public Law 111-212, all information posted in the

designated integrity and performance system on or after April 15, 2011, except past performance reviews required for federal procurement contracts, will be publicly available.

**Progress Reporting on Grant Activities**

Grant recipients will be required to comply with all PHMSA reporting requirements, including quarterly progress reports, quarterly federal financial reports, and final performance and financial reports. Grants recipients must also comply with applicable auditing, monitoring, and close-out requirements. Unless otherwise instructed in the grant terms and conditions, reports must be submitted to PHMSAPipelineBILGrant@dot.gov.

Pursuant to 2 CFR § 170.210, non-federal entities applying under this NOFO must have the necessary processes and systems in place to comply with the reporting requirements of the Transparency Act[13] should they receive federal funding.

**Quarterly Reporting**

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

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

**Final Progress Reports**

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

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

[13] See Definitions section, Federal Funding Accountability and Transparency Act

Also see Performance and Program Evaluation.

All applications/reports will be made available to the public upon request as described in Section H.

**Audits**

A non-federal entity that expends $750,000 or more in federal funds in one year must hire an independent auditor to conduct a Single Audit or a Program Specific Audit for any year in which the expenditure of federal awards totals $750,000 or more. The purpose is to ensure recipients receiving federal grant funds have adequate internal controls in place and use federal funds in compliance with the government's requirements. Audit costs related to this program may be included in your proposed budget and charged to the grant if selected for an award. For detailed requirements regarding Single and Program Specific Audits, see 2 C.F.R. § 200.501.

NGDISM grant recipients, including those who receive less than $750,000, should expect to have a PHMSA-initiated site visit or desk review to ensure compliance with federal grant regulations and the terms and conditions of the grant award. Site visits will provide PHMSA the opportunity to meet with recipients onsite to review the status of the funded project, assess internal control systems, and provide guidance. A desk review is conducted remotely and focuses predominantly on the financial aspects of the funded project. PHMSA expects to conduct either a site visit or a desk review once for each award period. Recipients may also request onsite or remote technical assistance from PHMSA, as needed.

## SECTION G – FEDERAL AWARDING AGENCY CONTACTS

**PHMSA NGDISM Program Team**
NGDISM Grant Team
Phone: 202-366-7652
E-mail: PHMSAPipelineBILGrant@dot.gov

**Grants.gov Contact Center**
Phone: 800-518-4726
E-mail: support@grants.gov

**Federal Service Desk (FSD) – SAM.gov Support**
Phone: 866-606-8220
Website: https://www.fsd.gov/

## SECTION H – OTHER INFORMATION

**Freedom of Information Act:** DOT regulations implementing the Freedom of Information Act (FOIA) are found at 49 CFR Part 7. 49 CFR Part 7 require PHMSA to make requested materials, information, and records publicly available under FOIA. Unless prohibited by law and to the extent permitted under FOIA, contents of NGDISM applications may be released in response to FOIA requests.

**Protection of Confidential Business Information/Freedom of Information Act**:

- All information submitted as part of or in support of any application shall use publicly available data or data that can be made public and methodologies that are accepted by industry practice and standards, to the extent possible.
- If the applicant submits information that the applicant considers to be a trade secret or confidential commercial or financial information, the applicant must provide that information in a separate document, which the applicant may cross-reference from the application narrative or other portions of the application.
- For the separate document containing confidential information, the applicant must:
  (1) state on the cover of that document that it "Contains Confidential Business Information" (CBI).
  (2) mark each page that contains confidential information with "CBI."
  (3) highlight or otherwise denote the confidential content on each page.
  (4) at the end of the document, explain how disclosure of the confidential information would cause substantial competitive harm.
- DOT will protect confidential information complying with these requirements to the extent required under applicable law.
- If DOT receives a Freedom of Information Act (FOIA) request for the information that the applicant has marked in accordance with this section, or that DOT has some other reason to believe may contain confidential commercial information, DOT will follow the procedures described in its FOIA regulations at 49 CFR § 7.29.

**Uninterrupted Service Delivery Provisions in Federal Financial Assistance Awards and Subawards:** Contractual terms requiring that federally funded services not be subject to disruption due to labor disputes are known as "uninterrupted service delivery" provisions. 2 CFR Part 200 does not prohibit recipients of federal financial assistance from including uninterrupted service delivery requirements in their subawards or contracts when, in the recipient's sound business judgment, the requirement will contribute to the economy and efficiency of the project and when otherwise consistent with federal law applicable to the program.

## DEFINITIONS

**Areas of Persistent Poverty** – In this context, Areas of Persistent Poverty means: (1) any county that has consistently had greater than or equal to 20 percent of the population living in poverty during the 30-year period preceding November 15, 2021, as measured by the 1990 and 2000[14] decennial census and the most recent annual Small Area Income Poverty Estimates as estimated by the Bureau of the census[15]; (2) any census tract with a poverty rate of at least 20 percent as measured by the 2014-2018 5-year data series available from the American Community Survey of the Bureau of the Census[16]; or (3) any territory or possession of the United States. A county satisfies this definition only if 20 percent of its population was living in poverty in all three of the listed datasets: (a) the 1990 decennial census; (b) the 2000 decennial census; and (c) the 2020 Small Area Income Poverty Estimates. The Department lists all counties and census tracts that meet this definition for Areas of Persistent Poverty at https://datahub.transportation.gov/stories/s/tsyd-k6ij.

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

a) temporarily withhold payments pending correction of the deficiency by the recipient.
b) disallow all, or part of, the cost of the activity or action not in compliance.
c) wholly or partly suspend or terminate the federal award.
d) initiate suspension or debarment proceedings as authorized under 2 CFR § 180.
e) withhold further federal awards for the project or program.
f) take other remedies that may be legally available.

**Disadvantaged Community or Burdened Areas** – A project location is considered to be in a Disadvantaged Community if:

1. the project is located in, or benefits, a census tract identified as disadvantaged by the Climate and Economic Justice Screening Tool[17] (CEJST).

   Applicants are strongly encouraged to also use the USDOT Equitable Transportation Community (ETC) Explorer to understand how their community or project area is experiencing disadvantage related to lack of transportation investments or opportunities and are encouraged to use this information in their application to demonstrate how their project will reduce, reverse or mitigate the burdens of disadvantage.

2. the project is located on the land of a Federally Recognized Tribe;

[14] See https://www.census.gov/data/tables/time-series/dec/census-poverty.html for county dataset
[15] See https://www.census.gov/data/datasets/2020/demo/saipe/2020-state-and-county.html for December 2020 Small Area Income Poverty Dataset
[16] See https://data.census.gov/cedsci/table?q=ACSST1Y2018.S1701&tid=ACSST5Y2018.S1701&hidePreview=false for 2014- 2018 five-year data series from the American Community Survey
[17] See https://screeningtool.geoplatform.gov/.

PHMSA will consider indicators and information that an applicant provides that can be considered related to disadvantage based on an assessment of how the project could help to reduce burdens (and/or provide benefits) as shown by other relevant tools (such as, as cited above, the DOT Equitable Transportation Community (ETC) Tool or the Explorer Tool[18]), and/or if the project is located in any territory or possession of the United States that is facing burdens that the project could help reduce, consistent with the goals of this program.

**Equal Opportunity Plan** – An equal opportunity plan is one that includes these four main points.

1. Affirmative efforts to remove barriers to equal employment opportunity above and beyond complying with federal law and proactive partnerships with the U.S. Department of Labor's Office of Federal Contract Compliance Programs (OFCCP) to promote compliance with the requirements of Executive Order 11246, Equal Employment Opportunity.
2. No discrimination in the use of criminal background screens and taking affirmative steps to recruit and include those with prior convictions, in accordance with the Fair Chance Act and equal opportunity requirements.
3. Efforts to prevent harassment based on race, color, religion, sex, sexual orientation, gender identity, ability, and national origin.
4. The inclusion of training on anti-harassment and third-party reporting procedures, and robust anti-retaliation measures, covering employees and contractors.

**Federal Funding Accountability and Transparency Act of 2006** – This Act established in 2006 requires recipients of federal funding to report information about their subawards and executive compensation. Refer to Appendix A of 2 CFR Part 170 for the terms recipients will be required to comply with, including what information recipients must report, where to report it, and whether any exceptions apply.

**Good-paying jobs** – Defined by paid wages and fringe benefits at least equal to those paid for similar work in the community as determined by an applicable state or local prevailing wage law, ordinance or in accordance with a wage determination for the locality issued by the US Department of Labor under 40 U.S.C., Chapter 31, Subchapter IV.

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

[18] See https://experience.arcgis.com/experience/0920984aa80a4362b8778d779b090723/page/ETC-Explorer---National-Results/.

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

In an effort to ensure that all recipients of PHMSA funds are aware of their responsibilities under the various civil rights laws and regulations, the PHMSA Office of Civil Rights has developed an information tool and training. These documents are found on the PHMSA website at https://www.phmsa.dot.gov/about-phmsa/civil-rights/grant-recipient-information. If there are any questions concerning your responsibilities under the External Civil Rights Program, please contact Rosanne Goodwill, PHMSA Civil Rights Director, at 202-366-6580 or by e-mail at PHMSACivilRights@dot.gov.

**Pipe Prone to Leakage** – Pipelines that are known to leak based on the material (including cast iron, unprotected steel, wrought iron, and historic plastics with known issues).

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

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

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

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

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



U.S. Department of Transportation

**Pipeline and Hazardous Materials Safety Administration**

**Pipeline Safety**

Natural Gas Distribution Infrastructure
Safety and Modernization
Grant Program

# Evaluation Plan

## 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<br>Budget Certifier<br>Grant Attorney<br>Grant Program Support Specialist<br>Agreement Officer<br>Agreement Specialist<br>Program Office Representative (OPS)<br>Office of Chief Counsel<br>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 disadvantaged community or a community facing other relevant disadvantages or burdens, such as those related to a lack of transportation investments or opportunities??
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.

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

## 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 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.