U.S. Department of Transportation

Notice of Funding Opportunity Number **693JJ319NF00004**

“*Surface Transportation System Funding Alternatives*”

Issue Date: 08/08/2019

Application Due Dates: **10/15/2019** and 4/03/2020

If all the projected funding is not awarded based on applications received on 10/15/2019, additional applications will be accepted on or before 4/03/2020.

TABLE OF CONTENTS

The Federal Highway Administration (FHWA) is using www.grants.gov for issuance of this Notice of Funding Opportunity (NOFO). Applicants must register at grants.gov under NOFO Number 693JJ319NF00004 to receive notifications of updates/amendments to this NOFO. It is the Applicant's responsibility to monitor the grants.gov site for any updates/amendments to this NOFO.

Summary Information

Funding Opportunity Summary:		Up to $18,020,000 in FY 2019 and up to $20,000,000, subject to availability of funds, in FY 2020 Federal funding to provide grants to eligible entities to demonstrate user-based alternative revenue mechanisms that utilize a user fee structure to maintain the long-term solvency of the Highway Trust Fund**.**
Federal Agency Name:		U.S. Department of Transportation (DOT) Federal Highway Administration (FHWA) Office of Operations 1200 New Jersey Avenue, SE. Mail Drop: E86-204 Washington DC 20590 Attn: Angela Fogle, HOTM-1
Funding Opportunity Title:		Surface Transportation System Funding Alternatives Grants
Announcement Type:		This is the initial announcement of this funding opportunity. This is not a follow-on notice.
Funding Opportunity Number:		693JJ319NF00004
Type of Award:		Allocations to State Departments of Transportation (State DOT)
Catalog of Federal Domestic Assistance (CFDA) Number:		20.200 Highway Research & Development
Application Due Date:		Electronic applications are due to www.grants.gov by October 15, 2019. If all the projected funding is not awarded based on applications received on 10/15/2019, additional applications will be accepted on or before 4/03/2020. Applications to the October 2019 deadline that are not selected will be reconsidered with the submissions in April 2020.
Questions:		Questions are due to: STSFA@dot.gov • on or before 5 pm Eastern Time on 10/01/2019 for the 10/15/2019 closing date; or • on or before 5 pm Eastern Time on 03/20/2020 for the 04/03/2020 closing date

Funding Opportunity Informational Webinar

The U.S. Department of Transportation (DOT) will host an informational session regarding this funding opportunity focused on the Surface Transportation System Funding Alternatives Program. This session will be conducted as a virtual forum and will focus on specific topics to help potential applicants gather additional information and ask specific questions.

Participation in this session is not mandatory in order to submit an application under this Notice of Funding Opportunity (NOFO). However, we encourage potential applicants to take advantage of this opportunity to gather information regarding this specific funding opportunity.

INFORMATIONAL SESSION: SURFACE TRANSPORTATION SYSTEM FUNDING ALTERNATIVES PROGRAM

SESSION:	**Virtual Webcast: Application Information for the Surface Transportation System Funding Alternatives Program**
DATE:	**TBD**
TIME:	**1:00 pm – 3:00 pm Eastern Time**
REGISTRATION:	**TBD**

TBD – this information will be posted to Grants.gov when known

SECTION A – PROGRAM DESCRIPTION

The Fixing America's Surface Transportation (FAST) Act of 2015, Pub. L. No. 114-94, § 6020, authorized the Secretary of Transportation to establish the Surface Transportation System Funding Alternatives (STSFA) Program. The purpose of the STSFA Program is to provide grants to States to demonstrate user-based alternative revenue mechanisms that utilize a user fee structure to maintain the long-term solvency of the Federal Highway Trust Fund. The FAST Act provides that $15 million in Fiscal Year (FY) 2016, and $20 million annually from FY 2017 through 2020 will be authorized from the Highway Research and Development Program for grants for the STSFA demonstration projects.[1] These grants shall make up no more than 50 percent of total proposed project costs, with the remainder coming from non-Federal sources. Other Federal funds using their appropriate matching share may be leveraged for the deployment but cannot be considered as part of the STSFA matching funds, which must come from non-Federal sources unless otherwise allowed by statute. On August 1 of each year, if there are insufficient grant applications that meet program requirements, any excess funds must be transferred back to the Federal Highway Administration (FHWA) Highway Research and Development Program.

The grants are only available to States; however, groups of States can form partnerships for regional or national proposals.[2] Section 6020 of the FAST Act authorizes DOT to enter into agreements with State authorities to demonstrate user-based alternative revenue mechanisms. However, this NOFO requires that a State department of transportation (State DOT) serve as the lead agency for administering the program funding through the Federal-aid highway program. Another State agency or a State agency in a different State (if the project involves a group of States) may be responsible for providing day-to-day project oversight. It is expected that all relevant State agencies (e.g., Department of Motor Vehicles, Department of Revenue) needed to initiate a full-scale deployment of the proposed revenue mechanism will be actively involved in the planning and operation of the demonstration.

1. STATEMENT OF PURPOSE

The activities carried out using funds provided under this section shall meet the following goals:

[1] STSFA funds are subject to the overall Federal-aid obligation limitation. Therefore, the actual amount of STSFA funds available for grants in a fiscal year is reduced (“lopped off”) based on the imposition of the limitation on obligations.

[2] Except where specifically indicated, the term “States” as used in this notice will apply to both individual States and groups of States submitting a common proposal.

- Test the design, acceptance, and implementation of user-based alternative revenue mechanisms;
- Improve the functionality of such user-based alternative revenue mechanisms;
- Conduct outreach to increase public awareness regarding the need for alternative funding sources for surface transportation programs and to provide information on possible approaches;
- Provide recommendations regarding adoption and implementation of user-based alternative revenue mechanisms;
- Minimize the administrative cost of any potential user-based alternative revenue mechanisms; and
- To minimize the administrative costs associated with the collection of fees.

Though demonstration projects of any size or scope may be proposed, DOT is most interested in funding larger scale demonstration projects, rather than smaller scale demonstration projects, and in awarding funds to both single State and multi-State demonstrations.

2. LEGISLATIVE AUTHORITY

Specific statutory authority for conducting this effort is found in the FAST Act of 2015, Pub. L. No. 114-94 § 6020, which authorizes the Secretary of Transportation to "establish a program to provide grants to States to demonstrate user-based alternative revenue mechanisms that utilize a user fee structure to maintain the long-term solvency of the Highway Trust Fund." Section 6020 provides express authority to enter into a grant with a State or groups of States, with no more than 50 percent of total proposed project costs being Federal funds and the remainder coming from non-Federal sources.

3. BACKGROUND

For FY 2018, $20 million was authorized, $18,340,000 was available after application of obligation limitation, and $10.29 million was awarded. After accounting for obligation limitation, FHWA has available $18,020,000 to award for STSFA for FY 2019. Section 6020 provides up to $20 million for FY 2020 out of funds set aside in § 6002(a)(1), which authorizes funds for the Highway Research and Development Program in 23 United States Code (U.S.C.) 503(b). The grants are only available to States or groups of States.

Section 6020 also lays out specific issues that each demonstration project funded under the statute must address, including: implementation, interoperability, public acceptance, and other adoption issues; protection of personal privacy, the use of vendors to collect fees and operate the mechanism; market-based congestion mitigation impacts; equity concerns; ease of compliance; and the reliability and security of technologies used. Proposals may also address the flexibility and choices available for the user payments; administrative costs; and ability to audit and enforce compliance. These issues are discussed in greater detail in the next section below.

Each recipient of a grant under the STSFA Program is required to submit an annual report to DOT that describes (1) how the demonstration activities carried out with grant funds meet the objectives of the program, and (2) lessons learned for future deployment of alternative revenue mechanisms that utilize a user fee structure. The first of these reports will be due one year after the first grant is awarded to a project under the program.

The DOT is also required to produce a biennial report on the demonstration activities carried out under the STSFA Program, and to make that report publicly available on the Internet. The annual reports from States receiving funding under the program will provide the primary inputs for the biennial reports.

4. PROGRAM APPROACH AND GOALS

The DOT's approach in FY 2019 and FY 2020 is to seek applications for full new demonstration projects, and for extensions or enhancements of existing demonstration projects. For the purpose of this NOFO, a demonstration project is defined based on the definition of "innovation lifecycle" found in 23 U.S.C. 501(3)(D) and (E): a demonstration project will carry out development, deployment, and testing of the resulting technology or innovation; and will carry out an evaluation of the costs and benefits of the resulting technology or innovation. The type of alternative revenue mechanism proposed is flexible, as long as it is user-based. The defining legislation does not allow the expenditure of funds to pursue the deployment of a toll project in a corridor. Any revenue collected through a user-based alternative revenue mechanism established using funds provided under this section shall not be considered a toll.

After accounting for obligation limitation, FHWA has available $18,020,000 to award for STSFA for FY 2019 and up to $20 million to award, subject to availability of funds, for FY 2020 for new demonstration projects and extensions or enhancements of existing demonstration projects. The DOT awarded $10,290,100 of the $18,340,000 available for funding in FY 2018. Projects that received awards in previous NOFOs are not guaranteed to receive future funding for demonstration activities. Each project sponsor will need to submit a new application in response to this NOFO to be considered for FY 2019 and FY 2020 funding. Applicants may submit to either awards deadline (October 15, 2019 and April 3, 2020) to be considered. Applications to the October 2019 deadline that are not selected will be reconsidered with the submissions in April 2020. FHWA has not determined what percent of available funds will be awarded after each deadline.

The DOT recognizes that each application will have unique attributes and that each location's proposed deployment will be tailored to its vision and goals. The purpose of the program is to deploy and evaluate demonstration projects. There is no interest in applications that will simply perform exploratory research.

SECTION B – FEDERAL AWARD INFORMATION

1. FUNDING AND NUMBER OF AWARDS

The DOT anticipates making no fewer than two awards for STSFA for a total Federal contribution of up to a total of $38,000,000 in FY 2019 and 2020 funds, subject to availability of funds, as a result of this NOFO.

2. TYPE OF AWARD

The planned award type is a cost-reimbursable grant. Funding will be provided through a State allocation memo followed by the execution of a project agreement.

3. PERIOD OF PERFORMANCE

The estimated period of performance for awards is 1-5 years.

4. DEGREE OF FEDERAL INVOLVEMENT

The DOT anticipates limited Federal involvement with the STSFA recipients during the course of these demonstration projects. The anticipated Federal involvement will include oversight, technical assistance, and guidance to the recipient.

SECTION C – ELIGIBILITY INFORMATION

1. ELIGIBLE APPLICANTS

Eligible applicants only include State agencies. Multi-State partnerships established to develop regional or national proposals are also eligible. A State DOT will be required to administer the Federal funding. It is recognized that other State agencies may need to partner for purposes of an application submission.

2. COST SHARING OR MATCHING

Cost sharing or matching is required, with the maximum Federal share being 50 percent. Awardees must provide at least a 50 percent matching share in cash or in-kind services. Other Federal funds using their appropriate matching share may be leveraged for the deployment but cannot be considered as part of the STSFA matching funds, which must come from non-Federal sources unless otherwise allowed by statute. For a more complete definition, please see the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards – 2 CFR Part 200 including section 200.306 on Cost Sharing or matching.

The DOT will consider the following funds or contributions as a local match for the purpose of this program:

- Non-Federal funds
- Toll credits under 23 U.S.C.
- Soft match and in-kind services

Further, State DOTs may use matching strategies available to them under the Federal-aid highway program such as “tapered match.”

However, DOT cannot consider the following funds or contributions as a match:

- Funds already expended (or otherwise encumbered)
- Funds for which the source is ultimately a Federal program.

SECTION D – APPLICATION AND SUBMISSION INFORMATION

1. ADDRESS TO REQUEST APPLICATION PACKAGE

Applicants may obtain application forms at grants.gov under the NOFO cited herein.

The Applicant must complete and submit all forms included in the application package for this notice as contained at www.grants.gov.

2. CONTENT AND FORM OF APPLICATION SUBMISSION

The application must include the Standard Form 424 (Application for Federal Assistance), Standard Form 424A (Budget Information for Non-Construction Programs), Standard Form 424B (Assurances for Non-Construction Programs), Grants.gov Lobbying Form, cover page, and the Project Narrative. Standard Forms (SF): Available online at https://www.grants.gov/web/grants/forms/sf-424-family.html. More detailed information about the cover page and Project Narrative follows.

i) Cover Page Including the Following Table:

Project Name	
Previously Incurred Project Cost	$
Future Eligible Project Cost	$
Total Project Cost	$
STSFA Request	$
Total Federal Funding (including STSFA)	$
Are matching funds restricted to a specific project component? If so, which one?	Yes/No
State(s) in which the project is located	
Is the project currently programmed in the: • Transportation Improvement Program (TIP) • Statewide Transportation Improvement Program (STIP) • Metropolitan Planning Organization Long Range Transportation Plan • State Long Range Transportation Plan	Yes/No – *please specify in which plans the project is currently programmed*

ii) Project Narrative

The application must include information required for DOT to determine that the project satisfies requirements described in Sections A, B, and C and to assess the selection criteria specified in Section E.1. To the extent practicable, applicants should provide data and evidence of project merits in a form that is verifiable or publicly available. The DOT may ask any applicant to supplement data in its application, but expects applications to be complete upon submission.

The DOT recommends that the project narrative adhere to the following basic outline of a project description, staffing description, and funding description to clearly address the program requirements and make critical information readily apparent. In addition to a detailed statement of work, detailed project schedule, and detailed project budget, the project narrative should include a table of contents, maps, and graphics, as appropriate to make the information easier to review. The DOT recommends that the project narrative be prepared with standard formatting preferences (i.e., a single-spaced document, using a standard 12-point font such as Times New Roman, with 1-inch margins.) The project narrative may not exceed 25 pages in length, excluding cover pages and table of contents. The only substantive portions that may exceed the 25-page limit are documents to support assertions or conclusions made in the 25-page project narrative, or résumés of key staff described in the project narrative. If supporting documents are submitted, applicants must clearly identify the relevant portion of the project narrative that each supporting document supports within the project narrative.

The Project Description should include the following:

1. The vision, goals, and objectives of the applicant(s) and the activities to be pursued in addressing demonstration issues and challenges.
2. Description of the geographic area or State(s) the demonstration will service.
3. Identity of the State DOT that will administer the funds along with the lead agency conducting the demonstration and a description of the multiagency partnership, if appropriate, that will carry out the demonstration. Proposals from a group of States should also identify a lead State to receive the Federal funding under the STSFA Program. Groups of States or State agencies participating together in a proposal do not necessarily have to have an existing agreement but should show evidence that some type of project agreement, memorandum of understanding, or other organizational documentation can be executed in a reasonable timeframe after selection.
4. The demonstration period and options for potential additional phases, if applicable, for continued use.
5. An evaluation and reporting plan that includes a quantitative and qualitative assessment of: what was done; how well the demonstration worked to meet the objectives of the STSFA Program; challenges that had to be overcome; potential to deploy the pilot on a broad scale; findings and recommendations.

6. The process for collecting, managing, storing, transmitting and purging data.
7. Evidence of State legislative support for the demonstration, if currently available.
8. A plan for developing cost estimates for full implementation of the proposed revenue mechanism, beyond the demonstration activities carried out under the STSFA Program.
9. A description of the number and type of vehicles (e.g., passenger or commercial vehicles, buses or trucks, public or private) and the length of time for the participants in the pre-pilot (if applicable) and pilot activities.

The application shall address or describe how the proposed demonstration has already addressed:

- **Implementation, interoperability, public acceptance and potential hurdles to adoption of the demonstrated user-based alternative revenue mechanism** – There are a number of logistical, technological, and societal issues that will need to be addressed in any alternative to the current user fee structure. These range from potential additional logistical burdens imposed by the mechanism to explaining to the public why the current gas tax is no longer a sustainable funding source. The impacts of alternative funding mechanisms on both light and heavy-duty vehicles are of interest.
- **Privacy protection** – The current collection system for fuel taxes (the predominant source of highway user-based fees) provides almost total privacy protection to most highway users. Any new mechanism would have to provide by design the same level of protection, either perceived or real, or employ mitigating strategies that reduce the risk to acceptable levels. This extends into the area of data security and access beyond the requirements of the user fee collection mechanism.
- **Use of independent and private third-party vendors** – The use of private sector third party vendors to administer and operate a system could reduce such costs, offset administrative costs by offering value-added services, or mitigate privacy concerns generated by government administration of the user fee collection process. However, the use of such vendors could also raise other concerns, depending on the degree of private sector involvement envisioned.
- **Congestion mitigation impacts** – To the extent market forces or governmental incentives under the mechanism might positively or negatively affect roadway congestion or be used to leverage congestion reduction strategies, those impacts should be addressed in the proposal.
- **Equity concerns (including impacts on differing income groups, various geographic areas and relative burdens on rural and urban drivers)** – The implementation of alternative user-based revenue mechanisms may alter the distribution of cost burdens among different classes of users of the transportation system, relative to those imposed by current mechanisms for funding surface transportation. Those burdens could result both from changes in the basis of assessing user fees (such as from fuel consumption to miles traveled) and from new administrative processes for collecting fees (such as purchasing the necessary

technology and reporting vehicle use). Of particular concern are changes that could increase the relative cost burdens on economically disadvantaged populations, who would be least able to afford such a change. New mechanisms could also shift the relative costs paid by drivers in different regions of a State, particularly between urban and rural areas.

- **Ease of user compliance** – The current collection system for fuel taxes (the predominant source of highway user-based fees) is almost completely transparent to the user, does not require any additional action beyond fuel purchasing, and is relatively invulnerable to avoidance by consumers. Any new mechanism would need to carefully consider and evaluate how compliance can be enforced without imposing undue costs or other burdens on different classes of users.
- **Reliability and security on the use of technology** – Threats to the success of the mechanism can be both malicious (e.g., hacking attacks) and non-malicious (e.g. equipment failures). Any system should address the robustness of the technology and processes to withstand and/or recover from such events.

The application may address:

- **Flexibility and user choice** – Providing multiple payment and fulfillment paths for the user may mitigate a number of issues previously stated, increase public acceptance, and ensure better compliance. At the same time, providing such flexibilities could also affect the potential revenue yield for a given mechanism. Such flexibilities could extend to the methodology applied to determine vehicle use; the provision of various mechanisms and technologies for data collection; and the method/timing of payment.
- **Cost of administering the system** – The cost of the current approach of collecting the Federal fuel tax at the bulk storage facility through other existing tax collection processes is minimal in comparison to the amount of revenue that is raised and is thus likely to be lower than the cost of most alternatives to the current collection system. The mechanism proposed should identify these additional costs, methods to minimize and offset them, and the impact on funds generated to support surface transportation investment. Where possible, costs should be distinguished among capital and operating costs as well as costs associated with the initial deployment and their long-term implications.
- **Auditing and compliance/enforcement** – Part of public acceptance of any strategy is the perception that the vast majority of users are complying. The mechanism design should address the ability to audit and disclose results, ensure a high level of compliance, and provide effective and reasonable enforcement approaches.

If a State has previously proven the viability of an alternative revenue mechanism in a limited capacity through its own research, it may still be a candidate for funding under the STSFA Program. Applications from such States could include methods for improving on the approach through such features as:

- Improving the functionality of the existing system;
- Expansion of the demonstration by increasing the numbers of vehicles involved or extension to include other jurisdictions (e.g., other States); and/or
- Enhancing public acceptance.

Deliverables

Applicants shall provide a schedule and deliverables.

Deliverable	Approximate Due Date	Section 508 Compliant?

Note: Section 508 requirements are included in NOFO Section F's General Terms and Conditions available online at: http://www.fhwa.dot.gov/aaa/generaltermsconditions.cfm.

Funding Description

Application must include a breakdown of estimated costs across project work areas or tasks, including an identification of funding sources and amounts.

1. A complete list of activities to be funded by the request, including organizations and key staff involved; estimated costs; an identification of all funding sources that will supplement the requested funds and will be necessary to fully fund the request; and a timeline for completion of the activities to be supported.[3]
2. An indication of how the remaining 50 percent non-Federal share (cash or in-kind services) will be funded, specifically identifying any soft match. If in-kind services are to be used as matching funds contribution, the proposal should include a plan for providing financial information to document staff time that can be audited.

Organizational Information

In addition to the forms, provide answers to the following organizational information questions in a pdf format:

a. Identify any exceptions to the anticipated award terms and conditions as contained in Section F, Federal Award Administration Information. Identify any preexisting intellectual property that you anticipate using during award

[3] Applications should not exceed 25 pages in length. Additional information supporting the application, such as maps, technical information, and letters of endorsement may be submitted as addenda to the application and will not count against the application page limit, but should not exceed 40 pages.

performance, and your position on its data rights during and after the award period of performance.

b. The use of a Dun and Bradstreet (D&B) Data Universal Numbering System (DUNS) number is required on all applications for Federal grants. Please provide your organization's DUNS number in your budget application (Block 8c on the SF-424).
c. A statement to indicate whether your organization has previously completed an A-133 Single Audit and, if so, the date that the last A-133 Single Audit was completed.
d. A statement regarding Conflicts of Interest. The Applicant must disclose in writing any actual or potential personal or organizational conflict of interest in its application that describes in a concise manner all past, present or planned organizational, contractual or other interest(s), which may affect the Applicants' ability to perform the proposed project in an impartial and objective manner. Actual or potential conflicts of interest may include but are not limited to any past, present or planned contractual, financial, or other relationships, obligations, commitments or responsibilities, which may bias the Applicant or affect the Applicant's ability to perform the agreement in an impartial and objective manner. The Agreement Officer (AO) will review the statement(s) and may require additional relevant information from the Applicant. All such information, and any other relevant information known to DOT, will be used to determine whether an award to the Applicant may create an actual or potential conflict of interest. If any such conflict of interest is found to exist, the AO may (a) disqualify the Applicant, or (b) determine that it is otherwise in the best interest of the United States to contract with the Applicant and include appropriate provisions to mitigate or avoid such conflict in the agreement pursuant to 2 CFR 200.112.
e. A statement to indicate whether a Federal or State organization has audited or reviewed the Applicant's accounting system, purchasing system, and/or property control system. If such systems have been reviewed, provide summary information of the audit/review results to include as applicable summary letter or agreement, date of audit/review, Federal or State point of contact (POC) for such review.
f. Terminated Contracts - List any contract/agreement that was terminated for convenience of the Government within the past 3 years, and any contract/agreement that was terminated for default within the past 5 years. Briefly explain the circumstances in each instance.
g. The Applicant is directed to review Title 2 CFR §170 (http://www.ecfr.gov/cgi-bin/text-idx?c=ecfr&tpl=/ecfrbrowse/Title02/2cfr170_main_02.tpl) dated September 14, 2010, and Appendix A thereto, and acknowledge in its application that it understands the requirement, has the necessary processes

and systems in place, and is prepared to fully comply with the reporting described in the term if it receives funding resulting from this notice. The text of Appendix A will be incorporated in the award document as a General Term and Condition as referenced under this notice's Section F, Federal Award Administration Information.

h. Disclose any violations of Federal criminal law involving fraud, bribery, or gratuity violations. Failure to make required disclosures can result in any of the remedies described in 2 CFR 200.338 entitled Remedies for Noncompliance, including suspension or debarment. (See also 2 CFR Part 180 and 31 U.S.C. 3321).

3. UNIQUE ENTITY IDENTIFIER AND SYSTEM FOR AWARD (SAM)

The Applicant is required to: (1) be registered in SAM before submitting its application; (2) provide a valid unique entity identifier in its application; and (3) continue to maintain an active SAM registration with current information at all times during which it has an active Federal award or an application or plan under consideration by a Federal awarding agency.

The Federal awarding agency may not make a Federal award to an Applicant until the Applicant has complied with all applicable unique entity identifier and SAM requirements. If an Applicant has not fully complied with the requirements by the time the Federal awarding agency is ready to make a Federal award, the Federal awarding agency may determine that the Applicant is not qualified to receive a Federal award and use that determination as a basis for denial.

4. SUBMISSION DATES AND TIMES

The application must be received on Grants.gov by the application due date/time listed on page 3 of this NOFO.

The deadline stated on page 3 is the date and time by which the Agency must receive the full and completed application, including all required sections. Applications received after the deadline will not be reviewed or considered.

5. INTERGOVERNMENTAL REVIEW

An application under this NOFO is not subject to the State review under Executive Order 12372.

6. FUNDING RESTRICTIONS

The DOT will not reimburse any pre-award costs or application preparation costs.

7. USE OF INFORMATION FOR OTHER DEPARTMENTAL PURPOSES

Information collected from all applicant submissions may be used for Government purposes. In addition, information gathered through this notice may be used to conduct outreach and engagement related to future similar opportunities.

8. INTENT TO RELEASE APPLICATIONS AND NAMES OF APPLICANTS

In order to expand public awareness of technologies, concepts, and ideas, DOT intends to only release publicly appropriate material if applicable after awards are made.

By submitting an application in response to this NOFO, the Applicant provides DOT permission to:

- Release publicly the names of all applicants after selection of the STSFA awardees;
- Release publicly application documents, if applicable, after selection of the STSFA awardees.

SECTION E – APPLICATION REVIEW INFORMATION

1. CRITERIA FOR SELECTION OF GRANT AWARDS

The Government will evaluate applications based on the following criteria, which are of equal importance.

TECHNICAL MERIT:

- Alignment with program requirements.
- Reasonable likelihood that the demonstration could lead to a viable alternative revenue mechanism.
- Maturity or readiness of the technology, if any, to demonstrate the proposed alternative revenue mechanism, including the proposed approaches to addressing any regulatory, environmental, or other requirements that may be necessary for deployment.
- Ability of the applicant to deploy and sustain the proposed demonstration.
- Scalability or portability of the proposed demonstration mechanism to other jurisdictions.
- Clarity, quality, and completeness of the application.

The FAST Act also requires DOT to consider geographic diversity in making awards. In addition, DOT is most interested in funding larger scale demonstration projects, rather than smaller demonstration projects, and in awarding funds to both single State and multi-State demonstrations.

For FY 2019 and 2020 STSFA applications, the focus will be on deployment activities. The FHWA is particularly interested in multi-State pilot projects that seek to demonstrate the viability of approaches and associated outreach on a broader scale.

After applying the above preferences, the FHWA Administrator will take into account the following key Departmental objectives:

A. Supporting economic vitality at the national and regional level;
B. Leveraging Federal funding to attract other, non-Federal sources of infrastructure investment, as well as accounting for the life-cycle costs of the project;
C. Using innovative approaches to improve safety and expedite project delivery; and,
D. Holding grant recipients accountable for their performance and achieving specific, measurable outcomes identified by grant applicants.

COST:

Cost will be considered in the award decision. The budget application will be analyzed to assess cost reasonableness and conformance to applicable cost principles. Applicants must provide the required matching funds, and supporting detail for these funds.

Funding availability will also be considered in the award decision. This evaluation factor will not be rated, but will be considered in the award selection.

2. REVIEW AND SELECTION PROCESS

The DOT will utilize the following merit review process to evaluate applications.

A panel of Agency experts will evaluate all eligible applications using the merit criteria listed above. The panel will individually evaluate the applications. The panel will then collectively assign a rating to each eligible application using the following merit ratings: Recommended, Not Recommended.

The DOT reserves the right to use outside expertise and/or contractor support to perform application evaluation.

The Government will award the applications that are considered the most advantageous to the Government using the criteria cited above, and subject to the results of an Applicant risk assessment. Applications selected for possible award using the technical merit criteria cited above will undergo the risk assessment, as described below, prior to award. The Government reserves the right to not make an award to an Applicant based on the results of the risk assessment.

The Secretary of Transportation is the official responsible for final award selections. The Government is **not** obligated to make any award as a result of this notice.

Risk Assessment

The Government will assess the risks posed by an Applicant before they receive an award. This Risk Assessment will include evaluation of some or all of the following items relative to the Applicant and/or sub-Applicants as applicable:

(1) Applicant’s financial stability.

(2) Applicant’s quality of management systems and ability to meet the management standards prescribed in 2 CFR Part 200.

(3) Applicant’s history of performance.

Note: History of performance includes the Applicant's record in managing Federal awards, if it is a prior Recipient of Federal awards, including timeliness of compliance with applicable reporting requirements, conformance to the terms and conditions of previous Federal awards, and if applicable, the extent to which any previously awarded amounts will be expended prior to future awards. The Government will evaluate the relevant merits of the Applicant’s history of performance based on its reputation and record with its current and/or former customers with respect to quality, timeliness and cost control.

The history of performance will be reviewed to assure that the Applicant has relevant and successful experience and will be considered in the risk assessment. In evaluating history of performance, the Government may consider both written information provided in the application, as well as any other information available to the Government through outside sources.

(4) Applicant’s audit reports and findings from audits performed on the Applicant pursuant to 2 CFR Part 200 Subpart F—Audit Requirements or the reports and findings of any other available audits.

(5) Applicant's ability to effectively implement statutory, regulatory, or other requirements imposed on non-Federal entities.

(6) Applicant’s potential for conflict of interest if applicable; and

Note: The FHWA will review information provided by the Applicant, and any other relevant information known to DOT, to determine whether an award to the Applicant may create an actual or potential conflict of interest. If any such conflict of interest is found to exist, the FHWA may (a) disqualify the Applicant, or (b) determine that it is otherwise in the best interest of the United States to award to the Applicant and include appropriate provisions to mitigate or avoid such conflict in the Agreement pursuant to 2 CFR 200.112

3. APPLICANT’S ELIGIBILITY TO RECEIVE FEDERAL FUNDING

Per the guidelines on governmentwide suspension and debarment in 2 CFR Part 180, the Government will confirm that the Applicant and any named sub-applicants are not debarred, suspended, or otherwise excluded from or ineligible for participation in Federal programs or activities.

Pursuant to 2 CFR Part 200.205, prior to making a Federal award, the Federal awarding agency is required to review information available through any OMB-designated repositories of governmentwide eligibility qualification or financial integrity information, such as Federal Awardee Performance and Integrity Information System (FAPIIS), Dun and Bradstreet, and Sam.gov. The Government’s review of this information will occur as part of the risk assessment.

An applicant, at its option, may review information in the designated integrity and performance systems accessible through SAM and comment on any information about itself that a Federal awarding agency previously entered and is currently in the designated integrity and performance system accessible through SAM. The DOT will consider any comments by the applicant, in addition to the other information in the designated integrity and performance system, in making a judgment about the applicant's integrity, business ethics, and record of performance under Federal awards when completing the review of risk posed by applicants as described in 2 CFR § 200.205 Federal awarding agency review of risk posed by applicants.

4. ANTICIPATED FEDERAL AWARD DATES

The DOT anticipates completing the dual awards process for surface transportation system funding alternatives grants in December 2019 and July 2020 - if all available funding is not awarded by December 2019.

SECTION F – FEDERAL AWARD ADMINISTRATION INFORMATION

1. FEDERAL AWARD NOTICES

If your organization's application is selected for award, you will be notified and sent an award document for signature. Applicants not selected for award will be notified in writing by DOT.

Only the AO can commit DOT. The award document, signed by the AO, is the authorizing document. Only the AO can bind the Federal Government to the expenditure of funds.

Notice that an Applicant has been selected as a Recipient does not constitute approval of the application as submitted. Before the actual award, DOT will enter into negotiations if necessary. If the negotiations do not result in an acceptable submittal, DOT reserves the right to terminate the negotiation and decline to fund the Applicant.

2. ADMINISTRATIVE AND NATIONAL POLICY REQUIREMENTS

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

3. ADDITIONAL REPORTING REQUIREMENTS

Not later than one year after the date on which the first eligible entity receives a grant under this section, and each year thereafter, each recipient of a grant under this section shall submit to the Secretary a report that describes—

1. How the demonstration activities carried out with grant funds meet the objectives described in subsection (c); and
2. Lessons learned for future deployment of alternative revenue mechanisms that utilize a user fee structure.

Submit an electronic copy of all reports to Angela Fogle at the following email address:

Angela.fogle@dot.gov

SECTION G – FEDERAL AWARDING AGENCY CONTACTS

Address any questions to:

STSFA@dot.gov by the dates specified on page 3.